



# KNOW WHAT'S ON BC'S MIND.

## **The 2020 Proposed Resolutions Manual**

**For the 68<sup>th</sup> Annual General Meeting & Conference  
of the BC Chamber of Commerce**

**May 22<sup>nd</sup> to 23<sup>rd</sup>, 2020  
Online Policy Session**

### **\*\* Important Notice \*\***

The policy resolutions contained in this manual are for **DISCUSSION PURPOSES ONLY** at the plenary sessions of the Annual General Meeting and are **NOT** the official policy statements or positions of the British Columbia Chamber of Commerce until adopted by a two-thirds (67%)



Revised Version 20190511



**BC Chamber of Commerce**  
Know what's on BC's mind.



## PROPOSED RESOLUTIONS 2020

The 2020 Proposed Resolutions Manual contains proposed policy resolutions that show what's on BC's mind and will be discussed during the Policy Sessions at the BC Chamber of Commerce AGM on the AFTERNOON of Friday May 22<sup>nd</sup>, 2020 and on the MORNING of Saturday, May 23<sup>rd</sup>, 2020 online via Zoom.

The proposed resolutions are not exhaustive of the Chamber's policies, some of which are approved by our Board of Directors, during the year, in order that the BC Chamber stay pro-active and be able to share insight and act with our partners in a timely and effective manner.

The proposed resolutions are developed by our Member Chambers of Commerce and Boards of Trade – as well the Policy Review Committee (PRC) – of the BC Chamber and submitted prior to the deadline of March 6<sup>th</sup>, 2020. Prior to their acceptance for debate at the AGM, the proposals are screened by the PRC – chaired by Arlene Rolston – and comprised of volunteer representatives from a wide range of sectors taken from the BC Chamber's membership. The PRC is mandated to ensure that all matters to be discussed at the AGM are ***timely, important to a significant number of members and provincial in scope***. In retaining the most appropriate proposals, the PRC also attempted to ensure that the contents were substantive and accurate.

The resolutions presented in this book are in the order in which they will be discussed at the Plenary Sessions according to the sequence proposed by the PRC and approved by the Chamber's Executive.

During the Policy Sessions, the Accredited Voting Delegates will be asked to approve, defeat or refer to the Board each of the resolutions in this book. Approval of each resolution as policy of the BC Chamber requires a two-thirds majority support of the votes cast at the Plenary Sessions to adopt a resolution as the official policy of the provincial chamber. When a policy is adopted by voting delegates, it becomes part of the BC Chamber network's advocacy efforts.

The timing and nature of the presentation to the provincial government will be determined by the subject matter and circumstances prevailing at the time. However, an effort will be made to ensure that such presentations are made as soon as possible following the Annual General Meeting. Member Chambers of Commerce and Corporations will be kept apprised of our actions.

If a thorough and meaningful debate of all policy resolutions is to take place during the Plenary Sessions, Member Chambers of Commerce and Corporations (and especially the Accredited Voting Delegates) are urged to review these resolutions carefully in advance of the AGM.



The Plenary Sessions are conducted on the assumption that all delegates are familiar with the issues to be discussed, and it is with this in mind that these proposals are distributed **14 days** prior to the meeting for advance study. The Policy Review Committee of the BC Chamber has indicated its reaction to each proposed item in order to offer more guidance and assistance to the voting delegates.

Any questions concerning the proposed resolutions – or the policy development process – should be directed to:

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# **The British Columbia Chamber of Commerce**

## **RULES OF PROCEDURE GOVERNING THE CONDUCT OF POLICY SESSIONS AT AN ANNUAL GENERAL MEETING OF THE BRITISH COLUMBIA CHAMBER OF COMMERCE**





## **SECTION I**

- |                  |   |
|------------------|---|
| PURPOSE OF RULES | (1.1) The purpose of these rules is to save time; to coordinate proceedings; to promote relevant discussions; and thereby to arrive at well-reasoned decisions. |
|                  | (1.2) Generally, parliamentary procedures shall govern at all policy meetings of the Chamber as set forth in "Rules of Order" by Roberts.                       |
|                  | (1.3) In order to facilitate timely resolution of policy debate, the Chair may, in his or her discretion deviate from the prescribed rules.                     |

## **SECTION II**

- |                            |   |     |  |     |   |     |   |     |  |     |                                  |
|----------------------------|---|-----|--|-----|---|-----|---|-----|--|-----|----------------------------------|
| COMPOSITION OF THE CHAIR   | (2.1) The Chair will be composed of the BC Chamber Legal Counsel, supported by the Secretary and such other persons as may be appointed by the Chair.   |     |  |     |   |     |   |     |  |     |                                  |
| FUNCTION OF THE CHAIR      | (2.2) The Chair or his or her alternate will preside over all Policy Sessions of the General Meeting and will uphold, with impartiality, the Rules of Procedure as set forth.   |     |  |     |   |     |   |     |  |     |                                  |
| DECISIONS OF THE CHAIR     | (2.3) Decisions of the Chair will be final, barring an extraordinary situation in which case the decision will be referred to the Executive Committee of the BC Chamber of Commerce for arbitration and judgement.  |     |  |     |   |     |   |     |  |     |                                  |
| VOTING POWERS OF THE CHAIR | (2.4) The Chair or his or her alternate will have the right to vote as a member and will, in all cases of equal vote upon any decision, cast the deciding vote.   |     |  |     |   |     |   |     |  |     |                                  |
| VOTING POWERS OF DELEGATES | (2.5) <table border="0" style="margin-left: 20px;"><tr><td style="vertical-align: top; padding-right: 10px;">(a)</td><td>Without duplication: each Member Chamber is entitled to one (1) voting delegate per 50 members to a maximum of ten (10) delegates.</td></tr><tr><td style="vertical-align: top; padding-right: 10px;">(b)</td><td>Corporate Members are each entitled to one (1) voting delegate.</td></tr><tr><td style="vertical-align: top; padding-right: 10px;">(c)</td><td>Each Fellow, Governor and Director is entitled to be a voting delegate.</td></tr><tr><td style="vertical-align: top; padding-right: 10px;">(d)</td><td>In addition, each voting delegate may carry proxy votes, provided that a voting delegate for a Corporate Member does not carry a proxy for another Corporate member.</td></tr><tr><td style="vertical-align: top; padding-right: 10px;">(e)</td><td>Honourary Members carry no vote.</td></tr></table> | (a) | Without duplication: each Member Chamber is entitled to one (1) voting delegate per 50 members to a maximum of ten (10) delegates. | (b) | Corporate Members are each entitled to one (1) voting delegate. | (c) | Each Fellow, Governor and Director is entitled to be a voting delegate. | (d) | In addition, each voting delegate may carry proxy votes, provided that a voting delegate for a Corporate Member does not carry a proxy for another Corporate member. | (e) | Honourary Members carry no vote. |
| (a)                        | Without duplication: each Member Chamber is entitled to one (1) voting delegate per 50 members to a maximum of ten (10) delegates.  |     |  |     |   |     |   |     |  |     |                                  |
| (b)                        | Corporate Members are each entitled to one (1) voting delegate.   |     |  |     |   |     |   |     |  |     |                                  |
| (c)                        | Each Fellow, Governor and Director is entitled to be a voting delegate.   |     |  |     |   |     |   |     |  |     |                                  |
| (d)                        | In addition, each voting delegate may carry proxy votes, provided that a voting delegate for a Corporate Member does not carry a proxy for another Corporate member.  |     |  |     |   |     |   |     |  |     |                                  |
| (e)                        | Honourary Members carry no vote.  |     |  |     |   |     |   |     |  |     |                                  |



### **SECTION III**

VOTING POWERS OF CHAMBERS (3.1) Votes may be cast only by a voting delegate who has been accredited for the purpose or by the nominee of such accredited delegate. Such nominee must give evidence of his authority to the Chair upon request.

NOTE: "Nominee" is interpreted to mean "the alternate delegate from the same Chamber or Board or Trade".

POSITION OF NON-VOTING DELEGATES (3.2) Every member Chamber or Board in good standing may be represented at any Annual Meeting by as many of its members as it may officially appoint for the purpose. Such delegates will have the right to participate in discussions, and to propose and second resolutions. Except as provided in Paragraphs (2.5) and (3.1), no other than the accredited delegate or his or her nominee shall be entitled to vote.

VOTING PROCEDURES (3.3) Voting will normally be by a show of hands; but, if any three (3) accredited voting delegates or their nominees should so request, voting shall be by roll call or secret ballot. At the time of voting, each accredited voting delegate or his or her nominee will show the Chair his official registration card identifying himself or herself as being entitled to vote.

MOTIONS OR AMENDMENTS CARRIED BY 2/3 MAJORITY (3.4) All motions or amendments pertaining to policy resolutions will be carried by a two-thirds (67%) majority of the votes cast.

EACH VOTE DECISIVE (3.5) All votes will be considered final at the time they are recorded.

### **SECTION IV**

TIME ALLOTMENT FOR SPEAKERS (4.1) The maximum time allotted to any one delegate for speaking to any motion or amendment will be two minutes. The Chair, at his or her discretion, may amend this limit.

NUMBER OF TIMES A DELEGATE MAY SPEAK (4.2) A delegate, normally, will be allowed to speak once to any motion. The Chair, at his or her discretion, may allow a delegate to speak more than once to a motion.



SPEAKER SHOULD IDENTIFY SELF TO CHAIR (4.3) Each delegate, before speaking to, moving, or seconding a motion, shall identify himself or herself by name and state the Chamber or other category of member which he or she represents.

## **SECTION V**

PROCEDURE FOR MOTIONS (5.1) In order to expedite consideration of all policy resolutions contained in the policy handbook, the Chair may entertain a general resolution at the beginning of the policy session that all policy resolutions be moved and seconded in total, but with each resolution voted on separately.

(5.2) The following procedure will be followed on motion (other than those described in section 5.1):

- (a) member obtains the floor and is acknowledged by the Chair;
- (b) he or she makes a motion;
- (c) another member seconds the motion;
- (d) the Chair states the motion;
- (e) the Chair opens the motion to discussion;
- (f) the Chair calls for the motion to be put ("Are you ready for the question? If so, please indicate by saying question");
- (g) the Chair restates the motion;
- (h) the motion is put to vote;
- (i) the Chair declares the results of the vote.

AMENDMENT PROCEDURE (5.3) Procedures on amendments will be the same as the procedures on motions. All major amendments will be presented in writing to the chair.

TYPES OF AMENDMENTS (5.4) Amendments, of a minor nature, to a motion may be proposed verbally at any time during the discussion. No amendment will be entertained which has the effect of nullifying the main motion. Any amendments must be relevant to the subject matter and may be amended in only one of three ways:

- (a) insertion or addition of certain words;
- (b) deletion of certain words;
- (c) deletion of certain words for insertion of certain other words.



ORDER OF  
VOTING

(5.5) Voting on motions and amendments is in reverse of the order in which they are made:

- (a) on the amendment to the amendment, of the second amendment;
- (b) on the amendment;
- (c) on the motion; or the motion as amended.

NUMBER OF  
AMENDMENTS

(5.6) No more than two amendments may be placed before the meeting at one time. However, as soon as one amendment has been accepted or rejected, another may be proposed provided, of course, that it is different in purport from one already defeated.

**SECTION VI**

QUORUM

(6.1) Accredited delegates from at least twenty (20) Members shall constitute a quorum at Annual and Special General Meetings.



# **The British Columbia Chamber of Commerce**

## **POLICIES STATEMENTS AND RESOLUTIONS FOR CONSIDERATION BY DELEGATES FOR INCLUSION IN THE BC CHAMBER'S 2020-2021 POLICY AND POSITIONS MANUAL**







# **The British Columbia Chamber of Commerce**

## **NEW POLICY STATEMENTS**

### **SECTION I**

#### **PROVINCIAL ISSUES**





## **01. CAN THE FUTURE LEARN IN THE SOUTH FRASER REGION? THE NEED FOR MORE INVESTMENTS IN POST-SECONDARY EDUCATION**

### **Opening Statement**

B.C.'s Labour Market Outlook for 2018 to 2028 estimates that 77% of the expected employment openings will require a university degree or some post-secondary education (including trades); however, in 2016, only 58% of Surrey's workforce had any post-secondary certification, compared to 71% in the rest of Metro Vancouver in 2011. Further education for a greater proportion of recent high school graduates and for the current workforce is of paramount importance for BC and for BC's economic and social development.

To help build a sustainable, livable, healthy community, Surrey's Official Community Plan aims to balance the number of local jobs with the resident workforce, to provide local employment opportunities for residents and to reduce regional commuting. Surrey's goal is to have one job in Surrey per resident in the workforce. Since most of these jobs will require post-secondary education, increased post-secondary access is vital.

The provincial government has begun to make the necessary additional investment to Surrey's and the South Fraser economic region's K-12 educational system. To realize the return on that investment (ROI), a similar phased-in capital expenditure plan focused on the South Fraser region's post-secondary institutions is essential.

All aspects of post-secondary education in Surrey and its region must be expanded; three areas deserve special comment: literacy and English language programs; trades training programs; and, research and professional programs. Although these three areas are specific to Surrey and its region, all regions throughout the province can hope to benefit from enhanced attention paid.

### **Background**

The 983,000 people in Surrey and the South Fraser region – the largest and fastest-growing region of British Columbia – produce 19.2% of British Columbia's high school graduates; however, students have much less access to post-secondary institutions than other students in the rest of British Columbia. Kwantlen Polytechnic University and Simon Fraser University-Surrey together offer only 12.7 post-secondary spaces for every hundred 18-24-year old's in the region. The rest of B.C. receives almost four times that level of access, with 48.7 spaces for every hundreds of these young adults.

All aspects of post-secondary education in Surrey and its region must be expanded; three areas deserve special comment:

#### **1) Literacy and English Language Programs**

An essential part of B.C.'s post-secondary system is its adult basic education and English Language programs. These programs give students the skills to succeed in further education, and to be capable entry-level employees.

#### **2) Trades Programs**

Trades training is essential for the economic vitality of our region: According to the BC Labour Market Outlook, 2018-2028, approximately 11% of all job openings will be in the trades. The demand for trades



employees has outpaced the supply; however, while the region has 20% of BC's population, only 4.4% of B.C.'s trades training is offered there.

### **3) Research and Professional Programs**

Post-secondary education includes studies in areas of high importance for Surrey's industries and sectors – for example, in clean energy engineering and in health sciences, both priority areas for the city; however, research in the region's universities is severely limited by lack of available program funding and facilities. The provincial government promised increasing student seats in SFU from 2,500 to 5,000 by 2015, but that has not happened. From 2019-2024, SFU expects to grow 320 undergraduate seats, and 120 graduate seats.

#### **Benefits for Business**

Post-Secondary education is crucial to economic development. Educated people can more easily adapt to the changing nature of work and can better apply their knowledge and skills in different contexts. Research undertaken as part of advanced and graduate-level programs often leads to innovative start-up companies and to knowledge and technology transfer by which existing businesses can expand.

It is imperative that the level of access to post-secondary education in Surrey and the South Fraser region be brought up to the level provided to the rest of B.C. Such an increase is crucial for the regional and provincial development.

To achieve this, the number of full-time equivalent student spaces (FTEs) per resident in this region must be increased from the current level of 18.8 FTEs per 1,000 residents to 37.8 FTEs per 1,000 region residents (this accessibility ratio of 37.8 FTEs per 1,000 region residents is still 17% lower than the level of post-secondary access provided to the rest of the province: 45.7 FTEs per 1,000 residents).

Since the region's population will also increase over this time period, this means that the actual number of post-secondary student spaces offered in our region must be increased to 46,060 FTEs by 2025 – an increase of about 3,000 FTEs per year.

To achieve this, the number of full-time equivalent student spaces (FTEs) per resident in this region must be increased from the current level of 18.8 FTEs per 1,000 residents to 37.8 FTEs per 1,000 region residents.<sup>1</sup>

Since the region's population will also increase over this time period, this means that the actual number of post-secondary student spaces offered in the region must be increased to 46,060 FTEs by 2025 – an increase of about 3,000 FTEs per year.

**Without this action**, B.C.'s most populous and fastest growing region may not be capable of harnessing its potential to become a social and economic powerhouse. The scarcity of skilled labour and research facilities in the local market will continue to significantly hinder the growth of Surrey's core business community. The region's need for capital expenditures targeting socio-economic problems will increase. The challenge for local businesses seeking to attract and retain skilled individuals – especially those seeking opportunities for advancement – will increase.

**With this action**, Surrey and the South Fraser region – and the province – will reap the many social and economic benefits mentioned above. In the short term, local businesses will benefit directly from the



increased spending in the region from the universities' operating expenditures, by employees of the universities, and from the spending on capital expenditures needed for the expansion of campuses.

More importantly, in the medium-to-long-term, businesses will gain from the region's improved competitive positioning. Lastly, fostering the growth of this region's businesses and significant increases to tax revenue for the provincial government.

#### THE CHAMBER RECOMMENDS

That the Provincial Government phase in a tripling of the number of post-secondary student spaces per resident in the South Fraser region from 2020 thru 2029.

#### Submitted by the Surrey Board of Trade

**The Policy Review Committee does not support this resolution as it is to regionally specific to meet the criteria of being provincial in scope.**

## 02. RETRAINING UNDEREMPLOYED WORKFORCE TO MEET OPPORTUNITIES IN THE BC TECH SECTOR

### Opening Statement

BC's growing tech industry is a key source of innovation, GDP, job growth, and economic diversity. While the BC Tech sector is growing and challenged to find staff, there are sectors and demographics in BC that have technical people who are underemployed.

New economic immigrants with technical skills cannot get access to job opportunities that align with their specialized expertise. In addition, the BC forestry resource industries are undergoing a structural change. While the Forestry sector will always be a vibrant part of the BC economy, market conditions and uncertainty weigh on employment opportunities.

This resolution seeks to improve the availability of technical people to the BC Tech sector by recommending funding for retraining and skill enrichment that will help more fully utilize individuals with technical aptitude to support our changing economy.

### Background

#### BC Tech Sector's Employment Needs Unmet

The BC Tech sector continues to be one of the most significant contributors to the BC provincial GDP at \$17.2B in 2016 GDP grew 13.7% over the last two years. Since 2011, more than 14,000 jobs have been added to the BC tech sector, growing its workforce to more than 106,000 people as of 2016. The tech sector is currently responsible for 7% of the BC industrial economy.



The BC Tech Association has, however, noted there is a shortage of talent and there is an immediate need to increase the tech talent pool to fulfill BC's enormous economic growth potential<sup>1</sup>. This finding is supported by the consulting firm KPMG<sup>2</sup>, who indicated in their 2018 BC Technology Report Card, that while the tech sector continues to create jobs, the availability of talent is a significant challenge as competition for tech skills intensifies both nationally and globally.

The BC Tech Association clearly notes that some of the job shortages cannot simply be filled by those with skills taught in schools but rather by those with skills learned through work experience. These are well paid family-supporting jobs that go unfilled today with growth projections well into the future.

### **Segments of BC Economy Facing Underemployment**

While parts of the BC economy have shown strength, the impact of COVID-19 has put even more stress on many sectors in the province. This is leaving subsets of the provincial workforce who are underemployed and yet have the education, background, aptitude and inclination to fit into a robust tech economy. These are people already living in and contributing to our communities who could, if identified, be productively employed in a way that would support local and province wide economic development. Two subsets of the provincial workforce where opportunity exists for those with technical aptitude who are not working or are underemployed include new immigrants and displaced forest sector workers.

#### **1. New Immigrants with technical skills.**

The new economic immigrant population in BC<sup>3</sup> have technical skills but often bring expertise that is highly specific and yet not in demand in Canada.

Some of the barriers to employment<sup>4</sup> include:

- lack of "Canadian work experience"
- challenges in assessment and recognition of foreign credentials (including accreditation with professional regulatory bodies)
- lack of industry-specific (or work-place specific) language training
- bias in employer recruitment, screening & hiring processes that discriminate against immigrant professionals
- limited mentorship and job shadowing programs to connect immigrants with local employers.

Many of these barriers are being addressed in programs supported by WorkBC<sup>5</sup>, IECBC (Immigrant Employment Council of BC)<sup>6</sup>, and other supporting provincial organizations; however, with many individuals

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1 BC Tech Submission to the Select Standing Committee on Finance and Government Services' Annual Budget Consultation June 2019 <https://wearebctech.com/bc-budget-submission-2020/>

2 KPMG – BC Technology Report Card – From Growth to Scale - Nov 2018  
<https://home.kpmg/ca/en/home/insights/2018/11/2018-british-columbia-technology-report-card.html>

3 Recent immigration statistics (Q3 federal and provincial stats)  
<https://www150.statcan.gc.ca/n1/pub/91-002-x/91-002-x2019003-eng.htm>

4 BC Labour Market Trends (Sept 2018) - interesting data on pages 16-18  
<https://www.amssa.org/wp-content/uploads/2018/10/Immigration-For-BCs-Future-Web-Version.pdf>  
Employer Challenges in Attracting and Integrating Immigrant Talent into BC's Tech Sector - <https://iecbc.ca/wp-content/uploads/2018/05/IECBC-IT-Findings-FINAL.pdf>

5 WorkBC Client Profile: <http://nsiip.ca/wp-content/uploads/2019/02/imm-work-force-one-pager-FINAL.pdf>



there remain barriers. One important barrier unrelated to issues of language skills, qualification recognition or local market knowledge, is a unique mismatch of the very specific employable work experience they possess.

As a result, these individuals often end up unemployed or underemployed for several months or years following arrival in Canada. For example, an Iranian engineer with specific oil refinery civil engineering experience. These skills are not in high demand in BC engineering firms who need individuals who are immediately billable and profitable for their firms; however, these new immigrants have the strong technical skills and inclination that, with a minimal amount of technical retraining, would enable these workers to switch careers and enter the job market of BC Tech sector employers.

There are existing costs to this unemployment or underemployment – they are considerable to the individuals, and to our society overall. From Vancouver LIP<sup>7</sup> “Inclusive Workplaces” conversation starter: “working in low paying jobs, immigrants struggle financially and find it difficult to provide for their children. These people are also more likely to experience health problems, suffer from lower self-esteem and face discrimination”.

*“Diversity and inclusion isn’t an HR issue, it’s an economic and shareholder value issue. Diverse inclusive teams deliver better results, anticipate and resolve problems faster and see opportunities others miss, driving competitive advantage”* Helen Sheridan , Vice President HR, STEMCELL

## 2. BC Forest Sector: Challenges Now and Ahead

The news is full of changes in the BC forest industry<sup>8</sup>: “We are in a crisis – we know things are broken,” Mayor of Mackenzie Joan Atkinson is quoted in a September 12, 2019 Business in Vancouver article.

As summarized in a Sept 2019 KPMG report<sup>9</sup>, the BC Forestry sector is under significant pressure:

- Annual cutting limits have been reduced
- The majority of forests infested with the pine-beetle have now been cleared
- Countervailing and antidumping duties, averaging 20% and imposed by the US Department of Commerce in December 2017
- Lower than expected demand from US housing starts
- Slowing economic growth in China has reduced its demand for softwood lumber.
- Recent forest fires in BC have further reduced supply, destroying millions of hectares of merchantable timber.

These forces have resulted in more than 20 temporary and permanent curtailments in 2019 alone in BC. These closures will have a deep impact on local economies, especially in Northern BC where 1 in 5 jobs are

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6 HireImmigrants.ca <http://www.hireimmigrants.ca/reports/>

7 Labour Market Integration Research (led by Surrey LIP - though regionally focused in scope, there are some trends embedded in the research that support this initiative) <https://surreylip.ca/strategies-projects/labour-market-integration-research>  
<https://surreylip.ca/sites/default/files/SLIP%20Final%20Report%20November%206%202015%20Low%20Res.pdf>

8 RBC Provincial Outlook – Dec 2019 <https://royal-bank-of-canada-2124.docs.contently.com/v/provincial-outlook-december-2019> Pg.2 – “The forestry sector remains under pressure with outputs and exports falling...”

9 KPMG – Cutting Against the Grain – Sept 2019 <https://assets.kpmg/content/dam/kpmg/ca/pdf/2019/12/forestry-pov-newsletter-en.pdf>



tied to the forestry sector. While the sawmills themselves may be primary economic drivers in these communities, the downstream effect on related businesses dependent on a forestry sector will be significant. Thousands of workers have been affected.

While forestry dependent communities find ways to adapt to this new landscape, impacted individuals, formerly employed in the forest sector and with strong technical backgrounds, may see opportunity through specific retraining that would support future employment in the BC Tech sector.

The provincial government has responded to this crisis with a number of general community support programs – including Short Term Forest Employment Program featuring Forestry Worker Job Placement and Procurement Opportunities<sup>10</sup>; however, there are gaps. Many of the workers and support staff with advanced trade skills and/or significant qualifications could be able to transition into the new tech economy with targeted training.

#### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Create specific work-integrated learning opportunities through technical retraining programs to enable mid-career employees with a technical aptitude to pivot, become work-ready, and rapidly enter the tech sector directly
  - a. Directed at both new immigrants and those facing job transitioning
  - b. In coding, software development, design, and project management
2. Develop training programs that include both online and face-to-face; consider location and method of training offered with a lens to accessibility.
  - a. Including programs offered in both urban and impacted rural communities throughout the province, and with multiple start times throughout the year.
3. Include and integrate financial aid/loan support to individuals to whom cost is a barrier to access retraining/upskilling programs.

**Submitted by the North Vancouver Chamber of Commerce**

**Supported by the Greater Nanaimo Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

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10 Forests, Lands, Natural Resource Operations and Rural Development - Support programs for forestry workers now available <https://news.gov.bc.ca/releases/2019FLNR0253-002016>





### 03. COMMITTING TO VERTICAL GROWTH – THE NEXT PHASE OF AGRICULTURAL PRODUCTION

#### Issue

Farming is an expensive career path. Youth are finding it more and more difficult in accessing funds to pursue farming even though their families have been farming for generations. Fewer farmers leads to food insecurity and raises the price of food with broader economic implications.

Many regions across BC are facing land shortages. This issue of land shortage is primarily occurring in the Lower Mainland. It is an issue that will permeate throughout the province. With a growing population, more land is being set aside for housing, limiting agricultural land space.

With the increased difficulty in entering the traditional farming sector, and the advent of technological advancements, municipalities across the province need to capitalize on innovative growing practices that are both space-saving and highly productive. One option is that these systems can come in the form of vertical growing in light-industrial zones. By utilizing industrial areas as well as traditional agricultural zones, high-tech facilities can be utilized or built to produce more than what was possible on traditional agricultural land.

#### Background

##### Cost of Farmland Across BC

The price of land is increasing across the province. On Vancouver Island, average farmland values across the island have risen a shocking 21.7% this 2018, the highest regional increase in Canada. The increase is partly driven from the previous year's boom in the South Coast region. The average cost per acre was \$50,858, with a range of \$21,500 – \$79,300.

The Okanagan holds the record for the highest average farmland values across Canada at \$97,903 per acre.<sup>11</sup> The main economic driver behind the cost of farmland in the region is the wine industry, and the regional conversation is all about vineyard establishment and expansion. Combined sales from BC breweries, wineries, and distilleries amounted to \$1.3 billion in 2016.

The Cariboo-Chilcotin region saw a 12.8% increase in farmland values, while the Peace Region-Northern B.C. had a 6.6% increase, with the highest quality land going for a premium. A few years ago new farmers could reliably relocate north to purchase land and escape from Southern B.C. real estate hotspots, they are now finding themselves priced out of the market all across the province.

The South Coast region, which includes Metro Vancouver and the Fraser Valley, showed an overall 6.7% average increase in farmland value between 2017 and 2018. There was a higher demand from the eastern Fraser Valley which tends to have lower value than the West. High costs of land make it difficult for farmers to make a profit.

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<sup>11</sup> <https://www.fcc-fac.ca/fcc/about-fcc/reports/2018-farmland-values-report-e.pdf>



### Food Insecurity

The inability for new farmers to enter the market due to exorbitant land costs, and the fact that other countries are able to produce for much cheaper adds to the food insecurity problem. High prices may drive people away from consuming locally even though there is a market for people who want to consume locally produced goods.

Population growth in BC will also increase the amount of food consumed in BC. It is projected that there will be an annual population growth of 1.2% in BC from 2019 to 2041. The highest growth areas will be the Mainland/Southwest, which includes Vancouver, Burnaby, the Tri-Cities, Richmond, New Westminster, Surrey, White Rock, Langley, and Abbotsford. The other highest growth area is the Nechako region.

### **BRITISH COLUMBIA POPULATION BY DEVELOPMENT REGION**

Development Regions	Population as at July 1st (000s)			Average annual growth 2019- 2041
	2019	2030	2041	
Van Isle/Coast	828	956	1,018	0.8%
Mainland/Southwest	3,093	3,608	4,072	1.4%
Thompson Okanagan	590	653	701	0.9%
Kootenay	160	166	165	0.1%
Cariboo	166	174	174	0.2%
North Coast	59	64	65	0.5%
Nechako	41	48	54	1.4%
Northeast	72	80	84	0.7%
B.C. Total	5,050	5,750	6,334	1.2%

*Source: BC Stats*

### Innovation

Food and agriculture innovation have generated remarkable amounts of investor capital in recent years and could become a \$700 billion market globally by 2030, according to a Union Bank of Switzerland.<sup>12</sup> One innovative form of farming includes vertical farming.

Vertical farming is new form of farming that allows for the production of crops, such as leafy greens, on minimal land space. This farming method uses the concept of controlled environment agriculture, and stacks production space upon itself like a high-rise building.<sup>13</sup>

Vertical farms must overcome the financial challenge of large start-up costs. Since they can be located in the centers of major cities, owners of vertical farms would have to pay the occupancy costs that any other office

<sup>12</sup> <https://www.ubs.com/global/en/ubs-society/our-stories/2019/future-of-food.html>

<sup>13</sup> Birkby, Jeff (January 2016). "Vertical Farming". ATTRA Sustainable Agriculture Program. Retrieved October 28, 2019.



in the same zone would have to pay if zoned the same. A vertical farm with a yield per hectare factor 50 times larger than a traditional outdoor farm's yield, it would take 6-7 years for the vertical farm to break even in costs<sup>14</sup>.

And because profitability is so elusive, some of the early promises of high-tech urban agriculture and vertical systems are slow to be realized. Steep start-up costs mean farmers must grow crops that generate major cash: specialty items, such as flowers, or crops that have quick growth cycles, such as leafy greens. The five main indoor crops that can be grown in a vertical farm are leafy greens, microgreens, herbs, flowers and tomatoes, items that are a pull for those of high socioeconomic status but aren't go-to products for low-income people.

Additional potential benefits of vertical farms include:

- More efficient use of limited land base (0.2h equivalent to 1.6-2.4h), onsite processing, energy sales from methane produced by compost, proximity to employees and markets<sup>15</sup>,
- Year-round production, no weather-related crop failures, no agricultural runoff, allowance for ecosystem restoration, organic premium, water use reduced 70-95% relative to outdoor crops, reduced food miles, control over food safety and security, purification of gray water to drinking water, animal feed from postharvest plant material<sup>16</sup>,
- Close integration of agricultural amenities into urban planning with agricultural capacity scalable to urban growth, cycling of organic resources, reduction or elimination of "food deserts", increase in local employment, and revitalization of urban areas in decline<sup>17</sup>

### Moving forward

With SFU launching the urban agriculture program and KPU's existing horticulture, agriculture and food-system programs, the ongoing dialogues about local food security combined with the ALR challenges, there's already a convergence occurring around making food systems more compact and efficient, which Surrey could use as a launching pad for pitching the eco-industrial "discovery" park and the vertical farm. This could be the location of a pilot project. The potential could be realized across the province but to start, there needs to be an investment from the Province, Municipal, and Federal Governments.

Vertical farms can and have happened in major city centres.<sup>18 19 20</sup> Municipal governments could move this new discipline forward if they can be encouraged to broaden their land designations/zoning categories. Currently in many municipalities, farming can only occur on designated farming land. This however needs to be amended to allow innovation such as vertical farming to develop.

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14 Benke, Kurt; Tomkins, Bruce (2017-01-01). "Future food-production systems: vertical farming and controlled-environment agriculture". *Sustainability: Science, Practice and Policy*. **13** (1): 13–26. doi:[10.1080/15487733.2017.1394054](https://doi.org/10.1080/15487733.2017.1394054)

15 Ladner, Peter (2010), Ch. 20 Economic Potential of Urban Agriculture, "Agricultural Urbanism" 1<sup>st</sup> Ed. HB Lanarc Consultants Ltd.

16 Despommier, Dr. Dickson (2010), Ch. 5 The Vertical Farm: Advantages, "The Vertical Farm: Feeding the world in the 21<sup>st</sup> century" Thomas Dunne Books

17 Fraser, Bud (2010), Ch. 15 Integrated Infrastructure for Local Food and Agriculture, "Agricultural Urbanism" 1<sup>st</sup> Ed. HB Lanarc Consultants Ltd.

18 <https://makinglewes.org/category/eco-industrial-parks/>

19 <https://www.canadianarchitect.com/centennial-college-and-utsc-are-planning-canadas-first-net-zero-vertical-farm/>

20 <https://www.washingtonpost.com/business/2019/11/19/indoor-farming-is-one-decades-hottest-trends-regulations-make-success-elusive/>



THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Work with municipal and federal government to allocate funding for innovative research in vertical farming;
2. Work with municipalities to ensure that vertical farming can occur in light-industrial zones by amending land designations, with the stipulation that it is not ALR space being rezoned; and,
3. Set up a task force to develop the project with relevant stakeholders.

**Submitted by the Surrey Board of Trade**

**The Policy Review Committee supports this resolution.**

#### **04. INVESTING IN BC'S GROWING AGRITECH SECTOR**

##### **Opening Statement**

Agriculture is rapidly changing, and the realities of climate change and a growing population mean the years to come will be a time of great challenge in the systems that feed us every day. As the recent COVID-19 global pandemic has highlighted even further, the need to ensure food security and for a reliable local supply chain and consumer base for the food and beverages in B.C. continues to grow. Amid the challenges of inconsistent access to global agriculture products and markets are also great opportunities; especially here in British Columbia. Innovation and technology are already transforming our agriculture industries to help us rise to the challenges with which we are faced.<sup>21</sup> With land reserved for agriculture, strong industrial sectors, access to ports and highways, and a growing tech sector, B.C. is uniquely positioned to become a leader in the agriculture technology (agritech) sector that will shape our global food systems in the coming decades.

By adopting the United Nations' Sustainable Development Goals (SDGs) and working to implement them in future agriculture policies, B.C. can take the next steps to establish our province as a global agritech leader, which supports the innovation, development, demonstration, and deployment of novel technologies. As B.C. moves forward, creating an agriculture and agritech institute to drive excellence in priority areas and deepen the knowledge base and talent pool for the agriculture innovation agenda, and with business, government and academia working together, we can ensure that there is a place to grow food and support emerging agritech industries by examining land use policies and other regulatory considerations to make the best decisions which help invest in B.C.'s growing agritech sector.

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<sup>21</sup> [https://www.northdeltareporter.com/editions/?iid=i20200305040019839&&headline=Tm9ydGggRGVsdGEgUmVwb3J0ZXIsIE1hcmNoIDUsIDIwMjA=&&doc\\_id=200305122408-9a964cb2990f03038767d9279986b7ba](https://www.northdeltareporter.com/editions/?iid=i20200305040019839&&headline=Tm9ydGggRGVsdGEgUmVwb3J0ZXIsIE1hcmNoIDUsIDIwMjA=&&doc_id=200305122408-9a964cb2990f03038767d9279986b7ba) (Page 8) Accessed: 5 March, 2020



## Background

Technology already plays a major role in the food system. From the adoption of mechanised farm equipment to the recent rise of cloud-based online food ordering services, technology has shifted industrial methods and social practices around food production, distribution and consumption. Today, agricultural technology is redefining what it means to be a farmer. A new generation of farmers is adapting traditional growing and harvesting practices to greenhouses, urban rooftops, shipping containers and other unconventional sites. These new farms often utilize innovative new technologies, such as robotics, drones, LED lighting, monitoring sensors and farm management software.

Agri-tech supports all stages of food production, processing, and distribution. Farmers are increasingly driving research into seed genomics, climate-controlled greenhouses, sensor monitored growing technologies, advanced refrigeration and dehydration systems, and numerous other agri-tech solutions. They are often at the forefront of meeting shifting consumer demands such as for plant-based alternatives, locally-grown or locally-made food, health food products and environmentally sustainable, traceable protein sources.

