BC POLITICAL ISSUES BC REID EXPRESS POLL DECEMBER 2001

BRITISH COLUMBIANS LESS CONFIDENT LIBERAL TAX CUT STRATEGY WILL SPARK ECONOMIC ACTIVITY (46% TODAY VS. 64% IN SEPTEMBER)

BC PUBLIC DIVIDED IN REACTIONS TO LIBERAL GOVERNMENT'S PLAN TO REDUCE SIZE OF PUBLIC SERVICE (46% APPROVE VS. 53% DISAPPROVE)



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This BC Ipsos-Reid poll is based on the BC Reid Express provincial omnibus telephone survey conducted between December 4^{th} and 10^{th} , 2001 among a representative cross-section of 800 British Columbian adults. These data are statistically weighted to ensure the sample's regional, age and sex composition reflects that of the actual BC population according to 1996 Census data. With a provincial sample of 800, one can say with 95 percent certainty that the overall results are within +3.5 percentage points of what they would have been had the entire adult BC population been polled. The margin of error will be larger for other sub-groupings of the survey population.

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BC POLITICAL SCENE DECEMBER 2001

(Vancouver, BC – December 19th, 2001) – In this quarter's BC Reid Express poll on BC's political scene, taken six months into the BC Liberal's mandate, Ipsos-Reid finds British Columbians quite mixed in their views of some specific actions the government has taken over the past three months. In particular, the public is much less sure today than in September that the Liberals' tax cut strategy will generate the hoped for economic activity in the province; two-thirds (64%) were confident it would work three months ago; now, this has dropped to just under half (46%). On another front, there is no public consensus around the government's announced plan to cut the size of the public service through employee layoffs and voluntary departures; just under half (46%) approves of this decision, but a slim majority disapproves of it (53%).

"The recent economic downturn, and the aftermath of the September 11th terrorist attacks in the U.S., appear to have taken their toll on British Columbians' confidence in the BC Liberal government's ability to deal with some issues facing the province. A general pessimism has now clouded over the public's prior belief in a bright future," observes Daniel Savas, Senior Vice-President with Ipsos-Reid in Vancouver. "However, while it's easy to point fingers at external forces, the fact cannot be lost on the Liberals that the BC public does seem completely behind them as they implement their fiscal policy, with many less sure of the benefits of tax cuts. Perhaps as a result, the public gives mixed reviews when it comes to reducing the size of the government's labour force. While British Columbians voted for massive change last May, and seemed prepared to give the Liberals the benefit of the doubt early on, there is now dwindling optimism that what the government predicted can be

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achieved. And, as job cuts to the civil service take effect, these poll results suggest the Liberals can no longer expect the public to understand nor continue to support the government's fiscal strategy as strongly as it once did."

BRITISH COLUMBIANS LESS CONFIDENT LIBERAL TAX CUT STRATEGY WILL SPARK ECONOMIC ACTIVITY (46% TODAY VS. 64% IN SEPTEMBER)

The level of confidence British Columbians have in the BC government's tax cut strategy has taken a major hit over the past 3 months. Currently, less than half the BC population (46%) believes that tax cuts will generate enough economic activity to cover the shortfall in government revenues from lower taxes. This is down 18 percentage points from a September Ipsos-Reid poll conducted for the *Vancouver Sun* and *BCTV*, which found 64% of British Columbians expressing confidence in the Liberal strategy. Meanwhile, 53% of those surveyed this month are "not confident" the tax cuts will work, up 19 points over the past three months.

Of some significance here is the shift in the intensity with which the public holds its views on the Liberal tax cut strategy, because it shows the depth of the growing pessimism among British Columbians. Currently, 8% are "very confident" the strategy will work and generate economic activity (a drop of 7 points since September – 15%). By comparison, 25% are "not at all confident" (an increase of 13 points since September – 12%).

Overall, those most confident in the government's tax cut strategy include: Suburban Lower Mainland residents (53% confident), men (52%), and British Columbians living in middle or upper income households (50%). Those least confident include: Vancouver/Burnaby

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residents (58% not confident), women (58%), older British Columbians (59%), public sector union households (64%), and people living in lower income households (64%).

BC PUBLIC DIVIDED IN REACTIONS TO LIBERAL GOVERNMENT'S PLAN TO REDUCE SIZE OF PUBLIC SERVICE (46% APPROVE VS. 52% DISAPPROVE)

There is currently no public consensus on the BC Liberal government's plan to reduce the size of the public service. Overall, less than half of British Columbians – 46% - approves of the government's decision to cut about thirty percent of civil service staff over the next three years through employee layoffs and voluntary departures. A slim majority – 52% - disapproves of the initiative. The intensity of public views shows a much more adamant opposition – 33% "strongly disapprove", 22% "strongly approve".

While mixed reviews exist across the province, praise for the initiative to reduce the size of government is stronger among: suburban Lower Mainland residents (53% approve), men (52%), older British Columbians (53%), and upper income households (52%). Opposition to the initiative is stronger among: Vancouver Island (58% disapprove) and Vancouver/Burnaby (57%) residents, women (58%), and lower income households (66%).



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CONFIDENCE LIBERAL GOVERNMENT'S TAX STRATEGY WILL GENERATE ECONOMIC ACTIVITY			
	September	December	
(Base=800)	2001	2001	
	%	%	
Very confident	15	8	
Somewhat confident	49	38	
Not very confident	22	28	
Not at all confident	12	25	
Don't know	2	1	

Question: Now, in implementing its tax cuts, the BC Liberal government expects to generate economic activity through increased consumer spending, business investment, and job creation. In this way, it hopes to cover the shortfall in government revenues from lower taxes, and help pay for government services and programs over the course of its mandate. Generally speaking, are you very confident, somewhat confident, not very confident, or not at all confident that the BC Liberal strategy will work?

VIEWS ON LIBERAL GOVERNMENT'S DECISION		
TO REDUCE SIZE OF GOVERNMENT LABOUR FORCE		
	September	
(Base=800)	2001	
	%	
Strongly approve	22	
Moderately approve	25	
Moderately disapprove	19	
Strongly disapprove	33	
Don't know	2	

Question: The BC Liberals recently announced a plan to cut the size of the public service by about 30 percent over the next three years through a combination of employee layoffs and voluntary departures. Do you approve or disapprove of these cuts to the public service?