



Select Standing Committee on  
Finance and Government Services  
of the  
Legislative Assembly of British Columbia  
A Submission by the  
Surrey Board of Trade

June 28, 2019

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## **Preamble**

The Surrey Board of Trade is an influential Board of Trade/Chamber of Commerce in B.C., representing 6,000 business contacts and 60,000 employees in and around Surrey. In terms of population, Surrey is Canada's 12<sup>th</sup> largest City, 95<sup>th</sup> largest city in North America, and is expected to surpass Vancouver in just a decade. You can fit Vancouver, Richmond, Burnaby into Surrey. The South Fraser region is now home to over 950,000 residents - over 19% of BC's population. By 2041 our population will grow by 50 per cent, from 500,000 to 750,000, and we will add 150,000 new jobs.

We have an immense amount of respect for the work that this Committee does to ensure that the priorities of British Columbian's are incorporated into the Provincial budget.

We appreciate the opportunity to be a part of the submission process for BC Budget 2020.

The rapid and sustained growth of Surrey and the South Fraser region is unique in BC. It brings a number of challenges and opportunities. The following topics represent issues that face not only Surrey and the Lower Mainland, but all of BC. We urge the BC government to consider the feedback from the Surrey Board of Trade – businesses make a significant impact to our economy – and all of these issues impact business.

## EDUCATION

Imagine a preschool classroom in Surrey, where a 4-year-old is getting ready for story-time. Then, across the globe to an office in Bangalore, capital of India's burgeoning high-tech industry, where engineers are designing a gas turbine system. These two sites are literally half a world apart, but a growing number of business leaders think there's a direct connection.

Global competition from India and elsewhere, advancing technologies and changing demographics are convincing more and more employers, business associations like the Surrey Board of Trade and corporate philanthropists to invest in classrooms and advocate for improvements in performance – starting with our youngest learners. The return on that effort, as we see it – in what is normally called early childhood development - is to develop the workforce that we need to maintain an edge on innovation.

The Surrey Board of Trade urges the provincial government to continue their investments in early childhood education. Early childhood education is like the foundation of a house. And a strong house cannot be built on a weak foundation. Investments in child care also need to be focused on.

In Surrey, there is a widespread shortage of qualified, well-trained early childhood educators (ECE). Because of this shortage, operators are less stringent in hiring and vetting practices.<sup>1</sup> The Fraser Health Authority has reported a high number of licensing exemptions.

### *ECEs in BC*

- Comparing 2017 to 2014, the number of Early Childhood Educators remained unchanged<sup>2</sup>
- The budget for ECEs also remained unchanged when observing the 2014 provincial budget to the 2017 budget

In urban regions, prime employment areas for a diverse and skilled workforce, home-ownership requires two reasonable incomes to cover mortgage payments. Childcare for one or more children can be the equivalent of another mortgage payment or higher than rent for family sized homes (2 to 3 bedroom units). To alleviate the pressure on families finding homes adequate to their needs, it is necessary to reduce the cost of childcare so that it is a small flat rate, such as \$10 per day. This would free up financing opportunities for young adults to enter the housing market, becoming stabilized, and contributing to a community's economy. Affordability and accessibility to quality childcare spaces are necessary for employees to be able to perform at peak productivity, confident in the knowledge that their children are cared for in a safe, learning environment. Building a universal, affordable, quality child care system in BC is a smart use of public resources that will have ripple effects across the provincial economy by:

- Removing some pressure from young working families by freeing resources to pay off student loan, mortgage debt or rent.
- Providing a good start for all BC children.
- Allowing more parents (particularly mothers) to participate in the workforce, increasing tax revenues almost immediately.

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<sup>1</sup> 2018. Surrey Child Care Report.

<sup>2</sup> 2017. Early Childhood Education Report.