B.C. also has an opportunity to build on its position as a leader in protecting the environment and mitigating greenhouse gas (GHG) emissions. Our province is already home to more than 150 companies that are active in the agri-tech sector. We have the advantage of land reserved for agriculture that can help to support the development of new growing strategies and demonstrate the agricultural applications of emerging technologies. To share a future where B.C. is a preferred jurisdiction for farmers, food manufacturers, agri-tech innovators and investment in agricultural businesses, decisive and coordinated action is needed by industry, academia and government.<sup>22</sup>

The BC Food Security Task Force was mandated to make recommendations that support food security and the economic growth of the agricultural sector in British Columbia, focusing on the following three areas:

- Increasing the competitiveness, efficiency and profitability of the agricultural sector of British Columbia, through technology and innovation;
- Growing the agri-tech industry as a standalone economic sector capable of developing technologies that will be applicable both locally and globally; and
- Supporting the development and application of technologies that can protect the agricultural sector against the effects of climate change and support environmentally sustainable agricultural practices.<sup>23</sup>

The Food Security Task Force applied the principles of “People, Planet and Profit” to their work in developing their recommendations “to ensure it would benefit people (in B.C. and globally), protect the planet and help B.C. farmers and the provincial economy remain competitive.”<sup>24</sup> These principle resonate with the BC Chamber of Commerce’s policy theme in 2020 of *7 Priorities to a More Effective Economy*.<sup>25</sup>

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22 <https://engage.gov.bc.ca/app/uploads/sites/121/2020/01/FSTF-Report-2020-The-Future-of-Food.pdf> (Page 6) Accessed: 2 March, 2020

23 <https://engage.gov.bc.ca/app/uploads/sites/121/2020/01/FSTF-Report-2020-The-Future-of-Food.pdf> (Page 9) Accessed: 5 March, 2020

24 <https://engage.gov.bc.ca/app/uploads/sites/121/2020/01/FSTF-Report-2020-The-Future-of-Food.pdf> (Page 14) Accessed: 5 March, 2020

25 Email from Dan Baxter “FW: Reminder: BC Chamber 2020 Policy Development - Submission Deadline: March 6, 2020” Sent 3 March, 2020



Across BC, innovative companies are using technology to maximize efficiency and profitability while developing environmentally sustainable practices. In the Fraser Valley, one company has developed software that turns unmanned aerial vehicles (drones) into berry and fruit guards, using light and noise to scare birds away<sup>26</sup> and in Salmon Arm, another is developing a vision-guided robot capable of accurately picking, trimming and placing mushrooms in store-ready boxes; a project capable of getting B.C. mushrooms to market quicker and helping to address the labour shortages of not only the mushroom sector but others as well.<sup>27</sup>

In Delta, one organization has developed a rapid low-temperature drying method that maintains a product's colour, flavor and nutrients; a technology used in developing popular and successful market products such as Moon Cheese, a dehydrated cheese sold as a non-perishable snack.<sup>28</sup> Academic research and learning facilities are a significant partner in this growing sector as well. At Simon Fraser University, researchers are exploring how a non-toxic chemical compound can target the varroa mite, a pest that can cause significant bee colony loss. Results from this study could lead to healthier hives in B.C., an increased availability of local pollinators, improved honey production and a reduction in imported bee colonies.<sup>29</sup>

In order for innovators and entrepreneurs like these to succeed, investment is needed<sup>30</sup>; both privately and through the government in terms of education, funding, and strategic land use policies which facilitate their work. This includes investments into research & development of agritech incubators and accelerators<sup>31</sup> and the development of a new zoning type for up to 0.25% of Agricultural Land Reserve land (specifically land of low soil quality, ill-suited for farming but with good transportation connectivity)<sup>32</sup> specifically for agricultural-industrial activity to support the growing agritech sector.

## THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Invest in B.C.'s growing Agritech sector by accepting and implementing the *Findings & Recommendations* of the B.C. Food Security Task Force, as summarized in "*The Future of B.C.'s Food System*" report:
  - a. Adopt the United Nations' Sustainable Development Goals (SDGs) and seek to implement these in future agriculture policies;

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26 <https://innovatebc.ca/news/agritech-innovation-challenge-winners-bring-local-tech-to-bc-farms/>

Accessed: 6 March, 2020

27 <https://www.bctechnology.com/news/2019/8/9/Innovate-BC-and-Ministry-of-Agriculture-Announce-AgriTech-Innovation-Challenge-Winners.cfm>

Accessed: March 4, 2020

28 [https://www.northdeltareporter.com/editions/?iid=i20200305040019839&&headline=Tm9ydGggRGVsdGEgUmVwb3J0ZXIsIE1hcmNoIDUsIDIwMjA=&&doc\\_id=200305122408-9a964cb2990f03038767d9279986b7ba](https://www.northdeltareporter.com/editions/?iid=i20200305040019839&&headline=Tm9ydGggRGVsdGEgUmVwb3J0ZXIsIE1hcmNoIDUsIDIwMjA=&&doc_id=200305122408-9a964cb2990f03038767d9279986b7ba) (Page 8) Accessed: 5 March, 2020

29 <https://www.bctechnology.com/news/2019/8/9/Innovate-BC-and-Ministry-of-Agriculture-Announce-AgriTech-Innovation-Challenge-Winners.cfm> Accessed: 4 March, 2020

30 [https://foresightcac.com/blog/view/strategic\\_connections\\_capital](https://foresightcac.com/blog/view/strategic_connections_capital) Accessed: 2 March, 2020

31 <https://engage.gov.bc.ca/app/uploads/sites/121/2020/01/FSTF-Report-2020-The-Future-of-Food.pdf> (Page 66) Accessed: 6 March, 2020

32 <https://engage.gov.bc.ca/app/uploads/sites/121/2020/01/FSTF-Report-2020-The-Future-of-Food.pdf> (Page 7) Accessed: 2 March, 2020



- i. Create an Expert Advisory Council;
- b. Establish B.C. as a global agritech leader by supporting the innovation pathway including the development, demonstration, and deployment of novel technologies;
- c. Create an agriculture and agritech institute as a collaborative entity across post-secondary institutions to drive excellence in priority areas and deepen the knowledge base and talent pool for the agriculture innovation agenda;
- d. Ensure that there is a place to grow food and support emerging agritech industries by examining land use policies and other regulatory considerations; and
  - i. Establish a Commissioner for Agri-Industrial Lands.

**Submitted by the Delta Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

## **05. MAKING HOUSING ON ALR WORK FOR FARMING FAMILIES**

### **Opening Statement**

Agriculture is a key sector for BC and Canada, a key export for international trade and an essential staple of our economy. With growing innovation, technology and highly skilled job development in this sector the future looks bright.

Farmers and farming families across the province however, have faced significant challenges over the past year as a result of ALR legislation directly impacting their ability to function and operate without red tape and impeding regulations.

### **Background**

B.C. farmers produce 48% of the food British Columbians consume, according to B.C.'s Food Self- Reliance report (2007). More than 22,000 people earn their livelihood directly from the primary agriculture sector.

In February 2019, the province brought into force Bill 52, amendments to the *Agricultural Land Commission Act* (Act).

Among the three key changes included the following to:

- Directly address mega-mansions and speculation in the ALR by limiting the size of primary residences and empowering the ALC to approve additional residences for farm use

The change noted above included a phase-out of a long-standing previous rule that had allowed ALR secondary residence in the ALR without ALC approval, so long as it was a manufactured home for immediate family members.

After the February 2019 amendments, a Local Government (LG) can only approve a principal residence if the total floor area is less than 500m<sup>2</sup> (5,400ft<sup>2</sup>) but may also restrict the principal residence to a smaller size by bylaw. A principal residence larger than 500m<sup>2</sup> (5,400ft<sup>2</sup>) or an additional residence now requires application to the ALC. The ALC may not approve an additional residence unless it is necessary for farm use. Previous



houses larger than 500 square metres, as well as those that have substantially begun construction, were grandfathered under the new bill.

Since legislation passed, the provincial government considered the concerns of farmers, families and industry stakeholders through consultations from September to November 2019 engagement.

The government has been exploring how to incorporate views on residential flexibility that were raised through the engagement, such as:

- Many participants expressed a desire to allow for a small second residence for all ALR land owners without requiring ALC approval;
- Some ALR landowners felt uncertain over their ability to replace a structure if it is destroyed (75% or more), or needs to be replaced because it is in disrepair;
- Some retiring and new farmers felt disadvantaged because they can't provide a secondary residence for family/workers without approval from the ALC;
- Participants generally wanted to ensure that the needs of LG, First Nation governments and regional districts are considered in the development of any future policy changes;
- It was recognized that some regional districts do not have zoning bylaws and there is a need to consider what this might mean against any policy options; and,

### **Proposed policy direction**

New proposed policy direction was released from the provincial government on January 27, 2020. In order to support farmers and non-farmers living in the ALR, the Ministry is considering a change to regulations that will enable landowners in the ALR to have both a principal residence and a small secondary residence on their property, provided they have approval from their LG.

There would be no required application to the ALC. Further, the province would not impose restrictions to require this secondary residence be a manufactured home, or be for an immediate family member, or be part of a farming plan. The Province maintains the primary use of ALR land is, and will continue to be, for agriculture.

Importantly, this direction does not include reconsideration of the maximum size of a principal residence; nor changing the ALC as the decision maker for additional residences for farm use.

While the policy intentions are beneficial, they don't go far enough to address true resolution of the issue.

### **THE CHAMBER RECOMMENDS**

That the Provincial Government:

1. Implement further flexibility with ALC and LG jointly determined case specific policy discretion
  - a. With particular consideration to enable families and multi-generations to live together and farm;
  - b. Specify allowance for the ability of farmers to replace a structure if it is destroyed (75% or more) or needs to be replaced because it is in disrepair
2. Allow the "building up" of principal farming residences on ALR to accommodate larger family sizes





- a. With the approval of local governments and/or First Nations governments;
  - b. Without requiring ALC approval; and
3. Enact it's released policy intentions to:
  - a. Not require "small secondary residences," as defined, be applied for through the ALC; and
  - b. Not restrict the secondary residence to be a manufactured home, or be for an immediate family member, or be part of a farming plan.

**Submitted by the Abbotsford Chamber of Commerce, Parksville & District Chamber of Commerce and Qualicum Beach Chamber of Commerce**

**Supported by the Kelowna Chamber of Commerce, Kamloops Chamber of Commerce, Greater Langley Chamber of Commerce and Delta Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

## **06. ONE-TIME LAND RELEASE FROM THE ALR TO ENABLE GROWTH IN AGRI-TOURISM**

### **Opening Statement**

In the Okanagan, and Vancouver Island, there is urban/rural conflict centered around ALR lands. There is less of a problem in the lower mainland, where larger farming operations continue to consolidate, primarily outside urban limits.

In Kelowna, for example, 40% of the land footprint within city limits is designated ALR. While this makes for pleasing green space for residents, it also means that the pressures to successfully farm within urban cost structures and demands make life for farmers more challenging.

As a population, we need all foodstuffs that can be successfully grown on ALR land: if land isn't conducive to grape growing, perhaps it is adaptable to poultry, livestock, vegetables or soft fruits. It is critical to recognize that maintaining the integrity of the ALR depends on flexible farming practice. Land shouldn't be released from the ALR because one particular crop isn't financially viable (i.e., grapes).

Sustainability of BC farming enterprises can be enhanced by government acceptance of agri-tourism as a viable vision for the future.

### **Background**

Little land has been released in the Kelowna area in the past decade. Now, ALR land release goes through ALC Commission zones as well as through municipality or district. Kelowna City Planning does have an agricultural specialist, new in the last year. Given the region's reliance on agriculture: orchards, farms, wineries – this was a late, but now timely addition.

Where problems are emerging is with use on the ALR that is considered non-farm: parking for wedding guests or buses; food service spaces for events, including tasting/cooking classes using on-site grown



produce; and decisions that need to be made specific to the region or micro-region. Zones don't work and rulings vary widely from zone to zone.

Agri-tourism has become a world driver of agriculture, the tourism economy and sustainability. The ALR is a wonderful resource. But if hidebound rules constrain economic success and growth for farmers and push them off the land in favour of mega-farms (as has been seen in the lower mainland) – it is in large part a societal and government policy failure.

ALR regulations around land release need to be region- and site-specific. Zones do not work, they are too broad. The mandate of all citizens and policy makers should be to protect what is there, allowing room for temporary farm workers and on-site agricultural-related undertakings. If this means dormitories or hostels for visiting tourists or students – as is seen throughout Europe – it should be allowed. Inflexible, generic rules do not work in the diverse geographic farming province that is BC.

### **Agri-tourism Internationally**

Agriculture and tourism have various economic interlinkages. They share resources such as land or labour to produce either food and/or other farm outputs, or to accommodate, cater for and/or entertain visitors. This is the case in the US, France, Italy, Germany, Argentina, Brazil and encouragingly, in India, where the population is migrating to the cities, and losing touch with the land. There are strong interlinkages between agriculture and tourism: farm production of food and other goods for tourists during their stays; export of agricultural products to tourist source cities, provinces or countries after their visits (YLV Airport has recognized and is promoting this); accommodation of tourists on the farm ("agritourism"); and other complementary services of farming for tourists (e.g., farms as sight-seeing destinations) and vice versa (e.g., farmers working as ski area service staff, bus drivers etc.).<sup>33</sup>

### **British Columbia Farming Industry**

In BC, agriculture represented \$2.4 billion in sales in 2010 and an estimated 31,800 people were employed in primary agriculture (2009). The province leads the nation in sales of a number of crops including sweet cherries and grapes, the majority of which are grown in the Okanagan. Major areas for agriculture production in the province are Thompson-Okanagan, Nechako, Kootenay, Cariboo, Mainland South Coast, North Coast, Peace River and Vancouver Island-Coast regions. The largest number of farms – over 5,700 – is located in the Thompson-Okanagan.<sup>34</sup>

Threats to BC's farming industry include (but are not limited to): lower fresh produce production costs in other parts of the world (dumping); aging farmers with no succession planning; or government restrictions on on-farm housing. (Average age of Okanagan farmers is 56; many are looking to retire soon. Fewer people are entering the industry. The high cost of agriculture land in the Central Okanagan is a deterrent to new entrants to the industry. The seasonal nature of agriculture means large numbers of workers are needed

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33 Christian Fischer, Professor of agrofood economics, management and marketing, Free University of Bolzano/Bozen, Italy, EURAC Research, 1<sup>st</sup> World Congress on Agritourism, Nov 7-9, 2018, [https://agritourism.eurac.edu/wp-content/uploads/2018/11/wac\\_2018\\_book\\_of\\_abstracts\\_061118\\_Final.pdf](https://agritourism.eurac.edu/wp-content/uploads/2018/11/wac_2018_book_of_abstracts_061118_Final.pdf)

34 From Agriculture to Agri-tourism Opportunities for Agri-Tourism in the Central Okanagan, COEDC October 18, 2012, <http://www.omafra.gov.on.ca/english/busdev/facts/16-029.htm>



and temporary foreign workers restrictions and delays in processing add additional problems to farm operations.

Agri-tourism development is an economic development strategy that has been demonstrated internationally as a way for farmers to add value to their farm businesses. This major tourism trend focuses on a visitor looking for sustainable, environmentally conscious holidays and authentic travel experiences – experiences that fit well with many agritourism activities.

In Ontario, the provincial government supports opening farm gates to visitors – shifting some of the focus of the operation from production to people. They advise the shift involves innovation, business planning and patience. Farm owners who have successfully integrated agri-tourism into their operations report that the transition has enhanced their lifestyle as well as their business.<sup>35</sup>

In BC, the agricultural landscape is undergoing significant changes due to globalization, advancements in technology and a shift in consumer demands. These changes are forcing farmers to adapt to new realities and to contemplate strategies to keep their farms viable. At the same time, consumer demand for access to locally grown food is increasing.<sup>36</sup>

Over the last decade, the number of BC farmers' markets has grown from nineteen to over a hundred and twenty-five. Each year, the Farmers and Crafters Market in Kelowna outstrips the previous year's attendance numbers, and it is a similar story in Penticton, Naramata and other Okanagan centres.

Similarly, challenges associated with mass urbanization are well recognized by people living in cities. Many feel disconnected from the natural world, their food supply and local businesses. This results in people seeking refuge in rural areas for recreation experiences and overnight getaways. This trend, already recognized by farmers, should be capitalized on to create new revenue for agriculture through agri-tourism. The Thompson Okanagan Tourism Association began to invest energy and time into becoming a centre for sustainable tourism worldwide in 2012.<sup>37</sup>

ALR regulations must change. In BC, agri-tourism is defined as a tourist activity, service or facility accessory to land that is classified as a farm under the Assessment Act. These activities may include:

- (a) an agricultural heritage exhibit displayed on the farm;
- (b) a tour of the farm, an educational activity or demonstration in respect of all or part of the farming operations that take place on the farm, and activities ancillary to any of these;
- (c) cart, sleigh and tractor rides on the land comprising the farm;
- (d) activities that promote or market livestock from the farm, whether or not the activity also involves livestock from other farms, including shows, cattle driving and petting zoos;
- (e) dog trials held at the farm;

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35 Developing an Agri-Tourism Operation in Ontario, May 2016, <http://www.omafra.gov.on.ca/english/busdev/facts/16-029.htm>

36 Farm Diversification through Agri-tourism: Guidebook, BC ministry of Agriculture, January 2017, [https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/farm-management/farm-business-management/business-planning-guides/agritourism\\_guide\\_2017.pdf](https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/farm-management/farm-business-management/business-planning-guides/agritourism_guide_2017.pdf)

37 Building a Sustainable and Responsible Tourism Industry, Thompson Okanagan Tourism Association, 2019 <https://www.totabc.org/sustainability>



- (f) harvest festivals and other seasonal events held at the farm for the purpose of promoting or marketing farm products produced on the farm;
- (g) Corn mazes prepared using corn planted on the farm.

While the list likely includes cooking and tasting classes, it does not include weddings or other large events that can be farm-based in theme. This has caused confusion and difficulties in the Okanagan for farmers attempting to access similar celebratory activities.

Simply put, agri-tourism is tourism that supports agricultural production. It has been shown to be one of the most effective diversification options for farmers. Integrating agri-tourism successfully into a farm requires farmers to rethink their product offerings and interact more directly with their customers.<sup>38</sup> In the age of COVID-19 and its impact on the food supply, it is noted that the newly launched AgriRecovery initiatives through the Federal Government, as well as the Emergency Processing Fund, and the Surplus Food Purchase Program and payments through AgriStability<sup>39</sup> will increase stability in agri-tourism.

### **Sustainable Tourism**

Farming is the original sustainable business. The Thompson Okanagan Tourism Association's (TOTA) 10-year sustainability strategy was endorsed by its 90 communities and hamlets together with the 33 Indigenous Communities located in the region. The first of its kind in North America, it is the roadmap for regional tourism development, that is both sustainable and thoughtful. It focuses on the three pillars of responsibility: Environmental, Economic and Social. TOTA aligned with GreenStep Solutions committing the organizations to work in implementing green practices.

In 2016, TOTA completed a worldwide search for an organization that could assist in pursuing certification as a Sustainable Tourism Destination culminated in an agreement with the Responsible Tourism Institute (Spain)<sup>40, 41</sup>

### **THE CHAMBER RECOMMENDS**

That the Provincial Government:

1. Hire an independent consultant to review the current ALR land base with the goal of making suggestions for releasing lands deemed not suitable for agriculture;
  - a. Task the independent consultant to more clearly define "Not suitable for agriculture", i.e., not single-crop based;
  - b. Ensure the review recommends making corrections that make common sense, not be for the sole purpose of releasing lands;

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38 Farm Diversification through Agri-tourism: Guidebook, BC ministry of Agriculture, January 2017, [https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/farm-management/farm-business-management/business-planning-guides/agritourism\\_guide\\_2017.pdf](https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/farm-management/farm-business-management/business-planning-guides/agritourism_guide_2017.pdf)

39 <https://pm.gc.ca/en/news/news-releases/2020/05/05/supporting-canadas-farmers-food-businesses-and-food-supply>

40 <https://www.responsibletourismstitute.com/en>

41 Thompson Okanagan Tourism Association, 2019 <https://www.totabc.org/sustainability>



## AGRICULTURE

2. Re-allocate ALR management structure to allow site-specific land release to be approved by municipalities only, involving the ALC to prevent gutting the ALR;
3. Encourage the economic growth of agri-tourism through the Ministry of Agriculture, and, the Ministry of Jobs, Economic Development and Competitiveness through marketing strategies that ensure agriculture comes first and agri-tourism is supported financially;
4. Enhance sustainability of BC agri-tourism by working with Federal ministries to speed up approvals of temporary foreign workers and reduce the regulatory burden on farmers;
5. Enhance sustainability of BC agri-tourism by working with their Federal counterparts in the Ministry of Agriculture and Agri-Food to ensure the sustainability of small land holdings in BC.

**Submitted by the Kelowna Chamber of Commerce**

**Supported by the Penticton & Wine Country Chamber of Commerce, the Summerland Chamber of Commerce, the Greater Westside Board of Trade**

**The Policy Review Committee supports this resolution.**



## 07. EARLY CHILDHOOD EDUCATION: UNTAPPED ECONOMIC OUTPUT

### Opening Statement

The Government of British Columbia is delivering significant measures to improve access to more affordable childcare.

However, currently only 60% of women over 25 are members of Canada's labour pool – a number that has improved little over the past decade.<sup>42</sup> This untapped economic output could be unleashed with further supports for Early Childhood Education.

Currently there are over 18,000 certified Early Childhood Educators (ECEs), and more than 6,000 ECE Assistants registered in British Columbia. It is expected that an additional 12,000 ECEs will be needed once the universal childcare system is fully implemented over the next ten years. B.C.'s strong labour market is currently attracting experienced ECEs to other sectors and career paths, and the planned expansion of licensed childcare spaces will further exacerbate current increased demand for trained ECEs.

By Increasing access to reliable and affordable childcare, more women will be able to enter into the BC labour pool. This untapped resource represents a significant opportunity to improve GDP and continue to drive the much needed overall diversity in the workforce of BC<sup>43</sup>.

### Background

In 2019 and early 2020, the Resort Municipality of Whistler, through a provincial grant administered by the Union of BC Municipalities, conducted a comprehensive childcare planning study to understand and address childcare needs, service shortfalls and associated impacts in this resort community. The following are preliminary key findings from this study:

- Whistler's childcare access rate for ECE licensed care shows that Whistler generally has less care available compared to the provincial average and communities in the region.
- Care providers indicated their greatest challenge in offering additional care is the ability to attract and retain ECE licensed caregivers. Issues identified included the inability of trained and licensed care givers from elsewhere to work due to provincial licensing restrictions and limited remote access to training and certification programs. Relatedly, Whistler attracts people from around the world who are qualified childcare workers, but their qualifications are not recognized in BC.

In May 2018, In May 2018, with input from the Coalition of Child Care Advocates of BC (CCCABC) the Union of British Columbia Municipalities launched a survey to local Governments, asking about their childcare needs. Respondents were asked what actions could be taken by the provincial government to support local governments to ensure families have access to quality, affordable and accessible childcare. Feedback for this

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<sup>42</sup> <https://www.canadianbusiness.com/blogs-and-comment/want-to-boost-canadas-flagging-economy-provide-cheap-daycare/>

<sup>43</sup> <https://talkingenergy.ca/topic/women-are-untapped-resource-skilled-trades-construction-jobs>

[https://weballiance.ca/wp-content/uploads/2015/10/WCEG\\_SUMMARY\\_WEB\\_light\\_2015\\_05\\_07.pdf](https://weballiance.ca/wp-content/uploads/2015/10/WCEG_SUMMARY_WEB_light_2015_05_07.pdf)



question included easing the transfer of Early Childhood Education training credits from other provinces and out of country.<sup>44</sup>

As part of its Childcare BC Plan, the B.C. Government is investing \$1 billion over three years to enhance the quality of childcare across the Province.

According to the most recent data (2016/17) reported by child care operators through the Ministry of Children and Family Development's Child Care Operating Funding Program, the current median wage of ECEs in licensed Group Child Care facilities is approximately \$18 per hour, with an annual median salary of \$38,000.

To help recruit and retain a skilled and qualified workforce for childcare services across the province, the Provincial Government committed \$21 million in 2018/19 to enhance wages for front-line ECEs working in licensed childcare facilities eligible for the Child Care Fee Reduction Initiative. A \$1-per-hour wage enhancement came into effect in early 2019, with an additional \$1-per-hour enhancement scheduled for April 1, 2020. This will increase the total wage enhancement to \$2-per-hour for eligible front-line ECEs.

Current projections show we will need an additional 12,000 ECEs and other childcare professionals over the next ten years in order to expand the availability of licensed childcare and achieve the ambitious targets set in the Childcare BC Plan.<sup>45</sup>

Without the availability of qualified staff, British Columbia will not achieve its ambitious universal childcare goals.

### THE CHAMBER RECOMMENDS

That the Provincial Government include the following actions in the Childcare BC Plan:

1. the BC Government be encouraged to work with other provinces/regulating bodies to standardize certification criteria/standards and recognition
2. Enhanced online Early Childhood Education training programs to ensure access to training for remote communities;
3. Financial support to increase access to Early Childhood Education training for Indigenous Peoples across British Columbia; and,
4. Financial assistance to offset the provincial portion of property taxes for facilities eligible for the Child Care Fee Reduction Initiative.

### Submitted by the Whistler Chamber of Commerce

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<sup>44</sup>[https://www.ubcm.ca/assets/Library/Policy~Topics/Health~and~Social~Development/UBCM\\_CCCABC%20Child%20Care%20Needs%20in%20Small%20Rural%20and%20Remote%20Communities%20August%202018\\_FINAL.pdf](https://www.ubcm.ca/assets/Library/Policy~Topics/Health~and~Social~Development/UBCM_CCCABC%20Child%20Care%20Needs%20in%20Small%20Rural%20and%20Remote%20Communities%20August%202018_FINAL.pdf)

<sup>45</sup> [https://www2.gov.bc.ca/assets/gov/family-and-social-supports/child-care/6337\\_earlycareandlearningrecruitment\\_andretentionstrategy\\_report\\_web.pdf](https://www2.gov.bc.ca/assets/gov/family-and-social-supports/child-care/6337_earlycareandlearningrecruitment_andretentionstrategy_report_web.pdf)



**Supported by the Surrey Board of Trade and Kelowna Chamber of Commerce**

**The Policy Review Committee supports this resolution.**





## 08. ADULT EDUCATION POLICY FRAMEWORK REVIEW

### Opening Statement

In April 2018, the Ministry of Advanced Education, Skills and Training released the Adult Education Policy Framework<sup>46</sup>; however, considering the policy objectives, which include accessibility, sustainability, transferability and accountability, there is a need to broaden its scope and make the framework implementable. The COVID-19 pandemic has made it apparent that enhancing the scope of e-learning is essential.

### Background

The Framework's purpose was to *"provide the context, policy objectives and key policies pertaining to domestic students at public post-secondary institutions (PPSIs) in:*

- *Adult Basic Education (ABE);*
- *English Language Learning (ELL) (also known as English as a Second Language); and,*
- *Adult Special Education (ASE).*

These programs are 'pre-post-secondary' level programs that provide a key pathway for many students transitioning to post-secondary education, training, and the labour market."<sup>1</sup>

The following suggestions may be considered to make it broader and more extensive:

1. Delivery of AVE, ELL and ASE programs through a centralized learning portal with options of e-learning, blended learning and delivery through learning centres.  
A participant must be enrolled through a centralized learning portal (administered by the Minister) and can be provided with following options along with provision to switch during the course of the program:
  - a. Pursue the program online at the participant's own pace
  - b. Pursue the program in a dual (blended) mode with partially online and partially at the learner centre or through satellite mode
  - c. Choose a learning centre (the mandated colleges and institutions, and/or other participating agencies, if any). The learning centre can also facilitate the enrolment process, in case the participant approaches the centre directly.

The Centralized Learning Portal shall support and facilitate the policy objectives of accessibility, transferability, accountability along with sustainability in the long run.

Accessibility – the centralized learning portal would facilitate the expanded reach in accessibility of the programs with provision of an E-Learning medium as well as a blended learning mode with e-learning and in-person learning with participants having the option of pursuing the program at a self-paced mode. These mediums would support government policy of successful student progression by extending an environment

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<sup>46</sup> [https://www2.gov.bc.ca/assets/gov/education/post-secondary-education/adult-education/adult\\_education\\_policy\\_framework.pdf](https://www2.gov.bc.ca/assets/gov/education/post-secondary-education/adult-education/adult_education_policy_framework.pdf)



## EDUCATION

supporting all adult participants including those with complex life experiences and other identified variety of reasons.

**Transferability** – the suggested model would facilitate the seamless movement of participant between B.C. institutions that deliver these programs. The model would simplify the provincial articulation with centralized enrolment and learning centres' could easily access the records if a participant chooses to pursue or continue the course with them.

**Accountability** – with extended access and simplified transferability, the aspect of accountability may also be projected to be more transparent.

- The model would address the aspect of reporting requirements and monitoring adult education targets, since each participant will be enrolled centrally.
- Moreover, aspect of continuous assessment of the participant and individual education plans for fundamental level students and low literacy students could be incorporated through the model.
- The model would facilitate the collaboration and partnership between school districts, Indigenous nations and institutes, and/or community-based organizations to deliver the relevant programs more effectively.
- The model would facilitate the Adult Upgrading Grant

**Sustainability** – A centralized model while addressing the objectives of accessibility, transferability and accountability would further facilitate sustainability in the long run.

- With wider reach and accessibility, the model would contribute towards the vision of providing support to adult learners towards completion and advancement of education.
- With self-paced and other various options along with simplified transferability, the model would facilitate the participant in training and enable them towards employment opportunities to succeed in B.C.'s communities and the economy.
- While assisting continuous assessment and individual education plans, real time reporting and monitoring of education targets and enabling collaboration between various institutions and community, the model would support sustainability.

### **Why Is This Important to Business**

A better educated population gives businesses a larger talent pool. If an individual has to travel to a designated school for adult education, they must sacrifice time at the workplace, at home, and doing other activities, enabling individuals to gain more education through e-learning will diminish the time spent away from the workplace and home.

### **THE CHAMBER RECOMMENDS**

The Provincial Government:

1. Make the Adult Education Policy Framework broader and more extensive by developing a centralized learning portal with options of e-learning, blended learning and delivery through learning centres.

**Submitted by the Surrey Board of Trade**

**The Policy Review Committee supports this resolution.**

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## 09. FIXING THE GASOLINE CRISIS IN BC

### Opening Statement

BC has been facing an ongoing gas supply crisis. With little competition in the retail gas market, price fixing by large corporations, and a gas shortage due to politics in the East and South, the business community at large is suffering. Increasing gas prices affect the economy in numerous ways: from an increase in cost of goods to reduced savings. The BC government must work with the private market to ensure that the economic growth of BC does not diminish due to exorbitant gas prices.

### Background

BC has seen some of the highest gas prices in the last decade. Gas in Metro Vancouver has been seen at times close to \$1.79/litre for regular gas. There seems to be little hope that we will see gas prices go down without exceptional circumstances such as international geopolitical supply fixing or a pandemic.<sup>47</sup> This has been an ongoing issue for Metro Vancouver as a supply problem “... but geopolitics has now taken over.”<sup>48</sup> Metro Vancouver imports two-thirds of its gas from outside of the province – Alberta and the United States being the main sources for the petroleum used in Metro Vancouver’s vehicles.

Price gouging is occurring by refineries and retailers. Gas stations often attempt to match each other’s prices.<sup>49</sup> Small gas chains are forced to increase their prices to match those of larger organizations. Large producers have larger purchasing power in the oil and gas industry because they have access to a large incidence of capital. With this access to large capital, they can reduce their prices to levels that small gas stations cannot feasibly compete with, effectively buying them out of competition. Then, once competition is eliminated, the larger corporations raise their prices to whatever level they want.

One solution to price fixing is for the government to set price caps. By fixing the gas prices, artificial lowering cannot occur, and the gas prices will remain at equilibrium rather than allowing the buying out of gas stations mentioned above. But gas price fixing also carries a high cost if the prices are not appropriate. Some attempts at price fixing have resulted in gas shortages so governments must be careful when attempting to set the price.<sup>50</sup>

An example of appropriate regulation of gas prices is Nova Scotia, where the Nova Scotia Utility and Review Board (NSUARB) is responsible for setting fuel prices under the *Petroleum Products Pricing Act* and regulations i to prevent price gouging.<sup>51</sup> The NSUARB sets the minimum prices for fuel, which are determined by factors including world events, the New York Mercantile Exchange, and the exchange rate between the US and Canadian dollar. There is potential for gas retailers and wholesalers to set lower prices but only for promotional purposes, which must be registered with the Board.

### THE CHAMBER RECOMMENDS

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47 <https://globalnews.ca/news/5191317/vancouver-gas-price-new-normal/>

48 <https://globalnews.ca/news/5191317/vancouver-gas-price-new-normal/>

49 <https://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/02926.html>

50 <https://www.investopedia.com/terms/p/price-ceiling.asp>

51 <https://beta.novascotia.ca/gasoline-and-diesel-pricing>



That the Provincial Government:

1. Investigate the potential for regulating gas prices by working with small and medium sized gas retailers similar to the Nova Scotia model.

**Submitted by the Surrey Board of Trade**

**The Policy Review Committee supports this resolution.**

## **10. LEVERAGE AND BENEFIT FROM PRIVATE SECTOR INVESTMENT AND EXPERTISE IN RENEWABLE ENERGY GENERATION AND TRANSMISSION**

### **Opening Statement**

BC's low-carbon economy is founded on the generation of clean, renewable electricity to power our transportation, homes, and industry. Policy to achieve the province's climate goals and grow our low-carbon business advantage, however, currently stops at the point of appreciating our 97% clean electricity advantage, without recognizing how the private sector's considerable investment in BC's clean electricity system brings additional value to both ratepayers and taxpayers. It also does not recognize how private sector investment can continue to be leveraged to achieve provincial policy objectives and meet industry's needs while growing regional economies and advancing reconciliation.

Private sector investment in BC's electricity system has attracted over \$8.6 billion<sup>52</sup> to the province. This investment contributes to a high standard of living by providing regional economic growth, stable family-supporting jobs, and substantial local and provincial tax contributions. Considering the economic impacts of COVID-19, the long-term local benefits provided by these projects are of value now more than ever. For BC to fully leverage its low-carbon economy, enhance competitiveness, and attract investment to the province to ensure a resilient economic recovery from the ongoing impacts of COVID-19, the critical role and wider benefits that of private investment in renewable power generation and supporting electricity infrastructure offers must be supported and encouraged through provincial policy.

### **Background**

In 2019, the provincial government's "*Zapped*" report presented an fairly negative and in a lot of ways an imbalanced view of the private sector's renewable energy industry and targeted contracts signed by BC Hydro with independent power producers (IPPs) as the direct cause of rate increases for BC Hydro customers. In addition to omitting the contributions that IPPs have made and continue to make in B.C., the report failed to situate its argument within the facts at the time: that these contracts were competitively procured, aligned with BC's legislated energy objective to achieve self-sufficiency under the *Clean Energy*

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<sup>52</sup> \$8.6 billion represents a 2016 figure when there was \$6 billion invested by the private sector in operational projects with \$2.6 billion in development projects as reported by independent consultant MNP in the report entitled Clean Energy Projects: Investment, Job Creation and Community Contributions: <https://www.cleanenergybc.org/wp-content/uploads/2016/04/MNP-Report-April.pdf>.



Act, and transferred the risks of rising costs of construction, operations and maintenance away from taxpayers and onto private industry<sup>53</sup>.

Central to *Zapped* is an unfavorable comparison of the price of IPP generation contracts from the 2000s with the Mid-Columbia price today (the spot market price of importing energy from the USA). Long-term contracts signed by BC Hydro with IPPs play an important role to protect ratepayers from price volatility on the open energy market. While current import prices for electricity are low, there is much less certainty with regards to the price, supply and profile associated with electricity imports in the medium- and long-term. Unforeseen changes to markets and market openness, such as those seen most recently with supply chains during the COVID-19 pandemic, also pose risks. A historical demonstration of this risk was even identified in *Zapped*. Several factors leave electricity markets vulnerable to price spikes and volatility as demonstrated by the mid-2000s energy crisis. The 2020 Provincial Budget stated that an expected 3% annual increase in energy revenues is due primarily to the sale of electricity to the U.S. at increasing Mid-Columbia prices, which demonstrates the anticipated increase of these market prices. With the dramatic decreases in the cost of renewable energy as technologies and efficiencies have improved, this further points to the reality that maintaining domestic energy security is the best and most affordable future for British Columbians<sup>54 55</sup>.

More recently, the widespread short- and long-term economic impacts of COVID-19 highlight the need for the provincial government to answer the question of how we will affordably and efficiently align stimulus and relief measures with BC's efforts to achieve its climate targets, while maintaining competitiveness and growing BC's economy. The private renewable energy sector is ready to apply market-proven solutions in BC that address climate change and also provide jobs for British Columbians.

Current policy activity in BC puts an emphasis on how to leverage the province's low-carbon advantage to unlock B.C.'s full economic potential in a world with growing demand for low carbon solutions. To pursue this important goal, we must ensure that policies are in place to support an ongoing supply of renewable electricity, along with the required transmission and interconnection capabilities, and attract investment in the province by private generators. The private sector brings expertise in new and emerging renewable energy technologies to BC, including solutions that improve the integration of variable generation on the grid such as paired solar and storage installations, and innovative transmission solutions. Leveraging the private sector for new infrastructure build-out protects ratepayers by transferring the capital cost and financial risk of these large-scale investments out of the public realm and limiting the need for the utility and/or government to take on new debt. The private sector's ingenuity and experience in a diversity of technologies, delivery models, and fluidity allows it to deliver cost effectiveness and speed-to-market that are more difficult for public institutions to realize.

