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## Public Services in BC & Alberta: The Cost of Cutbacks

Since 1994, all provinces have been forced to contend with massive cutbacks in transfer payments from the federal government for health, education and welfare. Most provinces have reacted by cutting all three of these program areas. A new CCPA study comparing BC and Alberta finds that BC, alone among the provinces, has chosen not to cut funding for health and education. BC has, however, cut other program areas, including social services. Alberta, which had begun a dramatic program of spending cuts before the federal Liberals announced their plans to reduce transfer payments, continued to cut deeply into health, social services, education, and other program areas until only last year—even while posting record budgetary surpluses.

Among the CCPA study's findings:

- Welfare in both B.C. and Alberta provides a level of income well below Statistics Canada's Low Income Cut-Off, although the poverty gap in Alberta is greater.
- B.C. has seen a steady increase in health care spending, and currently ranks first among the provinces with respect to public health care spending per capita. Alberta, in contrast, now ranks last among the provinces in per capita public health expenditures.
- B.C. now spends over \$1,100 more per pupil on primary and secondary education than Alberta.
- Alberta has more pupils per teacher than B.C. in the K-12 system. Moreover, while the ratio is worsening in Alberta, the ratio has been flat in B.C. since 1993-94, and will improve as of 1998-99.
- In 1996-97, B.C. spent \$373 per capita per year on post-secondary education, compared to \$315 in Alberta and \$328 in Canada as a whole.

- In 1997-98, average university tuition in B.C. was \$2,308 per year. In Alberta, tuition fees have been rising dramatically (by 8 per cent last year alone), and averaged \$3,102 per year in 1997-98. Average tuition at B.C.'s colleges and institutes has been frozen at \$1,390. In contrast, 1997-98 tuition at Alberta's colleges and institutes averaged \$1,675, and have been rising at almost all colleges and institutes by between \$200 and \$300 a year.
- In B.C., gambling revenues per capita and as a share of total revenues have been flat. In contrast, per capita gambling revenues in Alberta have increased dramatically since 1991. Albertans now send approximately \$150 more per capita to government coffers by way of lotteries and gambling than do British Columbians.

**What many people save in taxes in Alberta, they lose in reduced services and new out-of-pocket expenses.**

Ultimately, you get what you pay for. Alberta is under-investing in health, education, social services, and other public programs—all because of an economic strategy designed to maintain low taxes for the wealthy and corporations.

As the following table shows, average people may pay less taxes in Alberta, but this "advantage" is often more than off-set by reduced services and new private expenses.

Summary of cost and service comparisons for a two-income family of four with an average family income of \$55,000	Alberta	BC	"Alberta Advantage"
Total Direct Provincial and Federal Taxes, 1998	\$13,331	\$14,067	<b>\$736</b>
Public Health Care Expenditures Per Capita, 1997 (estimate)	\$1,587	1,954	<b>-\$367</b>
Private Health Care Expenditures Per Capita, 1997 (estimate)	\$729	\$685	<b>-\$44</b>
Public Education Spending Per Pupil (K-12), 1997-98 (estimate)	\$6,235	\$7,361	<b>-\$1,126</b>
Public Post-Secondary Spending Per Capita, 1996-97	\$315	\$373	<b>-\$58</b>
Average University Tuition, Undergraduate Arts and Science Program, 1997-98	\$3,102	\$2,308	<b>-\$794</b>
Average College Tuition, Academic Program, 1997-98	\$1,675	\$1,390	<b>-\$285</b>
Government Revenues from Lotteries and Gambling Per Capita, 1996-97	\$219	\$68	<b>-\$151</b>

Sources: Listed in *A Tale of Two Provinces*

For commentary, or to obtain a copy of *A Tale of Two Provinces*, contact Shannon Daub at the Canadian Centre for Policy Alternatives—BC Office: 815-207 W Hastings St, Vancouver, BC V6B 1H7  
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