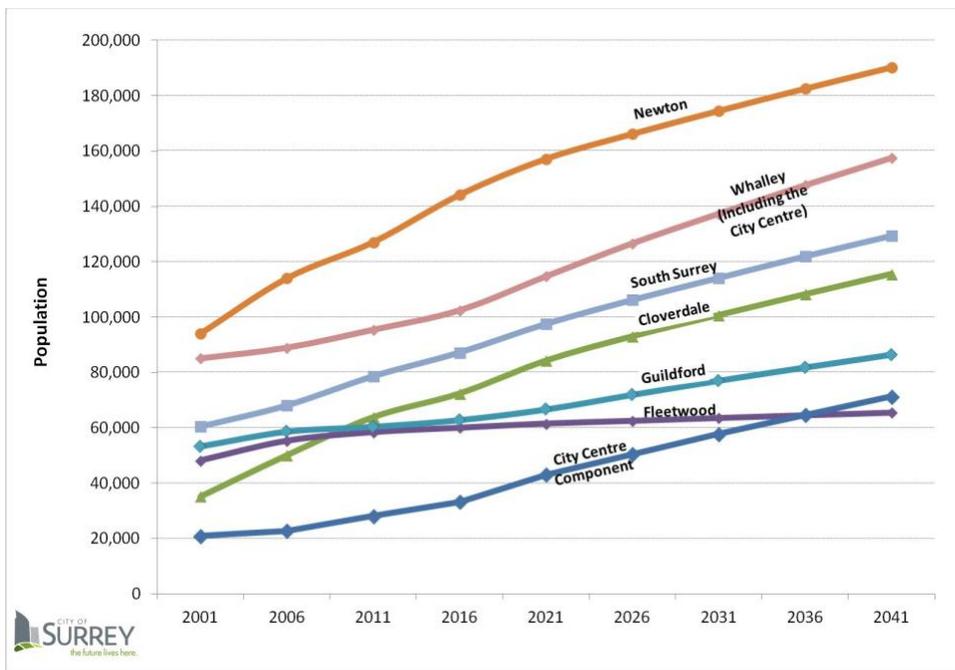
- Creating new jobs.<sup>3</sup>

In Surrey – and the Surrey Board of Trade – we believe and know that education drives local economic development.

Together, we need to focus on the key “leverage points”, where politically feasible investments of money and political capital can yield large changes in educational quality as well as access to education in Surrey.

Our Surrey School District had more than 1000 students than anticipated in enrollment after Labour Day, in our Surrey K-12 schools. The Surrey Board of Trade urges that the BC government invest more in Surrey to keep its promises to eliminate the uses of portables in the Surrey School District.

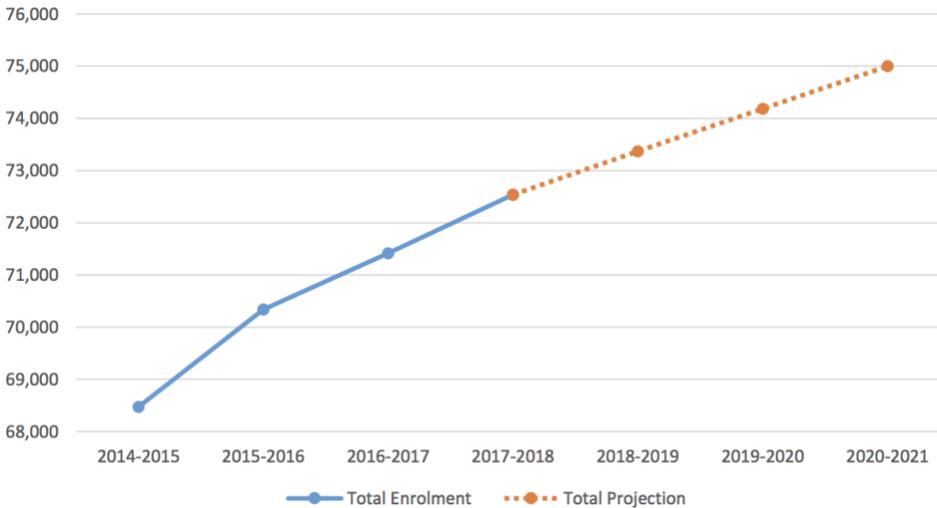
**Graph #1: City of Surrey’s Population Projections**



Graph #1 shows the projected population growth in Surrey. With over 10,000 new residents per year, Surrey’s schools need more investments. As of 2019, 55 of 101 elementary schools and 14 of 20 secondary schools are over 100% capacity.