These attributes are of particular value to industries in BC who, to partner with the provincial government to achieve CleanBC targets, require a clear and predictable path to electrification that is affordable and

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53 <https://www.cleanenergybc.org/wp-content/uploads/2019/03/CEBC-Report-Response-to-Zapped-allegation-of-billions-overspent.pdf>

54 In the U.S., the levelized cost of electricity (LCOE) per megawatt-hour for onshore wind and photovoltaic solar has fallen by 49% and 84% respectively since 2010. Bloomberg New Energy Finance, March 2019:

<https://www.utilitydive.com/news/electricity-costs-from-battery-storage-down-76-since-2012-bnef/551337/>

55 In December 2017, a competitive electricity-supply auction in Alberta yielded the lowest-ever rate paid for wind energy in the country, at a weighted average of \$37 per megawatt-hour. Alberta Electricity System Operator, December 2017:

<https://www.aeso.ca/market/renewable-electricity-program/rep-results/>



innovative. Without these attributes, their global competitiveness will suffer. The provincial government's CleanBC plan outlines ambitious targets for electrification across the transportation, buildings, and industrial sectors to reduce GHG emissions by 40% from 2007 levels by 2030. Opening up opportunities for the private sector to supply the electricity infrastructure that is needed to achieve greater electrification can meet industry's need for timely and low-cost energy options and support their continued competitiveness as they manage and begin to recover from the worldwide economic downturn due to COVID-19.

There is also a unique opportunity to leverage renewable energy projects to achieve Indigenous economic development. As of 2017, over 50% of First Nations in BC had renewable energy projects under development. Nations who have succeeded in becoming owners and operators of renewable energy projects, on their own and/or in partnership with non-Indigenous corporations, have experienced increased economic development and self-determination. Unless BC maintains a commitment to domestic energy security, as opposed to increasing our reliance on importing electricity, this potential will be lost. In BC and across Canada, the private sector has extensive experience successfully partnering with Indigenous communities on utility scale renewable energy projects. These long-term relationships provide a path towards Indigenous economic development and achieving the province's reconciliation goals in accordance with the recent *Declaration on the Rights of Indigenous Peoples Act*.

#### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Maintain a commitment to a cost-effective and predictable path to electrification in collaboration with industry. Since BC Hydro's 2021 Integrated Resource Plan (IRP) will be a foundational part of planning the path to electrification in BC, direct BC Hydro to incorporate the full suite of current and expected CleanBC electrification initiatives into the 2021 IRP electricity demand forecasts, as well as a transmission and distribution infrastructure needs assessment;
2. Collaborate with the private sector to develop and implement policies and initiatives to attract the type of private sector investment in the electricity system that supports government to affordably secure the low-carbon advantage for BC businesses, and boost economic recovery following COVID-19; and,
3. Utilize the existing renewable energy assets that Indigenous communities across B.C., and their private sector partners, have already invested heavily in to meet BC's future electricity needs, deliver reconciliation commitments and support the achievement of the goals of the *Declaration on the Rights of Indigenous Peoples Act*.

**Submitted by the Policy Review Committee**

## 11. THE NEED FOR ENERGY ALTERNATIVES – INVESTING IN NUCLEAR TECHNOLOGY

### Opening Statement

Climate change reduction policy based on targets have been implemented on an international scale. The BC Government has created a plan to become net-zero in terms of emissions produced in BC by 2040. Globally,



the energy-sector's carbon emissions grew by more than 40% over the past 18 years. There is a need for a diversification of energy production by utilizing a method that is both emission-reducing, and safe – nuclear power.

## Background

In 1980 following the Chernobyl disaster, the British Columbia government introduced a seven-year ban on uranium and thorium exploration and mining. This ban was renewed until 2009 when the B.C. government established a "no registration reserve" under the *Mineral Tenure Act* for uranium and thorium. The ban ensured that no thorium and uranium deposits would be mined or explored.

Canada is the world's second largest producer of uranium with 15% of global production in 2012, has 20% of the world's deposits, and exports nearly 84% of its uranium product.<sup>2</sup> The value of uranium produced is approximately \$1.2 billion. The majority of uranium processing and nuclear industry is centered in Ontario and Quebec.

Due to the climate crisis, many governments are endeavouring to reduce emissions. In 2019, the current B.C. Government led by the New Democratic Party has undertaken endeavoured on an initiative to become carbon neutral. On the international level, renewable energy contributed to 36% of power delivered to German consumers, and 34% of power delivered to United Kingdom consumers.<sup>56</sup> The difference being that the German government shut down its nuclear power stations, resulting in a higher CO2 emission whereas the U.K. maintained its nuclear capacity.<sup>3</sup>

Nuclear power is a relatively safe and efficient way to reduce reliance on high-emission products such as oil and gas.<sup>57</sup> The Convention on Nuclear Safety was adopted in Vienna in June 1994 that asks each participating state to provide a report outlining the measures in place to assure safe operation of nuclear power plants. In Canada's seventh report, it was outlined that various measures are in place including: robust nuclear regulatory framework; a mature and effective regulator, and; licensee organizations that are fully committed to nuclear safety.<sup>58</sup> As a result of the Fukushima incident, Canada highlighted an action plan to improve safety based on lessons learned from the Fukushima Daiichi nuclear accident in 2015.

It is notable that the construction of large-scale nuclear power plants is not cost effective. Innovative renewable energy projects are exponentially invested in and are the waves of the future.; however, Canada has seen many designs for small modular reactors (e.g., Candu) that could provide safe, clean, and economic energy to the world.<sup>59</sup>

Commissioning small modular reactors (SMRs) and allowing uranium and thorium surveying and extraction is an effective mechanism of reaching carbon-neutrality. Nuclear CO2 emissions over the lifetime of a plant

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56 <https://about.bnef.com/blog/liebreich-need-talk-nuclear-power/>

57 <https://www.world-nuclear.org/information-library/safety-and-security/safety-of-plants/safety-of-nuclear-power-reactors.aspx>

58 [http://www.nuclearsafety.gc.ca/pubs\\_catalogue/uploads/Canadian-National-Report-for-Convention-on-Nuclear-Safety-Seventh-Report-eng.pdf](http://www.nuclearsafety.gc.ca/pubs_catalogue/uploads/Canadian-National-Report-for-Convention-on-Nuclear-Safety-Seventh-Report-eng.pdf)

59 <https://www.aec.ca/science-technology/small-modular-reactors/>





has a mean value of 66 tonnes CO<sub>2</sub>e/kWh.<sup>60</sup> Comparatively, coal, oil, and natural gas emission rates means come in at approximately 888, 733, and 499 tonnes CO<sub>2</sub>e/kWh.<sup>61</sup>

SMRs may be located on sites that differ from where traditional nuclear power plants have been built. For example, SMRs may be established on small grids where power generation needs are usually less than 300 megawatt electric (MWe) per facility and at edge-of-grid or off-grid locations where power needs are small – in the range of 2 to 30 MWe.<sup>62</sup>

Electrical utilities, industry groups and government agencies throughout the world are investigating alternative uses for SMRs beyond electricity generation such as producing steam supply for industrial applications and district heating systems and making value-added products such as hydrogen fuel and desalinated drinking water.<sup>63</sup>

New infrastructure projects are economic activity generators. To drive the economy forward, we need to look at utilizing our existing natural resources. Without the ability to explore uranium and thorium deposits, new investment in the region will be sparse. In 2014, the BC Chamber of Commerce had advocated for a policy requesting that the BC government lift the ban on the exploration of uranium and thorium and reduce our reliance on carbon-emitting products such as oil and gas. The BC Chamber has been a proponent for uranium, which is a key fuel for nuclear electricity. Ontario and New Brunswick already utilize Uranium<sup>64</sup> and Saskatchewan has most of Canada's reserves.<sup>65</sup>

#### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Lift the ban on uranium and thorium exploration; and
2. Work with Federal Government and international regulators on studying the commission of small module nuclear reactors.

**Submitted by the Surrey Board of Trade**

**The Policy Review Committee supports this resolution.**

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60 Sovacool, Benjamin, K. "Valuing the greenhouse gas emissions from nuclear power: A critical survey." *Energy policy*, vol. 36, no. 8, 2008. <https://doi.org/10.1016/j.enpol.2008.04.017>.

61 [http://www.world-nuclear.org/uploadedFiles/org/WNA/Publications/Working\\_Group\\_Reports/comparison\\_of\\_lifecycle.pdf](http://www.world-nuclear.org/uploadedFiles/org/WNA/Publications/Working_Group_Reports/comparison_of_lifecycle.pdf)

62 <https://nuclearsafety.gc.ca/eng/reactors/research-reactors/other-reactor-facilities/small-modular-reactors.cfm>

63 <https://nuclearsafety.gc.ca/eng/reactors/research-reactors/other-reactor-facilities/small-modular-reactors.cfm>

64 <http://www.bcchamber.org/policies/uranium-and-mineral-exploration>

65 <https://www.nrcan.gc.ca/energy/energy-sources-distribution/uranium-nuclear-energy/uranium-canada/about-uranium/7695>





## 12. INCREASING ACCOUNTABILITY, TRANSPARENCY AND LOCAL CONTROL OF THE SPEC TAX

### ISSUE

In 2018, the BC Budget introduced the speculation tax as one of several measures aimed at addressing the housing affordability crisis in BC.

Two years later the tax<sup>66</sup> has been fully introduced but is only applicable to a select number of communities, marking a departure from previous tax policies which traditionally treated all British Columbians equally. Two years after introduction, there is also little direct evidence that the tax has created more affordable rental housing or has alleviated the housing crisis in any of the centres in the catchment area noted in the enabling legislation.

The Speculation Tax only applies to residential properties located within the following specified areas (subject to certain exclusions): a municipality within the Capital Regional District, a municipality within the Metro Vancouver Regional District (other than the Village of Lions Bay and Bowen Island), the part of Electoral Area A with the Metro Vancouver Regional District that comprises the University of BC and University Endowment Lands, City of Abbotsford, City of Chilliwack, City of Kelowna, City of West Kelowna, City of Nanaimo, District of Lantzville and the District of Mission. Notably, islands that are accessible only by air or water are not part of the specified areas and are not subject to the Speculation Tax.

In fact, the tax seems popular only in areas where significant foreign speculators have influenced the market and based on ownership the Lower Mainland remains the only area where foreign ownership has been linked to rising real estate prices.

An adjustment to tax paid by foreign buyers would have as much impact as the speculation tax, without having to create regulations required with the introduction of a new tax.

### BACKGROUND

As 1.6 million homeowners<sup>67</sup> throughout the province have to complete government forms prior to the end of Q1 of each year for consideration of possible exemption (though that timeframe has been extended to June of 2020 as a result of COVID-19), it is increasingly clear that there isn't a strong business case for imposing the speculation tax as a means to help alleviate low rental vacancy rates as the province had claimed as the rationale for imposing the tax in a number of select cities. The system required to process over a million and a half forms creates a bureaucratic quagmire that likely consumes much of the revenue that tax brings in for the government though what the net impact is, is not readily available because those costs are not tracked and publicly reported.

The tax has created an unlevel playing field among municipalities,<sup>68</sup> where some have a provincially imposed tax while their neighbouring communities do not. It has also created hardships for thousands of long-term

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66 The Speculation and Vacancy Tax Act (the "Act") received Royal Assent on November 27, 2018. The Act imposes a new Speculation and Vacancy Tax (the "Speculation Tax") on owners of residential properties within specified areas of British Columbia ("B.C.").

67 Article published online by News1130 <https://www.citynews1130.com/2019/09/12/b-c-raked-in-115-million-in-vacancy-tax-from-about-12000-homeowners/>

68 <https://www.westkelownacity.ca/en/city-hall/resources/Documents/Speculation-Tax-Impacts-in-West-Kelowna-26-JUL-18-VERSION-5.pdf> July 26, 2018 *Speculation Tax Impacts on West Kelowna*



## FINANCE

BC homeowners across a broad diversity of profiles. Pushback against the speculation tax has come from individuals, some local and regional governments, as well as developers and business groups.

As of this date, while the government has shared the total revenue the tax has brought in, there does not appear to be a public report that details the specific amount of taxes raised within a jurisdiction and confirmation of return of those funds to the same jurisdiction through the form of a top up of investment in affordable housing.

A year ago, many believed government regulations would establish a benchmark related to low rental vacancy rates where the tax would be implemented or removed. However, the government simply listed the communities that would be subject to the tax without providing clear guidelines as to what key performance indicators were being used to select where the tax would be applied or not applied.

In 2018, the BC Chamber passed a policy resolution calling on the government to put the proposed speculation tax on hold. A year later delegates at the 2019 BC Chamber Policy Session passed another resolution calling for the immediate end to the tax. The Province has not acted on either policy position.

If the intent of the tax policy is to make housing more affordable to average British Columbians, there are much better ways to accomplish that goal. As an example, several studies and articles published by the Fraser Institute including Canada's real housing problem is impeded supply, not high demand<sup>69</sup> offer an alternative approach focused on reducing fixed costs related to government regulations and taxes at every level. The Fraser Institute has concluded more housing supply, including faster development approvals by local government and higher density in cities, are needed to target the root cause of housing affordability. The speculation tax does not drive more building/construction to meet demand.

Based on statistics from the Okanagan Mainland Real Estate Board where foreign buyers make up only 1.8% of the purchases,<sup>70</sup> with the majority being from the region followed closely by those from the lower mainland, there is a stronger argument that those relocating from the lower mainland are having a far greater impact on rising house prices than anyone from Alberta or elsewhere in Canada.

Another problem with this tax is that it is creating an uneven playing field where neighbouring communities not subject to this tax benefit as buyers looking to purchase a home in a specific region will likely choose the neighbouring community as a cost saving measure, which in turn increases demand for housing in those communities.

Ultimately, the arbitrary implementation of this tax in only some areas of the province is unfair, and problematic. If the government is truly trying to go after speculators who are negatively influencing the housing market, we suggest a simple adjustment of the foreign buyers tax when the property is sold within a specific time period – as that approach would be more direct and transparent than the current regime.

## THE CHAMBER RECOMMENDS

That the Provincial Government:

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<sup>69</sup> Canada's real housing problem is impeded supply, not high demand <https://www.fraserinstitute.org/blogs/canadas-real-housing-problem-is-impeded-supply-not-high-demand>

<sup>70</sup> Article – “Foreign transactions made up 1.8 per cent of purchases in the central Okanagan” - <https://www.ctvnews.ca/business/expansion-of-b-c-foreign-buyers-tax-to-okanagan-vancouver-island-is-questioned-1.3815515>



## FINANCE

1. Remove the listing of specific cities as targets of the tax and instead establish clear criteria within the regulations that would indicate what the threshold is (i.e. a rental vacancy rate of less than 2%) when the tax would be activated and conversely when it would be removed if the threshold is not reached (i.e. when rental vacancy rates are 2% or above).
2. Establish transparent public reporting on revenue generated from the spec tax within each jurisdiction it is being applied and reconcile in a public report the revenue being re-invested in the applicable community to ensure the goal of investing all funds raised in a jurisdiction within the same jurisdiction to an amount that is incrementally above the amount of public investment that would normally be made by BC Housing.
3. Initiate a third-party review of the tax to determine if it has achieved the desired outcome of creating more affordable rental housing in the communities where it is being applied.
4. Amend the Community Charter to provide local governments with the authority to impose a vacant home tax if it so desired with all revenue required to go into a community trust to be used for investments in non-market housing.
5. Engage in discussions with the UBCM, the BC Chamber of Commerce and the development community prior to making any further changes to the provincial spec tax or authority of local government to impose such a tax.

**Submitted by the Kelowna Chamber of Commerce, the Penticton & Wine Country Chamber of Commerce, the Summerland Chamber of Commerce, and the Greater Westside Board of Trade**

**The Policy Review Committee supports this resolution.**

## **13. NEW AND INCREASED PROVINCIAL TAXES IMPACTING BUSINESS AND ECONOMIC GROWTH**

### **Opening Statement - Introduction of clear taxation and implementation policy**

Over the past few years, the provincial government has increased existing taxes, or added new taxes, with little or no notification with the business community or general public. This is causing serious harm to business competitiveness, as well as reducing economic growth and productivity due to less dollars going back into the economy as opposed to provincial general revenue. Our tax competitiveness is particularly important to focus on right now given the global, national and provincial economic uncertainty that is the COVID-19 pandemic

### **Background**

At the time of writing, there are 19 new or increased taxes imposed since 2017. . The estimated combined cost to the general public, or direct additional cost of doing business, is approximately \$13, 718, 000, 000.

While the chamber recognizes the need for government to provide services, there is also a need for clear and transparent taxation policy.



## FINANCE

The concept of random tax implementation or increase tax implementation creates an unmanageable corporate and personal fiscal planning process.

In fact, the government implementation of taxes cleverly focuses on taxing situations that the consumer, or business, has no option but to pay, collect and submit the new or increased taxes due to normal consumption, and business activity.

Some examples of how new and increased taxes are targeting business and consumers are as follows: Increases to the Vancouver and Victoria gas tax, as well as a Parking Sales Tax, expected to generate additional \$151 million. Additional Tobacco and Cannabis taxes will generate \$617 million. The biggest impact comes from increases to income, corporate, and carbon taxes totaling more than \$6 billion additional dollars. This does not include additional property transfer tax, speculation taxes and foreign buyers' taxes related to real estate transactions.

In an effort to properly come to a solution that benefits all, it would make sense to work with professionals and experts in all sectors, as well as non-profits, like Chambers of Commerce, and NGO's that are most attuned to immediate impacts of future tax changes. This advisory group should be of manageable size and selected by a nomination of the peers. The concept that is unique to this strategy goes beyond mere consultation. In order to be effective, it must also require agreed upon solutions by all relevant stakeholders to ensure the amendments are fair and equitable.

### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Create a template prior to budget announcement and implementation illustrating the surplus or deficit results of forward fiscal years.
2. Consult with the predetermined taxation advisory group, based on business, not for profit and NGO, as to the current best and most efficient ways to arrive at solutions for shortfall, or abundances.
3. Establish a clear and transparent method of communicating the results of tax changes to the public and business.

**Submitted the Kamloops Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

## 14. STRATA INSURANCE PREMIUM CRISIS

### Opening Statement

With insurance rates for condos and townhouses climbing 50 to 300 percent —and in one case nearly 800 percent—condo and townhouse owners in BC are worried they will be unable to continue to own their dwellings. This rate increase could impact up to 10,000 associations in the Province, according to the Condominium Homeowners Association of BC. Some condo owners in Abbotsford saw their rates jump of



780 percent in one year to their strata or condominium insurance premiums, going from \$66,000 in 2019 to \$588,000 in 2020.<sup>71</sup>

While the issue affects homeowners, it is important to business, too. A recent Toronto-based report titled “Housing a Generation of Workers” looked at the urgent challenges associated with finding affordable housing. “When a city becomes unaffordable, it forces out key industry workers (or “key workers”), such as cooks, social workers, nurses, tradespeople, childcare workers, and teachers. Without people to fill these jobs, businesses suffer and the city becomes less livable for everyone.”

According to Royal Bank of Canada, condo living is more affordable than owning a single dwelling home in the same area. For many businesses, their key workers own condos, but with annual insurance rates matching or exceeding the amount it would cost to live in a smaller, more remote community, it becomes easier for people to move out from cities, making it harder for businesses to find staff.

## Background

The condo market is unique when it comes to insurance. In the strata building, all individual unit owners own a proportionate share of the common property. The Strata Property Act requires strata buildings to be insured for full replacement value of all common property, common assets, and fixtures, this helps ensure that all owners’ equity is protected. The insurance valuations are based on recent appraisals.

Strata buildings are insured with a commercial property insurance policy, which is typically used for businesses but modified for strata property because of the ownership structure of stratas and their commercial-grade systems. Individual unit owners purchase “condo” homeowners policy to insure their contents plus any upgrades. Two important coverages are included in these policies: 1) coverage for a portion of the strata building’s deductible in the event of a major claim and 2) liability insurance to cover damages from losses that originate in the unit and extend to the common area or other units.

Over the last decade these insurance rates have been underpriced, and seen very little change in costs, this has been advantageous for the consumer and the strata corporations. But in October 2019 the insurance pendulums began a substantial swing back the other way. With a combination of global reinsurance costs rising, natural disasters, an increase in property values, a reduced number of insurers and rising costs for insurance companies, aggressive premium increases are occurring.

Many homeowners and stratas have been refused insurance all together because the market has become so tight, and those who are able to get insurance face massive premium increases they can’t afford. When buildings are unable to get insurance, this leaves the strata and individual condo owners unprotected and at risk of losing their financing. Real estate deals are falling apart because financial institutions won’t touch uninsured buildings.

With premiums skyrocketing and some buildings not able to get insurance condo owners are put into a very tight position and the most affordable housing, not becomes unattainable and when this happens the key industry works. When a city becomes unaffordable, such as cooks, social workers, nurses, tradespeople, childcare workers, and teachers will be forced to search housing in more affordable markets. When this happens business suffers because those key workers are not available.

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71 <https://www.insurancebusinessmag.com/ca/news/breaking-news/experts-react-to-skyrocketing-condo-insurance-rates-208826.aspx>



## THE CHAMBER RECOMMENDS

That the Provincial Government continue working with the strata associations to find options that are available to be able to ease the current pressure that many condo owners are feeling across the province.

**Submitted by the Tumbler Ridge Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

Citing:

Condominium Home Owners Association of BC

<https://www.choa.bc.ca/>

B.C. Housing Policy Branch Guide to Strata Housing

<https://www2.gov.bc.ca/gov/content/housing-tenancy/strata-housing>

Civil Resolution Tribunal

<https://civilresolutionbc.ca/>

B.C. Human Rights Tribunal

<http://www.bchrt.bc.ca/>

How Rising Strata Insurance rates across BC could affect you

<https://www.cbc.ca/news/canada/british-columbia/bc-strata-insurance-hike-1.5393035>

## 15. SUPPORTING THE INSURANCE INDUSTRY IN ORDER TO SUPPORT THE BUSINESS COMMUNITY

### Opening Statement

Recent news coverage has highlighted the issue of strata corporations struggling to get insurance for their buildings. However, similar challenges can exist for businesses who need commercial insurance before they can open their doors. 2020 is slated to be a “hard market” in the insurance sector, where premiums rise and the capacity for securing insurance declines. The provincial government needs to engage closely with the insurance sector to monitor the changing insurance market, to identify policy changes which could reduce costs and increase availability of insurance to businesses, to monitor and account for the impacts of climate change on the insurance sector, and to ensure a “hard market” does not cause undue or outsized negative economic impacts.

### Background

With an increase in the number and intensity of weather events and other disasters across the world, the insurance industry is being forced to make significantly more payouts for claims than in the past. Couple that with declining investment returns as interest rates retreat lower and the availability and affordability of insurance going forward can be negatively impacted.

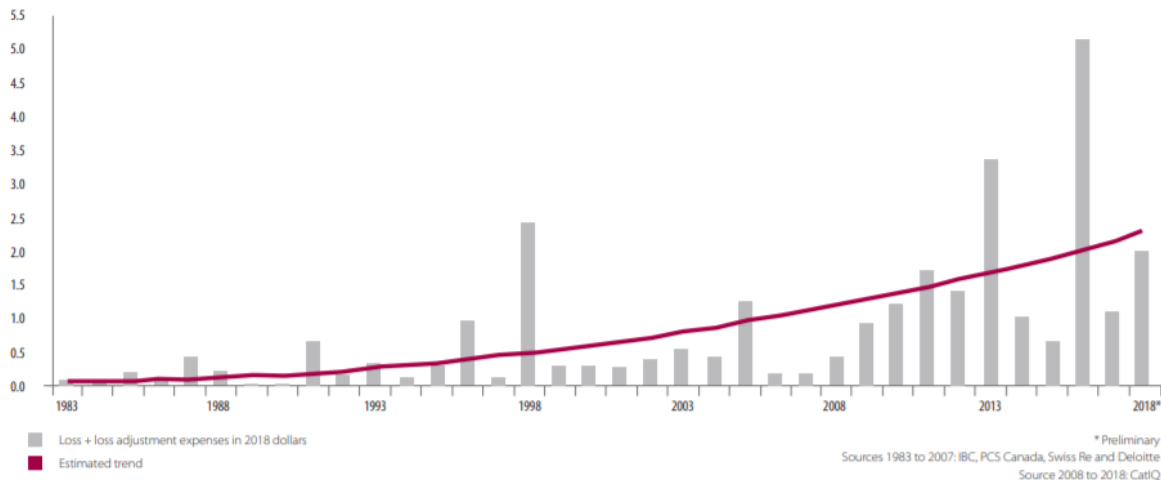
In fact, in its “2019 Facts of the Property and Casualty Insurance Industry in Canada” report, the Insurance Bureau of Canada notes that the previous year saw the insurance sector face its “largest loss in a decade” as



## FINANCE

it “paid out more in claims and expenses than it received in premiums.”<sup>72</sup> This loss and the ongoing decline in net income in the insurance industry, has led to a “hard market” for insurance, which means customers of insurance, including businesses, will face higher premiums, a lack of insurance options, or even an inability to secure insurance at all.

### CATASTROPHIC LOSSES IN CANADA IN \$000,000,000, 1983 TO 2018 AND TREND



While much attention has been paid to what this “hard market” means for residential consumers of insurance, the BC Chamber of Commerce is concerned with the potential for negative impacts in the commercial insurance market. In 2020, commercial property insurance, commercial auto insurance, directors’ and officers’ liability insurance, and marine cargo insurance are expected to be the lines of insurance most impacted by the “hard market” according to the insurance industry. If businesses face increasing insurance costs, that will be a direct hit to their bottom-lines and their profitability. And if certain businesses or industry sectors are unable to find or afford insurance, they may be unable to conduct operations at all.

While it is not clear if the current challenges in the insurance market will abate, or if they will become a new persistent state, the provincial government should ensure that it is proactively engaging with the insurance industry to identify what, if anything, can be done to mitigate the impacts on the end insurance consumer, particularly businesses. In addition, as a major contributor to the headwinds facing the insurance sector is the ongoing impacts of climate change and the increase in frequency and severity of natural disasters and weather events, the provincial government should ensure it is considering the impacts on the insurance sector as it develops and implements its CleanBC plan and its new Climate Preparedness and Adaptation Strategy.

## THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Proactively engage with the insurance industry, the business community, and the BC Chamber of Commerce network to monitor the changing insurance market, with a goal of identifying regulatory

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<sup>72</sup> Insurance Bureau of Canada, “2019 Facts of the Property and Casualty Insurance Industry in Canada”



changes which can address the “hard market” of rising costs and decreased insurance capacity should intervention be warranted.

2. Ensure it is monitoring the impacts of climate change on the insurance industry, and include the effects on insurance as part of the province’s climate preparedness and adaptation strategy.

**Submitted by the Burnaby Board of Trade**

**The Policy Review Committee supports this resolution.**

## **16. TIME FOR A NEW PENSION PARADIGM**

### **Opening Statement**

Pension security is an important asset that employees require to be productive and loyal to employers. The current pension models used by Canada is dying and unable to account for the many employees due to the ineligibility for described benefit or described contribution. Additionally, the pensions are volatile and depend on market stability, which is not always the case. This leads to uncertain and unproductive employees.

Employees need to have confidence in their pension security to be productive and dedicated to employers over the course of their employment in Canada.

In 2018, federal and provincial governments implemented important changes to the Canadian Pension Plan (CPP) to provide, when fully mature by 2063, retired workers a modest 33 percent of average worked earnings. This was up from the current level of providing 25% of average worked earnings.

There are still too many working Canadians that do not have an employer sponsored pension plan (Defined Benefit (DB), Defined Contribution (DC), or group Registered Retirement Plans (RRSP)) to supplement their retirement income, together with their CPP. As a result, an increasing number of Canadian workers will likely require future financial support of the federal government’s Guaranteed Income Support (GIS) program during their retirement years. Future Canadian taxpayers will therefore be subsidizing future GIS payments to today’s workers who are not setting aside sufficient pension monies.

Over the long term, the funding risks to Canadian workers associated with DC Plans and RSPs has long been ignored by Federal and British Columbian stakeholders.

A June 2019 paper issued by the C.D. Howe Institute – “The Great Pension Debate, Finding Common Ground” (#543) – Brown & Eadie should remind all of us in the business world that pension innovation is required in each of our Provinces with the full support of the Federal Government.

In February 2020, the National Institute on Ageing issued a discussion paper titled “Improving Canada’s Retirement Income System”, the authors, Ambachtsheer and Nicin, further supports the lack of political decision-making, regulation and retirement income research, and the fragmentation within Canada on pension – both limiting important pension innovation.





## Background

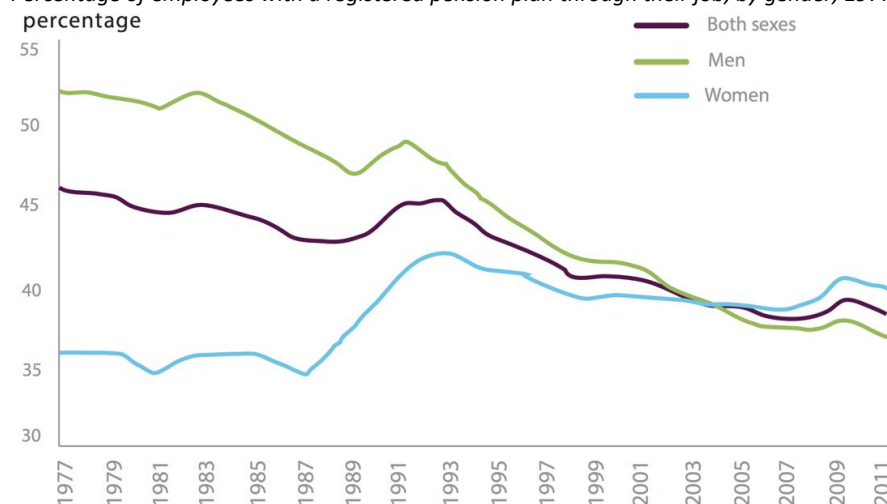
Constitutionally, the Provincial Governments have the responsibility for Pension Plans. In 1966, the Provinces, excluding Quebec, worked closely with the Federal Government to implement the Canada Pension Plan. Quebec brought in their own provincial Quebec Pension Plan at that time. Thirty years later, in 1996, important reforms were made to the CPP Plan, which raised contribution limits. That CPP implementation resulted in a dramatic decrease in 'poverty in Canadian seniors' over the following decades.

In 2017, further reforms were made to CPP. It has been written that these changes were principally motivated by the declining share of the workforce that was covered by an employer DP plan, which had fallen from 48 percent in 1971 to 25 percent by 2011. A further reason was the move by Ontario to launch

its own Retirement Pension Plan. While the 2017 CPP change agreed by all provinces and the federal government to increase the level of 'replacement pension incomes from the level to 25% of 'earned income as defined' to a modest 33% is a very good start. Quebec followed the lead of the other provincials and made similar adjustments to its Plan. The number of people that have a registered pension plan has been declining in recent years (figure 1).

**Figure 1**

*Percentage of employees with a registered pension plan through their job, by gender, 1977 to 2011<sup>73</sup>*



In Canada, there are currently approximately 20 million workers (British Columbia – 2.5 million). Of the Canadian workers, 6.3 million participate in Registered Pension Plans and a similar number - 6.3 Million - participate in Registered Retirement Plans. In British Columbia, 523,305 workers have Registered Pension Plans and 817,000 workers have Registered Retirement Pension Plans.<sup>74</sup>

As there will be some double participation in the above figures of individuals as they may be in more than one registered DB, DC and/or RSP plan, there are estimates that between 10 to 12 million Canadian workers, (50% to 60%), do not have Pension Plans other than CPP.

<sup>73</sup> Ambachtsheer, K., Nicin, M. (2020). Improving Canada's Retirement Income System: A Discussion Paper on Setting Priorities. National Institute on Ageing, Ryerson University.

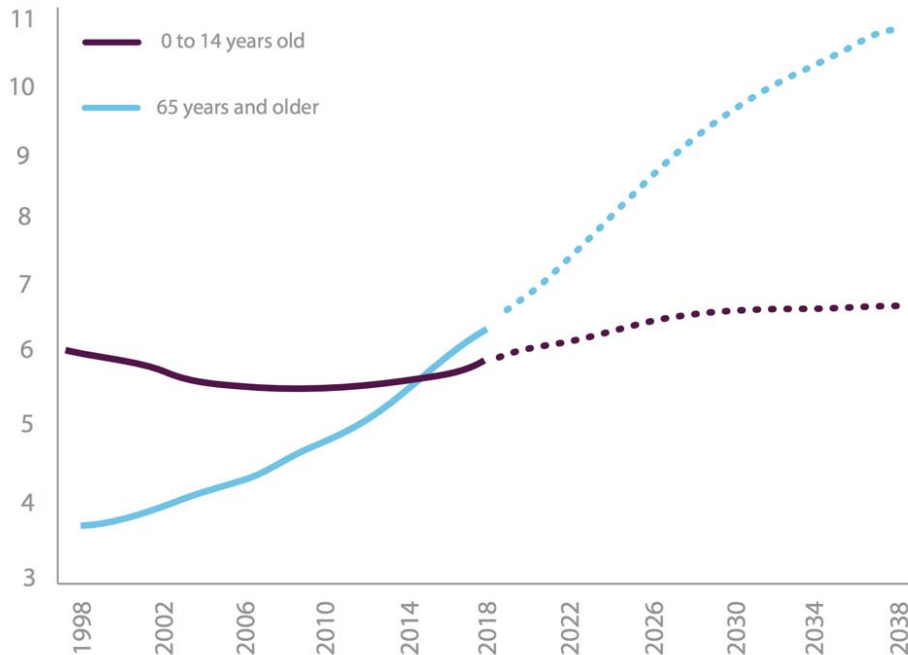
<sup>74</sup> <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110009401>



Over the past decade, the private sector has moved away from offering Defined Benefit Plans and implemented Defined Contribution Plans. The dramatic increase of Canadians living longer (figure 2) combined with the significant reduction in the investment returns in the pension plans have resulted in many employers with DB Plans having to assume material pension liabilities as an outcome of how pension calculators work.

**Figure 2**

*Population aged 0 to 14 years and 65 years and older, 1998 to 2018 (estimates) and 2019 to 2038 (projections), Canada<sup>75</sup>*  
number: (millions)



While the private sector DC plans and RSP plans do not have the same level of financial risk as the employers with DB plans, the reduction in investment returns, and for many, the size of the plan's fund management costs (MERs) results in materially less pension monies available at the time of retirement.

When Canadian workers retire with their DC or RSP plans, there is currently little flexibility on how to manage their retirement monies And so they take on future investment return risk.

There are 10 million Canadian workers who are not members of a private sector pension plan. There is very clear evidence there is room for improvement in the pension plan governance model in Canada. We have a public policy vacuum. It would take a generation of workers to turn this matter around should important changes be made. For such an important matter, one suggests there should be a Federal Minister of Pensions and each province should have a Minister of Pensions. These ministers and offices would need to work collaboratively to navigate the regulatory hurdles and intra-provincial barriers to find a better solution to manage and grow private sector pensions.

<sup>75</sup> Ambachtsheer, K., Nicin, M. (2020). Improving Canada's Retirement Income System: A Discussion Paper on Setting Priorities. National Institute on Ageing, Ryerson University.



According to Brown in the commentary paper titled “The Great Pension Debate: Finding Common Ground”<sup>76</sup>, policies encouraging large, collective and pooled pension plans governed by independent management boards are the way forward. Concurrently, Ambachtsheer posits that due to the lack of protocol for updating federal tax policy and federal/provincial/ territorial regulatory fragmentation within and between the pension and insurance sectors, and between individual and group investment regulations, Canada has suffered from stagnated innovation in its retirement income system (RIS)<sup>77</sup>. It is vital that regulation and tax laws allow small and medium-sized employers to join in such collective systems to extend their benefits to the majority of working Canadians.

#### THE CHAMBER RECOMMENDS

That Provincial and Federal Governments:

1. Assess the pool of employees currently covered under the traditional Defined Benefit, Defined Contribution, and group Registered Retirement Savings Plans;
2. Improve financial literacy through effective programs;
3. Protect existing RPPs;
4. Increase pension coverage through the development of attractive products for workers without occupational pension plans;
5. Increase labour force participation rates at older ages as life expectancy increases; and,
6. Reform the current regulatory environment to support innovation pension reform that includes:
  - a. Regulatory support for private sector multi-employer pension programs;
  - b. Regulatory framework to include multi-employer pension programs across provincial jurisdictions;
  - c. Regulatory framework for trustee pension plans that do not require government or union sponsorship
  - d. Regulatory frameworks that allow and promote private sector access to the very solutions already available in the public sector.
  - e. Regulatory frameworks and support that provide access to the efficiencies of collective pension plans and that recognize the unique needs of small private sector employers and self-employed individuals
  - f. The creation of a Federal Minister of Pensions and Provincial Minister of Pensions or add to the portfolio of the Minister of Seniors.

**Submitted by the Surrey Board of Trade**

**The Policy Review Committee supports this resolution.**

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76 Brown, Robert L., and Stephen A. Eadie. “The Great Pension Debate: Finding Common Ground.” *C.D. Howe Institute, Commentary*, no. 543, 2019.

