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CAs Give High Marks to BC Government – Ipsos-Reid Survey

97% of CAs say personal tax cuts good for the economy

VANCOUVER – A new survey by Ipsos-Reid shows that chartered accountants in BC give a high rating to the provincial government for creating a positive business environment. The *CA Business Outlook* survey found that 53% of chartered accountants rate the provincial government as good or very good at fostering a positive business climate, while only 12% rate the federal government as good or very good in this area.

“When it comes to the three levels of government, it’s the provincial government that is seen as promoting a strong economy for BC,” said Richard Rees, CEO of the Chartered Accountants of British Columbia. “BC’s economy has gone through some tough times in the past decade and the survey suggests that the BC government’s plan for economic growth has been well received by CAs.”

According to the survey, CAs were split on the role of the municipal government in the economy, with 22% rating the local government positively and 29% negatively.

When asked about individual policies of the provincial government, 97% of CAs said they viewed personal income tax cuts as positive for the economy, followed closely by business tax cuts at 96% positive. Cutting red tape was the third most favourable policy initiative of the BC government with a positive approval rating of 92%. Other policy decisions rated as favourable for the economy included public sector cuts (79% favourable), and cutting business subsidies (67% favourable).

“Personal and business tax cuts were viewed almost unanimously by CAs as positive initiatives for the BC economy,” said Rees. “Even the elimination of business subsidies was supported by two-thirds of chartered accountants.”

Rees said the upcoming legislative session may reveal whether or not CAs’ support for the BC government’s policy agenda is likely to continue. He noted that the optimism is based on an expectation for change, but it must be backed up by competent implementation.

The BC government is still in the process of spending reductions, cutting regulations, and is facing dramatic business tax reductions in Alberta and Ontario.

“A majority of CAs believe the BC government is doing a good job, but there are still a lot of challenges yet to be dealt with, including the need for future business tax reductions to ensure competitiveness, and the need to harmonize our regulatory framework with the rest of Canada,” said Rees.

Rees said that the poor rating for the federal government may be, in part, due to a perception that progress has been too slow on the softwood lumber dispute – a key economic issue for the provincial economy.

Results of the survey released last week showed that despite challenges, 62% of CAs expect the economy to improve in 2002 and 91% expect the BC economy to be robust within five years.

The *CA Business Outlook* survey was conducted by Ipsos-Reid and commissioned by the Chartered Accountants of British Columbia. Ipsos-Reid surveyed 450 senior chartered accountants by telephone between December 5-17. A random survey of 450 people is considered accurate to within +4.6%, 19 times out of 20. More details on the Ipsos-Reid *CA Business Outlook* survey results are available online at www.ica.bc.ca. More results of the survey will be released next week.

The 8,300 CAs in BC provide expert advice to a variety of small and large business; are key members of management teams; or consult to private industry and the public sector. As members of the Institute of Chartered Accountants of British Columbia, they adhere to a strictly enforced code of conduct and ongoing professional development.

Tables

CA Response to Government Policies

Overall, how would you rate the job of the Federal government when it comes to creating a good climate for business and investment in BC?		
	n	%
Very Good	3	1%
Good	49	11%
Fair	162	36%
Poor	163	36%
Very Poor	74	16%
Don't know	0	0%

Overall, how would you rate the job of the Provincial government when it comes to creating a good climate for business and investment in BC?		
	n	%
Very Good	43	10%
Good	193	43%
Fair	126	28%
Poor	66	15%
Very Poor	17	4%
Don't know	5	1%

Overall, how would you rate the job of the Municipal government when it comes to creating a good climate for business and investment in BC?		
	n	%
Very Good	6	1%
Good	94	21%
Fair	215	48%
Poor	109	24%
Very Poor	22	5%
Don't know	5	1%

Effect of BC government policies on the economy

Personal Tax Cuts		
	n	%
Very Positive	282	63%
Somewhat Positive	151	34%
Neither	6	1%
Somewhat Negative	8	2%
Very Negative	3	1%
Don't know	0	0%

Corporate Tax Cuts		
	n	%
Very Positive	218	48%
Somewhat Positive	216	48%
Neither	9	2%
Somewhat Negative	6	1%
Very Negative	1	0%
Don't know	1	0%

Reducing Red Tape by One-Third		
	n	%
Very Positive	234	52%
Somewhat Positive	182	40%
Neither	22	5%
Somewhat Negative	9	2%
Very Negative	0	0%
Don't know	3	1%

Cuts to Public Sector		
	n	%
Very Positive	120	27%
Somewhat Positive	234	52%
Neither	17	4%
Somewhat Negative	63	14%
Very Negative	13	3%
Don't know	2	0%

Cutting All Business Subsidies		
	n	%
Very Positive	72	16%
Somewhat Positive	227	51%
Neither	24	5%
Somewhat Negative	114	25%
Very Negative	9	2%
Don't know	4	1%