<sup>3</sup> [https://www.policynote.ca/bc-budget-2019-maintain-momentum-building-a-universal-affordable-quality-child-care-system/?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=focused&utm\\_content=secondary](https://www.policynote.ca/bc-budget-2019-maintain-momentum-building-a-universal-affordable-quality-child-care-system/?utm_source=newsletter&utm_medium=email&utm_campaign=focused&utm_content=secondary)

**Graph #2: Projected enrolment of Grade 12 students in the Surrey School District**



Additionally, focus has been taken away from arts education – necessary for a well-rounded individual. The Surrey Board of Trade asks that the Provincial Government ensure budget space for art education by making it part of the school curriculum while increasing funding to education overall.

The GDP of Culture equalled \$48 billion, contributing 3% to Canada’s GDP in 2010.<sup>4</sup> Most creative sector jobs require a bachelor’s degree in an arts field but without adequate funding for arts education in K-12, the cultural economy will diminish. Currently, not all students receive the necessary courses to fulfill high school requirements to apply to degree programs.

**Arts Education – why is it important to business and to the economy:**

Exposure to high quality arts education isn’t just a feel-good issue for those of us that appreciate the arts and culture. It’s been demonstrated time and time again that incorporating arts education into student learning helps students become more creative thinkers and improves their performance in other subject areas. As a result, arts education is important for its own sake, but also to our ability to equip students with the skills necessary to succeed in an increasingly complex world.<sup>5</sup> Jobs in the creative and design industries are opening doors to economic growth.

Not only the creative industries, but all industries continue to increase the value they place on creativity in an increasingly competitive and ever-evolving business climate. A creative mind helps individuals develop problem-solving skills, fuels innovation and product development, encourages outside-the-box thinking, and allows for quick adaptation. According to a report conducted by the Conference Board and Americans for the Arts, creativity has risen among the top applied skills sought by today’s business leaders. In short, creativity has become a business necessity in the 21st century.

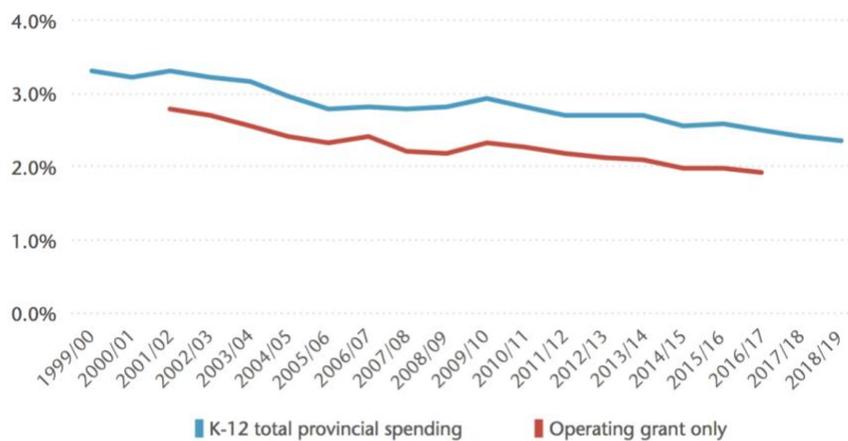
<sup>4</sup> 2014, Statistics Canada, Culture Satellite Account <https://www150.statcan.gc.ca/n1/pub/13-604-m/13-604-m2014075-eng.htm>

<sup>5</sup> <https://blog.americansforthearts.org/2015/09/18/arts-education-is-essential-to-cultivating-the-creative-economy>

Culture GDP in British Columbia grew 3.6% in 2014, following similar increases in 2012 and 2013.<sup>6</sup> Culture GDP in most domains increased, with audio-visual and interactive media (+5.5%) and visual and applied arts (+7.8%) largely contributing to the overall gain.<sup>7</sup> Economy-wide provincial GDP grew 4.4% in 2014. Culture jobs declined 1.7% after edging up (+0.1%) in 2013.<sup>8</sup> The decline in arts and culture jobs are eroding the capability for the cultural economies to positively benefit the province.

Figure 1 shows that education investment has been decreasing in general. Although the BC government will be investing \$2.7 billion over three years to maintain, replace, renovate or expand facilities and there will also be \$550 million invested to hire new teachers and special education assistants, and improve classrooms, it does not equate to the value lost that occurred with substantial music program cuts.<sup>9</sup>

**FIGURE 1**



Source: 2015 BC Financial and Economic Review; 2016 BC Budget; BC K-12 Operating Grant summaries.  
 Note: 2017/18 and 2018/19 are forecasts from the 2016 BC Budget.