77 Ambachtsheer, K., Nicin, M. (2020). Improving Canada’s Retirement Income System: A Discussion Paper on Setting Priorities. National Institute on Ageing, Ryerson University.



## 17. ACCESS TO TIMBER SUPPLY FOR SECONDARY WOOD PRODUCERS

### Opening Statement

There are two wood processing sectors in BC, tenured and non-tenured.

The tenured sector has exclusive rights to non-competitive public timber where the price of fibre is determined administratively using a formula. This sector tends to be large, consolidated, publicly owned multinationals that have access to global markets that focus on producing commodity products.

The non-tenured sector purchases fibre at arm's length on the open market. They compete for and pay market prices for fibre and tend to be small, family-owned and community-based businesses. Their largest market is the United States and their focus is on value added specialty products and services. This policy is intended to provide improved access to fibre for the non-tenured sector by keeping logging roads open after tenured harvesters have completed their cut.

### Background

The BC Interior Timber industry is facing job losses due to declining Annual Allowable Cut and consolidation of control of the public's non-competitive timber resource.

The BC Coast Timber industry is facing further job losses due to consolidation of the public's non-competitive timber resource and the movement of value-added work to the US.

The Chamber believes there is a need to grow value-added industry as it creates jobs and contributes significantly to local economies.

Fifty-four of one hundred and seven International Wood Products Association businesses have closed their doors since 2001, with currently very little opportunity to build more value-added capacity due to a loss of access to fibre and a loss of access to the market.

Since 2003 there has been no agency of the BC Government with the mandate to ensure that value-added wood processors have access to a share of the BC Public's wood resource. The consolidation of the Tenured Sector into regional monopolies has reached the point where open markets for logs and lumber no longer function or no longer exist.

To develop the province, the BC Government granted certain companies the exclusive right to harvest the public's timber on the condition that they build and operate mills in the vicinity of the timber.

The 10 million m<sup>3</sup> Small Business Forest Enterprise Program (SBFEP) was established in 1978 with the mandate to provide access to competitively priced timber to those with less than 10,000 m<sup>3</sup>/yr of renewable tenure. It later added provisions to provide non-tenured wood processors with competitive access to a 3.1 million m<sup>3</sup> share of the public's timber resource.

Given the Government's inability to price the public's noncompetitive harvest, the Small Business Forest Enterprise Program was lost in 2003, and tenured companies were given the right to bid on the timber that was formerly reserved for non-tenured companies.



Non-tenured sectors have used salvage of windthrown timber and missed logs following a completed cut block by a member of the tenured sector until the access roads are deactivated by removing culverts. Deactivation added to managing fire risk and created higher costs of replanting.

#### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Keep logging access roads open under a separate contract for three years after replanting is complete; and
2. Transfer, as much as possible, the volumes held by BCTS to Community Forest Agreements to then be the locally based vehicle to supply local, small and value-added producers.

**Submitted by the Parksville & District Chamber of Commerce and the Qualicum Beach Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

## 18. REVITALIZING THE FRASER RIVER – UNLOCKING ITS TRUE POTENTIAL

### Opening Statement

The Fraser River is one of the most important water systems in British Columbia. It is currently being underutilized due to the lack of development of port cities along the banks of the Fraser River. There are many cities across Canada that have successfully revitalized their waterfront areas along major waterway systems such as Toronto<sup>78</sup> and around the world<sup>79</sup>. The Board of Trade/Chamber network has an obligation to contribute to regional development and important projects that enhance livability. The revitalization of waterfront areas along the Fraser River will enhance tourism, can provide innovative transportation solutions, and increase housing supply and commercial space.

### Background

In the year 1808, Simon Fraser navigated and charted what is now known as the Fraser River in its entirety. In 1827, the first fur trading post was established at Fort Langley. In 1864, dredging of the Fraser River began with the first salmon cannery built in 1864. Fast forward close to 200 years of innovation and advancement, the lower Fraser River port alone contributed to 55,500 jobs, \$3.4 billion in wages, \$5.6 billion in GDP, and \$12 billion in economic output. The Fraser River's water is used by pulp mills, has rich farmland on its banks, and provides an abundance of fisheries. There is, however, limitations to the exploitation of land.

With changing priorities and economic opportunities, well-established practices need to adjust. In the following sections, the benefits that can be harnessed with the revitalization of the Fraser River are

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78 [https://www.waterfronttoronto.ca/nbe/wcm/connect/waterfront/6ad7ced0-0238-4d67-9284-e243793bee3/Waterfront+Toronto+Five-Year+Strategic+Plan\\_NEW.pdf?MOD=AJPERES](https://www.waterfronttoronto.ca/nbe/wcm/connect/waterfront/6ad7ced0-0238-4d67-9284-e243793bee3/Waterfront+Toronto+Five-Year+Strategic+Plan_NEW.pdf?MOD=AJPERES)

79 <https://www.waterfronttoronto.ca/nbe/portal/waterfront/Home/waterfronthome/about-us/scope>



explained. These benefits include increased housing supply, innovative commercial spaces, tourism enhancement mechanisms, innovative transportation solutions, and real and perceived economic benefits.

#### Need for Workforce Housing

We live in an era of precarious affordable housing for our workforce. One of the major goals of the BC and Federal governments are to increase the housing supply. By building smart on previously unutilized areas such as waterfront areas along the Fraser River, this lofty goal can be closer to being accomplished.

There is an abundance of land that can be utilized on waterfront areas along the Fraser River. New Westminster has made great strides in using the waterfront area in an innovative capacity. The City has sold land to BOSA development to build three mixed-use high rises. There are now two towers of 53 and 43 storeys and a three-storey commercial building. In addition to housing space, new development provides amenities such as childcare spaces, commercial use units, and at-grade improvements. These improvements further provide benefits to the community City, and region.

#### Tourism Enhancements

Exploring the beautiful province of British Columbia is one of the hallmarks of this great province; however, for areas along the Fraser River, and in particular along the Lower Mainland portion, beautiful is a stretch to describe this area of BC. Beautification and investment to revitalize the waterfronts along the Fraser will add another option for tourists to see, explore, and love.

#### Innovative Transportation Solutions – Quay to Quay ferry in New Westminster

Roads and major highways from East to West are congested in the Lower Mainland. The Lower Mainland and Southwest region will see a population increase of over 1.4% in the next 20 years (figure 1). The province needs to explore innovative transportation options to get people from their home to work in an efficient and effective manner.

**Figure 1**

#### **BRITISH COLUMBIA POPULATION BY DEVELOPMENT REGION**

Development Regions	Population as at July 1st (000s)			Average annual growth 2019-2041
	2019	2030	2041	
Van Isle/Coast	828	956	1,018	0.8%
Mainland/Southwest	3,093	3,608	4,072	1.4%
Thompson Okanagan	590	653	701	0.9%
Kootenay	160	166	165	0.1%
Cariboo	166	174	174	0.2%
North Coast	59	64	65	0.5%
Nechako	41	48	54	1.4%
Northeast	72	80	84	0.7%
B.C. Total	5,050	5,750	6,334	1.2%

Source: BC Stats

While expanding roadways are a potential solution, it is not a green solution. Ensuring any transportation solution is both environmentally friendly and cost-effective is a priority for residents and government in British Columbia. Transporting employees and tourists to their destination on a ferry that operates on cleaner fuel is a possible solution for improved transportation along the Fraser River. There are also ferries



available that are electric hybrids, which align with Government's goals under the CleanBC climate plan to increase the electrification of transportation.

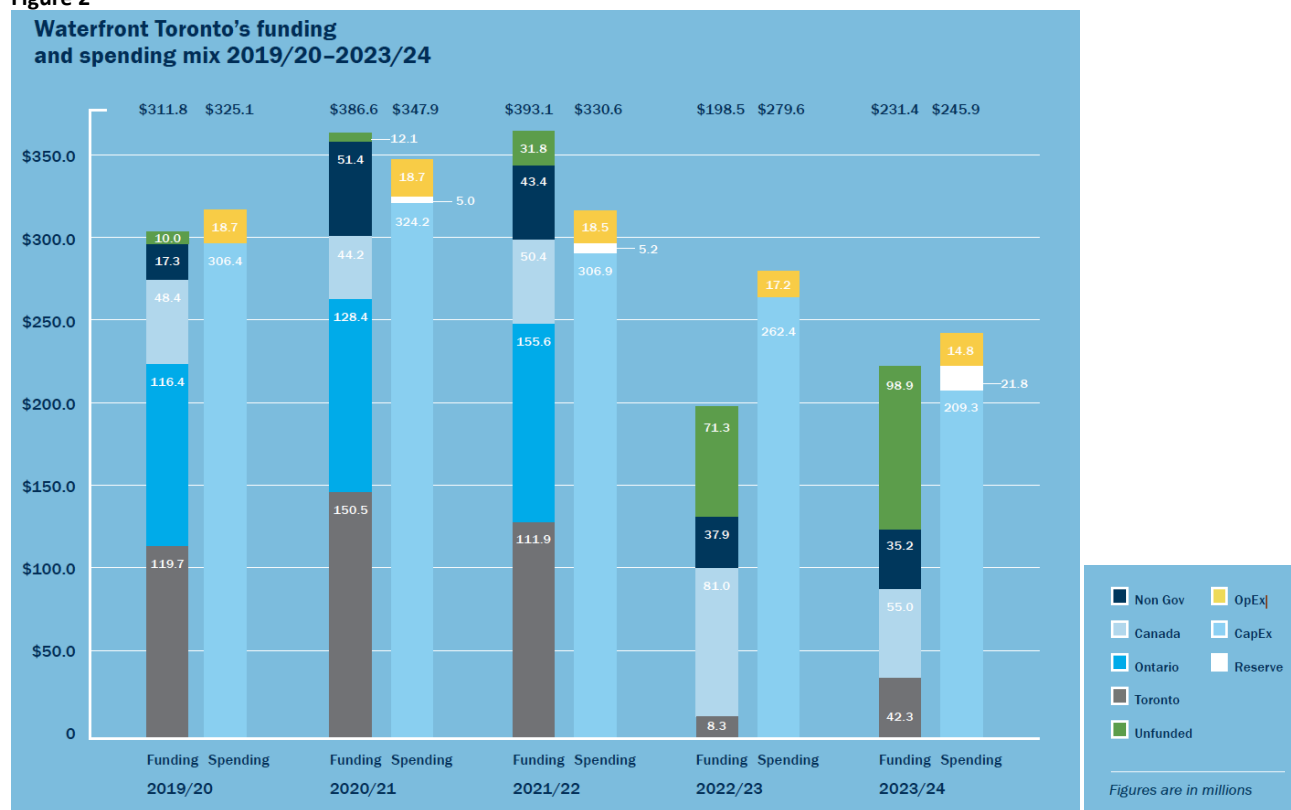
#### Potential Earning/Economic Development – The Business Case

Waterfront Toronto came together in 2001 with a collaboration across three levels of government: municipal, provincial, and federal. Toronto, Ontario, and Canada created an ambitious mandate for Waterfront Toronto to enhance the economic, social, and cultural value of waterfront lands.

From 2001-2017, over 14,000 full time jobs were created during construction. Following completion of construction projects, 5,000 fulltime jobs were created. The project has created 5,500 downtown homes with 600 of these being below-market value homes. Thirteen kilometres of walkable space along the water was realized with five kilometers of cycling connection. There was 25 hectares of parks and public space utilized. Over 1.5 million square feet of commercial development along the waterfront was also realized.

The project had access to \$40 million credit facility throughout the project lifecycle. The three levels of government contributed a total of \$1.25 billion to protect large areas of the city from flooding. With an additional \$246.1 million investment, communities and public spaces can be funded. With a diminishing funding strategy employed, the area can become fully sustainable.

**Figure 2**



With the Toronto revitalization project, \$3.2 Billion in gross economic output was realized. Nearly \$650 m in revenues in Phase 1 were received. Over \$10 Billion in unlocked development potential for landowners was seen. There was \$1.5 m in tax revenue from the construction projects alone for City of Toronto.



The potential to unlock the cities along the Fraser River is as vast as the river itself. There needs to be a concerted effort from the various levels of government, business community, and community stakeholders to ensure that the economy continues to grow. Investment in communities yields the greatest results.

**THE CHAMBER RECOMMENDS**

That the Provincial Government:

1. Work with municipal governments along the Fraser River, the Federal Government, Indigenous groups, the Fraser River Industrial Association, the private sector and other relevant stakeholders to develop a Fraser River Revitalization Working Group to create a revitalization roadmap; and
2. Create a comprehensive transportation plan that includes the use of electric hybrid boat transportation along the Fraser River to enhance tourism, reduce congestion, and meet provincial greenhouse gas reduction goals.

**Submitted by the Surrey Board of Trade**

**The Policy Review Committee supports this resolution.**





## 19. A NEW ECONOMIC LENS FOR BC HEALTH CARE

### Opening Statement

Innovation and technological advancements are extremely fast paced, but BC's healthcare system has the opportunity to catch up. BC and Canada has an aging population. Acute intervention, which accounts for 80% of publicly funded dollars but serves less than 20% of the population, will be more costly in the future<sup>1</sup>. Now is the time for innovative strides in the public health care system by implementing a chronic care management system that includes the physician and nurses, patients and their social and community support systems, and technologically innovative organizations.

A healthy population is an efficient and productive population. Cardiovascular disease, stroke, diabetes, and cancer are among the main diseases that affect Canadians<sup>2</sup>. These diseases manifest over time and need to be appropriately managed in an efficient way before they become detrimental to our economic production capacity. A healthier population now also means that down the road – with the current trend of an aging population in Canada – society will observe less costs in the healthcare system.

As it stands, cardiovascular diseases, stroke, diabetes, and cancer are managed by acute intervention (via surgery). Acute intervention accounts for 80% of the money invested by the public and helps 20% of the population, many times when it is too late. This area of intervention is handled solely by doctors, and there is we are seeing a declining trend in e in the total number of patients that general practitioners in BC see day-to-day<sup>3</sup>. At this point, doctors are stressed, overworked, and in need of assistance.

India has an enterprise known as Apollo Hospitals Enterprise Ltd that delivers a single point of access that provides the care for and management of chronic diseases. It includes a pharmacy, physicians, dental physicians, physiotherapy, and telemedicine<sup>4</sup>. This innovative hospital also provides patients with access to healthcare in the form of including community and social networks, which can be your priest, your family, and your friends. By including all of these aspects in one area, patients can consult with many experts and it will alleviate the pressures on the primary care provider, the Family Physician.

Working with medical professionals, Apollo has endeavoured to advocate for a system that would alleviate the pressure on the current healthcare model. In addition to the GP and nurses within the current acute intervention model (i.e. hospitals), they have many healthcare providers working in tangent to ensure that patients have well-rounded support systems. Apollo envisions a reform where care is delivered in a continuum. The patient is empowered to involve their social network with other professionals in the healthcare industry.

In this innovative approach, the GP and patient would be central to the chronic care management/primary care system. The government would work with regulators to provide funding, research, and incentives; they would also ensure accountability. A pillar supporting the GP and patient would be the resources – this would include many NGOs, other care deliverers, and the local healthcare regulators (i.e. Fraser Health). The other

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1 <https://www.canada.ca/en/employment-social-development/programs/seniors-action-report.html#tc2a>

2 <https://www.canada.ca/en/public-health/services/publications/healthy-living/how-healthy-canadians.html>

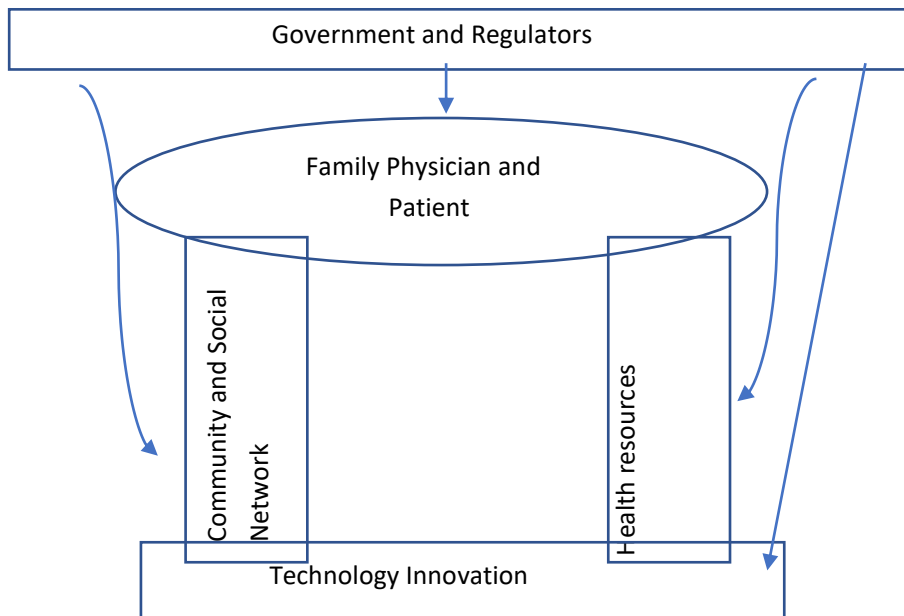
3 <https://vancouver.sun.com/news/local-news/number-of-b-c-doctors-growing-but-work-life-balance-means-fewer-patient-visits-worsening-access>

4 [https://www.who.int/goe/publications/goe\\_telemedicine\\_2010.pdf](https://www.who.int/goe/publications/goe_telemedicine_2010.pdf)



pillar of support would be the community and social network of the patient. Finally, there would be the technology industry providing innovative approaches to care delivery. The system is illustrated by figure 1 below. The arrows indicate that government and regulatory bodies provide funding and incentives to the various actors within the system. At the same time, feedback and monitoring must be persistent in the entire system and so the program can adapt to changing circumstances. The system and its actors would work collaboratively and congruently to ensure that optimal care is delivered to the patient.

Figure 1



### **Actions we can take now and why health care matters to business:**

The failure of our system to adapt to the changing needs of British Columbian's has left a very expensive health-care system that delivers mediocre results, as stated by the physicians and healthcare professionals we worked with in developing this policy. British Columbians should have a health-care system that is truly worthy of their confidence and trust. There are four clear steps that could be taken to achieve this:

#### **1. Integration and Innovation**

Health-care stakeholders in BC still function in silos. Hospitals, primary care, social care, home care and long-term care all function as entities unto themselves. There is poor information sharing and a general failure to serve common patients in a coordinated way. Ensuring that the patient is at the centre — regardless of where or by whom they are being served — will lead to better, safer, more effective and less expensive care. Investments in information systems will be key to the success of these efforts. If investments in technology and information systems are made this will benefit workers to ensure they have the integrated health care knowledge that they need in an expedient pathway - taking limited time away from the workplace.

#### **2. Enhanced Accountability**

Those who provide healthcare to British Columbians, there needs to be greater accountability and models focused on outcomes rather than outputs. Quality and effectiveness should be rewarded rather than the amount of service provided. Alignment of professional, patient and system goals would ensure that



everyone is pulling their oars in the same direction. Improving accountability would provide better peace of mind for people to return to work and provide business owners peace of mind that their employees are being given outcome orientated treatments.

### **3. Broaden the Definition of Comprehensiveness**

Many factors influence the health of British Columbians in addition to doctors' care and hospitals. So why does our "universal" health-care system limit its coverage to doctors' and hospital services? A plan that seeks health equity would distribute its public investment across a broader range of services. A push for universal Pharmacare, for example, is currently under way in Canada. Better integration of health and social services would also serve to address more effectively the social determinants of health.

### **4. Bold leadership**

Bold leadership from both government and the health sectors are essential to bridge the gaps and break down the barriers that have entrenched the status quo. British Columbians need to accept that seeking improvements and change does not mean sacrificing the noble ideals on which our system was founded. On the contrary, we must change to honour and maintain those ideals. Our leaders should not be afraid to set aspirational goals.<sup>5</sup>

## **THE CHAMBER RECOMMENDS**

That the Provincial and Federal Governments:

1. Continue investment in health care infrastructure in a timely manner that also accounts for continued population growth over the next 30 years;
2. Implement a pilot program in BC where chronic care is managed by a system of support that includes: Family Physician, nurses, the patient, community and social support systems, and technologically innovative organizations; and,
3. Work with the Federal government in implementing a universal single-payer Pharmacare system.

## **Submitted by the Surrey Board of Trade**

The Policy Review Committee supports the overall direction of the resolution, but does not support recommendation #3 on the following basis:

- 1) A similar policy position was debated and defeated at last year's policy session
- 2) Previous BC Chamber policy on this issue was more targeted at federal initiatives to use purchasing power to lower drug costs and was not advocating for universal pharmacare.
- 3) Current Canadian Chamber of Commerce policy recommends a "fill in the gaps" approach to Canadian drug coverage.
- 4) The consequences of universal pharmacare will bring significant costs to already stretched provincial healthcare budgets.

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<sup>5</sup> <https://theconversation.com/how-healthy-is-the-canadian-health-care-system-82674>



## 20. MEDIVAC - EQUITABLE CARE FOR BRITISH COLUMBIANS

### Opening Statement

British Columbia is a geographically large and diverse province with significant rural areas and communities not within a reasonable distance to enable access to medical services that should be available to all British Columbians.

Access isn't just a community issue for the people living in rural and remote communities, it's a business issue for companies in those communities. Access to health services and/or Medivac services, if needed, go a long way to help businesses in rural and remote communities to recruit and retain workers. These kind of services also help rural and remote communities to attract and retain businesses and industry – a vital part of economic development.

### Background

All British Columbians (emphasize business/industry) should have access to equitable health care. Currently rural British Columbians are significantly discriminated against in accessing emergency services and basic health and wellness services.

In the event of an emergency or life-threatening condition a patient will be Medivaced to a facility capable of treating the condition. Upon release patients are simply told to go with no return to home community. Anecdotally, we hear patients are often released with next to no clothing, no funds and no assistance). In addition, many services are not offered in rural communities such as cancer care, maternity, diagnostic services, etc. While people and businesses in rural and interior BC understand not everything can be offered in every community, the feeling is patients in rural, remote areas are expected to cover their own costs. In remote communities, such as Fort Nelson, expectant mothers are required to leave the community 4 - 6 weeks before their due date. This is at an out of pocket cost of thousands of dollars, adding stress, taking employees away from work and family, if there are other children in the family additional measures must be considered. There is a significant burden to business as well as employees are impacted and require more time away including the spouse. It additionally puts an unfair financial burden on families at a time.

Patients requiring cancer care or other services, even if eligible for the Travel Assistance Program are still responsible for all incidental costs:

*"The Travel Assistance Program (TAP) helps alleviate some of the transportation costs for eligible B.C. residents who must travel within the province for non-emergency medical specialist services not available in their own community.*

*TAP does not provide direct financial assistance to patients for travel costs or make travel arrangements for patients. Meals, accommodation, mileage, fuel and local transportation expenses are not included in TAP and are the responsibility of the patient. **There is no reimbursement for travel already taken.**"<sup>6</sup>*

The following is taken from the Province's guidelines<sup>7</sup>

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<sup>6</sup> <https://www2.gov.bc.ca/gov/content/health/accessing-health-care/tap-bc/travel-assistance-program-tap-bc?keyword=travel&keyword=assistance&keyword=program>



*The Medical Services Plan (MSP) provides the following benefits:*

- *medically required services provided by a physician enrolled with MSP;*
- *maternity care provided by a physician or a midwife;*
- *medically required eye examinations provided by an ophthalmologist or optometrist;*
- *diagnostic services, including x-rays, provided at approved diagnostic facilities, when ordered by a registered physician, midwife, podiatrist, dental surgeon or oral surgeon;*
- *dental and oral surgery, when medically required to be performed in hospital (excluding restorative services, i.e.: fillings, caps, crowns, root canals, etc.)<sup>7</sup>;*
- *orthodontic services related to severe congenital facial abnormalities.*

The above noted benefits that are provided by the Medical Services Plan are really only equitably provided if you live in an urban centre.

We have seen cases of individuals requiring cancer care to choose no treatment simply because they could not afford the cost related to travelling to another community. When Medivaced out due to medical emergencies we have seen patients released from hospital with no funds to return home and no support, and too often in a condition where they should have assistance.

This has been recognized in many papers and recommendations for many years. Most recently the Select Standing Committee on Finance and Government Services in the “Report on the Budget on the Budget 2020 Consultation” recommended that:

*Rural and Remote Health Care:*

*59. Provide equitable access to health services in rural and remote communities, including better addressing travel costs and ensuring access to reliable, timely medivac, air ambulance and emergency services and public transportation<sup>8</sup>*

#### THE CHAMBER RECOMMENDS

That the Provincial Government ensure all British Columbians have access to equitable health care by:

1. Improving Medivac services to:
  - a. ensure timely access to care
  - b. provide for return to community;
2. Improving Financial Assistance for Out of Community Services by:
  - a. Providing for at-home maternity care or financial / living assistance if expectant parents have to leave community
  - b. Improving the Travel Assistance Program to provide reasonable expenses for patients who must travel for medical services not provided within their community.

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<sup>7</sup> <https://www2.gov.bc.ca/gov/content/health/health-drug-coverage/msp/bc-residents/benefits/services-covered-by-msp/medical-benefits>

<sup>8</sup> [https://www.leg.bc.ca/content/CommitteeDocuments/41st-parliament/4th-session/fgs/reports/FGS\\_41-2-2\\_Budget-2020-Consultation-Report\\_2019-08-07.pdf](https://www.leg.bc.ca/content/CommitteeDocuments/41st-parliament/4th-session/fgs/reports/FGS_41-2-2_Budget-2020-Consultation-Report_2019-08-07.pdf)



## HEALTH

**Submitted by the Fort Nelson & District Chamber of Commerce**

**Supported by the Chetwynd Board of Trade**

**The Policy Review Committee supports this resolution.**



## 21. EXPANDING FOREIGN PROFESSIONAL CREDENTIAL RECOGNITION TO ADDRESS OUR LABOUR SHORTAGES AND SUPPORT ECONOMIC GROWTH

### Opening Statement

B.C. is expected to have 861,000 job openings between 2019 and 2029 and the government has acknowledged that this cannot be filled with local, domestic labour. Immigration is and will continue to be a major source of our workforce in BC. However, we are selling our businesses, our newcomers, and our economy short if we continue to allow foreign credentials to be devalued and under-recognized.

### Background

The BC business community is facing a labour shortage and the number of job vacancies is only expected to rise. According to the BC Chamber of Commerce's own Mindreader Report – Labour Market Issues in British Columbia "2/3 of BC businesses report having had positions that were difficult-to-fill in the past year" and "employers in most regions and industries of the province are challenged with recruiting."<sup>88</sup>

To fill this labour gap, BC will have to rely on newcomers to our province as immigrants are expected to fill nearly 30% of future job openings. However, many of these newcomers attracted to our province find the recognition and appropriate valuation of their foreign professional credentials a problem that is undermining their economic success and holding back our local business community.

In BC, over 200 occupations are regulated professions, from dentists to nurses to architects.<sup>89</sup> Employees in these professions must be licensed, certified, and/or registered by the appropriate regulatory body to practice the profession in the province. However, the time, effort and expense it takes some newcomers to have their foreign professional credentials recognized in some fields is leading them to take positions more junior than they are qualified for, or to seek work in unrelated fields or in sustenance positions. This undercuts their own personal economic potential and leaves our business community without the skilled workers needed for key positions.

According to a Vancity and Angus Reid Global survey of 400 new Canadians in BC, more than 2/3 of newcomers say that their international work experience and professional qualifications are "less respected than the Canadian equivalents, leading to economic difficulties and employment exclusion."<sup>90</sup> In this same survey, "among those who have sought employment in their chosen field in B.C., only half (49%) say they were able to find jobs at levels that match their workplace credentials. The rest say they took work in junior positions (27%) or found work in different fields (24%)."<sup>91</sup>

This difficulty facing newcomers is not just an irritant or obstacle for them personally—it has significant macro-economic impacts. One Conference Board of Canada report found that 844,000 Canadians are unemployed or underemployed because of their credentials not being adequately recognized, a job shortfall

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88 BC Chamber of Commerce Mindreader Report – Labour Market Issues in British Columbia, The British Columbia Chamber of Commerce, 2018. Accessed online:

<http://www.bcchamber.org/sites/default/files/Final%20MindReader%20Labour%20Market%20Report%2008.21.2018.pdf>

89 Trade Investment and Labour Mobility Agreement, List of British Columbia Regulatory Authorities. Accessed online:

<http://www.tilma.ca/pdf/bcregulatoryauthorities.pdf>

90 Vancity Savings Credit Union, *Recognizing the Problem: Workplace credentials and the newcomer experience in B.C.* (June 2019)

91 Vancity, *Recognizing the Problem*



worth as much as \$17 billion annually in lost earnings.<sup>92</sup> And in BC, newcomers with similar credentials and language skills as native-born Canadians earn 9% less in wages, which represents \$4.8 billion in forgone income and \$1.3 billion in income tax to government.<sup>93</sup>

Unrealized potential of newcomers, forgone economic growth, ongoing job vacancies, and tax revenue left on the table --- these are the results of not prioritizing foreign professional credential recognition, and the provincial government needs to take action to expedite a solution.

Currently, there are programs and supports for newcomers to have their credentials assessed and evaluated. However, they are complex, costly, and time-consuming. The BC government's own website for newcomers lays out the daunting task of getting professional credentials recognized. They outline six steps, including: finding and contacting the right regulatory body for the more than 200 applicable professions; completing application processes and providing transcripts from educational programs and schools, references, employment history and resumes; paying for your educational credentials to be evaluated; taking exams and performing interviews with the regulatory authorities; and paying fees, dues and other costs to the regulatory bodies and others. The last step in this process, as laid out by the provincial government is to be patient, with the government acknowledging that its own labyrinthine process "can be complex...[requiring] patience and determination."<sup>94</sup>

The provincial government must work with the professional regulatory bodies, each of which is created through provincial legislation and within provincial jurisdiction, to expedite and ease the recognition of foreign professional credentials to help fulfill the promise of our newcomers and help satisfy the needs of our business community.

#### THE CHAMBER RECOMMENDS

That the Provincial Government, working where appropriate with the federal government and professional colleges and regulatory authorities

1. Reduce the wait times, cost, and complexity for professional and trades qualification assessments by expediting the necessary processes and expanding the available placements for testing, residencies, and skills demonstrations
2. Develop clear and easy-to-understand guides for professional credential recognition, and make them widely available to newcomers both upon arrival and before coming to Canada
3. Consult and liaise with the BC Chamber of Commerce and the business community on additional ways of ensuring newcomers are able to fulfill current and expected labour market needs

**Submitted by the Burnaby Board of Trade**

**The Policy Review Committee supports this resolution.**

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92 The Conference Board of Canada, "Brain Gain 2015: The State of Canada's Learning Recognition System"

93 Vancity, *Recognizing the Problem*

94 Government of British Columbia, WelcomeBC website Accessed online: [https://www.welcomebc.ca/Work-or-Study-in-B-C/Work-in-B-C/Foreign-Qualifications-Recognition-\(FQR\)](https://www.welcomebc.ca/Work-or-Study-in-B-C/Work-in-B-C/Foreign-Qualifications-Recognition-(FQR))





## 22. EXPANDING THE REGIONAL FILM TAX CREDIT

### Opening Statement

Film and television producers that either film or produce outside of the Designated Vancouver Area receive a Regional Tax Credit as a result of the BC Film and Television Tax Credit Regulation<sup>95,96</sup>. This policy disincentivizes production within the Lower Mainland and reduces the amount of economic activity available to municipalities in this region. Although the film and television industry are major contributors to the provincial Gross Domestic Product (GDP) and Canada's Gross National Income (GNI), there is room for policy improvement to enable allow greater levels of production and to compete with other large North America production zones such as Hollywood.

### Background

The film and television production industry have been significant contributors to the province's economic GDP and the country's GNI. The industry made \$3.8 billion in 2017, making Vancouver the 3<sup>rd</sup> largest production centre in North America<sup>97</sup>. Over 42,000 direct and indirect jobs are generated by film & TV production in BC, with more than 80% located in Metro Vancouver<sup>98</sup>.

There are many reasons for a profitable production sector in BC, including a climate that allows filming for longer periods of time, talent pool, and available incentives provided by the BC Government. These incentive programs are provided through three broad categories: Production Services Tax Credit (PSTC); Film Incentive BC (FIBC), and; Digital Animation Visual Effects and Post-Production (DAVE).

Under the PSTC the following credits are available:

1. Basic tax credit on 28%
2. Regional Tax Credit of 6% to production companies
3. Distant Location credit of 6%, and;
4. DAVE for 16%.

Under the FIBC, which is an initiative designed to encourage film, television, digital animation and visual effects production in BC, eligible applicants receive:

1. A basic credit of 35% on a maximum of 60% of total cost of production;
2. 12.5% regional tax credit
3. 6% distant location tax credit;
4. 30% tax credit for training;
5. 16% tax incentive for DAVE; and,
6. 35% tax credit for scriptwriting.

To receive the regional tax credits of 12.5% and 6% under the PSTC and FIBC, production must occur outside of the Designated Vancouver Area. The Designated Vancouver Area includes North Vancouver (city and district), Vancouver, Burnaby, Port Moody, Coquitlam, Port Coquitlam, New Westminster, Surrey, Delta, White Rock, Richmond, Bowen Island, and West Vancouver.

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95 [http://www.bclaws.ca/EPLibraries/bclaws\\_new/document/ID/freeside/4\\_99#section15](http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/4_99#section15)

96 [https://drive.google.com/file/d/14FT3VXeSnq2vZmmdIDEC49gIjk\\_zFCYv/view](https://drive.google.com/file/d/14FT3VXeSnq2vZmmdIDEC49gIjk_zFCYv/view)

97 <https://www.vancouvereconomic.com/film-television/>

98 <https://www.vancouvereconomic.com/film-television/>



Downtown Vancouver is a film and television production hub. Even without the tax credit the majority of production occurs in this area including 65+ movies and 55+ TV series' annually, as well as hundreds of other filming days for commercials, TV pilots and other features.<sup>99</sup>

There has been an increased level of production in the region surrounding Vancouver. In Surrey alone where was 302 days of filming in the in 2017, up from 88 days in 2012 – a 243% increase over five years.<sup>100</sup>

### **Why Is This Important to the Economy and Business**

Shrinking the Designated Vancouver Area will increase production in the areas that are no longer in the Designated Vancouver Area. With greater production, local economies will see more spending in the area.

Production could be increased further if there was a competitive incentive program. Removing many of the jurisdictions from the Designated Vancouver Area would instigate production. This production will lead to more jobs in the region, greater profile of the area for production, and increased spending within the municipalities.

### **THE CHAMBER RECOMMENDS**

That the Provincial Government:

1. Complete a cost-benefit analysis to adjust the Designated Vancouver Area; and
2. Once a cost-benefit analysis has been conducted, amend legislation to readjust the Designated Vancouver Area boundary.

**Submitted by the Surrey Board of Trade, South Surrey/White Rock Chamber of Commerce, Delta Chamber of Commerce and the Cloverdale Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

## **23. HELPING BC EMPLOYERS ATTRACT AND RETAIN EMPLOYEES BY INCREASING BC PNP YEARLY NOMINATION ALLOCATION**

### **Opening Statement**

British Columbia's economic growth depends on having enough skilled and qualified people to meet labour market needs. The BC Provincial Nominee Program (BC PNP) supports BC employers to attract and retain needed talent. It acts as a critical tool to meet BC's labour market and economic development needs and priorities. British Columbian employers will require more labour than is available within the province over the next decade, therefore increased access to high-demand immigrant workers through the BC PNP is necessary to help fill labour and skills shortages in order to support economic growth in the province.

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<sup>99</sup> <https://www.vancouvereconomic.com/film-television/>

<sup>100</sup> <https://www.surreynowleader.com/entertainment/film-industry-skyrocketing-in-surrey/>



## Background

B.C. is expected to have 861,000 job openings between 2019 to 2029. This includes the creation of over 200,000 new jobs due to economic growth and the need to replace approximately 600,000 workers who will permanently leave the workforce, mainly due to retirements.<sup>101</sup>

In contrast, the number of people available for work is growing more slowly, as population growth decreases and the gap between births and deaths narrows. Having enough trained workers to meet future needs will be a challenge. The Hon. Melanie Mark, Minister of Advanced Education, Skills and Training, has acknowledged this challenge will be addressed, in part, by immigration. It is expected that immigrants will fill about 27% of forecasted job openings between now and 2029, with in-migrants and people entering the labour market for the first time accounting for another fifty-eight percent of new workers. The remaining 15% of job opportunities remain vacant throughout B.C. during this period.<sup>102</sup>

In 2017, the Government of Canada adopted a historic multi-year levels plan to responsibly grow annual immigration to Canada. In the *2018 Annual Report to Parliament on Immigration*, the Minister of Immigration, Refugees and Citizenship Canada reported that more than 286,000 permanent residents were welcomed to the country in 2017. Over half of new immigrants that year were admitted through economic classes, including provincial nominees. The Federal government's annual immigration target for 2021 is 350,000, an increase of 22.4% over actual immigration levels in 2017. 60% of growth is anticipated in the economic class, which is expected to help sustain the national labour force, support economic growth and spur innovation, as well as help to meet specific regional labour market needs, especially through Provincial Nominee programs.<sup>103</sup>

Immigration to BC through the Provincial Nominee Program is administered in partnership with the federal government in accordance with the 2015 *Canada-British Columbia Immigration Agreement* (CBCIA), whereby the Federal government allocates a limited number of nominations each year to the BC PNP program. Potential BC PNP applicants, with support of eligible B.C. employers, complete a registration and are ranked based on the Skills Immigration Registration Scoring (SIRS). Subsequently, the BC PNP invites the highest ranked applicants to apply for permanent residence.