In the Lower Mainland, Kwantlen Polytechnic University has cut all in take for the music program for the 2019/2020 school year due to a \$12 million shortfall.<sup>10</sup> Many high school graduates from south of the Fraser rely on Kwantlen’s music programs to flourish.

Given the importance of creativity in today’s economy, we must ask ourselves if we are doing all we can to promote the development of creative minds among the next generation of Canadian students—the employees and entrepreneurs of tomorrow. Unfortunately, the evidence suggests that we are not.

<sup>6</sup> 2016, Statistics Canada, Provincial and Territorial Culture Indicators, 2010 to 2014  
<https://www150.statcan.gc.ca/n1/pub/13-604-m/13-604-m2016081-eng.htm>

<sup>7</sup> 2016, Statistics Canada, Provincial and Territorial Culture Indicators, 2010 to 2014  
<https://www150.statcan.gc.ca/n1/pub/13-604-m/13-604-m2016081-eng.htm>

<sup>8</sup> 2016, Statistics Canada, Provincial and Territorial Culture Indicators, 2010 to 2014  
<https://www150.statcan.gc.ca/n1/pub/13-604-m/13-604-m2016081-eng.htm>

<sup>9</sup> <https://vancouver.sun.com/news/local-news/b-c-budget-2019-what-it-means-to-you-six-things-to-know>

<sup>10</sup> <https://bc.ctvnews.ca/students-sing-blues-as-kwantlen-cancels-intake-for-2019-2020-music-program-1.4322154>

Additionally, development of creative minds benefits society as a whole, not just the economy. To this point, a 1997 study looking at social capital and community arts programs found that programs built social capital by boosting individuals' ability and motivation to be civically engaged, as well as building organizational capacity for effective action.<sup>11</sup> The study observed that community arts programs often involve people who are disadvantaged in some way (at-risk youth, ethnic minorities, people in a poor neighborhood) and are designed in the context of some larger goal, such as neighborhood improvement (typically aesthetic) or learning and teaching about diverse cultures (multiculturalism). These goals are usually the basis for claims about the politically transformative potential of community arts projects.

There is a significant gap between what children are told is important for their future career success and what business leaders actually want from the emerging workforce. Creative individuals are actually in demand. Not just for arts careers, but for careers in business as well. For example, Disney and Apple are two of the most successful companies of our time, largely because of the creativity, innovation, and the leadership they have demonstrated in their respective industries.

Surrey is a very rare case in B.C. when it comes to our education needs. The Surrey Board of Trade asks for a dialogue and discussion on innovative reallocation of budget dollars to serve our universities – in the end this will serve to enhance Surrey's economic development goals and support our industry clusters currently being created right here in Surrey. Surrey will be the largest city in B.C. We look forward to the revised funding formula for high growth cities.

Investments in Surrey's human capital are needed now.

We need innovative approaches to learning for our post-secondary sector. In addition to these extremely important investments in higher education.

For KPU, a request for support for the following services:

- Work-Integrated Learning – especially incentives for businesses to provide this extremely important “hands-on” component to education that allows students to be as job-ready as possible when they enter the workforce.

As this region grows, our capacity to offer more post-secondary seats must grow as well.

KPU is tapped out. They are full. They are delivering all the seats our provincial funding allows, and still we have waitlists, which are growing. They have tried to grow organically and have quite simply stretched their resources as far as they can.

They have an incredible opportunity in front of them over the next few decades to build a highly educated and highly competent workforce that will be aligned with the future needs not just of British Columbia, but of Canada and the world. We know that nearly a million job openings will be created by 2028, and that a huge proportion – 77%– of those will require some form of post-secondary education.

KPU's breadth of programming, which ranges from certificates, apprenticeship training and diplomas to bachelor's degrees and post-graduate diplomas, and their multi-campus reach, ensures that they can be immediately responsive to the varied types of education and training required by British Columbia's over the next decade. But they will be challenged to absorb significant growth in our communities without additional funding.

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<sup>11</sup> [http://publications.gc.ca/collections/collection\\_2018/pch/CH4-187-2016-eng.pdf](http://publications.gc.ca/collections/collection_2018/pch/CH4-187-2016-eng.pdf)

For SFU:

- The need for more post-secondary capacity in Surrey was recognized in 2006, when the Province and SFU signed an MOU agreeing to double the size of our Surrey campus – from 2500 to 5,000 domestic student spaces – by 2015.
- Since that MOU was signed in 2006, the population of Surrey has increased by 35% or almost 144,000 residents.
- Last year, the Province committed funding for the first phase of that expansion – a new Sustainable Energy Engineering program – a first of its kind in western Canada to help position BC as a leader in clean-tech and sustainable energy technologies.
- As much as we appreciate that commitment, it will add only 440 of the 2500 new seats envisioned by the MOU.
- Our request of you, therefore, is to recommend that the Province recommit to its 2006 goal to expand SFU's Surrey campus to 5,000 student seats.

### **TRANSPORTATION:**

The Surrey Board of Trade was pleased that Ridesharing legislation has been crafted but disappointed in the manner it is to be executed. Including the level 4 driver license will prevent many low-income earners from entering the market, who are the primary drivers of ride-sharing services.

Ridesharing regulations should be focused on enabling this innovative transportation option, while ensuring public safety and consumer protection. Below are key components of a regulatory regime for ridesharing:

1. Ridesharing companies must obtain a provincial license and pay fees.
2. Any driver who meets the criteria should be allowed to participate. There should not be fleet size restrictions or area of operation boundaries which increase deadheading and decrease affordability
3. Ridesharing drivers must have a valid, standard driver's license issued by Province.
4. To be allowed on the platform, ridesharing drivers must:
  - Pass a federal criminal background check;
  - Pass an annual vehicle inspection by a certified mechanic;
  - Have valid insurance that meets the requirements established by the Province, and;
  - Have a safe driving record.
5. Ridesharing drivers can only provide service through the use of an app, and the app must provide the customer with the name and photo of the driver, make and model of the vehicle, and license plate number prior to the trip commencing. This means that no ride is anonymous and provides assurance to the rider that the driver has been authorized to be on the digital platform.
6. The app must provide GPS tracking and allow the rider to share their ride in real time with friends and loved ones, meaning that every trip is tracked.
7. Ridesharing companies are permitted to set prices based upon market principles and competition to best serve customers

8. Riders must be provided the fare rate in the app, have the ability to estimate the cost of their fare, and only make payment for the trip electronically through the smartphone app. This also helps reduce the chance of the driver becoming a target for theft.
9. The rider must have the ability to rate every ride through the app to help ensure high quality and safe service.
10. Ridesharing companies must have 24/7 customer service to respond in a timely manner to complaints.
11. Ridesharing drivers would not be permitted to hail, accept cash or use telephone dispatch services, leaving this market to the exclusive domain of taxi companies.

Ridesharing and traditional transportation models can complement each other to better serve British Columbians, just as they do in communities across Canada and around the world. Rather than competing with taxi, apps like Uber are growing the overall transportation pie. This is most likely because ridesharing has attracted a whole new group of passengers, people who cannot regularly afford taxis or drive themselves instead.

Translink, the Canadian Competition Bureau and the government's own expert, Dr. Dan Hara, have all called for true ridesharing to be permitted in BC.

## **HOUSING**

More social housing in Surrey will lead to decrease social and crime related costs if enough resources are allocated. We have a large number of Not-For-Profit agencies serving the population of Surrey who appear under-funded to meet the growing needs of our city. This is an area that the Ministry can be leaders on through a community consultation process.

Renting is often seen as an affordable alternative to house a workforce, particularly temporary or contract employees, near employment. However, with a BC average rental vacancy rate of 1.2%<sup>12</sup>, a decrease from 2014 and the Lower Mainland rate approaching 0, the pressure on existing rental stock is inhibiting in-migration of Canadian skilled labour, particularly where they are needed the most by BC employers.

From October 2014 to October 2015, only 1,900 purpose built rentals units were constructed throughout BC (CMHC). These are either new or renovated units returned to the market. Rents are rising in response to market pressure on average of 3.7% compared to 2.4% from the previous year. As mentioned, salaries have not.

Vancity's analysis of salaries that provide insufficient incomes for purchasing, may be enough for rental units – if available: mid-level managers, and senior administrators, computer programmers, and technicians, registered nurses and social workers, researchers, counselors, food industry workers, and contractors. The list of skilled workers unable to purchase in Metro Vancouver is long. This improves outside urban areas and into the farther regions of the province, but employment opportunities diminish.