Growing demand on the program from B.C. employers looking to immigration as a solution to address labour needs is evident by the B.C. PNP SIRS scores soaring to historic heights. In 2018, the number of registrations from candidates with full-time, indeterminate job offers from eligible employers in B.C. increased 31.3% over 2017<sup>104</sup>. By contrast, the Federal government allocation of nominations to B.C. only increased 8.3% during this time. The number of nominations allocated to B.C. in 2019 did not increase at all despite continually growing demand in the program from employers eager to attract and retain workers. The result is a short fall between the growth in demand from employers seeking to attract and retain employees through the BC PNP and the number of nominations available.

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101 <https://www.workbc.ca/Labour-Market-Industry/Labour-Market-Outlook.aspx>

102 [https://www.workbc.ca/getmedia/1dce90f9-f2f9-4eca-b9e5-c19de9598f32/BC\\_Labour\\_Market\\_Outlook\\_2018\\_English.pdf.aspx](https://www.workbc.ca/getmedia/1dce90f9-f2f9-4eca-b9e5-c19de9598f32/BC_Labour_Market_Outlook_2018_English.pdf.aspx)

103 <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/publications-manuals/annual-report-parliament-immigration-2018/report.html>

104 <https://www.welcomebc.ca/getmedia/c750fb86-d721-49e1-a9d0-460a9d06a451/BC-PNP-Statistical-Report-2018.pdf.aspx>



A total of 66% of all economic immigrants arriving in Canada in 2017 were destined to BC, Ontario and Quebec.<sup>105</sup> By 2021, Federal immigration levels are projected to increase by 22.4% over 2017 and, as a result the actual number of immigrants destined to BC will continue to increase. B.C. employers need greater access to the provincial nominee program through increased federal allocation of nominations in order to successfully attract and retain immigrants with the skills, education and experience to fill high-demand and support economic growth.

#### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Encourage the Government of Canada to expand the Provincial Nominee Program and increase total number of available nominations to help employers attract and retain employees with the skills, experience and qualifications required to fill current and future job openings in their provinces;
2. Negotiate a higher allocation of nominations from the Government of Canada in line with the increases in the Federal Government's economic immigration targets to help BC employers attract and retain employees with the skills, experience and qualifications required to fill current and future job openings that are expected to continue increasing;
3. Provide transparency around the regional points allocation covered under the SIRS scoring system and make adjustments to ensure it accounts for:
  - a. Regional unemployment rates; and
  - b. priority to sectors of the economy as identified by the federal and provincial governments

**Submitted by the Whistler Chamber of Commerce**

**Supported by the Greater Vancouver Board of Trade, North Vancouver Chamber of Commerce, Pemberton & District Chamber of Commerce, Burnaby Board of Trade, Kelowna Chamber of Commerce and Surrey Board of Trade**

**The Policy Review Committee supports this resolution.**

## 24. IMPROVING ECONOMIC AND LABOUR MARKET PERFORMANCE FOR WOMEN AND MINORITIES

### Opening Statement

Pay gaps between four designated groups (women, people with disabilities, Indigenous peoples, and visible minorities) and men remains a consistent problem for the Canadian economy. One reason attributed to this gap is that fewer individuals in designated groups are employed in high-paying occupations, which are dominated by men<sup>106</sup>. Ensuring that there is training, hiring, and education of the designated groups will

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<sup>105</sup> <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/publications-manuals/annual-report-parliament-immigration-2018/report.html>

<sup>106</sup> Schirle, Tammy, and Moyosoreoluwa Sogaolu, "A Work in Progress: Measuring Wage Gaps for Women and Minorities in the Canadian Labour Market," Commentary No. 561. C.D. Howe Institute.

[https://www.cdhowe.org/sites/default/files/attachments/research\\_papers/mixed/Commentary\\_561.pdf](https://www.cdhowe.org/sites/default/files/attachments/research_papers/mixed/Commentary_561.pdf)



lead to a larger number of employable individuals in the workforce, which can reduce the shortage of workers experienced by all industries.

## Background

The gender pay gap or gender wage gap is the average difference between the remuneration for men and women who are working. Women are generally considered to be paid less than men. Race wage gap is the average difference between the remuneration for white men and immigrants. This policy examines the difference between white men and immigrants who landed in the previous 10 years. Additionally, this policy will also examine the difference in wage gap between Indigenous men and white men.

Based on the National Occupational Classification (NOC) system, the wage gap between men and women has been shrinking since 1988 (18.8%) compared to 2018 (13.3%)<sup>107</sup>. Visible minority men were seen to be making 8% less than white men when examining 2015 data. White women, working full-time, earned roughly 30% less than white men. Indigenous women earned 44% less than white men, and Indigenous men earned 18% less than white men. These trends are consistent throughout Canada and need to be rectified.

Federally regulated firms are already required to engage in proactive employment practices to increase the representation of four designated groups: women, people with disabilities, Indigenous peoples, and visible minorities under the Employment Equity Act of Canada<sup>108</sup>. These firms include banks, broadcasters, telecommunication companies, railroads, airlines, private businesses necessary to the operation of a federal act, maritime transportation companies, other inter-provincial transportation companies, uranium-related organizations, federal crown corporations, and corporations controlled by two or more provincial governments. This legislation covers approximately 10% of the Canadian workforce<sup>109</sup>.

## The Business Case

If there is adequate education and training offered to groups such as Indigenous, immigrants, and women, the economy will perform remarkably better. A better trained workforce will be able to gain employment in higher paying jobs. A higher disposable income will allow for greater spending in local communities, increasing tax and general business revenue.

When more people are able to receive quality training and education, the pool of qualified applicants also increases. Since Canada is facing a shortage of highly skilled, educated, and trained workers, the government needs to take action in ensuring there is equity in higher paying occupations, and improve training and education in fields where women, indigenous, and minorities are underrepresented.

An expansion of the current Employment Equity Act to include more private sector areas such as the oil and gas industry, technology industry, and other high-paying occupations will improve access for skilled workers to find employment, as has been the case for federally regulated occupations. Additionally, there will be funds available to the newly added private-sector occupations<sup>110</sup>.

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107 <https://www150.statcan.gc.ca/n1/pub/75-004-m/75-004-m2019004-eng.htm>

108 <https://laws-lois.justice.gc.ca/eng/acts/e-5.401/page-1.html#h-215166>

109 Human Resources and Social Development Canada. "Employment Equity Act Review". Archived from [the original](#) on 17 March 2012.

110 <https://www.canada.ca/en/employment-social-development/services/labour-standards/reports/employment-equity-2018.html#h2.05>



THE CHAMBER RECOMMENDS

That the Provincial Government collaborate with the Federal Government to  
:

1. Improve training and education opportunities in industries in which women, Indigenous, disabilities and minorities are underrepresented; and,
2. Amend the *Employment Equity Act* to apply to more than federally regulated firms, especially high-paying occupations.

**Submitted by Surrey Board of Trade**

The Policy Review Committee supports the overall direction of this resolution, but does want to flag for the assembly that amending federal legislation to cover more than federally regulated firms is probably not constitutionally possible.

PRC members , while all supporting equal pay, did debate whether further direct legislative action is the solution to the problem compared to a more indirect model of some kind.



## 25. KEEPING BC COMMUNITIES AND THEIR ECONOMIES SAFE IN AN ERA OF DRUG ADDICTION, MENTAL HEALTH ISSUES, AND HOMELESSNESS

### Opening Statement

The Province of British Columbia is experiencing a mental health and addiction crisis. Mental illness and addiction affect one in five people across Canada, significantly affecting business and the economy. Further, untreated (or undertreated) mental illnesses and addictions are pervasive within the homeless population, which can lead to anti-social behavior affecting public safety that can, in turn, affect local business. In addition, un- or under-treated mental illnesses and addictions complicate the transition of homeless into permanent housing and can lead to recidivism in offenders, increasing the costs of social housing and to our justice system.

Across BC and across Canada these issues impact citizens in many ways. Businesses near treatment centres and temporary shelters are seriously impacted and have experienced increased maintenance and security costs. Municipal governments and business associations are also shouldering costs for cleaning and security that have been historically outside their mandates and have stretched budgets. Business Improvement Areas that were primarily created by the Province as promotional entities are now being charged with cleaning streets and at times, acting as an enforcement agency which is beyond their legislative mandate. The impact of mental health and drug addiction of course spreads broadly across communities, the province and the country impacting personal safety, the economy, and our reputation.

Homelessness affects many Canadians, though some population groups are more at risk of becoming homeless than others, including single adult men, people dealing with mental health issues or addictions, women with children fleeing violence, and Indigenous people. It is estimated that approximately 35,000 Canadians experience homelessness on any given night, and at least 235,000 Canadians are homeless in any given year.<sup>111</sup>

### Background

The BC Ministry of Mental Health and Addictions was created in 2017<sup>112</sup> to improve the access and quality of mental health and addictions services for British Columbians, as well as to develop an immediate response to the opioid public health emergency.

While the Chamber is confident that the provincial government will continue to make priority investments in mental health and treating addictions, it is pertinent to question the effectiveness of the current service delivery model.

There are numerous organizations and government assistance offices whose function is to address mental health, addiction issues and housing. Notable in larger centres is BC Housing, the Canadian Mental Health Association, BC Division, and the BC Health Authorities. Access to mental health and addiction services in rural and/or remote communities remains an issue for a variety of reasons, including a shortage of trained staff.

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<sup>111</sup> The Canadian Encyclopedia (TCE), July 9, 2019. <https://www.thecanadianencyclopedia.ca/en/article/homelessness-in-canada>

<sup>112</sup> 2019-2020; 2021-2022 Service Plan, Ministry of Mental Health & Addictions  
<https://www.bcbudget.gov.bc.ca/2019/sp/pdf/ministry/mh.pdf>



As well, a lack of coordination among ministries has plagued forward planning and programs in BC for many years. Individuals can miss out on care and end up back on the streets as a result.

Recidivism for offenders as well as evictions from social housing are predominantly due to un- or under-treated mental illnesses and addictions. As demonstrated by Vancouver's example, an expansion of the Community Court system would improve and speed up a path to treatment; as well, social housing providers rather than trained health care providers often provide the management and care of many individuals in the system. Community Courts in B.C. are rooted in the work done in 2004-2005<sup>113</sup>

### **History of Federal Responsibilities Moving to Provincial Oversight**

In the 1960s and 1970s, the federal government invested heavily in adequate housing for Canadians. The *National Housing Act* was amended in 1973, and 20,000 units of social housing were built every year. Until the 1980s, many professionals involved with social and economic policy and programs in Canada – urban planners, academics, public health officials and social workers, for example – were focused on ensuring that people had access to safe, secure housing and neighbourhoods.<sup>114</sup>

According to the Canadian Observatory on Homelessness, mass homelessness in Canada emerged around [the 1980s] as a result of government cutbacks to social housing and related programs, starting in 1984. In 1993, federal spending on the construction of new social housing came to an end. In 1996 the federal government transferred responsibility for most existing federal low-income social housing to the provinces.<sup>115</sup>

Today, there are increased calls for the Federal government to become re-involved with this national issue and proving to be beyond provincial repair in many cases. In 2017, the Government of Canada pledged \$5 billion over 10 years to support provinces and territories in improving access to mental health and addictions services.<sup>116</sup>

### **Situation at Present – Economic Impact**

1. The economic burden of mental illness in Canada is estimated at \$51 billion per year. This includes health care costs, lost productivity, and reductions in health-related quality of life.<sup>117, 118</sup>
2. The Mental Health Strategy for Canada recommends raising the proportion of health spending that is devoted to mental health to 9% by 2022.<sup>119</sup>
3. Only about half of Canadians experiencing a major depressive episode receive “potentially adequate care.”<sup>120</sup>

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113 <https://www2.gov.bc.ca/gov/content/justice/criminal-justice/vancouver-downtown-community-court/the-community-court-s-story>

114 *Ibid*, TCE

115 *Ibid*, TCE

116 Government of Canada. “A Common Statement of Principles on Shared Health Priorities.” 2017.

117 Smetanin et al. (2011). The life and economic impact of major mental illnesses in Canada: 2011-2041. Prepared for the Mental Health Commission of Canada. Toronto: RiskAnalytica.

118 Lim et al. (2008). A new population-based measure of the burden of mental illness in Canada. *Chronic Diseases in Canada*, 28: 92-8

119 Mental Health Commission of Canada (2012). *Changing directions, changing lives: The mental health strategy for Canada*. Calgary: MHCC

120 Patten et al. (2016). Major depression in Canada: what has changed over the past 10 years? *Canadian Journal of Psychiatry*,





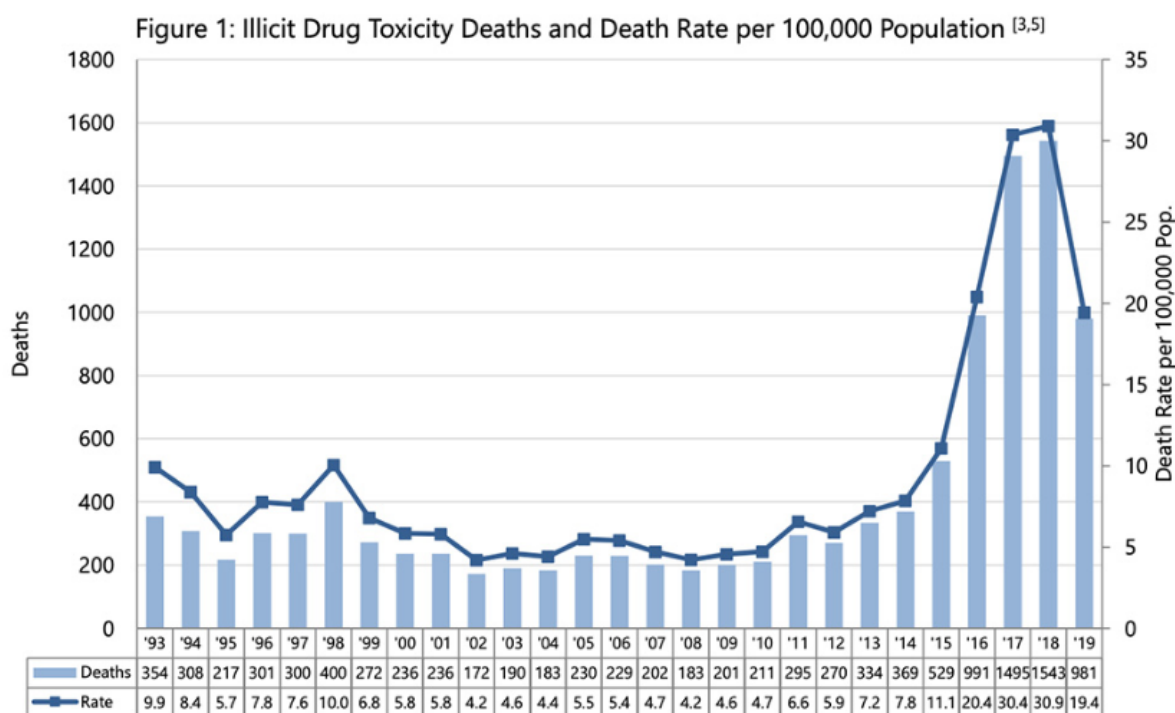
## MENTAL HEALTH AND ADDICTIONS

4. Of Canadians aged 15 or older who report having a mental health care need in the past year, one-third state that their needs were not fully met.<sup>121</sup>
5. An estimated 75% of children with mental disorders do not access specialized treatment services.<sup>122</sup>
6. With appropriate treatment and support, most people will recover.<sup>123</sup>

Opioid overdoses in BC communities is widespread. This crisis has a devastating effect on the lives of individuals, families and businesses. Opioid-caused deaths as shown on the table are currently at 1.37 per 100,000, all age groups, all regions. Safe injection sites save lives, but many lives are still being lost; many areas of the province do not offer access to safe-injection sites and drug testing.

### Complex Situation; Combined Factors; Limited Treatment; Negative Impact on Business and Residents

The issue is not limited to homelessness but encompasses mental health; addictions; housing; crime; and revolving treatment doors. Negative business impacts in our cities on tourism, safe streets, business access, increased security and cleaning costs, and increased insurance costs can be traced back the complexity of the situation, and ultimately, the cost of ineffective treatment. The issue also impacts business attraction and retention as well as economic development opportunities.



BC Coroners Service 2020

Many chambers of commerce in BC, including, but not limited to those in Kelowna, Abbotsford,

121 Sunderland & Findlay (2013). Perceived need for mental health care in Canada: Results from the 2012 Canadian Community Health Survey – Mental Health. Statistics Canada Catalogue no.82-003-X.

122 Waddell et al. (2005). A public health strategy to improve the mental health of Canadian children. *Canadian Journal of Psychiatry*, 50: 226-33.

123 "Mental Illness and Addiction: Facts and Statistics, Centre for Addiction and Mental Health, 2019



Nanaimo and Prince George support the Four Pillars approach, now more commonly called “wrap around services” approach. This methodology is internationally recognized as an effective way to address the harms associated with mental health/substance use/addictions.<sup>124</sup> It employs the four pillars are of Prevention, Harm Reduction, Enforcement, and Treatment to form a balanced, solid foundation on which to build a comprehensive community drug and rehabilitation strategy. The City of Vancouver was the first municipality in Canada to formally adopt the four pillars approach. The four pillars approach to drug addiction was first implemented in Europe in the 1990s. It has been successfully used in such cities as Geneva, Zurich, Frankfurt, and Sydney, this approach has resulted in:

- A dramatic reduction in the number of drug users consuming drugs on the street
- Significant drop in overdose deaths
- Reduction in the infection rates for HIV and hepatitis.

The prevention of problematic substance use contributes to the public good by reducing costs to society as well as harm to individuals and communities. Important prevention goals include delaying the onset of substance use among youth and addressing the underlying causes of drug use. Prevention acknowledges that individuals usually make the best choices available to them, but that factors such as abuse, poverty or a history of addiction in the family may constrain those choices.

Of the four pillars, prevention requires the greatest amount of commitment and collaboration across all sectors of the community over a sustained period to show significant results. In the long term though, prevention will have the greatest impact in reducing harm from substance use.<sup>125</sup> The Chamber recognizes that the BC Government has invested funding in Prevention, Harm Reduction and Enforcement; however, the treatment pillar is well below where it needs to be. Many, both in and outside provincial government, consider the closure of facilities like Riverview to be a societal failure.

The Chamber supports harm reduction efforts as having a place within the spectrum of public-health responses to the soaring opioid death rate, but not at the expense of life-saving treatment and recovery. One concern with supervised consumption sites is that it keeps people in place along their continuum and doesn’t move them along a path to recovery or to a sustainable level.

Facilities in communities across the province are providing some exceptional services to persons in need. As a specific example in the Okanagan, the sad reality is that there are no publicly funded treatment beds in the Okanagan for anyone younger than 17. Other facilities provide services.<sup>126</sup>

Many Chambers support former NDP MLA Leonard Krog, now Mayor of Nanaimo, when he said that some persons who are mentally ill cause public disorder and need treatment in a facility based in the community, similar to seniors suffering from dementia, whose families continue to have contact with them as they receive care. “These are people who are hearing voices all the time, who are paranoid, who won’t go to shelters because of past experiences or the state of their mental health, people who won’t clean

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124 “BC Created a Ministry to Deal with the Overdose Deaths. Is it Working? Ian McLeod, The Tyee, March 4. 2-2-

<https://thetyee.ca/News/2020/03/04/BC-Overdose-Ministry/>

125 City of Vancouver, Four Pillars Drug Strategy, 2020, <https://vancouver.ca/people-programs/four-pillars-drug-strategy.aspx>

126 In Kelowna, these include The Foundry, Bridge Youth and Family, along with recently-opened Kelowna Child Advocacy Centre



themselves, take care of themselves, feed themselves, people who are taking street drugs, people who are threatening people,” Mayor Krog said.<sup>127</sup>

#### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Ensure a sustained commitment to four pillar approach to mental health and addictions by reallocating funds and/or making a major investment to ensure the treatment pillar is supported to meet community needs and public demands.
2. Ensure regional integrated teams are properly resourced to provide effective and assertive treatment to minimize impact on citizens and the business community resulting from mental health and addictions issues among the homeless population.
3. Establish a “campus of care” where persons with mental health and addiction challenges who cannot care for themselves in a safe manner will be provided year-round accommodation and treatment in a safe, secure and friendly manner.
4. Engage Regional Health Authorities to ensure all harm reduction materials discarded in public and private spaces, are removed and costs to achieve this outcome are bore by the Ministry of Health.
5. That a combined effort by government Ministries make available unused or under-utilized government-controlled or owned spaces, to provide immediate addictions recovery and/or mental health services outside the lower Mainland in one or more locations across B.C.
6. Work with the Federal Government to coordinate care and funding of treatment; and establish a dialogue across Canada to coordinate treatment and policy around illicit drug use and drug legalization.

**Submitted by the Kelowna Chamber of Commerce**

**Supported by the Greater Nanaimo Chamber of Commerce, Abbotsford Chamber of Commerce, Prince George Chamber of Commerce, Kamloops Chamber of Commerce, the Penticton & Wine Country Chamber of Commerce, Summerland Chamber of Commerce, and the Greater Westside Board of Trade**

**The Policy Review Committee supports this resolution.**

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127 Canadian Press, December 19, 2019 “Nanaimo mayor wants B.C. to institutionalize mentally ill people who are homeless”  
<https://vancouverisland.ctvnews.ca/nanaimo-mayor-wants-b-c-to-institutionalize-mentally-ill-people-who-are-homeless-1.4729607>



## 26. DEVELOPMENT PERMIT TIMELINES

Over the past several years the BC Government has come a long way in ensuring that all government regulatory requirements are necessary, easy to understand, and do not impose an unnecessary administrative cost on citizens and businesses.

The government's stated goal is to develop partnerships with local governments, the federal government and the private and not-for-profit sectors to build 114,000 units of affordable market rental, non-profit, co-op, supported social housing and owner-purchased housing. The commitment is also to develop a modern, streamlined regulatory environment acting as the foundation for strategies which enhance competitiveness and innovation, attract investment, and build a vibrant and self-sustaining economy that benefits all British Columbians.<sup>128</sup>

The Chamber applauds the efforts of the BC Government to improve this process; however, the same is not true of local municipal governments. Significant issues with obtaining timely, local government approvals on Development Permits (DPs) continue to hamper development opportunities in many communities across the province. Currently, there is no incentive for municipalities to address issues surrounding DPs, as the Community Charter provides local government with exclusive power over the process.

Development Permit application processes vary in BC Municipalities. There are no common guidelines to application timelines, and there is no incentive for municipalities to address the issue. Frustration and costs caused by these delays in many incidents result in projects and development opportunities not being brought forward.

It is imperative that the Provincial Government take action to ensure that the potential for development opportunities in our communities and the rights of applications are protected.

### THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Amend the Community Charter & Local Government Act to:
  - a. Establish reasonable timelines and focused guidelines for the approval of development permits by local governments;
  - b. Provide standard requirements for the submission of development permits to local government such as specific drawing requirements, traffic survey, etc.;
  - c. Provide standard criteria for local governments on which to approve development permit applications; and
  - d. Specify all costs which a local government may specifically attribute to a project.

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128 <https://www2.gov.bc.ca/assets/gov/government/ministries-organizations/premier-cabinet-mlas/minister-letter/robinson-mandate.pdf>



2. Apply at top priority to:
  - a. Development permit timelines; and
  - b. Provide an appeal process for the applicant, should a local government fail to meet the requirements as specified in the Act.

**Submitted by the Parksville & District Chamber of Commerce and the Qualicum Beach Chamber of Commerce**

**Supported by the Greater Nanaimo Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

## **27. GUIDELINES FOR ENFORCING RESIDENTIAL RENTAL TENURE ZONING**

### **Opening Statement**

In the next 25 years, it is estimated one million new residents will move to Metro Vancouver. More housing choices are required in British Columbia in order to be economically competitive by attracting and keeping skilled workers. Housing choices that work best are those that meet the needs of various income levels and are located within a reasonable distance from employers. In 2018, the Provincial Government legislated the Residential Rental Tenure Zoning tool. The goal of the tool was to protect rental units, increase housing choices, and improve affordability for British Columbians, however, it fell short due to flawed implementation.

Little guidance and impact research from decision-makers allowed municipalities to interpret the tool in such a way that property has been devalued, reduced incentives to create homes, and infringed on property rights without adequate consultation with landowners.

### **Background**

The search for solutions has resulted in new taxes, financial reforms and policy measures that have had various levels of effectiveness. Residential Rental Tenure Zoning (RRTZ), was introduced in 2018 by the Provincial Government.

The new zoning tool is unprecedented in North America and allows municipalities to zone buildings, sites and areas of communities as exclusively rental tenure. The tool is intended to protect rental units, increase housing choices, and improve affordability for British Columbians.

RRTZ has the potential to speed up the development of purpose-built rental homes through pre-zoning. The tool also defines the number, portion or percentage of rental units in a new building and ensures that the property will be used for rental housing in the future. The issue at present is a lack of supply, and this tool does not solve this problem.

This rezoning tool has the capability of devaluing properties when rezoning is not combined with density increases. Furthermore some municipalities have elected to rezone areas without appropriate consultation



of the landowners. Property devaluation, a lack of consultation, and a climate of uncertainty will lead to builders to choose other types of projects over rental home construction.

Thoughtful guidelines, proper definitions and policy reforms to Residential Rental Tenure Zoning can ensure this is a tool which will foster more housing options that support growth and lead to the supply of new, affordable rental homes in time to meet the growing need.

#### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Develop a guidance document, through consultation with stakeholders, for municipalities that provides clear direction on the intended use of this unprecedented and untested measure; and,
2. Annually monitor the results of RRTZ implementation and provide further direction, where needed, to support the objective of increasing the amount of rental homes for British Columbians.

**Submitted by the Surrey Board of Trade, Greater Langley Chamber of Commerce, Parksville & District Chamber of Commerce and Kelowna Chamber of Commerce and Tri-Cities Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

## 28. RESIDENTIAL TENANCY ACT REFORM

### Opening Statement

The rules governing residential tenancies has started to become strongly one sided for the tenant and is greatly affecting a landlord's ability to protect their property. Furthermore, housing is an issue for several cities across British Columbia and the rules, processes and procedures around residential tenancies do not encourage people to be landlords under the *Residential Tenancy Act*.

We propose that the *Residential Tenancy Act* be revised to include increased protections for landlords so as to encourage landlords to keep renting to long-term tenants and to ensure the protection and maintenance of residential property throughout BC.

The intent of this policy is to strike a balance between protecting the landlord and protecting the tenant.

### Background

The *Residential Tenancy Act* governs all residential tenancies in British Columbia. This piece of legislation sets out the rights and responsibilities of landlords and tenants including what constitutes a residential tenancy, what steps need to be taken at the beginning of a residential tenancy, how to act during a residential tenancy and how to end a residential tenancy.

Prior to May 17, 2018, the *Residential Tenancy Act* was already weighted heavily towards the tenant, often causing serious negative impact on the landlord. For instance, even when a tenant regularly paid rent late (or did not pay rent at all) or, more seriously, vandalized or destroyed the landlord's property, it was a very



challenging and lengthy process to have the tenant evicted. Such delay often resulted in the landlord losing significant money including lost rental income and costs associated with repairing the property. Even if a decision was made for the tenant to vacate the property and/or pay the landlord a sum of money for damages or unpaid rent, collecting on such a debt was often unlikely. It was also a further step to have the tenant evicted even when an Order for Possession was granted.

Since May 17, 2018, these issues remain, but the provincial government has revised the *Residential Tenancy Act* to include further protections for tenants.

Effective December 11, 2017:

1. Fixed term tenancy agreements can no longer include a vacate clause requiring a tenant to move out at the end of the term unless:
  - a. The tenancy agreement is a sublease agreement; or
  - b. The tenancy is a fixed term tenancy in circumstances prescribed in section 13.1 of the Residential Tenancy Regulation. This Regulation specifies situations where a landlord or landlord's close family member plans in good faith to occupy the rental unit
2. A rent increase for a tenant remaining in a rental unit is limited to the maximum annual allowable amount and can only be increased once every 12 months. Rent can no longer be increased above that amount between tenancy agreements with the same tenant.
3. Landlords are no longer able to apply for an additional rent increase on the basis that the rent is significantly lower than other similar rental units in the same geographic area.

Effective May 17, 2018:

1. Landlords must give four months' notice to end tenancy for demolition, renovation or repair, or conversion, and tenants have 30 days to dispute the notice,
2. A landlord or purchaser if applicable must compensate a tenant 12 months' rent (unless excused by an arbitrator in extenuating circumstances) if a landlord or purchaser ends a tenancy under section 49 (landlord use) and they don't:
  - a. take steps to accomplish the stated purpose for ending the tenancy under section 49 within a reasonable period after the effective date of the notice, or
  - b. use the rental unit for that stated purpose for at least 6 months beginning within a reasonable period after the effective date of the notice.
3. A tenant has a right of first refusal to enter into a new tenancy agreement at a rent determined by the landlord if the landlord ends their tenancy to renovate or repair the rental unit. This right of first refusal applies only to a rental unit in a residential property containing 5 or more units.
4. A landlord must compensate a tenant 12 months' rent (unless excused by an arbitrator in extenuating circumstances) if the tenant exercises a right of first refusal and the landlord does not give the tenant:
  - a. a 45 day notice of availability
  - b. a tenancy agreement to sign.
5. If a landlord is ending a tenancy on behalf of a purchaser, the notice must contain the purchaser's name and address.

Recently, the Residential Tenancy Branch (the "RTB") established a Compliance and Enforcement Unit to conduct investigations of repeated or serious non-compliance with tenancy laws or orders of the Residential Tenancy Branch, issue warnings to ensure compliance and, if necessary, administer monetary penalties.



Unfortunately, the unit is not an alternative to the RTB's information and dispute resolution services nor as an alternative way to enforce orders through the courts.

Complaints may be submitted for consideration of an investigation only when all attempts to resolve the matter have been made through the Residential Tenancy Branch dispute resolution service and have not resulted in compliance.

The Compliance and Enforcement Unit adds teeth to the RTB, but due to the fact that a landlord must first attempt to resolve the matter through dispute resolution, this merely increases the amount of time for the landlord to alleviate the problem.

### **Dispute Resolution**

Where a landlord gives notice under sections 46, 47, 48, 49 and 49.1, and a tenant files a dispute notice within the allotted time, the matter goes to a hearing in front of the Residential Tenancy Branch. Unfortunately, this process can take months all while a tenant is not paying rent or, worse, destroying property.

Even where the matter goes to a hearing, there are several decisions whereby the Tenant is successful even where conditions set out in the Act or the Residential Tenancy Agreement are breached. This does not ensure any certainty or protections for the landlord.

### **Rent**

As of January 1, 2020, annual rent increases are capped at 2.6%. This limitation greatly affects the general maintenance and upkeep of residential buildings, many of which are much older and in dire need of repair. A landlord cannot afford these significant capital costs if they cannot bring in the funds to support them. This leaves residential buildings falling into disrepair, which can be devastating for the tenant as well as the landlord.

### **THE CHAMBER RECOMMENDS**

That the Provincial Government:

1. Amends the Residential Tenancy Act in order to strike the right balance between protecting the landlord and protecting the tenant, as follows:
  - a. Make it a requirement for the Residential Tenancy Board to end a residential tenancy and grant an Order for Possession in the following circumstances:
    - i. Unpaid rent for two (2) months or more;
    - ii. Late rent for three (3) months, consecutive or not;
    - iii. For cause, as set out in section 47 of the Act;
    - iv. If tenant ceases to qualify for rental unit; or
    - v. If tenant fails to file an Application for Dispute Resolution within the allotted time in the Act after a Notice to End Tenancy is served;
  - b. Include a fast track process for both landlords and tenants to ensure timely action/decisions by the Residential Tenancy Board in the event there is an Application for Dispute Resolution filed;





- c. Permit Orders for Possession to be enforceable through a Court Bailiff, RCMP, or other government appointed body without the need to enforce them through the Supreme Court of British Columbia; and
- d. Create an exception to the rental increase cap under circumstances including, but not limited to, significant capital costs to the landlord for the maintenance and upkeep of rental units/ buildings.

**Submitted by the Kamloops Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

Resources:

1. *Residential Tenancy Act*, SBC 2002 Ch. 78
2. <https://www2.gov.bc.ca/gov/content/housing-tenancy/residential-tenancies/changes-to-tenancy-laws>
3. <https://www.pazderlaw.com/residential-tenancy-act-changes/>
4. <https://www.timescolonist.com/news/local/residential-tenancy-branch-given-more-power-to-investigate-levy-fines-1.23816217>

**APPENDIX**

**Suggested Revisions to the *Residential Tenancy Act* in order to satisfy the Recommendations:**

**A. Remove the following clauses:**

1. Section 49 - 4 month notice period and 30 day dispute period for demolition, renovation, repair, or conversion;
2. Section 51.2 – Right of first refusal;
3. Section 51.3 Tenant’s compensation: no right of first refusal
4. Section 97(2) (a.1) – Power to make regulations prescribing the circumstances in which a landlord may include in a fixed term tenancy agreement a requirement that the tenant vacate a rental unit at the end of the term; and
5. Transition – Fixed Term Tenancy Agreements - Section 104.3.

**B. Replace with/ add the following clauses:**

1. Section 49 will include a 2 month notice period and a 10 day dispute period.
2. All fixed-term tenancy agreements shall end on the date set out in the residential tenancy agreement and the tenant must vacate on that date unless an additional residential tenancy agreement is entered into or the landlord agrees otherwise.



- D. The Residential Tenancy Branch must be bound to make an order ending a residential tenancy and an Order for Possession where one of the conditions set out in sections 46, 47, 48, 49, and 49.1 apply.**
- C. Include a fast track process to obtain an Order for Possession (30 days or less) in the following circumstances:**
  - 1. Damage to residential property or property of other tenant(s);
  - 2. Unauthorized subletting;
  - 3. Unauthorized additional tenants/ roommates;
  - 4. Unauthorized pets;
  - 5. Any illegal activity;
  - 6. Unpaid rent for two (2) months or more;
  - 7. Harassment of landlord/ tenant, neighbour, or other tenants residing at the premises; and
  - 8. Any other breach of condition of the Residential Tenancy Agreement.
- E. Orders for Possession are enforceable through a court bailiff, RCMP, or another government appointed body without the need to register in the Supreme Court.**
- F. Determine a percentage of capital cost/market value which will dictate circumstances whereby rental increases above the 2.6% cap rate will be permitted.**



## 29. ENABLING BC'S CANNABIS ECONOMY

### Opening Statement

On October 17, 2018, recreational cannabis became legal in Canada, with the primary objectives of eliminating a significant illicit market, keeping cannabis out of the hands of youth and protecting public health and public safety.

Recreational cannabis would now be produced, distributed, and sold through an entirely transparent and licensed business model and Canadians would be able to access a wide variety of cannabis products, just as they would most other products. By enabling access to regulated cannabis products, the policy objectives of displacing the illicit market and lowering youth usage would be achieved. The legal recreational cannabis market opened up many aspects of the supply chain to the private sector to fill the need for the responsible production and sale of cannabis products in Canada.

Early market projections for the recreational cannabis market ranged between \$4.9 and \$8.7 billion per year. One-year post legalization, actual sales were approximately \$1 billion, although growing at a rate that suggests a size of closer to \$2 billion. Many agree that the shortfall against expectations has been caused by a host of factors, including:

- Jurisdictional issues between the provincial and municipal governments that have restricted consumer's access to retail cannabis access stores and therefore regulated cannabis
- A complex supply chain in many provinces
- The cost of legal cannabis relative to the illicit market, in part due to the taxation and regulatory frameworks
- Restrictions on packaging and advertising that limit brand awareness
- Limitations on product formats and potency relative to the illicit market

These factors have threatened the predictability and future profitability of private sector participation. Although not a primary consideration for the government, in order to achieve its stated policy objectives, the private sector must be able to operate in the recreational cannabis market in a sustainable manner.

### Background

The legalization of recreational cannabis in Canada presented an opportunity for the private sector to displace a long-hidden, but flourishing, illicit market with ties to organized crime. As of July 2019, the cannabis sector has already contributed \$8.26 billion to the Canadian economy that year and employed over 9,000 people.

Initially, recreational sales only consisted of dried flower products (including pre-rolled joints) and cannabis oils (including sprays and gel-caps). Health Canada approved additional product classes including other inhalable extracts, ingestible extracts/edibles/beverages with a THC limit of 10 mg per packaged product, and topical products on October 17, 2019, one year following initial recreational legalization. The approval of additional product classes helps displace the illicit market by allowing more product formats for consumption of cannabis.

The two biggest challenges to the development of the nascent regulated cannabis industry are entrenched illicit market competition and inefficient and costly regulation. The illicit market in British Columbia is active in three interconnected areas: unregulated production, unlicensed retail stores, and illicit e-commerce sales.