Relying on developers to provide a variety of housing stock, including purpose-built rentals, to meet differing levels of income has failed.

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<sup>12</sup> CMHC, Fall 2015. *Rental market report – British Columbia Highlights*. [www.cmhc.ca/housingmarketinformation](http://www.cmhc.ca/housingmarketinformation)

The reality is that rental developers would build a significant supply of new secure purpose-built rental housing if the legislative environment were more conducive to doing so (e.g. more restrictive rent controls were put in place last September). The risk/reward imbalance that exists between building rentals versus condos needs to be addressed through measures such as rental pre-zoning, fast-tracking of rental projects, DCL reductions, elimination of CACs, parking relaxation, elimination of inclusionary zoning requirements, reduced property taxes, GST exemption on new builds.

GST: Developers must pay Goods and Services Tax (GST) on the development and operating costs of rental housing buildings, however, rent is GST exempt which places a burden on developers. To recover GST, landlords increase their rent. Because of the GST increasing operating and development costs, there is a substantial decrease of investment into the development of rental housing.

Property Assessments: Older rental homes are more affordable. CMHC data show apartments built between 1975 and 1989 are, on average, 40 per cent cheaper than those built since 2005. But longtime landlords say the current system threatens their ability to operate the older rental apartments that form a crucial part of the city's housing stock.<sup>13</sup>

B.C. Assessment Authority's practice of assessing properties also needs to be reviewed. That means a property's value, upon which its taxes are based, isn't assessed based on its actual use — whether a single-storey neighbourhood pub or a three-storey rental apartment building — but on the use that would return the highest value. Residential landlords can't pass on soaring property tax bills or other increases directly to their tenants — they're restricted by rent control measures.

The Center for Housing Policy<sup>14</sup> collated a number of studies that demonstrate clearly the connection between the development of low- to mid-level income housing units and employment. They concluded that not only are employers able to attract the best and the brightest, there are spill-over benefits for the local economy.

The solution is for the Province of British Columbia to work with Federal and Local colleagues and find ways to create incentives and opportunities to save and increase the current rental stock, protect and expand co-op and co-housing units, and encourage innovation through reviewing relevant legislation that controls row housing and strata by-laws. British Columbia is doing well economically; however, to continue to do so, we need to ensure that a lack of housing for skilled labour does not become a barrier to future economic growth.

We urge the province to work with municipalities and the federal government to ensure that not-for-profit agencies can build low-market rental housing for Surrey's workforce. Too many residents are being pushed out of the region that they grew up in, and something needs to be done.

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<sup>13</sup> <https://vancouversun.com/business/real-estate/dan-fumano-the-ticking-time-bomb-threatening-affordable-rental-homes>

<sup>14</sup> 2011, Center for Housing Policy, *The role of Affordable Housing in Creating Jobs and Stimulating Local Economic Development: A Review of the Literature*.

## **TAXATION**

On February 20, 2018, the B.C. budget was presented announcing the elimination of medical services plan premiums and the creation of the EHT. The EHT was implemented on January 1, 2019 but the MSP was not eliminated. This led to a double-dipping of taxation that has affected businesses' bottom line.

The Employer Health Tax (EHT) is levied on employers with payrolls over \$500,000. Small businesses have payrolls generally of more than \$500,000. The tax, which increases with an employer's payroll costs, is expected to generate almost \$2 billion of annual revenue in 2019/20. It will replace the revenue from MSP premiums, which are currently being phased out (although for 2019, both the MSP and EHT will be in force at the same time creating double – taxation).

About 98% of BC businesses are classified as small businesses, meaning they have fewer than 50 employees. Businesses are being impacted with additional bottom line erosion with not only the EHT, but also other layered taxes related to carbon tax, minimum wage increases, CPP increases, and challenges related to other global pressures.

Employers view payroll taxes as part of the overall compensation paid to workers. As these taxes increase, there's less money available for wages and benefits for employees as well as investments in innovation, expansion and tools that improve worker productivity. Therefore, over time, wages will not grow as fast as they would otherwise without a payroll tax. So, workers ultimately bear the cost of payroll taxes through reduced pay.

We want to see that the double-dipping of premiums be returned to our business owners, who are the economic and social drivers of Surrey if not the country.

## **REVENUE STREAMS**

There are budgetary contingency plans but in the face of ICBC/BC Hydro/global circumstances, new innovations for provincial revenue in addition to LNG require focus.