Cannabis produced by the unregulated market in BC is purchased by unknowing consumers at unlicensed retail shops in BC communities and shipped across the country through illicit e-commerce sites. There is limited enforcement against these illicit operators with much operating lower costs. In the 2020 Budget, the Government of British Columbia committed just \$12 million over 3 years to compliance and enforcement against the illegal sale of cannabis. These funds must be shared between the many agencies involved in licensing regulated cannabis businesses and the Community Safety Unit, the province's cannabis enforcement agency. This is in contrast to the estimated \$50 to \$70 million per year in expected transfers from the Federal Government to BC from the province's share of the excise duty.

When it comes to policy and regulation, a variety of key responsibilities are under provincial jurisdiction. Regulatory decisions around wholesale, consumer retail, and e-commerce sale of recreational cannabis are determined by the provincial governments. Provinces also have the ability to implement policy decisions pertaining to permissible product classes for sale, and age limits for consumption. In British Columbia, several policy decisions have significantly slowed the roll out of retail cannabis outlets, depressing the earnings of cannabis producers in BC and inadvertently protecting the illicit market share. These policy choices include repeated vetting of corporations and their Key Personnel for each new store opening and intensive security screening for all front-line retail employees.

Further complicating this is the role of the municipalities, which also varies by province. In British Columbia, the province delegated certain approvals to the municipalities, resulting in a more complex system with longer approval times. Beyond licensing delays, some large municipalities in British Columbia have essentially opted-out of private cannabis retail, resulting in highly populated "Cannabis Deserts" where consumers have no access to regulated product (other than online sales from the government whole BC Cannabis Stores) and therefore illicit cannabis thrives. In the municipalities that do allow for private cannabis operators, some charge or accept Community Contributions in order to secure positive recommendations and municipal zoning required for their business. In contrast, the government of Ontario established a single province-wide zoning for cannabis retail and municipalities were allowed to "opt-out" of permitting recreational cannabis in their jurisdictions. Regulated cannabis companies need a process that is reliable and predictable in order to make the capital investments in their business.

Wholesale sales of cannabis fall within the jurisdiction of the province and the government of British Columbia chose a public monopoly, operated by the British Columbia Liquor Distribution Branch (BC LDB). However, cannabis wholesaling is considerably different than alcohol, and certain policy and administrative decisions are limiting the growth and profitability of producers and retailers. Given limited supplies of fresh, high quality products, these are often listed for a limited time on the BC LDB website and require orders to be placed immediately before quantities sell out. If a retailer attempts to stock the best products for its customers to incentivize their transition from the illicit market, they must pay the BCLDB delivery overage charges for orders placed outside of a limited weekly schedule. The current policy also restricts product transfers between different locations operated by the same licensee, resulting in higher inventory and lower sell-through. These policy choices limit economic opportunities for BC-based cultivators to sell their products in BC, and increase costs and inhibit access to regulated product for consumers.

Taken together, these policies, bylaws and regulations greatly increase the costs of operating a regulated cannabis business in BC. The corporate infrastructure required to support a chain of legal cannabis retail stores will likely exceed the profits that will be generated if only allowed the current limit of 8 stores. The current 8-store limit also constrains a retail business from designing a business structure that works for them based on a supply/demand market. This puts BC-based businesses at a disadvantage to national retailers with revenues from stores in other jurisdictions.



The issues noted above present an important observation – some of these regulatory decisions potentially run counter to the overall objectives of eliminating the illicit market and keeping cannabis out of the hands of youth. It is estimated that as much as 75% of Canadian consumers still purchase unregulated cannabis products from the illicit market. Furthermore, the patchwork of regulation across all provinces and municipalities, along with the increased cost (due to taxation framework, licensing delays, and supply chain considerations) further erode the policy objectives mentioned above because they jeopardize a predictable and sustainable business environment for the private sector. Aligning the interests of the private sector along with the policy objectives and public safety is critical to the long-term success of the initiative to legalize recreational cannabis in Canada. Doing so, will not only meet the policy objectives, but will also unlock billions of dollars in private sector investment that will result in further job creation for Canadians and British Columbians and tax revenue for government.

#### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Enable better access to legal cannabis, which in turn will help to extinguish the current illicit market through, but not limited to, the following:
  - a. Increase the provincial budget for enforcement of illicit cannabis production and sales.
  - b. Province-wide retail operator licensing, allowing companies to be screened once, with subsequent applications focused on location specific criteria;
  - c. Province-wide allowable zoning for cannabis retail;
  - d. Increase the cap on the number of allowed retail locations per operator to help meet consumer demand for legal cannabis and eliminate regional supply gaps; and
  - e. Support the introduction of “farmgate” sales in B.C., to allow growers/producers, in particular smaller producers, to offer legal products to local consumers and access an alternative sales channel for their products.
2. Reduce regulations that cause operational inefficiencies for licensed retailers and do not meaningfully contribute to high health and safety standards for consumers and producers through, but not limited to, the following:
  - a. Repeal the Worker Qualification Regulation and replace with security screening and training requirements parallel to employment in the alcohol sales and service industries. This will increase and broaden the economic opportunities in the BC Cannabis sector, reduce labour market constraints in retail, and focus government resources on vetting of operators, corporate executives, and majority shareholders;
  - b. Allow for different ordering and delivery days for in-demand product or eliminate additional delivery fees to private retailers;
  - c. Give operators the flexibility to reallocate product inventory between stores; and
  - d. Creating a more transparent, fair, and efficient system for Fit and Proper assessments of corporate Key Personnel.
3. Review tax policy related to cannabis focusing on:
  - a. Exempting medical cannabis from PST;
  - b. Work with the federal government on a national excise stamp. The current requirement for a provincial/territorial specific stamp increases the cost and complexity of the manufacturing process (adding cost to the final product that is passed on to consumers),



and restricts producers to respond to rapidly changing supply and demand conditions in a nascent industry; and

- c. Removing the 20% tax on cannabis vape products. The manufacturing, distribution, and sale of inhalable cannabis products is already highly regulated to ensure public safety and keep products out of the hands of youth. Our view is that the tax was implemented as a response to nicotine vaping products that have increased in popularity amongst youth, which has an entirely different manufacturing process and supply chain in Canada. The imposed tax on cannabis vape products is counter to the policy objective by encouraging sales from the illicit market by making legal products significantly more expensive in B.C.

That the Federal Government:

4. Treat medicinal cannabis equitably as a medicinal product by:
  - a. Exempting GST on medicinal cannabis;
  - b. Allow for pharmacies to dispense medicinal cannabis;
5. Focus federal enforcement on illicit cannabis e-commerce and shipments via Canada Post to support the established legal framework

**Submitted by the Kelowna Chamber of Commerce, Greater Nanaimo Chamber of Commerce and the Surrey Board of Trade**

**The Policy Review Committee supports this resolution.**



### 30. ACCESSIBILITY FOR ALL BRITISH COLUMBIANS

#### Opening Statement

Approximately 25% of BC's population identify as having some form of disability. The BC Building Code is out of date and the Province has just undertaken an accessibility consultation

While there have been strides made to improve accessibility for persons in BC and the government's goal to make "BC a truly inclusive province by 2024" is appreciated; however, there needs to be a focus on the realities faced by those with accessibility issues, on new technologies, standards and on implementation.

#### Background

In a recent BC Chamber survey<sup>129</sup> the majority of business owners that responded supported an increased in clarity on in accessibility standards but expressed concern regarding the need to identifying cost -effective measures and concerns with respect to with outdated infrastructure.

Accessibility as a whole needs to be considered and work with organizations such as Spinal Cord Injury BC on concepts of universal design for all those with accessibility concerns should be part of the Provinces considerations. It is necessary to work closely with service providers and individuals to find solutions. People and businesses not facing daily accessibility issues don't know what they don't know, so it is imperative the Province has the means to understand the challenges and tackle them. This is not only good for people with disabilities – so that they are included in our communities in every possible way – but it also good for business because increased accessibility means increased employee access leading to increased employment, improved safety, better recruitment/retention and better overall economic opportunity and outcome for all.

For example: wheelchair accessible vehicles provide increased independence and mobility; however, the current BC building code does not incorporate an access space adjacent to the parking space that provides room for a wheelchair to exit/enter a vehicle via a ramp thus when another vehicle parks in an adjacent spot people are trapped, unable to exit or enter their vehicle. Doors on public buildings may not be able to be opened if one is unable to grasp the handle or pull the door, automatic door openers are only useful if the door is large enough for a chair to maneuver through and must stay open long enough.

The Province has indicated an intent to move towards accessibility legislation<sup>130</sup> and this could pose a significant challenge to BC business. It is imperative we find that solutions are developed to ensure accessibility for the over 900,000 British Columbians facing disability and accessibility issues however; we need to consider universal access design options, appropriate design of parking spaces and access, along with plans and incentives to help business update and make accessibility improvements.

#### THE CHAMBER RECOMMENDS

That the Provincial Government:

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129 BC Chamber Survey

130 <https://news.gov.bc.ca/releases/2020SDPR0006-000225>



1. Engage with all stakeholders including persons with disabilities, local governments, Indigenous peoples, key stakeholder groups and business in the development of new accessibility legislation;
2. Provide incentives, such as grants or tax credits, to assist business in undertaking accessibility improvements; and
3. Review and update the BC Building Code using universal design options wherever practical.

**Submitted by the Fort Nelson & District Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

**The Policy Review Committee also notes that a similar resolution was put forward by another Chamber. The PRC supports the direction of this resolution and the resolution titled UNIVERSAL BUILDING CODES TO CREATE EQUITABLE ECONOMIC OPPORTUNITY, but recommends that the Assembly support a unification of these policies and defer them to the BC Chamber of Commerce Board of Director's to implement that unification with BC Chamber staff.**

### **31. UNIVERSAL BUILDING CODES TO CREATE EQUITABLE ECONOMIC OPPORTUNITY**

#### **Opening Statement**

British Columbia has the opportunity to ensure that people with varying abilities are able to participate fully in the workforce. The more accessible a building is, the more likely people with varying abilities will patron that place of business and be able to work in the building itself. As of this moment, there are almost one-third of working age adults with more severe disabilities who are living in poverty.<sup>131</sup> The BC building codes must be updated to ensure that all future buildings are universally accessible so that people with disabilities are able to enter the workforce.

#### **Background**

One in five Canadians, aged 15 years and over, had one or more disabilities that limited them in their daily activities.<sup>132</sup> Almost one-third of working age adults with more severe disabilities are living in poverty.<sup>133</sup> Among working age adults, personal income was strongly related to the severity of disability. Those with no disabilities had a higher median after-tax personal income (\$39,000) than those with milder disabilities (\$34,300) and those with more severe disabilities (\$19,200). Close to 57% of Canadians with a physical disability who are currently unemployed believe they'd be able to work if workplaces were more accessible and 49% of Canadians with physical disabilities who are working believe they could work more hours if workplaces were made more accessible.<sup>134</sup> By 2030, it is estimated that \$316 billion will be added to the Canadian economy annually as a result of spending by people with disabilities representing 21% of the total

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131 <https://www150.statcan.gc.ca/n1/daily-quotidien/181128/dq181128a-eng.htm>

132 <https://www150.statcan.gc.ca/n1/daily-quotidien/181128/dq181128a-eng.htm>

133 <https://www150.statcan.gc.ca/n1/daily-quotidien/181128/dq181128a-eng.htm>

134 The Business Case to Build Physically Accessible Environments, Conference Board of Canada, February 2018





consumer market.<sup>135</sup> The economy will see a \$16.8 billion increase to our GDP if workplace improvements were made, allowing over half a million Canadians with disabilities to work more hours.

In 2018, the B.C. Government updated the BC Building Code. Important changes included:

- Increasing accessibility in small retail shops and common areas of condominium and apartment buildings;
- Increasing the number of wheelchair spaces required in public viewing spaces, and;
- Requiring more visible alarms in addition to requirements for sleeping rooms and bed spaces.

These are important initiatives that are commendable, however, it only applies to those with physically visible disabilities. There is a large portion of persons with varying abilities that require different accessibility options.

The Rick Hansen Foundation offers a best practice guide for universal building standards.<sup>136</sup> The Rick Hansen Foundation utilizes data from various accessible standards across the world. These include countries such as Ireland, Australia, and the United States. These standards provide information on accessibility for:

- entrances and automated doors;
- elevators;
- accessible lifts;
- playgrounds;
- ramps;
- trails;
- sensory-sensitive spaces;
- washrooms, and;
- water parks.

All of the above-mentioned areas must be accessible in order to allow people to adequately access spaces. The Rick Hansen Foundation received \$9 million in grant money to assist businesses, schools, and governments to retrofit their buildings so that they are universally accessible. The Rick Hansen Foundation also rates sites based on their level of accessibility by rating:

- Vehicular access;
- Exterior approach and entrance;
- Interior circulation;
- Interior services and environment;
- Sanitary facilities;
- Signage, wayfinding and communications;
- Emergency systems, and;
- Additional use of space.

But without incentives or grants, builders are less likely to adopt universal design without increasing prices. The Provincial and Federal governments should ensure that there are incentives disseminated through appropriate organizations for builders and building owners to build and retrofit universality.

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<sup>135</sup> The Business Case to Build Physically Accessible Environments, Conference Board of Canada, February 2018

<sup>136</sup> <http://universaldesign.ie/What-is-Universal-Design/The-10-things-to-know-about-UD/>



To lift those with a disability out of poverty, we must have them participating fully in the workforce. That requires many adjustments that the local, provincial, and federal governments are undertaking. We also need to ensure that the building codes in BC reflect the needs of not only the physically disabled, but those with other non-visible disabilities.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Work with foundations such as the Rick Hansen Foundation to amend the BC Building Code to ensure that all buildings are required to be built to a universally accessible standard; and,
  - a. Higher subsidies for housing so that people of varying abilities can rent new units at market rental price; and,
  - b. Provide incentives in the form of grants to builders and building owners to be dispersed through non-profit organizations to build universally.

**Submitted by the Surrey Board of Trade**

**The Policy Review Committee supports this resolution.**

**The Policy Review Committee also notes that a similar resolution was put forward by another Chamber. The PRC supports the direction of this resolution and the resolution titled ACCESSIBILITY FOR ALL BRITISH COLUMBIANS, but recommends that the Assembly support a unification of these policies and defer them to the BC Chamber of Commerce Board of Director's to implement that unification with BC Chamber staff.**



## 32. CREATING A LEVEL PLAYING FIELD FOR THE TAXI INDUSTRY

### Opening Statement

The ridesharing industry is an important, needed addition to our economy; however, the red tape for the taxi industry must be removed, especially in the Metro Vancouver area, so that taxis can cross city boundaries and pick up and drop off passengers wherever they need to. Local taxis want to compete with ride-hailing companies, but on a level playing field, without any boundaries. This will be true economic action that will improve customer service. Currently, archaic government red tape forces taxis to drive back empty (deadhead) after dropping off passengers in neighbouring municipalities. Deadheading leads to inefficient use of taxi fleets, increased congestion, GHG emissions, higher costs, longer wait times for passengers and lower income for drivers.

### Background

Ridesharing companies have been given large operating areas by the Passenger Transportation Board in British Columbia. For example, Region 1 encompasses an area from Whistler to Hope and includes Squamish-Lillooet, Metro Vancouver and the Fraser Valley Regional Districts.

Local taxi companies were promised a fair and level playing field to compete with the ridesharing industry. This has not happened. Ridesharing industry is able to move across city boundaries, but this privilege does not extend to the taxi industry.

The Lower Mainland is facing a transportation crisis where not enough options are permitted, and congestion is rampant. By having ridesharing and traditional transportation models complement each other to better serve residents and businesses, just as they do in communities across Canada and around the world, we can see a reduction in congestion. Rather than competing with taxi, ridesharing companies like Uber and Lyft 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.

Currently, archaic government red tape forces taxis to drive back empty (deadhead) after dropping off passengers in neighbouring municipalities. Deadheading leads to inefficient use of taxi fleets, increased congestion, GHG emissions, higher costs, longer wait times for passengers and lower income for drivers.

### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Remove archaic taxi boundaries and allow all taxis in Metro Vancouver to pick-up and drop-off anywhere in the Lower Mainland to serve the public better.

### Submitted by the Surrey Board of Trade

The Policy Review Committee supports this resolution.



### 33. EXPEDITING THE GEORGE MASSEY CROSSING PROJECT

#### Opening Statement

British Columbia is Canada's Asia Pacific Gateway, and our economic competitiveness relies heavily on the well-maintained capacity within our port, air, rail, and roadway infrastructure. Thus, it is imperative that the Province ensures the efficient flow of people and goods throughout the region to increase our regional prosperity and quality of life. The George Massey Tunnel is a critical artery of the BC transportation network that urgently requires replacing.

BC's competitive position as a trade and transportation-based economy must be actively protected, and continuously improved upon. While efforts to replace the George Massey crossing are underway, it is important that it is delivered expeditiously and that the principles of value for money, total capital cost, technical viability, difficulty, safety, and time to implement should be the key considerations for the replacement project.

#### Background

With the addition of one million people to B.C.'s population over the next ten years,<sup>137</sup> and continued growth in trade, more people will be travelling and goods moving through the region. Therefore, it is important that major infrastructure projects provide the capacity to meet future demands.

George Massey infrastructure is a critical link in the Highway 99 trade corridor, connecting our region to the U.S. Interstate highway, the BC Ferries Terminal in Tsawwassen, the Deltaport container terminal, and Vancouver International Airport in Richmond. In addition to significant goods movement, up to 92,000<sup>138</sup> vehicles commute daily via this corridor, and this demand will continue to rise as the population South of the Fraser continues to increase.

The replacement of the current George Massey Tunnel (GMT) has been one of the region's top regional infrastructure priorities for many years. The local businesses and firms that support, operate and rely on the Province's Gateway sector view the replacement of the current tunnel as a top priority; focusing on the timeliest replacement possible. In addition to capacity needs for the goods movement sector, many of these businesses have raised safety concerns with a tunnel solution for this crossing.

Any delays in upgrading this key link will only exacerbate our region's existing problems with congestion, travel time, access to labour resources in adjacent municipalities, and regional emergency response capabilities. Delays and the costs associated with the inefficiencies of congestion are forcing businesses to look at all options to relocate, which is resulting in businesses leaving the province in search for places that are cheaper and easier to operate in.<sup>139</sup> Thus, the replacement of the current tunnel is critical to the continued economic competitiveness of the region.

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137 <https://vancouverisland.ctvnews.ca/full-text-2020-b-c-speech-from-the-throne-1.4807612> Accessed: February 12, 2020

138 [https://engage.gov.bc.ca/app/uploads/sites/52/2020/02/EXEC-SUMMARY-GMC-rpt-01-gen-cowi\\_Final\\_report\\_Rev0E\\_19-Dec-2019-w-cover-1.pdf](https://engage.gov.bc.ca/app/uploads/sites/52/2020/02/EXEC-SUMMARY-GMC-rpt-01-gen-cowi_Final_report_Rev0E_19-Dec-2019-w-cover-1.pdf)

139 <https://globalnews.ca/video/4779728/london-drugs-considers-moving-headquarters-out-of-richmond>



Currently, the GMT presents significant challenges to the movement of goods, particularly as it pertains to delays from congestion and the inability of the GMT to accommodate over-dimensional shipments or trucks carrying dangerous goods, such as fuel. These congestion delays and limitations force trucks to use alternate routes resulting in additional travel time and fuel consumption, increased congestion on other corridors, extra greenhouse gas emissions, and elevated safety risks, by forcing trucks to travel longer distances. These costs and externalities are ultimately borne by consumers and residents of the region. Additionally, while removing reliance on single-occupant vehicle use could alleviate some congestion in the short-term, neither the province<sup>140</sup> nor the region's<sup>141</sup> public transit plans contain sufficient investments in transit to provide viable alternatives for commuters.

The tunnel also poses significant safety concerns, and the WSP|MMM Group's 2016 report indicated it would require extensive upgrades to meet today's seismic standards<sup>142</sup>. The tunnel is extremely difficult for emergency vehicles to access if an incident occurs, and the transportation of dangerous goods is currently prohibited through the tunnel. These concerns led to the 2019 option being presented for the current tunnel being used only as a utility corridor.<sup>143</sup>

## Current Context

In July 2019, the Mayors' Task Force endorsed a short list of six options, based on the ministry project team's high-level assessment of eight possible project options. In September 2019, the project team further narrowed down the shortlisted options to two:

- an 8-lane bridge with multi-use path (MUP), and
- an 8-lane immersed tube tunnel with (MUP)<sup>144</sup>

On November 1<sup>st</sup>, 2019 Metro Vancouver's board of directors voted to endorse an eight-lane, immersed-tunnel configuration for the Massey Tunnel replacement, following the recommendation by a Task Force. The Task Force was presented with a summary of the three contemplated technologies which included an estimated schedule for environmental assessments (EA) and construction timelines. The immersed tube timeline was three years for the EA and five years for construction, under ideal conditions, while the long-span bridge was two years for an EA and five years for construction.<sup>145</sup> A difference of at least one year.

While these time frames for completion were given, there was no discussion of the certainty of those time frames and the resulting impact on cost. The long span bridge option, in a previous form, had already received environmental approval.<sup>146</sup> Given the existing and valid environmental certificate for a larger structure, it is likely that the EA process for a smaller bridge could be completed well within the two years, if not more expeditiously. Conceivably, the environmental assessment for the bridge will also be less costly. As the report from ministry staff stated: "the environmental assessment is expected to be the least complex, as much, but not all, of the assessment would be similar to the previous 10-lane bridge."<sup>147</sup>

140 <https://vancouverisland.ctvnews.ca/full-text-2020-b-c-speech-from-the-throne-1.4807612> Accessed: February 12, 2020

141 <http://www.metrovancouver.org/services/regional-planning/PlanningPublications/RGSAdoptedbyGVRDBoard.pdf>

142 <https://engage.gov.bc.ca/app/uploads/sites/52/2017/02/GMT-Review-of-Replacement-Options-July-2016.pdf>

143 [https://engage.gov.bc.ca/app/uploads/sites/52/2020/02/APPENDIX-A-GMC-mem-02-ext-cowi\\_Existing\\_tunnel\\_Rev0A\\_20-Nov-2019.pdf](https://engage.gov.bc.ca/app/uploads/sites/52/2020/02/APPENDIX-A-GMC-mem-02-ext-cowi_Existing_tunnel_Rev0A_20-Nov-2019.pdf)

144 <https://engage.gov.bc.ca/masseytunnel/overview/>

145 [http://www.metrovancouver.org/boards/GVRD/RD\\_2019-Nov-1\\_MIN.pdf](http://www.metrovancouver.org/boards/GVRD/RD_2019-Nov-1_MIN.pdf)

146 <https://news.gov.bc.ca/releases/2017ENV0011-000293>

147 [http://www.metrovancouver.org/boards/GeorgeMasseyCrossingTaskForce/GMA\\_2019-Oct-2\\_MIN.pdf](http://www.metrovancouver.org/boards/GeorgeMasseyCrossingTaskForce/GMA_2019-Oct-2_MIN.pdf)



The proposal for an immersed tube tunnel appears to have greater uncertainty around environmental impacts to the river and surrounding lands. The same report from the ministry noted “the immersed-tube tunnel options...require around 1km of tunnel, a large staging area and removal of 1.5 million cubic meters of salt-contaminated soil during construction. These options would have the greatest environmental impact during construction as the approaches would require excavation on both sides of the river and the river bottom trenched to hold the tunnel.”<sup>148</sup>

Additionally, the report noted that “under the new federal *Fisheries Act*, temporary disturbance to the river would be assessed and will require habitat offsets.”<sup>149</sup> While the ministry claims that environmental impacts for the tunnel will be the lowest over the long-term, that seems to suggest the analysis of in-river impacts are comparable to visual impacts and noise.<sup>150</sup> The Technical Services for George Massey Crossing Project Final Report notes that for the ITT options, “work in the river is likely limited to a 6-month or 7-month work window each year”<sup>151</sup> which creates a scheduling risk and, should any construction fall behind, would cause delays of “6 months, or potentially a year.” These risks place the potential construction timeline difference of the two options at much greater than the optimistic estimate of one year minimum.

The immersed tube and long-span bridge options were originally presented as having comparable costs.<sup>152</sup> Updated estimates for project costs, based on the November 2019 COWI-Stantec assessments, however, show the ITT option to be between \$550 million to \$1,650 million greater than the bridge option before environmental assessment costs.<sup>153</sup>

Lastly, with relation to the movement of people, both the immersed tube tunnel and the long-span bridge provide the same number of lanes for vehicles, transit opportunities, and dedicated separate space for active modes of transportation. Given those facts, it is unclear how the immersed tube tunnel was seen to be more aligned with the goal of increasing the share of sustainable modes of transportation. We expect that some preferring active modes of transportation would prefer to be above ground, rather than under it.

Overall, a GMT replacement crossing is a critical project that should be prioritized and built expeditiously. The technology chosen for the crossing should deliver the most value for taxpayers’ money. This choice should be based on a rigorous business case thereby demonstrating cost certainty, expeditious implementation (including the environmental assessment), have the least impact on the river, and afford a lower profile for construction risk. It is important to consider all associated costs including capital cost, technical viability (and difficulty), and time to implement.

#### THE CHAMBER RECOMMENDS

That the Provincial Government:

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148 [Ibid.](#)

149 *Ibid.*

150 [http://www.metrovancouver.org/boards/GVRD/RD\\_2019-Nov-1\\_MIN.pdf](http://www.metrovancouver.org/boards/GVRD/RD_2019-Nov-1_MIN.pdf)

151 [https://engage.gov.bc.ca/app/uploads/sites/52/2020/02/GMC-rpt-01-gen-cowi\\_Final\\_report\\_Rev0E\\_19-Dec-2019-w-cover.pdf](https://engage.gov.bc.ca/app/uploads/sites/52/2020/02/GMC-rpt-01-gen-cowi_Final_report_Rev0E_19-Dec-2019-w-cover.pdf)

152 *Ibid.*

153 [https://engage.gov.bc.ca/app/uploads/sites/52/2020/02/APPENDIX-J-GMC-mem-20-csh-cowi\\_Estimated\\_Costs\\_Rev0A\\_20-Nov-2019.pdf](https://engage.gov.bc.ca/app/uploads/sites/52/2020/02/APPENDIX-J-GMC-mem-20-csh-cowi_Estimated_Costs_Rev0A_20-Nov-2019.pdf)



1. Expedite the George Massey Tunnel replacement project to be included in the province's budget and capital plan and Ministry of Transportation and Infrastructure's Service Plan starting in 2021-22;
2. Assess a decision on the George Massey Tunnel replacement project on the following criteria: demonstrating the most value for taxpayers' money, delivering sufficient capacity to accommodate current and future traffic volumes, improving safety for all road users, ability to receive environmental approvals, timelines and overall construction risk, and facilitating the movement of cargo;
  - a. Recognize that of the options under consideration by the government, an 8-lane long-span bridge most closely aligns with those criteria; and
3. Prioritize development of a complete, multi-modal Highway 99 Corridor strategic investment planning document, with short, medium and long-term transportation and infrastructure guidelines that take into consideration current and future conditions, infrastructure repair and replacement needs, land protection and access management, active transportation corridors, high-speed and light-rail opportunities, and additional, expanded public transit access.

**Submitted by the Delta Chamber of Commerce, Greater Vancouver Board of Trade, Richmond Chamber of Commerce and Surrey Board of Trade**

**The Policy Review Committee supports this resolution.**

### **34. HYDROGEN & HYDRAIL: A REAL ADVANCEMENT IN THE TRANSPORTATION SECTOR**

#### **Opening Statement**

Early in 2019, the Province of British Columbia introduced Bill 28: Zero-emission Vehicles Act, noting that this (ZEV) is a critical step towards creating a low carbon, innovative economy free from dependency on fossil fuels. The Government remarked at the time that climate change is the biggest threat facing our province. Bill 28 set into law the zero-emission vehicle mandate as part of the CleanBC economic agenda. In part, the bill legislates that by 2040 and in each subsequent year, 100% of all new light-duty motor vehicles sold or leased in British Columbia must be zero-emission vehicles.<sup>154</sup>

This is a bold vision. To achieve such substantial changes to the Province's transportation sector business and industry must be engaged in discussions so that challenges and opportunities for both are identified and addressed. This engagement could focus on ensuring the efficient movement of products to market as well as providing labour force mobility so that employees can live in an affordable location of their choosing and still easily access their place of employment no matter where they live within a region.

Zero- and low-emission vehicles do currently exist, but the technology is still developing. In the case of industrial vehicles – diesel engines on trains, earth-movers, heavy equipment – the “pulling” power is missing. Passenger vehicles have been quickly adopted and continue to evolve.

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<sup>154</sup> <https://www.leg.bc.ca/parliamentary-business/legislation-debates-proceedings/41st-parliament/4th-session/bills/first-reading/gov28-1>



The significant costs related to various types of alternative-powered vehicles make it challenging for individual commuters to switch from petroleum-powered vehicles. This reality is magnified in remote and rural communities where fast-charging stations or access to electric vehicles is patchy. There is also the practical reality that the greenhouse gases released in the production of electric or fuel-celled zero emission vehicles can also be significant (life-cycle costs).

In light of these barriers, transit options remain the most efficient way to move people over larger distances, although these systems are challenged by volume. Critical mass, *i.e.*, frequency of use, is needed to ensure an efficient and cost-effective transit system. As a result of market realities, this complex issue of reducing transportation related GHGs while not negatively impacting the economy will require significant attention. It also presents an opportunity for BC to be a leader in research and development in the area of alternative fuels and alternatively powered mass transit systems.

### Background

When asked to rate opportunities to safely travel to work, school or other destinations, on average, respondents to a recent City of Kelowna Quality of Life survey rated public transit between 'poor' and 'fair' while opportunities to cycle and walk were rated slightly above 'fair'. The actual location of the resident responding to the survey had a significant impact on ratings of public transit, walking, and cycling opportunities. Such modes of travel were rated lower by rural residents and somewhat more positively by residents of more urban centres.<sup>155</sup>

While intra-city transit continues to be identified by users and local government leaders as poor, studies have also shown that there is increased demand for inter-city transit. In the North Okanagan for example, the annual number of trips taken on the Vernon Regional Transit system increased from approximately 488,000 in 2010 to approximately 566,000 in 2015. A key route between Vernon and the University of British Columbia's Okanagan (UBCO) campus in Kelowna was introduced in July 2008 and it has proven to be a vital and valued service with buses often running at full capacity between the two cities.

Businesses are also concerned about mobility when it comes to the labour force. Having an efficient transportation system that allows employees to be able to get to and from their employment is essential for both the business community and the employees themselves. Greater mobility means greater housing options and increased affordability particularly for those who work in the service sector.

Increased urban density may make sense to a city that is looking to keep its infrastructure costs down, but it can create a challenge if employees, particularly those in the service sector, can't afford to live in the core areas in which those businesses are located. An efficient passenger rail service like that developed in Vancouver (TransLink) and other major metropolitan regions around the world addresses wider mobility options for tomorrow's labour force and addresses the need to move towards low emission transportation options. The latter is a fundamental focus of Bill 28 as introduced by the Province earlier this year.

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<sup>155</sup> <https://www.kelowna.ca/our-community/news-events/news/2018-citizen-survey-results>





Recent research led by the School of Engineering at UBC Okanagan (UBCO), Dr. Gord Lovegrove<sup>156</sup> has brought together a number of proponents of hydrogen powered fuel cells for three key businesses: (1) rail passenger service (Hydrail); (2) Retrofit kits for diesel locomotives (which would be used to power Hydrail) and heavy equipment; (3) urban and rural based hydrogen gas generating “gas stations” which would manufacture hydrogen gas onsite through the use of solar power and water for a 100% clean, zero GHG emission process for retail sales. The proponents include the University of British Columbia Okanagan and the K’uL Group<sup>157</sup>,

Hydrail presents a cost-effective mass transit opportunity for the Okanagan Valley. Its advocates promote the new advances in the technology as a much more affordable option compared to an electrified system. Hydrail capital costs have been listed at \$5 million/mile vs. \$150 million/mile SkyTrain (part of TransLink, SkyTrain is the oldest and one of the longest automated driverless light rapid transit systems in the world). This estimate has been verified by Cariboo Central Railway Contracting Ltd., the lead contractor for CN/CP in Western Canada, with headquarters in Kelowna. Cariboo is already supporting UBCO’s School of Engineering in related teaching and research activities.

The advocates envision a 250 passenger (Hydrail) electric train running at city speeds in cities, at highway speeds between cities, in the median or beside Highway 97 (embedded rails in cities for barrier-free crossings). With zero emissions and no engine noise to operate, it is believed such a commuter option would have a significant impact in achieving reduced regional greenhouse gas emissions and enhancing tourism access and thus the tourism economy of the Okanagan valley.

This technology, the *iLint Coradia* by Alstom, is now in commercial service in Germany (launched full service regional passenger rail in 2018)<sup>158</sup>, with orders across Europe, using made-in-Canada fuel cell technology. Its frequency along Hwy 97 could be adjusted to address growth for decades. The iLint is a CO2-emission-free regional train representing a true alternative to diesel power. Alstom is the first railway manufacturer in the world to develop a passenger train based on hydrogen technology.

Compared to highway capital costs of over \$50 million/mile to twin Highway 97, OVER-PR<sup>159</sup> (**O**kanagan **V**alley **E**lectric **R**egional **P**assenger **R**ail) is both safer and more cost effective for commuters. Compared to the proposed OVER-PR, the highway produces more noise, GHGs, air pollution, and crashes.<sup>160</sup> In Kelowna alone, 4,200 crashes in five years cost BC over \$1.5 Billion. Each train will take 250 cars off the road and provide access for youth, seniors and visitors to connect between Okanagan Valley cities.<sup>161</sup>

Given the future legislative requirements for ZEV – in fact, 10% of all light duty vehicles must be ZEV by 2025; 50% by 2030 and 100% by 2040 - and in consideration of the current state of technology and the business case for reducing GHGs generated by transportation – a comprehensive strategy is required. The

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156 Principal Investigator Dr Gord Lovegrove, PEng, MBA, PhD, Fellow of the Institute of Transportation Engineers, UBCO Sustainable Transport Safety Research Lab Associate Professor, Faculty of Applied Science, School of Engineering Chair, Sustainable Development Committee, Cdn Society of Civil Engineering

157 The K’uL Group defines itself as being formed to foster the development of a sustainable economy for the Penticton Indian Band. It is the “for profit” business investment and development division of the PIB and is the umbrella organization that holds the corporate business investments.

158 <https://www.alstom.com/coradia-ilint-worlds-1st-hydrogen-powered-train>

159 OVER PR (Okanagan Valley Electric Regional Passenger Rail) <https://engineering.ok.ubc.ca/about/contact/gordon-lovegrove/> Research Summary

160 *ibid*

161 *ibid*



strategy should accelerate research and development around alternate fuels; fuel-cell technology; and fast-charging stations across the province. Such an acceleration would engender new start-up businesses, and expansion of existing businesses, boosting various sectors of the economy. There is also a promising business case for green hydrogen production in BC due to the province's extensive clean hydropower resources. Hydrogen can be produced from diverse, domestic resources including fossil fuels, biomass, and water electrolysis with electricity. The environmental impact and energy efficiency of hydrogen depends on how it is produced.

### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Provide additional research funding to the Province's post secondary institutions to accelerate examination of emerging technology on hydrogen fuel cells to enable light rail or hydrail as has been introduced in Europe as a means to serve growing regions of the province.
2. Engage business, community and academic leaders in a discussion on the creation of a centre of transportation excellence focused on applied research in the area of hydrogen as an alternative fuel source to serve the transportation sector (road, rail & aerospace) in alignment with the Province's 2040 vision of mandating the requirement for zero emission vehicles (Bill 28).

**Submitted by the Kelowna Chamber of Commerce**

**Supported by the Greater Westside Board of Trade, the Summerland Chamber of Commerce and the Penticton & Wine Country Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

## 35. KEEPING PORTS CONNECTED

### Opening Statement

To ensure that an economy continues to grow, investment in technological advancements in shipping are necessary. Technological advancements improve efficiencies, provide competitive advantages, and reduce the prices of commodities. In order for Canadian ports to remain competitive in the globalized realm of shipping, the B.C., Federal, and local governments must work with the Port of Vancouver and other port authorities to invest in digital technology that can communicate with shipping line technology.

The Vancouver Fraser Port Authority (VFPA) needs to enhance the Lower Mainland's trading and shipping capabilities via the Roberts Bank Terminal 2 (RBT2) project. As total cargo volumes are projected to increase, the expanded terminal will allow the Lower Mainland to ensure we are capable of handling increased volumes. Without this project, shipments will slow and divert to various other ports along the US coast, causing job losses and economic re-investments into our local Canadian communities. Thousands of jobs will be created throughout construction and operations.



## Background

The Port of Vancouver is expecting cargo to grow at the rate of 3.6% over the next 4 years with the majority of increases coming from foreign sources. This is a major boon to the economy but there are two issues that are causes for concern:

1. Without adequate space for the containers, this increase will be diverted to other ports in America.
2. Many international shipping lines that utilize digital technologies that are years ahead of current technology used by the Port of Vancouver will choose to go to other ports that can communicate with the new technology.

The Port's long-planned \$2-billion expansion project will expand terminal capacity from 1.8 million twenty-foot equivalent units (TEU) per year to 2.4 million TEUs, handling 260 container ship calls annually. This is needed for BC and Canada to ensure that we have the needed trading infrastructure to participate effectively and efficiently in the global economy.

Top international shipping lines like A.P. Moller-Maersk are increasing their investment in digital technologies to improve efficiencies and sharpen competitive edges in what is an extremely capital-cost-intensive industry. The connectivity and digital efficiency of major ports and their operations is therefore becoming a critical differentiator in attracting and maintaining business from major shipping lines.

The newly updated United Nations Conference on Trade and Development liner shipping connectivity index (LSCI) shows Canada moving in the wrong direction in its rankings.

The LSCI measures container port performance to determine where countries rank within global ocean liner shipping networks based on several data streams, including the number of ships deployed to and from each country's seaports.

Canada's 2019 ranking dropped to 37th from 32nd in 2018 and is well down from its ranking of 23rd in 2006 and below smaller economies such as Colombia (34th). The United States ranks fifth overall.

Canada's competitiveness is weak and requires large investment in new technology.

## THE CHAMBER RECOMMENDS

That the Provincial and Federal Government:

1. Ensure that the Vancouver Fraser Port Authority receives continued infrastructure support for the Roberts Bank Terminal 2 Project;
2. Ensure that industrial land is protected so that it may be used to enhance port activity, and;
3. Work with the Vancouver Fraser Port Authority to invest in digital technologies that allow seamless communication with the technology used by large commercial shipping companies.

## Submitted by the Surrey Board of Trade

The Policy Review Committee supports this resolution.



### 36. PROPOSED PROVINCIAL BUDGET CUTS WILL NEGATIVELY IMPACT SMALL COMMUNITIES IN DESPERATE NEED OF REGIONAL PUBLIC TRANSIT

#### Opening Statement

In its 2020 budget, the Province of BC cut funding for public transit by 2% (or \$119M). This cut to essential funding will negatively impact BC communities—especially small rural and Indigenous communities—economically, socially, and environmentally.

#### Background

The impact of reduced funding for public transit in BC's small communities is extensive and is counterintuitive to the growing demand for public transit across the province to enable access to housing, employment, and the national goal to reduce carbon emissions<sup>162</sup>. This is especially true considering the cessation of private service option in rural communities in BC.

In January 2019, the Canadian Urban Transit Association (CUTA) updated their previous report<sup>163</sup>, *The Economic Impact of Transit Investment: A National Survey*, which took a wide-ranging and unprecedented look at the economic impacts of Canada's existing investment in transit facilities and services. The updated report summarizes the economic, social, and environmental impact of public transit on Canadian communities, specifically:

- The economic benefit of Canada's existing transit systems is at least \$19 billion annually.
  - The transit industry directly employs 59,600 Canadians and transit capital investment creates an additional 65,000 jobs.
  - Transit reduces vehicle operating costs for Canadian households by about \$12.6 billion annually.
  - Transit reduces the economic costs of traffic collisions by almost \$3.2 billion annually.
  - Transit reduces annual greenhouse gas emissions by 4.7 million tonnes, valued at \$207 million.
  - Transit saves about \$137 million in annual health care costs related to respiratory illness.
1. **SOCIAL IMPACT:** Many rural and Indigenous BC communities are struggling to access regional public transit. CUTA supports that “for people without access to personal motor vehicles, transit provides a way to get to work, school, recreation, shopping, and services like healthcare. Commuting by transit is one-third to one half as expensive as commuting by car in major Canadian cities, and the decision to take transit can give a substantial boost to a family's disposable income.” Furthermore, it's not only seniors, youth and people with disabilities who are negatively impacted. Public transit is essential for people who are simply unable to afford the high cost of vehicles and insurance.
  2. **ECONOMIC IMPACT:** With a major affordable housing issue across the province—coupled with labour shortages and a lack of affordable childcare—we need to help employable BC citizens, without access to personal motor vehicles, access their place of employment.

Rural communities (including First Nations) that are located close to larger municipalities and tourism resorts are a huge economic driver and sustain the dynamic local business ecosystem for businesses at

162 Government of Canada, Environment and Climate Change Canada. Pan-Canadian Framework on Clean Growth and Climate Change: Canada's plan to address climate change, 2016, 978-0-660-07024-7, <https://www.canada.ca/en/services/environment/weather/climatechange/pan-canadian-framework/climate-change-plan.html>

163 The Canadian Urban Transit Association (CUTA), January 2019. The Economic Impact of Transit Investment in Canada. [https://cutaactu.ca/sites/default/files/final\\_issue\\_paper\\_50\\_cuta\\_v2.pdf](https://cutaactu.ca/sites/default/files/final_issue_paper_50_cuta_v2.pdf)



large. As an economic generator that contributed more than \$1.5 billion in 2018 towards the provincial GDP<sup>164</sup>, Whistler is key to B.C.'s tourism economy, and small communities like Pemberton and Squamish are key to supporting Whistler's labour force. From cashiers, health care workers, carpenters and childcare workers to the customers who depend on our businesses, patients who need our clinics, and students who attend our schools, these citizens rely on public transit and need their voice heard.

CUTA supports that "transit investment has spin off effects including the creation of jobs, income and taxes through transit operations, construction and manufacturing". In 2017, the annual impact of public transit on the gross domestic product output was measured to be \$6.2 billion<sup>165</sup>.

Metric	Annual Impact
Economic output (increase in gross domestic product)	\$6.2 billion <sup>c</sup>
Employment from capital investment	65,000 full-time jobs <sup>c</sup>
Taxes arising from capital investment	\$609 million <sup>c</sup>
Employment from transit operations	57,020 full-time jobs <sup>c</sup>

Table 1 – Transportation Metrics. Source: The Canadian Urban Transit Association (CUTA)

Furthermore, according to the American Public Transportation Association (APTA), planned public transportation investments will yield a 2 to 1 return while helping to generate income for local businesses, its workers and their neighborhoods<sup>166</sup>. APTA also states in their *Economic Recovery: Promoting Growth Report*<sup>167</sup> that "research shows that living in a transit-rich area can allow a two-car family to eliminate one of its vehicles, saving more than [US]\$9,900 a year. Such significant savings mean spending will shift to more productive uses that in turn stimulate the local economy. Public transportation provides communities with affordable means of mobility, offering individuals greater opportunity to better themselves and provide for their families. It provides access to job opportunities for millions of Americans. It is also a key link to jobs for service and entry level employees with limited mobility options. For the more than 51 million Americans with disabilities, public transit is a vital link. And, 83 percent of older Americans say public transit provides easy access to things they need in everyday life."

3. **ENVIRONMENTAL IMPACT:** CUTA's report further states that "transit ridership reduces air pollutants including greenhouse gases and criteria air contaminants (carbon monoxide, volatile organic compounds, nitrous oxides, sulphur oxides and particulate matter)". Their report also states that "transit also helps communities develop with a more compact form, reducing land consumption and travel distances". At a time when reducing our carbon emissions is a provincial and federal priority, access to sustainable public transit is critical to urban and rural communities.

<sup>164</sup> Resort Municipality of Whistler, 2018. [www.whistler.ca](http://www.whistler.ca).

<sup>165</sup> The Canadian Urban Transit Association (CUTA), Canadian Conventional Transit Statistics, 2017. Applied Statistics Canada input/output multipliers to capital expenditures.

<sup>166</sup> American Public Transportation Association, February 2016. Public Transportation's Role in the Knowledge Economy.

<https://www.apta.com/wp-content/uploads/Resources/resources/reportsandpublications/Documents/APTA-PT-Knowledge-Economy.pdf>

<sup>167</sup> American Public Transportation Association, March 2012. Economic Recovery: Promoting Growth. <https://www.apta.com/wp-content/uploads/Resources/resources/reportsandpublications/Documents/Economic-Recovery-APTA-White-Paper.pdf>



In 2018, the Provincial Government launched its *CleanBC Active Transportation Strategy*<sup>168</sup> that includes a commitment to creating “connections with public transit” which “are essential for an integrated active transportation network”. Cutting funding to public transit on the heels of launching this significant transportation strategy is clearly contradictory. Instead, the Provincial Government should be encouraging more transit use by British Columbians throughout its regions.

4. **GROWING DEMAND FOR TRANSIT:** One of the most important measures for the investment in public transit is the fact that it continues to be in demand by Canadians. CUTA reported that “in 2017, more than 2.1 billion Canadians lived in areas with transit service. In that year, transit ridership in Canada exceeded 2.1 billion passenger trips, representing an average annual growth rate of 1.6% since 2008. In 2016, the Census found that 12.4% of Canadian workers took transit to work, a significant increase from levels in 2006 (11%) and 1996 (10.1%).”

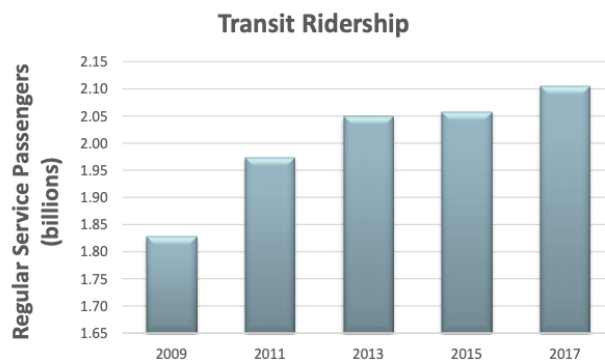


Figure 1 – Transit Ridership, 2009-2017. Source: The Canadian Urban Transit Association (CUTA)

In addition to proposed budget cuts, the BC Transit funding model is currently unattainable for small communities and there is no support from the Province to support and develop practical and accessible funding opportunities. The Province refuses to support dedicated motor fuel taxes for smaller communities outside of the TransLink and Victoria-area BC Transit service region. This is despite the fact that the latest carbon tax increase generated an extra \$2.2B over five years.

Ultimately, small BC communities need to see sustainable rural regional transit prioritized by the provincial government to ensure we can continue to support our businesses and the BC economy. Businesses need our support—and support from the Provincial Government—to help them access employees who, in turn, can depend on public transit to access their places of employment, affordable housing, schools, childcare, and other necessary services.

#### THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Reverse the cut made to the 2020 Provincial Budget for BC Transit services, and supplementary monies be allocated to BC Transit for the provision of regional transit services; and

<sup>168</sup> Province of BC. *Move Commute Connect, B.C.'S Active Transportation Strategy*.  
[https://www2.gov.bc.ca/assets/gov/driving-and-transportation/funding-engagement-permits/grants-funding/cycling-infrastructure-funding/activetransportationstrategy\\_report\\_web.pdf](https://www2.gov.bc.ca/assets/gov/driving-and-transportation/funding-engagement-permits/grants-funding/cycling-infrastructure-funding/activetransportationstrategy_report_web.pdf)



2. Review and update the BC Transit funding model so that it's accessible and suitable for small BC communities.

**Submitted by the Pemberton & District Chamber of Commerce**

**Supported by the North Vancouver Chamber of Commerce, Squamish Chamber of Commerce, Whistler Chamber of Commerce and Kelowna Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

### **37. RESTORING RAIL ON VANCOUVER ISLAND**

#### **Opening Statement**

Transportation of freight and passengers by rail is a cost effective and economically beneficial mode of transportation world wide. On Vancouver Island, the former Esquimalt and Nanaimo (E&N) rail corridor, now maintained by the Island Corridor Foundation, presents an opportunity for the re-introduction of this mode of transportation to one of the fastest growing sections of BC.

#### **Background**

The following summary is quoted from the Island Corridor Foundation website:

*The Vancouver Island Railway, first known as the Esquimalt and Nanaimo (E&N) Railway, was incorporated on 27 September 1883 by Victoria coal baron Sir Robert Dunsmuir, to support the coal and lumber industry and the Royal Navy Base at Esquimalt. Construction began on April 30, 1884 and on the 13th August 1886 Prime Minister Sir John A. MacDonald drove the last railway spike into the ground along the section above the Malahat Highway. The initial rail extended for 115 kilometres from Esquimalt to Nanaimo; hence the original name of the company. In 1888 the line was extended to the City of Victoria. In 1905 Robert Dunsmuir's son James sold the railway to the Canadian Pacific Railway (CPR) who extended it to Lake Cowichan, Port Alberni, Parksville, Qualicum Beach and Courtenay.*

*In 1953, CPR discontinued the Port Alberni passenger service. In 1979 VIA Rail assumed operational responsibility for the passenger service but CPR retained ownership. VIA provided the rolling stock, passenger subsidy and ticket sales. Advertising was minimal so the railway was operating in isolation to the rest of Canada and North America. In 1998 CPR sold the east-west corridor between Parksville and Port Alberni to Rail America, and entered into an agreement to carry freight, which was taken to the barge facility at Nanaimo. At that time approximately 8,500 carloads of forest and paper products, minerals and chemicals were transported by rail each year.*

*More changes occurred when Norske company which owned mills in Port Alberni, discontinued the use of rail service, opting for truck freight instead. With the loss of this significant revenue stream Rail America announced its intention to cease operations and leave Vancouver Island.*

*The railway on Vancouver Island had been operating in uncertain conditions for a number of years. CPR neglected proper maintenance as rail in general declined. Only a few freight customers remained and the*





*trend that saw a general downturn in railways in North America was reflected in this part of the Trans Canada Railway system.*

*Vancouver Island citizens were strong proponents of keeping the railway running and improving maintenance. Many groups tried to influence those who were responsible, but the decline continued. Finally, when Rail America announced that they would no longer provide freight or passenger service communities on the Island rebelled. Two conferences were held to find a way to turn the situation around before the deadline when service would be halted. A series of Roundtables on the Future of Rail on Vancouver Island brought all those involved together (some rather reluctantly) to find a solution. The Roundtables also created a forum for intense networking and discussions between all parties. In the interim the passenger service and some freight service continued.*

*Through the energy and the will of Vancouver Island people led by local governments and First Nations, the Island Corridor Foundation was formed in 2003. It is a non-profit society incorporated under Part II of the Canada Corporations Act, and registered as a Charity under the income tax act in December 2004. It is a partnership between First Nations and Regional Districts along the right of way who comprise the members of the Foundation. As a registered charity, the Foundation negotiated with CPR to acquire the rail lands in exchange for a tax receipt which the Foundation was then able to issue. It also negotiated with Rail America to return that section of the line and restore the railway on Vancouver Island to a single entity.*

A 2009 study of the rail line concluded the following:<sup>169</sup>

- A market for freight exists and could see up to 15,000 rail cars per year on the line.
- Improving passenger service could be done incrementally.
- While the costs per tonne of freight and per person moved are high, the use of rail services would reduce green house gas emissions.

One oversight of the report is that it compares potential costs to other rail services (per passenger or per tonne of freight), but fails to compare those costs to private vehicles on government funded roads. This is a change in analysis that is needed in all discussions about infrastructure so that the true costs of moving freight and people is correctly quantified and reviewed.

The costs for vehicle kilometer traveled have been estimated at \$0.185<sup>170</sup>. Taking this into consideration and comparing it to the costs per passenger for a restored rail service, the costs to the public end up being very similar to road transportation. Table 1 below illustrates this with an analysis of costs for road transport from Courtenay to various destinations along the rail corridor (excluding the vehicle cost itself):

*Table 1 (rail costs are from the 2009 IBI study and are specific to the E&N Rail corridor)*

Destination	Distance (km)	Costs	Rail Costs (passenger)
Nanaimo	110	\$20.35	\$50.00 to \$60.00
Duncan	160	\$29.60	
Victoria	220	\$40.70	

169 "Evaluation of the E&N Railway Corridor: Foundation Report". BC Ministry of Transportation and Infrastructure. IBI Group. 2009

170 "Where the Rubber Meets the Road: How Much Motorists Pay for Road Infrastructure". Conference Board of Canada. Accessed on March 4, 2020: <https://www.conferenceboard.ca/topics/energy-enviro/infrastructure.aspx?AspxAutoDetectCookieSupport=1>





While there is an increase in costs per passenger, with increased efficiency in the rail service, these costs can be brought down. The West Coast Express that services Vancouver costs \$6 per passenger trip, far below the public costs of road infrastructure for a similar passenger trip by car.

The Malahat corridor leading into and Victoria is a major choke point for commerce on Vancouver Island. Over the past several years (and for the next several) upwards of \$150,000,000 on roadworks projects that still won't see the entire corridor (Mackenzie Interchange to Mill Bay) be 4 lanes. Investing in rail on Vancouver Island will further alleviate traffic at a lower cost per passenger than more road improvements. Further, green house gas emissions will be reduced, and the opportunities for tourism will be increased.

Further, it is anticipated that peak hour travel times from Mill Bay to Victoria are set to grow from the 2020 duration of between 43 to 70 minutes to between 87 and 144 minutes by 2038. The rail travel time from Shawnigan to Victoria is currently 58 minutes including stops, with no improvements made to the corridor. Similarly, the current travel time on roads at peak hours from West Hills to Victoria is 60 to 70 minutes, and the same trip can be made on existing rail infrastructure in 18 minutes.

The environmental benefits of rail versus vehicle transportation are also worth reviewing. For example, per passenger mile commuter rail produces 0.33 pounds of CO<sub>2</sub> per person moved, whereas a transit bus produces 0.64 pounds per person moved, and private autos produce 0.96 pounds of CO<sub>2</sub> per person moved. Similarly, trucks transporting goods and freight produce 4.5 times the CO<sub>2</sub> that trains moving the same materials produce.

While the corridor remains intact, the Province retains an opportunity to act.

### THE CHAMBER RECOMMENDS

The Provincial government work with the Federal government to fund improvements and upgrades to the E&N Rail Corridor to ensure it returns to operation and is capable of providing commuter and inter-city rail service;

Commit to ongoing operational funding the E&N Rail Service so it can function as a commuter rail service.

**Submitted by the Comox Valley Chamber of Commerce**

**The Policy Review Committee supports this resolution.**





# **The British Columbia Chamber of Commerce**

## **NEW POLICY STATEMENTS**

### **SECTION II**

#### **FEDERAL ISSUES**





### 38. LAND TRUST INITIATIVE

#### Opening Statement

Creating an incentive for corporations and private landowners to donate land to Land Trusts, which will in-turn empower and enable them to develop affordable housing in perpetuity, providing a proven and sustainable solution to the housing crisis in Canada.

Canada is facing a continued affordable housing crisis, yet effort made by all levels of government have made very little discernable difference to Canadians.

Community Land Trusts already exist across Canada and a proven vehicle to combat the affordable housing crisis in perpetuity, but they are crippled by current Federal tax law in their ability to acquire land donations.

This policy looks to mirror a proven, and robust mechanism which has been in existence since 2006 for ecological land donations, to also cover land donations to Community Land Trusts. Therefore, providing a powerful incentive for individuals and corporations to donate land, enabling our Community Land Trusts across the nation to provide affordable housing solutions in perpetuity, unlike any other models currently in existence in Canada.

#### Background

##### The Housing Gap:

The phrase “affordable housing crisis” is familiar to most Canadians as it is used pervasively in news media and by politicians, yet it could be argued that few Canadians grasp the true magnitude or complexity of the problem.

Since the early 90s, the incidence of Canadians experiencing homelessness has risen dramatically to an estimated 235,000 people each year. Yet only 2% of this number, roughly 5,000 people are “unsheltered”, which defines what the average Canadian thinks of when they think of a homeless person (absolutely homeless, living on the street, or in places not intended for habitation)<sup>171</sup>.

This means that the remaining 98% of Canadians experiencing homelessness are comprised of people in emergency shelters (those staying in overnight shelters intended for people who are homeless or fleeing domestic violence); and those who are provisionally accommodated (those whose accommodation is temporary or lacks security of tenure)<sup>172</sup>.

Additionally, one in five Canadian households are at risk of homelessness, meaning that these households spend more than 50% of income on rent. It is estimated that the costs associated with homelessness (i.e., social services, emergency healthcare, shelters, policing) are in excess of \$7 billion annually<sup>172</sup>.

In addition to above mentioned homelessness issues, three significant gaps in Canada’s housing continuum exist today:

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<sup>171</sup> Gaetz, S., Gulliver, T., & Richter, T. (2014). The state of homelessness in Canada: 2014. Toronto: The Homeless Hub Press.

<sup>172</sup> Gaetz, S., Scott, F. & Gulliver, T. (2013). Housing First in Canada: Supporting communities to end homelessness. Toronto, ON: Canadian Homelessness Research Network Press.



- The first is a lack of transitional housing between emergency shelters and social housing. This gap tends to strand individuals and families in a state of homelessness.
- The second gap is an acute shortage of “near-market” housing, occurring between social housing and entry-level market housing. This gap prevents families and individuals living in social housing from successfully entering the regular housing market.
- The third gap is a readily available supply of affordable entry level housing in most major metropolitan centers. These are often young, working families, who without affordable entry level housing options bear housing costs which represent a dangerously high proportion of their income. For these families one single event – such as job loss, divorce, illness, accident, addiction or a reduction in social support – could be enough to tip the delicate balance and create a downward spiral potentially leading to homelessness.

Shelter remained the largest budget item for households in 2017, at 29.2% of their total consumption of goods and services. On average, Canadian households in the lowest income group spent \$11,733 on shelter, or 34.8% of their consumption of goods and services<sup>173</sup>– with various factors including rapid population growth, high start-up costs (damage deposits, utility hook ups, etc.) and escalating energy costs conspiring to make matters worse.<sup>174</sup>

Because of the severity of the problem, all levels of government are attempting actions to address the near-market gap, but to date these efforts have not materially affected the availability of affordable housing across Canada.

#### Land – The Key to Housing Affordability

A recent report Examining Escalating House Prices in Large Canadian Metropolitan Centres (CMHC, 2018) links land costs and availability to a major contributing factor for housing supply and pricing.

The value of a home can be thought of as the value of the land plus the value of the structure put on it. Recent studies in Canada indicate that land prices now comprise anywhere from 30 to 75 per cent of the total sale price of housing. As land becomes more valuable, there are increased incentives to build higher density and higher value buildings as well as to demolish older single-storey houses to replace them with more expensive homes<sup>175</sup>.

This relationship is not new and is also not limited to Canada. Many studies have been completed by economists around the world which find this same correlation. For example Knoll et al. (2017) find that land prices accounted for 80 per cent of the rise in global house prices since the Second World War<sup>176</sup>.

The argument is often made that rising construction costs are the primary driving factor for increased housing costs, but this fallacy has been disproven by a number of researchers including Davis and Heathcote (2007) who estimate that the inflation-adjusted price of residential land nearly quadrupled since 1970, while the real price of structures increased cumulatively by only 33 per cent in the United States<sup>177</sup>. Similar data

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<sup>173</sup> Survey of Household Spending, 2017 (Statistics Canada)

<sup>174</sup> AUMA, *An Agenda to Create Solutions: A Report from the AUMA Housing Policy Task Force* (February 2000)

<sup>175</sup> Canada Mortgage and Housing Corporation, 2018: “Examining Escalating House Prices in Large Canadian Metropolitan Centres”. Ottawa: CMHC, 02-05-18

<sup>176</sup> Katharina Knoll, Moritz Schularick and Thomas Steger, 2017, “No Price Like Home Global House Prices, 1870-2012”, *American Economic Review*, Vol. 107, No. 2, February, pp. 331-353.

<sup>177</sup> Morris A. Davis and Jonathan Heathcote, 2007, “The Price and Quantity of Residential Land in the United States”, *Journal of Monetary Economics*, Vol. 54, Iss. 8, November, pp. 2595-2620.



and results have been documented in major cities in Canada. Since the cost of constructing a standardized home has not grown as rapidly as home prices, rising home prices mean that a greater part of the price of a property is made up by the price of land.

In summary – although housing affordability dynamics in Canada are complex, more and more research and studies are drawing the same conclusion; the key to finding a solution to the affordability housing crisis in Canada is intrinsically linked to availability and price of land.

#### Community Land Trusts:

A Community Land Trust is a non-profit organization created to acquire and hold land for the benefit of the community. To do so, the trust acquires land and maintains ownership of it permanently. With prospective homeowners, it enters into a long-term (most frequently, 99 years), renewable lease instead of a traditional sale. When the homeowner sells, the family earns only a portion of the increased property value. The remainder is kept by the trust, preserving the affordability for future low- to moderate-income families.

The first Community Land Trust was established in Canada in the 1970's as a means to preserve the affordability of cooperative housing and to pool resources of isolated co-ops. There are currently over a hundred Community Land Trusts across Canada.

Ultimately, by separating the ownership of land and housing, this innovative approach overcomes the key factor impacting housing affordability in Canada (and the world), which was identified earlier in this proposal: increasing land prices.

#### **Community Land Trusts help communities to:**

- Provide affordable housing for lower income residents in the community
- Revitalize communities by driving new development, which would otherwise not happen
- Provide low and moderate-income people with the opportunity to build equity through homeownership
- Capture the value of public investment for long-term community benefit

Essentially, these Trusts are a fund designed to exist *in perpetuity*, managed over time so that cash outflows – used to acquire and hold land and buildings – match inflows such as revenues from lease fees, donations, bequests, government support, interest and other sources. Donations given for land or purchases of land and buildings generally are not be used for the Trust's operating costs.

Recently, interest in the Community Land Trust model has increased dramatically as communities realize that this model is an ideal solution to address the housing affordability crisis. An example would include the ground breaking partnership between the City of Vancouver and the Vancouver Community Land Trust Foundation, where a \$120 million dollar development was catalyzed by a \$25 million land donation by the City.

In summary: By permanently limiting the land costs, Community Land Trusts help to ensure perpetual affordability so that the benefits accrue to each subsequent homeowner and hence guarantees that housing will remain affordable for future generations.



**The Issue:**

Land Donations to Community Land Trusts

So if Community Land Trusts are an ideal model to address the affordable housing crisis in Canada, they already exist across the country and more and more people are realizing the pivotal role they could play in this national struggle; why are they not solving the affordable housing crisis?

The answer lies in the fundamental requirement for the ability of a Community Land Trust to operate: The ability for the Trust to acquire land.

Most Community Land Trusts in Canada have not yet accumulated enough lease income to acquire additional parcels of land. As such, they are beholden to acts of philanthropy (land donations) from individuals, corporations or government bodies.

Many corporations and private landowners currently hold property as an outcome of normal day to day life. These land acquisitions are sometimes used for business operations, but can also be held as passive income or for future growth. With the increase in real-estate valuation in many cities across Canada over the last 30 years, the real estate appraisal value of these parcels of land have most often increased, sometimes dramatically.

As such many corporations or land owners are holding parcels of land, unused and without any intention of development or sale because they do not want to crystalize the capital gains tax which would have to be paid on the appreciation of these titles of land. If they do decide to sell these titles of land, they have an incentive to sell them at fair-market value to offset the capital gains tax owing and also to recoup value from the asset for their benefit.

These individuals and corporations have a strong disincentive to donate these lands to a Community Land Trust because the tax credit or offset generated by the donation does not overcome the tax owing from the capital gain. The result is that individuals and corporations will give up the ownership and value of the property AND owe tax for doing so.

The result is many parcels of land which are held in perpetuity or sold to other individuals, which could otherwise be used by Land Trusts or other non-profit organizations to address the affordable housing crisis in Canada.

**The Solution:**

Ecological Land Reserves – A Precedent

In the 2006 Budget, the federal government proposed and to completely eliminate the capital gains tax on certain gifts of publicly listed securities and ecologically sensitive land.

The idea behind these measures was to provide the charitable sector with a "powerful set of tools" for raising funds and encouraging charitable giving. The idea was that donors would not be taxed on any of the capital gain accrued on the donated property and would receive the full benefit of the donation tax credit on the donation.





On June 6, 2006, the budget was introduced for third reading in the House of Commons and was passed by unanimous consent. From that moment forward donations of “ecologically important land” to registered Canadian charities and other qualified donees is eligible for a charitable donation tax credit (if the donor is an individual) or deduction (if the donor is a corporation) AND are exempt from capital gains tax.

Has this incentive proved successful? Since 2006, according to the 2015 Federal budget, close to \$1 billion worth of ecological land has been donated for conservation efforts using this mechanism.

Much thought and revisions were required for the Income Tax Act to enact this piece of legislation. Furthermore, additions and revisions have been put in place over the years which has resulted in robust anti-avoidance rules and a proven mechanism to incentivize land donation by individuals and corporations for ecological conservatories.

Make amendments and additions to the Income Tax Act to incentivize the donation of land to Land Trusts, for the purpose of developing affordable housing, by utilizing the same mechanisms as those already provided in the Act for individuals and corporations to make donations to ecological land reserves.

These mechanisms currently allow for donations of land to ecological reserves to be capital gains exempt IN ADDITION a tax credit or deduction can be provided in exchange for the land, based on the fair market value.

These mechanisms in the Income Tax Act have already proven effective in incentivizing individuals and corporations to make land donations to ecological reserves. With these proposed changes, individuals and corporations will be able to use these established, refined and robust mechanisms to make land donations to Land Trusts who will then manage these assets for the development of affordable housing.

All identified amendments and additions to the Income Tax Act have been summarized in the attached “Addendum 1: Detailed proposed revisions and amendments to the Income Tax Act”.

Land Trusts are already in existence across Canada, with the mandate to provide affordable housing, but have been hampered by their ability to access donated land. These proposed changes would incentivize the donation of land to Land Trusts, which will manage and develop affordable housing across Canada – with a huge advantage; no cost to acquire the land. This “savings” is what is passed on to Canadian, providing affordable housing options that would otherwise be impossible.

#### THE CHAMBER RECOMMENDS

That the Federal Government makes amendments and additions to the Income Tax Act to mirror those already in place for the donation of land to ecological reserve to also encompass donations of land to Community Land Trusts for the purpose of developing affordable housing.

**Submitted by the Kamloops Chamber of Commerce**

**The Policy Review Committee supports this resolution.**



### 39. THE NEED FOR A RENEWED SOFTWOOD LUMBER AGREEMENT

#### Opening Statement

The ongoing Softwood Lumber dispute between Canada and the United States continues to be a trade irritant. While attention and resources have been focused on securing a renewed NAFTA, the recently signed United States-Mexico-Canada Agreement (USMCA), along with the removal of tariffs on Canadian steel and aluminum, allow for an opportunity to re-focus on the urgent need for a softwood lumber agreement that is having a growing impact on Canadian forest companies.

#### Background

The forest industry is one of Canada's largest export sectors. With over \$38 billion in exports in 2018<sup>178</sup> to many global locations, including approximately \$20 billion to the U.S. alone, forestry supports the direct employment of between 186,00 to 232,000 employees in over 600 communities across the country.<sup>179</sup>

The British Columbia forest sector provides well-paying jobs for 50,000 British Columbians, many of them in rural communities, and contributes \$1.4 billion in taxes for important services across the province. As an integrated sector, it is made up of many interconnected and interdependent sub-sectors so it can make the most efficient use of all the fibre harvested.

One of these is the value-added or secondary wood manufacturing sub-sector. The value-added sub-sector includes innovative and entrepreneurial companies across the province and is an important element of B.C.'s diverse forest sector. In 2012, it provided close to 12,500 full-time jobs with estimated sales of \$2.8 billion.

In 2012, a Canadian Forest Service survey found that the value-added sub-sector was dramatically impacted by global economic downturn and its ongoing effects on the U.S. housing market. It reported that in 2012, B.C. had 589 value-added businesses, with 12,417 full-time employees and an estimated \$2.8 billion in annual sales. Employment was down 16% from 2006, and sales were down 11%. In 2012, companies with fewer than 50 employees made up 58% of the sub-sector; in 2006 they made up 88%.<sup>180</sup>

Back in 2002, the U.S. imposed countervailing (CVD) and anti-dumping (AD) tariffs on imported Canadian softwood lumber based on a belief that the Canadian, in particular BC's, forestry industry received illegal government subsidies.

Between 2002 up to the previous Softwood Lumber Agreement (SLA) in 2006, the U.S. collected duties of over \$4 billion dollars. The 2006 SLA eventually saw 81 percent of the \$4 billion in AD/CVD refunded to the Importers' of Record, with the remaining 19 percent retained by the U.S. Department of Commerce.

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178 Forest Products Association of Canada. 2015. Industry By the Numbers. <http://www.fpac.ca/canadian-forestry-industry/forest-products/>.

179 <https://cfs.nrcan.gc.ca/statsprofile/employment/ca>.

180 Secondary Manufacturing of Solid Wood Products in British Columbia 2012: Structure, Economic Contribution, and Challenges since 1990. Bogdanski, Bryan E.S. and Alec McBeath, Canadian Forest Service. 2015. <http://cfs.nrcan.gc.ca/pubwarehouse/pdfs/35951.pdf>



In November 2017, a year after the 1-year freeze from the end of the 2006 SLA, the U.S. Department of Commerce made its final determinations on AD/CVD cases against Canadian forest companies. This resulted in the U.S. International Trade Commission (ITC) making their final injury determination – which was published in federal registry by the Commerce Department in January 2018 – laying out the AD/CVD rates as follows:<sup>181</sup>

Company	CVD	AD
Canfor	13.24%	7.28%
Irving	3.34%	6.04%
Resolute	14.70%	3.20%
Tolko	14.85%	7.22%
West Fraser	17.99%	5.57%
All others	14.19%	6.04%

The current AD/CVD has already impacted approximately \$5.66 billion worth of softwood lumber exports to the U.S.<sup>182</sup> These duties are starting to impact the success of Canadian forest companies. Many forest companies are starting to feel the effects of these tariffs that are compounded by weak fibre supply, . This is starting to resulting in shift reductions and even mill closures.

While Canada has been successful at appealing these allegations at the World Trade Organization (WTO) and through the North American Free Trade Agreement in the past, a recent WTO panel report partially sided with the United States' position on softwood lumber. At the same time, NAFTA Chapter 19 challenges, initiated by the federal government, are slow to proceed. Of the three challenges to the ITC injury case, the anti-dumping case and the countervailing investigation filed back in November 2017, only the ITC case had a panel hearing.<sup>183</sup>

Given the intensely political nature of this softwood lumber dispute, and strong lobbying efforts by U.S. businesses, is imperative that the federal government secure a renewed SLA with the U.S.

#### THE CHAMBER RECOMMENDS

That the Federal Government, working with the Provincial Government:

1. Support the Canadian forest industry as required by:
  - a. Offering loan guarantees that are WTO compliant to help industry maintain credit and to borrow against cash deposits, so that the industry is not crippled by tariffs;
  - b. Expedite any further WTO and USMCA appeals as needed, and;
2. Leverage recent favourable NAFTA rulings by pushing for a new Softwood Lumber Agreement with the United States that returns AD/CVD to Canadian softwood lumber exporters and contains no other long-term ill effects for the industry or degrades current tariff-free treatment for any region in Canada.

#### Submitted by the Greater Westside Board of Trade

181 <https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/softwood-lumber-trade-with-the-u-s>.

182 <https://globalnews.ca/news/5167857/canada-wto-ruling-softwood-lumber/>

183 <https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/softwood-lumber-trade-with-the-u-s>.



**Supported by Summerland Chamber of Commerce, Kelowna Chamber of Commerce, Mackenzie Chamber of Commerce**

**The Policy Review Committee supports this resolution.**



## 40. BLOCKCHAIN TECHNOLOGY STRATEGY

### Issue

Canada needs a wake-up call.

The Internet's second blockchain era will produce even more upheaval than the Internet's first information era. It is an unstoppable force that will make itself felt in almost every facet of our lives. Canada has a head start on becoming the second era's global hub or, at least, one of a handful of such hubs. The tech corridor in Surrey or between Toronto and Kitchener-Waterloo is emerging as Canada's first "technology supercluster." This region is already a world leader in quantum physics and artificial intelligence. Blockchain is ideally placed to be the third leg of the Tech North stool.

Canadian entrepreneurs and companies are on the leading edge of blockchain innovation. Ethereum, viewed by some as the most important blockchain company in the world, recently surpassed \$1 billion (U.S.) in value. Consensus Systems is building decentralized applications that could transform several industries, including financial services, professional services, manufacturing, telecommunications, music and film. Many of the bitcoin core developers are Canadian and work in the start-up community. A growing constellation of entrepreneurs and technologists (e.g., Paycase, Protocol Fund, Tendermint, Nuco, Smartwallet, BlockStream, etc.) are trying to build the future with companies in Toronto, Surrey, Vancouver, Montreal and elsewhere.

Canada's banks – strong, stable and innovative – are ideally situated to foster blockchain growth. Given that Canada has a small number of big banks, the likelihood of collaboration between them to build a new transactional infrastructure for banking is higher than other countries, such as the United States.

Still, Canada needs to overcome significant obstacles if it is to cement a leadership role in blockchain technology. A key handicap is the absence of a clearly defined strategy for governments and other stakeholders to exploit blockchain technology. For example, governments focus on investing in related technologies such as artificial intelligence and quantum computing while missing the critical underlying blockchain infrastructure.

### Background

Blockchain is a distributed ledger in which anything of value can be stored, ranging from money, stocks, bonds and intellectual property, to votes, art, music, loyalty points, carbon credits, health-care records and student accomplishments. Even our identities can be stored, transacted, communicated and managed securely and privately.<sup>184</sup>

The First Industrial Revolution occurred in Europa and the US where a transition to new manufacturing processes occurred between 1760-1840. The traditional hand-processing methods were coopted using machines, chemical, steam, and water.