The world still relies on oil and LNG. As of now, BC is missing the boat when it comes to getting our products to the international market. We need our government to support industry in ensuring our natural resources can get to other markets that need and want our products.

With the re-approved Trans Mountain Expansion Project, BC is in a position to capitalize on this new revenue stream. Pipelines are crucial to Canada's economy. They generate investment in communities, research and development, create jobs, and spur growth in all sectors of an economy.

The ability to move oil will effectively increase our export. Additionally, moving crude oil by rail through suburbs is far more hazardous than using state-of-the-art technology in pipelines. A portion of the new construction of the Trans Mountain Pipeline will go through Surrey.

We urge the BC government to invest in alternative revenue streams by engaging with the international community on commodity and resource export.

One project that has been left by the way-side has been the development of the Fraser River on Surrey's side. New Westminster has been developing their side of the Fraser River to be an innovative and community building area. We need the BC government to engage with the City of Surrey, local developers, and the community at large to develop the untapped potential of the Fraser River.

## **PUBLIC SAFETY**

The Surrey Board of Trade has supported the Surrey RCMP for years. Surrey is the fastest growing city in Canada and will be the largest city in British Columbia in less than 20 years, and it needs to have adequate policing to ensure the safety of the citizenry.

The RCMP has done an outstanding job in providing protection in Surrey but this will be impossible to maintain without adequate harnessing of our resources. The mayor has begun the transition plan from RCMP to a municipal police force but the cost for the transition plan is an inefficient use of taxpayer's money. The transition plan will take resources away from the RCMP's ability to maintain adequate and effective levels of policing in the City. We cite the fact that the City of Surrey has not increased the number of officers in Surrey in order to reduce the costs of the transition even though more officers are desperately needed.

The RCMP provides contract services to our city based upon the level of police resources requested and funded by the City of Surrey. The City collaborates with the RCMP to develop policing priorities and community initiatives within the financial budget. The RCMP engages with the community, including the businesses, in a cohesive way to ensure that our voices are being heard.

From a provincial standpoint, we know that the Justice Institute of BC (JIBC) will be tasked to train and educate new officers for the planned Surrey Police Force (SPF). The current level of graduates is not sufficient to provide adequate police coverage for Surrey. At present, the JIBC does not have adequate funding to train more officers. As they require more funding, the province and federal government will be tasked with providing additional funding.

The transition period will also create a gap in effective policing to ensure public safety. Access to intelligence, technology, case files, and inter-jurisdictional information will be compromised.

The Surrey Board of Trade asks you to ensure the RCMP stays in Surrey. Spending money on the transition take resources away from the protection the RCMP can provide Surrey. The transition will place a large burden on the province in terms of providing funds to the Justice Institute of BC for training needs.

## **INDUSTRIAL REVOLUTION 4.0**

We are now in and moving away from the fourth industrial revolution known as the Industrial Revolution 4.0. This is the name given to the current trend of automation and data exchanges. The increasingly complex and sophisticated cyber-physical systems, the Internet of things, cloud computing, and cognitive computing are all facets of the fourth industrial revolution. Within this revolution is the advent of blockchain technology.

The uses of blockchain technology, which is a primary facet of cloud computing and the internet of things, is a relatively new way of exchanging information and services but is already revolutionizing global trade<sup>15</sup>.

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<sup>15</sup> Norberg, Hanna C., "Unlocking the Bottlenecks and Making the Global Supply Chain Transparent: How blockchain technology can update global trade." *Canadian Global Affairs Institute and the School*, 2019.

[https://www.cgai.ca/unblocking\\_the\\_bottlenecks\\_and\\_making\\_the\\_global\\_supply\\_chain\\_transparent\\_how\\_blockchain\\_technology\\_can\\_update\\_global\\_trade?utm\\_campaign=norberg\\_spp\\_blockchain&utm\\_medium=email&utm\\_source=cdfai](https://www.cgai.ca/unblocking_the_bottlenecks_and_making_the_global_supply_chain_transparent_how_blockchain_technology_can_update_global_trade?utm_campaign=norberg_spp_blockchain&utm_medium=email&utm_source=cdfai)

Blockchain is a concept for storing data. It is a decentralized and secure trust between parties. The blockchain can be seen as a type of digital ledger that holds information about transactions in a register that is transparent and accessible. Once information is entered into a “block”, it can’t be altered, only added to. Multiple data entries, or blocks, create a chain of blocks i.e. a blockchain. Once information is uploaded to a block, all parties involved are made aware of this.

A trade chain can be seen as a long and complicated series of transactions. Time is critical for much trade, including agricultural trade across the country and across international borders. As agricultural items are perishable, time is crucial for trade. Delays in terms of information sharing are detrimental to the goods, and therefore the economy on both the importer and exporter’s side. If an exporter’s goods perish, they have insurance to cover the loss, but the importer will not have a product to sell in their market. Utilizing blockchain will speed up the transaction speed and thus limit the number of spoiled items. In a society that is trying to reduce waste, blockchain technology is one way to accomplish this goal.

BC needs to work with the federal government and local municipalities, innovation clusters, and NGOs to cultivate an innovation economy by developing:

1. A Canadian Strategy - In the early 1990s, two government advisory committees were created to develop strategies for Canada and the first era in the Internet. This work contributed significantly to Canada's adoption of the Internet, among other things, catalyzing the opening of the telecommunications marketplace. With the Internet entering a second era, it makes sense for the federal government to set up a national commission, with representatives of government, financial institutions, the research community, technology entrepreneurs, civil society and, not least, consumers. It would develop concrete recommendations that would enable Canada to achieve a leadership role in imminent blockchain revolution
2. An R&D Strategy - The report explains how the flow-through shares model that has been effective in Canada's mining, oil and gas industries could be applied to technology. The key is to use blockchain to track all investments, real-time in R&D to ensure all tax benefits go directly into innovation. This would offer Canada a double-barrelled opportunity: a massive new source of funds to spur research and development in the technology sector, and a highly visible, real-time demonstration of blockchain's capabilities and benefits.
3. A Research Institute - It's time to conduct deep research into killer applications – identifying the most important opportunities for blockchain in business and government and drawing the road map for how to get there. Canada needs a Blockchain Research Institute, to unlock the potential of blockchain across industries and also within the functions of organizations. The institute could operate as a research centre for projects that potentially benefit a wide range of players, and where competitive issues are not a concern.
4. A Blockchain Centre of Excellence - Round-table participants and others expressed strong support for a Blockchain Centre of Excellence. The centre would not be dissimilar to those that have helped propel many other emerging technologies. However, new thinking is required. For example, it would be the focal point for a cluster of a set of blockchain-related businesses, encouraging them to feed off each other.
5. Plans for expansion - Building an innovation economy in Canada does not mean isolating ourselves from the rest of the world. Indeed, with calls for protectionism growing louder in countries such as the United States and Britain, we must build bridges and strengthen ties to key markets, expand our trading partners and work constructively with foreign governments.

6. Education and cultural change - Revolutionary products and services often run into early skepticism, even mockery and hostility. Entrenched interests resist change and established leaders are often the last to embrace the new, if they ever do. Blockchain is no exception. It has already brought dislocation, conflict, confusion and uncertainty, and is sure to bring more. This is especially true in Canada, where regulators and policy makers have tended to favour stability over innovation.<sup>16</sup>

### **INVEST IN SURREY ENTREPRENEURS**

BC's investment in entrepreneurs and youth is well known. However, there is a disparity on which regions receive this attention. As it stands, Vancouver receives a disproportionately higher level of investment in entrepreneur, international and youth programs compared to the rest of the province. The Surrey Board of Trade wants to see higher levels of investment in the South Fraser region, particularly Surrey, White Rock, Delta, and Langley.

Programs such as international education/supports, emerging entrepreneur assistance, and youth engagement must be top of mind for elected officials and staff in the provincial government. There is a large proportion of SMEs in Surrey, who are the economic drivers of our economy.

We urge the provincial government to partner with the Surrey Board of Trade in delivering these essential entrepreneurial and community building projects. Support of businesses in Surrey is a necessity as Surrey will be the largest city in BC by 2040.

Anita Huberman, CEO, Surrey Board of Trade  
[anita@businessinsurrey.com](mailto:anita@businessinsurrey.com)  
604-634-0342

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<sup>16</sup> <https://www.theglobeandmail.com/report-on-business/rob-commentary/how-canada-can-be-a-global-leader-in-blockchain-technology/article34259697/>