The Second Industrial Revolution, known as the Technological Revolution, was a phase of rapid industrialization between the late 19<sup>th</sup> century and early 20<sup>th</sup> century. Advancements in manufacturing and

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<sup>184</sup> <https://www.theglobeandmail.com/report-on-business/rob-commentary/how-canada-can-be-a-global-leader-in-blockchain-technology/article34259697/>



production technology were the staple of the Second Industrial Revolution, and the invention of things such as the telegraph, railroad network, gas and water supply, and sewage systems.

The Third Industrial Revolution involved the utilization of new energy with communication technologies, mainly renewable electricity. This third phase of the industrial revolution includes the sharing economy and details the interconnection of the world's economies.

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>185</sup>

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. 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. 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.

To cement Canada's position as a global leader in blockchain technology, the following steps need to be taken:

### **1. Canada needs a 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.

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185 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)



## **2. Stimulating Research and Development (R&D) through blockchain-based flow-through shares**

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. Create a Blockchain 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. Government as a model user**

One of the most important steps government can take is to adopt the technology to transform its own operations – federal, provincial and local. This stimulates innovation, creates a stronger domestic market for entrepreneurs and among other things could dramatically improve the performance of government.

## **6. Expand access to the United States and our other trading partners**

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.

Given Canada's relatively small domestic market, it is vital for the blockchain community to expand access to the United States. The U.S. is by far the largest source of financing for blockchain start-ups, the biggest market for their products and, outside Canada, the biggest supplier of talent for blockchain and other fintech ventures.

## **7. 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>186</sup>

#### THE CHAMBER RECOMMENDS

That the Federal Government implements a blockchain economic strategy by:

1. Setting up a national commission, with representatives of government, financial institutions, the research community, technology entrepreneurs, civil society and, consumers that would develop concrete recommendations to enable Canada to achieve a leadership role in imminent blockchain revolution;
2. Stimulating R&D through blockchain-based flow-through shares that would track all investments in real-time in R&D to ensure all tax benefits go directly into innovation;
3. Creating a Blockchain Research Institute, to unlock the potential of blockchain across industries and also within the functions of organizations;
4. Creating a Blockchain Centre of Excellence where blockchain-related businesses can cluster and innovate;
5. Adopting the technology to transform its own governmental operations – federal, provincial and local;
6. Expanding access and information exchanges with our trading partners; and
7. Ensuring educational and cultural norms conducive of innovation.

**Submitted by the Surrey Board of Trade**

**The Policy Review Committee supports this resolution.**

#### **41. CREATING A LEVEL PLAYING FIELD FOR CANADIAN BROADCASTERS IN A DIGITAL AGE**

##### **Opening Statement**

In the age of digital entertainment providers such as Netflix, Hulu, Spotify and YouTube, Canadian broadcast organizations and institutions are being left behind. This is in part due to the unfair taxation system that Canadian content providers are subject to while foreign content and service providers are unaffected. Canadian businesses and providers – and Canadian culture as a whole – are unable to fairly compete with American conglomerates.

##### **Background**

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<sup>186</sup> <https://www.theglobeandmail.com/report-on-business/rob-commentary/how-canada-can-be-a-global-leader-in-blockchain-technology/article34259697/>



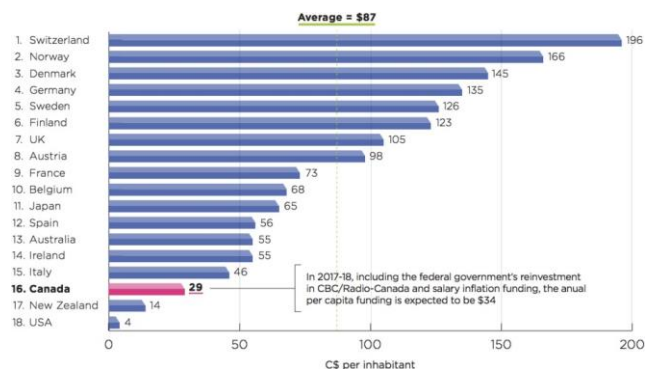


Canadian public broadcasters are the cultural institutions that bring the diverse society of Canada together by encompassing French, English, eight Indigenous languages, stories of new Canadians, stories of our amazing musicians. Subsidies, incentives, and regulations have provided Canada's cultural industries to thrive but Canadian news and information – and Canadian culture as a whole – are being drowned out by global entertainment giants such as Viacom Inc., News Corp, iHeartMedia, Apple, CBS, Disney, and 21st Century Fox.<sup>187</sup>

The media giants of the world are primarily United States based companies and are claiming Canadian viewers. Their marketing budgets are vast and have no obligation to re-invest in Canada. On the other hand, CBC/Radio-Canada contributes to the creative economy of Canada by generating two dollars of economic benefit for Canadians for every dollar invested.<sup>188</sup> Investment in Canadian content will bring about a national identity and build social cohesion.

Although 75% of Canadian households still subscribed to cable or satellite television services in 2016, it is down from 83% in 2012.<sup>189</sup> Alternatively, 87% of Canadian households subscribed to internet services.<sup>190</sup> Internet services such as Netflix are able to provide much better programming due to their larger budgets. Canada does not invest nearly as much in public service broadcasting as other countries (table 1).

*Table 1 Per Capita Public Funding of Public Service Broadcasters, 2016*



Greater investment in and a fair playing field for Canadian broadcasters is needed. Our country's values and history are in jeopardy. There needs to be a concerted effort to ensure this level playing field is achieved by both Provincial and Federal Governments.

## THE CHAMBER RECOMMENDS

That the Federal Government:

1. Bring Canadian content policy into step with the emergence of digital competitors for Canadian viewers, including Netflix, Spotify, Hulu and YouTube;

<sup>187</sup> <https://www.businessinsider.com/the-30-biggest-media-owners-in-the-world-2016-5>

<sup>188</sup> <https://site-cbc.radio-canada.ca/documents/vision/strategy/submission/january-2019.pdf>

<sup>189</sup> [https://www.cdhowe.org/sites/default/files/attachments/research\\_papers/mixed/Commentary%20558.pdf](https://www.cdhowe.org/sites/default/files/attachments/research_papers/mixed/Commentary%20558.pdf)

<sup>190</sup> [https://www.cdhowe.org/sites/default/files/attachments/research\\_papers/mixed/Commentary%20558.pdf](https://www.cdhowe.org/sites/default/files/attachments/research_papers/mixed/Commentary%20558.pdf)



2. Ensure that Canadian content is promoted by digital providers such as Netflix, Spotify, Hulu and YouTube;
3. Incentivize streaming service providers to have a Canadian head office for all digital providers; and,
4. Require digital service providers to collect GST.

**Submitted by the Surrey Board of Trade**

**The Policy Review Committee does not support this resolution.**

**The PRC believes that the overall direction of the policy resolution is anti-competitive. It looks to protect existing Canadian broadcasting against disruptive media technology. While promoting Canadian content is laudable, it just as likely to result in multimedia platforms to stop doing business in BC/Canada and thus further limit choice among consumers.**

**At the same time, ensuring Canadian content on these multimedia platform could expose Canada to trade risks related to our various trade agreement such as the USMCA.**

## **42. THE IMPORTANCE OF TOURISM TO THE CANADIAN ECONOMY**

### **Opening Statement**

Tourism is an integral part of any economy. Canadians are losing out on billions in tourist dollars because of the repealed GST/HST rebate program. The Retail Council of Canada (RCC) showed the visitor rebate could have brought in \$993 million in Gross Domestic Product to Toronto and \$5.96 billion to Canada over the span of 10 years.<sup>191</sup> Due to the impacts to the tourism industry as a result of COVID-19, a tool that could be used to help revitalize this industry is through: streamlined visitor rebate program allowing visitors to be exempt from a sales tax on purchases above a certain threshold as long as they present their passport, Nexus, or Driver's License at point of purchase; and, eliminate the GST for tourism related hotel stays and restaurant visits.

### **Background**

In 2018, Canadian tourism achieved over \$100 billion in tourism revenues. Visitors allocated 39% on transport expenditures (22% on air transport alone), 14% on accommodation, 16% on food and beverage services and 5% each on recreation and entertainment, as well as travel services.<sup>192</sup> In 2018, the delivery of services to support tourism activities in Canada employed an average of 739,100 jobs throughout the year. The largest sources of service demand were in the food and beverage industry (235,300 jobs, 32% share of

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191 Wilson, Greg. "Greg Wilson: Ottawa Should Reintroduce a Modernized Visitor Sales Tax Rebate Program." 23 Jan. 2019, [vancouversun.com/opinion/op-ed/greg-wilson-ottawa-should-reintroduce-a-modernized-visitor-sales-tax-rebate-program](https://vancouversun.com/opinion/op-ed/greg-wilson-ottawa-should-reintroduce-a-modernized-visitor-sales-tax-rebate-program).

192 Canada, "Foreign Convention and Tour Incentive Program - Rebate for Eligible Tour Packages and Accommodation Supplied as Part of Eligible Tour Packages." Canada Revenue Agency, 2019. <https://bit.ly/2YBmk5X>.



jobs), followed by accommodation (149,400 jobs, 20% share) and transportation (85,500 jobs, 12% share).<sup>193</sup>

A GST/HST rebate is no longer available to non-residents for the Canadian accommodation portion of eligible tour packages under the Foreign Convention and Tour Incentive Program (FCTIP) if the tour packages or accommodations are supplied after March 22, 2017.<sup>194</sup>

Non-Canadians are missing out on substantial savings that would make Canada more attractive to visit. The 2019 Federal Budget proposes \$58.2 million over two years for regional development agencies to develop new tourism experiences. This funding, which will fall under the banner of “the Canadian Experience Fund”, could be reduced by re-introducing the GST/HST Rebate Program because cheaper prices for tourists will attract more tourists meaning more consumer dollars are spent and, therefore, government subsidies could be reduced and used on other programs.

### Explanation

Since instating the new, on-site visitor sales tax exemption, Japan’s tourism exports have more than doubled in just four years.<sup>195</sup> While almost all OECD countries have enjoyed an increase in tourism exports over the last decade, Canada ranks 32 out of 36 for growth, while Japan ranks third.

Value added taxes (VAT) and goods and services taxes (GST) remain the principal form of taxing consumption in 33 of the 34 OECD member countries and account for two thirds of consumption tax revenues, with the remaining third made up of specific consumption taxes such as excise duties. As part of a survey on tourism taxation, countries were asked to identify whether reduced rates for primarily tourism-related activities (hotels, restaurants, transport, admission to attractions, etc.) had been introduced when a general tax on consumption was in place.<sup>196</sup> The results are visible in table 1, which shows that 26 countries have reduced rates in place for hotels and other forms of accommodation (“hotels”). In addition to reduced rates of VAT on hotels and restaurants, several countries indicated that the same reduced rates were also applicable for other selected tourism-related activities. The two primary sub-categories were passenger transport services (Austria, the Czech Republic, France, Greece and Poland), and entry to theatres, museums and other designated forms of attractions (Austria, the Czech Republic, France, and Greece).

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193 Canada, “Foreign Convention and Tour Incentive Program - Rebate for Eligible Tour Packages and Accommodation Supplied as Part of Eligible Tour Packages.” Canada Revenue Agency, 2019. <https://bit.ly/2YBmk5X>.

194 Canada, “Foreign Convention and Tour Incentive Program - Rebate for Eligible Tour Packages and Accommodation Supplied as Part of Eligible Tour Packages.” Canada Revenue Agency, 2019. <https://bit.ly/2YBmk5X>.

195 OECD, “Taxation and tourism”, in *OECD Tourism Trends and Policies 2014*, OECD Publishing, Paris, <https://doi.org/10.1787/tour-2014-6-en>.

196 OECD, “Taxation and tourism”, in *OECD Tourism Trends and Policies 2014*, OECD Publishing, Paris, <https://doi.org/10.1787/tour-2014-6-en>.



**Table 1 OECD Rates for Tourism-Related Activities**

Percentage						
2009 (as of 1 January)				2013 (as of 1 January)		
Standard rate	Reduced rate for tourism-related activities		Standard rate	Reduced rate for tourism-related activities		
	Hotels	Restaurants		Hotels	Restaurants	
Australia <sup>1</sup>	10	..	..	10	..	..
Austria	20	10	10	20	10	10
Belgium	21	6	12	21	6	12
Canada	5	..	..	5	..	..
Chile	19	..	..	19	..	..
Croatia	22	..	..	25	10	10
Czech Republic	19	9	..	21	15	..
Denmark	25	..	..	25	..	..
Egypt <sup>2</sup>	10	..	..	10	..	..
Estonia	18	9	..	20	9	..
Finland	22	8	..	24	10	14
France	19.6	5.5	5.5	19.6	7	7
Germany	19	..	..	19	7	..
Greece	19	9	9	23	6.5	13 <sup>3</sup>
Hungary	20	..	..	27	18	..
Iceland	25.5	7	7	25.5	7	7
Ireland	21.5	13.5	13.5	23	9	9
Israel	15.5	0	..	18	0	..
Italy	20	10	10	21	10	10
Japan <sup>4</sup>	5	..	..	5	..	..
Korea	10	..	..	10	..	..
Latvia	21	10	..	21	12	..
Lithuania	19	..	..	21	..	..
Luxembourg	15	3	3	15	3	3
Mexico	15	0	..	16	0	..
Netherlands	19	6	6	21	6	6
New Zealand <sup>1</sup>	12.5	..	..	15	..	..
Norway	25	8	..	25	8	15
Poland	22	7	7	23	8	8
Portugal	20	5	12	23	6	..
Romania	19	9	..	24	9	..
Slovak Republic	19	..	..	20	..	..
Slovenia	20	8.5	8.5	22	9.5	9.5
South Africa	14	..	..	14	..	..
Spain	16	7	7	21	10	10
Sweden	25	12	..	25	12	12
Switzerland	7.6	3.6	..	8	3.8	..
Turkey	18	..	..	18	..	..
United Kingdom	15	..	..	20	..	..

1. Goods and services tax.

2. Sales tax.

3. Pilot reduced rate for restaurants from 1/8/13 to 31/12/13.

4. Japanese Consumption Tax Sources.

Source: Adapted from country survey responses, OECD (2012) and European Commission (2013b).

## THE CHAMBER RECOMMENDS

That the Federal Government:

1. Introduce a streamlined visitor rebate program allowing visitors to be exempt from a sales tax on purchases above a certain threshold as long as they present their passport, Nexus, or Driver's License at point of purchase; and
2. Eliminate the GST for tourism-related hotel stays and restaurant visits;
  - a. To be eligible, hotels and restaurants must be registered, hold an up-to-date business license, and conform with Ministry of Tourism regulations, including the requirement that at least 10% of its guests are tourists.

**Submitted by the Surrey Board of Trade**

**The Policy Review Committee supports this resolution.**



Canada's Arctic is the future of Canada in several ways with many relying on Arctic Sovereignty and the Northwest Passage (NWP). Currently, the Panama Canal is the only viable route in North America to ship goods from east/west and vice versa. With the melting of the Arctic region, the attraction of the NWP as a shipping route has grown significantly as well as the potential for economic independence. According to research published in the journal *Nature Climate Change* the Arctic could be "functionally ice free" by 2044.<sup>197</sup> This also opens the concern of other militarized nations asserting their presence in the NWP. This concern of "the Canadian Arctic's security and safety" is highlighted in the recently released Report of the Special Senate Committee on the Arctic "Northern Lights: A Wake-Up Call for the Future of Canada" and was even addressed by the US Embassy in a letter to Prime Minister Trudeau in November 2019 due to our lack of federal investment in our military which would include the financial support of Arctic Sovereignty.<sup>198</sup>

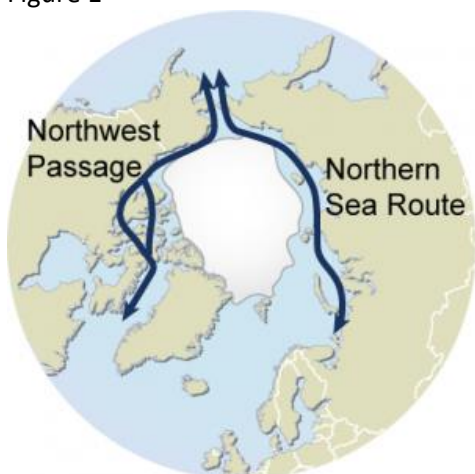


There are two routes connecting the Pacific Ocean and the Atlantic Ocean. That is, the Northeast Passage, or the Northern Sea Route (NSR) (hereinafter NEP) and the NWP (figure 1). The NEP is made up of all the marginal seas of the Eurasian Arctic, such as the Chukchi, the East Siberian, the Laptev, the Kara and the Barents Seas.

198 Patterson, Dennis Glen et. al., "Northern Lights: A wake-up call for the future of Canada." *Report of the Special Senate Committee on the Arctic*. June, 2019.

[https://sencanada.ca/content/sen/committee/421/ARCT/reports/ARCTFINALREPORT\\_E.pdf](https://sencanada.ca/content/sen/committee/421/ARCT/reports/ARCTFINALREPORT_E.pdf)

Figure 1



The NWP runs between Greenland and Newfoundland in the Atlantic Ocean, and along the northern coast of Canada and Alaska, ending in the Bering Strait. The Bering Strait is an 85 km wide strait separating Russia and Alaska between the Arctic Ocean and the Bering Sea (part of the Pacific Ocean).

Since the year 2000, Russia has become the foremost military and shipping leader in their NSR in the circumpolar region.<sup>199</sup> Russia has aggressively pursued the development of enhanced Arctic gas pipelines, icebreaking freighters and trans-shipment facilities for natural gas and LNG. These are of global economic and strategic significance. Russia is in a position of strategic military and commercial strength throughout the circumpolar area. Russia has 40 icebreakers – four double the size of Canada’s – six military bases, 16 deep-water ports and 13 airbases.<sup>200</sup> Additionally, Russia has built a new nuclear-powered icebreaker – the world’s biggest and most powerful.<sup>200</sup>

Canada, on the other hand, has done little in enhancing its ability to navigate and protect the Arctic Archipelago. Canadian Prime Ministers and federal cabinet ministers have regularly visited Canada’s North, Canada has held the G-7 finance ministers meeting in Nunavut in February 2010, investing in Arctic patrol ships under The Canada First Defence Strategy, and the expansion of the Canadian Rangers to provide a military presence in remote parts of Canada.<sup>201</sup> The only icebreaker that can compete with the Russian fleet of icebreakers is the CCGS John G. Diefenbaker, which is expected to become operational between 2021-2022. The Canadian Government announced the National Shipbuilding Strategy in 2015, which is scheduled to be end in 2042. There are no icebreakers slated to be built under the National Shipbuilding Strategy. This will leave Canada vulnerable in the Arctic.

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199 2019, Ron R. Wallace, The Arctic is Warming and Turning Red: Implications for Canada and Russia in an Evolving Polar Region, [https://www.cgai.ca/the\\_arctic\\_is\\_warming\\_and\\_turning\\_red\\_implications\\_for\\_canada\\_and\\_russia\\_in\\_an\\_evolution#Executive](https://www.cgai.ca/the_arctic_is_warming_and_turning_red_implications_for_canada_and_russia_in_an_evolution#Executive)

200 <https://foxtrotalpha.jalopnik.com/russias-icebreakers-make-it-king-of-the-arctic-and-amer-1791664539>

201 2017, Statement on Canada’s Arctic Foreign Policy: Exercising Sovereignty and Promoting Canada’s Northern Strategy Abroad [https://international.gc.ca/world-monde/international\\_relations-relations\\_internationales/arctic-arctique/arctic\\_policy-canada-politique\\_arctique.aspx?lang=eng#a7](https://international.gc.ca/world-monde/international_relations-relations_internationales/arctic-arctique/arctic_policy-canada-politique_arctique.aspx?lang=eng#a7)



The symbolic gestures of visiting the Arctic archipelagos, investing meagrely into the military, and the sub-par icebreakers currently deployed and planned for deployment are inadequate investments into protecting Arctic sovereignty.

THE CHAMBER RECOMMENDS

That the Federal Government:

1. implement all recommendations beginning with recommendations 23 through to 25 by the Special Senate Committee on the Arctic which supports the production of more icebreakers specifically for the Arctic regions of Canada.

**Submitted by the Surrey Board of Trade**

**The Policy Review Committee supports this resolution.**





#### 44. CANADA'S REGIONAL AIRPORTS AND ACAP FUNDING AVAILABILITY

##### Opening Statement

Canadians rely on regional and local airports to support, sustain and generate economic growth for their communities. These airports not only generate economic growth for communities through job creation, contribution to GDP, or taxation; regional airports also aid in recruitment and retention of staff in rural areas, enable major projects requiring fly in/fly out work, and allow for key services like medivac and wildfire suppression to exist seamlessly. The Airports Capital Assistance Program (ACAP) is needed for regional and local airports to continue being an economic enabler in the communities they serve.

##### Background

The ACAP, created in 1994, funds critical safety-related infrastructure programs for nearly 200 local and regional airports.<sup>202</sup> The program produces tangible value to the airports awarded funding; however, the ACAP's funding envelope has not grown to meet the demands of the industry as well as inflation rates over the past 20 years.

The current ACAP funding envelope is \$38 million per year; this program was assessed in 2011 and was not increased.<sup>203</sup> The decision to maintain the ACAP's current funding levels has led to a decline in effectiveness of this program due to increased project costs and inflation. A report published by the Regional Community Airports of Canada (RCAC) noted that only 50% of qualified airport projects from 2013-2017 were funded compared to the years 1998-2002 where 62% of qualified airport projects were funded.<sup>1</sup> An analysis was also completed to determine the impact of inflation and increased costs on the largest and most safety critical projects- major airfield rehabilitation. This report concluded that these types of projects had increased approximately 150%, or 2.5 times from 2001 to 2018.<sup>1</sup> This analysis has led the RCAC to recommend the funding envelope increase to \$95 million per year. Increasing the program's funding in 2020 will not only support the aviation industry, it will positively contribute to the recovery phase of COVID-19. As additional construction projects are approved, temporary positions are created which will boost the economic stimulus needed for Canada.

Airport associations across the country, including the Regional Community Airports of Canada, Canadian Airports Council, Conseil des aéroports du Québec, Atlantic Airports Council and the Airport Management Council of Ontario are also joining to advocate for increases to the ACAP.

##### THE CHAMBER RECOMMENDS

That the Federal Government:

1. Increase the Airports Capital Assistance Program's funding envelope to \$95 million annually to account for inflation and increased project costs; and
2. Consider this increase to be effective in 2020 as part of the COVID-19 recovery phase to support an

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202 Regional Community Airports of Canada (RCAC). (2019). *Airports Capital Assistance Program (ACAP). \$95 million Annual Program Funding Target. Analysis and Methodology Summary Brief*. Grande Prairie: RCAC.

203 Evaluation of the Airports Capital Assistance Program (ACAP). (March 2015) Retrieved April 17 2020, from <https://www.tc.gc.ca/eng/corporate-services/des-reports-1267.html#toc2>





economic stimulus for communities across Canada.

**Submitted by the Fort St. John & District Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

#### **45. THE CURE TO CONGESTION – THE NEED FOR RELIABLE TRANSPORTATION FUNDING**

##### **Opening Statement**

Efficient transportation and quality education are the foundations of economic growth and business innovation. Without either, Canada will not be able to thrive in a globally competitive free market. The unreliability of transportation funding, increasing population, and congestion will lead to lower economic growth and stall economic growth.

##### **Background**

Over one million new commuters are coming to the Lower Mainland region over the next 20 years. Investing in better, planned, sustainable funded transit and transportation infrastructure is key to reducing congestion, making life more affordable for Metro Vancouver residents, reducing impact on the environment, helping the province of British Columbia as a whole. The Metro Vancouver region is leading ridership growth in North America with more than a 20% increase in the number of people taking transit over the last three years.

The BC Government hopes to reduce the reliance on carbon-creating vehicles. Unfortunately having the same number of cars on the road that are electric will not be of great benefit to the business community (in fact, because operating costs for ZEVs are up to 70% lower than ICE vehicles, electrification of the private vehicle fleet may worsen congestion as people drive more). We need to ensure that our transportation infrastructure has adequate, long-term funding to keep up with population growth and innovations.

The Mayors' Council has advocated for a permanent federal transit fund – starting in 2027 – to help meet demand in the future. We can't wait another seven years to take the next steps in expanding Metro Vancouver's transit system. That's why the Mayors' Council is asking the federal government to make an immediate commitment to help us accelerate completion of the final phase of the 10-Year Vision.

The Mayors' Council is asking the federal government to renew its partnership with B.C. and regional leaders to quickly allocate funding to expedite completion of the 10-Year Vision and maintain the momentum on nation-leading transit expansion and ridership growth. Just by completing the 10-Year Vision<sup>204</sup>, road congestion can be reduced by up to 20 percent and save commuters as much as 30 minutes on their daily travels.

In order to understand the needs of a region, the Transport 2050 planning process should be supported regardless of political changes. This study will look at population patterns, public policy initiatives underway

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204 <https://tenyearvision.translink.ca/>



## TRANSPORT

or planned, fiscal responsibilities, and other variables. Once the study is complete, it is assumed that the need for annual and long-term funding would become apparent.

A concerted effort with adequate levels of funding from the Federal Government will provide benefits to the region for generations. Half-measures and planning that changes with a change of government will only hurt our business community.

### THE CHAMBER RECOMMENDS

That the Federal Government:

1. In coordination with the Provincial Government, support the Transport 2050 planning process which integrate municipal and regional economic and populations growth plans into a long-term, region-wide regional transportation plan designed to reduce congestion, improve mobility, environment and quality of life and support a competitive economy over the next 30 years;
2. Establish a permanent Federal Congestion Relief Fund that provides:
  - a. Reliable, predictable funding over a minimum 10-year term; and
  - b. Funding for a study of the best technology implementation to relieve congestion.

**Submitted by the Surrey Board of Trade**

**The Policy Review Committee supports this resolution.**

## 46. TRANSPORT CANADA CIVIL AVIATION: ADDRESSING THE NEED TO SPEED UP STCs & TSOs

### Opening Statement

Transport Canada Civil Aviation (TCCA) is the Civil Aviation Directorate<sup>205</sup>, and that promotes the safety of the national air transportation system through its regulatory framework and oversight activities. As part of the regulatory framework, TCCA develops policies, guidelines, regulations, standards and educational materials to advance civil aviation safety in Canada. The issue in this policy is the delay in approvals of STCs – Supplemental Type Certificates (STCs) and TSOs - Technical Standard Orders (TSOs). TCCA, through oversight activities, verify that the aviation industry complies with the regulatory framework through certifications, assessments, validations, inspections and enforcement.

The issue arising is that some regions are far busier than others. Requests for approval arriving from outside Canada are handled on a first-come, first-served basis, i.e., US. Requests from within Canada must be handled within the geographic region where the company is based which files the approval request.

This has a two-pronged negative effect on Canadian companies, especially in BC (Pacific Region) where the back-ups are lengthy. Foreign companies have an edge in the market over Canadian companies; and Canadian companies are being driven to open satellite offices in the US from which to file paperwork in order to receive approvals in a timely manner.

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<sup>205</sup> <https://www.tc.gc.ca/eng/civilaviation/menu.htm>



## Background

### Supplemental Type Certificates - STC

TCCA issues Type Certificates for Canadian-designed aeronautical products to certify that the product complies with the appropriate airworthiness standards. Hundreds of aviation-related companies produce products under some of the strictest controls in manufacturing today, incurring research and development (R&D) costs, high-paid staff costs and the costs of testing.

Approval certificates are a critical final step in the process. Delays in the Pacific Region have been growing for the last decade, from a variety of reasons: chronic understaffing; change in directors; lack of resources; increase in requests for approvals.

TCCA is managed from five regional offices:



Ten years ago, the wait for paperwork was 5-6 weeks. Now, it is 12 weeks and growing. New products are vital to improve a wide range of aircraft performance and maintenance factors.

### Technical Standard Order – TSO

The TCCA requires that an applicant for a Canadian Technical Standard Order (CAN-TSO) design approval in respect of an appliance or a part has or shall have access to, the technical capability to conduct the design analyses and tests required to demonstrate the conformity of the appliance or part with its certification basis<sup>206</sup>. Our Canadian-based aviation companies – and there are thirty in the Okanagan, more than 100 in the Lower Mainland, and several others throughout the province – submit application to qualify new products on a year-round basis.

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206 Canada, Aviation: Schedule V, Aeronautical Product Approvals, Canada:  
<https://www.tc.gc.ca/eng/civilaviation/publications/tp14984-with-05-2710.htm>



## TRANSPORT

Many TSO agreements are in place between TCCA and other international bodies, i.e., the EASA (European Union Aviation Safety Agency) and the FAA (US)<sup>207</sup>.

This paperwork (both TSOs and STCs) is critical to the economic well-being of Canadian-based aerospace companies, and to the growth of professional level jobs in BC. At least one Okanagan-based company has already decamped altogether to the US (Washington State), in order to remain close to BC markets); rumours also abound of companies planning to open satellite offices as far south as Arizona and California, from which to file paperwork on products researched and designed in Canada.

This is a loss for Canadian business, and adds unnecessary layers of wasted time, increased costs, doubling of regulations and tax and audit reporting, for reasons which can be resolved through TCCA regional assignment flexibility, e.g., utilizing the less-busy Atlantic Region for Pacific Region requests.

### THE CHAMBER RECOMMENDS

That the Provincial Government represent the needs of BC businesses with the Federal Government by

1. Requesting that TSOs and STCs be processed to the first regional office that has processing capability, rather than queuing by geographic region;
2. Encouraging the Federal government (TCCA) to bring its staffing to levels that meet regional demand to prevent the bleed-off of BC businesses to the US and protect BC jobs.

**Submitted by the Kelowna Chamber of Commerce**

**Support of the Penticton & Wine Country Chamber of Commerce, the Summerland Chamber of Commerce and the Greater Westside Board of Trade.**

**The Policy Review Committee supports this resolution.**

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207 Reciprocal Acceptance of TSOs; <https://www.tc.gc.ca/en/services/aviation/aircraft-airworthiness/international-agreements-arrangements/reciprocal-acceptance-tso-easa-faa-tcca.html>



# **The British Columbia Chamber of Commerce**

## **SECTION III**

### **POLICY RESOLUTIONS ADOPTED IN 2018 OR 2019**

**The following resolutions were adopted at either the 2018 or 2019 AGM. The listed Chambers and/or Boards of Trade have updated these resolutions and are presenting them to the AGM for consideration. If these resolutions are approved by the membership, they will replace the existing resolution for the remainder of its 3 years.**





## 47. GUIDELINES FOR NEEDLE DISTRIBUTION (2018)

### Opening Statement

An increased number of improperly discarded needles are posing a risk to businesses, patrons of businesses and residents in certain areas. The Chamber recommends amending service contracts with needle distributors to allow them to use professional judgement on how many needles to provide to each user, **and that the Province should assume the cost of clean-up of the needles they provide, rather than municipalities and businesses.**

### Business Case

Increased drug usage has led to a growing amount of drug debris in high traffic areas, **affecting a growing number of communities, particularly in their downtown cores, and business districts.** This is a health and safety hazard and discourages families and community members from enjoying quality of life in our parks and our private and public restrooms. This also damages the viability of local businesses as customers choose to avoid the areas to minimize exposure. **The business case also impacts business attraction, retention and economic development – areas that are impacted by visible drug use are hampered when it comes to attracting and retaining business, development opportunities and employees.**

### Background

Over the past several **years**, government-funded needle distribution services have expanded throughout various municipalities. Services that were originally formed for needle exchange have become needle distribution services. These distribution services give out sharps to addicts for free and in whatever amount the user requests. Under the terms of the needle distribution contract between the service providers and **Health Authorities such as** Interior Health, **Northern Health, etc.**, the needle distribution service cannot deny any clean needle request, regardless of the amount requested.

This model is problematic for several reasons. First, ongoing contact between users and agencies is imperative to the potential improvement of the user's situation. Increasing the number of contacts between users and needle providers provides more opportunity for aid and implementation of wraparound services. Secondly, unrestricted access removes accountability for sharps management and disposal by users and jeopardizes the health and safety of others in the community. **In 2019, UBCM passed a resolution entitled *Clean-Up of Needles and Other Harm Reduction Paraphernalia*, that recognized that the Province should be assuming the cost of cleaning up needles from their funded service. Currently, municipalities and businesses end up having to assume this clean up, which should be done by properly trained and resourced workers.**

### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Permit the needle distribution services to limit the number of needles to distribute per user. This would require changes to existing and future needle distribution contracts and funding; and



2. Provide a funding model for any needle distribution contract that includes a mechanism for funding their clean-up, either as a payment to municipalities or assumed directly by Health Authorities.
3. In each current and future needle distribution contract, include an appropriate amount of funding for trained FTEs who will do the following:
  - a. Monitor and police high needle debris areas;
  - b. Work with the user population to deter and detect cases of overdose. This would be done at the street level and not out of an office. A good example is the overdose prevention pilot project currently conducted by ASK Wellness;
  - c. Be a continuum of care entry point for street level users and encourage them to seek care; and
  - d. Integrate the Four Pillars Drug Strategy of enforcement, prevention, treatment and harm reduction as currently utilized by City of Vancouver.

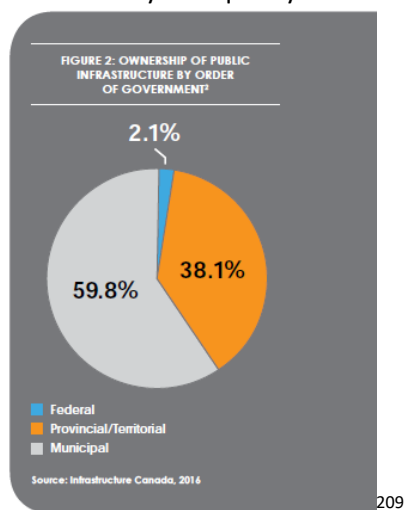
**Submitted by the Prince George Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

#### **48. PROTECTING OUR INFRASTRUCTURE – ASSET MANAGEMENT (2019)**

##### **Opening Statement**

Canadian families and businesses rely on municipal and provincial transportation networks, police services, recreation facilities, clean water, sanitation, a vast array of local and provincial services, and far beyond. Municipalities manage nearly 60 percent and provinces 38 percent of the public infrastructure that drives our economy and quality of life.<sup>208</sup>



<sup>208</sup> Federation of Canadian Municipalities *A critical time to deliver to Canadians Recommendations for Federal budget 2019*, pg 2

<sup>209</sup> Statistics Canada. "Table 031-0005 — Flows and stocks of fixed non-residential capital, by industry and asset, Canada, provinces and territories, annual (dollars)." CANSIM (database). Statistics Canada, Government of Canada, 2017, <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=310005>. Accessed: 18 December 2017.





In recent years, all orders of government in Canada have increased their investments in infrastructure. Provinces, territories and municipalities, which own the vast majority of core public infrastructure (such as roads, bridges, transit systems, water and wastewater systems and culture, sport and recreation infrastructure) (Figure 2), collectively doubled their investments between 2003 and 2013, from \$14.5 billion to \$29.5 billion.<sup>210</sup>

But even as we embrace change, what hasn't changed is an outdated fiscal and legislative framework that limits our potential; and a mismatched strategic planning process to give vision and direction to this potential.<sup>211</sup> Municipalities are now also faced with the devastating economic and social impacts of COVID-19. Developing a coordinated provincial-municipal infrastructure strategy provides an opportunity to access federal infrastructure funding for critical projects that will support the recovery and future growth of our regional districts.

## Background

Municipally owned infrastructure assets include but are not limited to<sup>212</sup>:

- Water systems;
- Roads and bridges;
- Buildings;
- Sport and recreation facilities; and
- Public transit.

Provincially owned infrastructure assets include but are not limited to:

- Provincial highways, bridges and tunnels;
- Electricity transmission and distribution lines; and
- Public transportation

Infrastructure demand has outpaced investments for several decades. In 2013, estimates ranged from \$50 billion to \$570 billion depending on the methodology used. There is consensus among Canadian municipalities that significant investments are needed to address the infrastructure gap. The additional \$95.6 billion in federal support announced in Budgets 2016 and 2017, including more than \$7.6 billion for Indigenous communities, along with significant investments in infrastructure by other orders of government, will help to close the gap while also supporting longer term investments to address emerging challenges and opportunities.<sup>213</sup> Starting in 2018-2019<sup>214</sup>, Integrated Bilateral Agreements with provinces and territories established the terms and conditions by which \$33 billion in new funding will be delivered over 10 years to advance infrastructure projects.

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210 Infrastructure Canada. "2015–2016 Departmental Performance Report, Section III: Analysis of Programs and Internal Services." Infrastructure Canada, Government of Canada, 2016, <http://www.infrastructure.gc.ca/pub/dpr-rmr/2016/2016-03-eng.html>. Accessed 14 February 2018.

211 Federation of Canadian Municipalities A critical time to deliver to Canadians Recommendations for Federal budget 2019 – 2018 Report, page 2

212 Federation of Canadian Municipalities (2016) Informing the Future: Canadian Infrastructure Report Card, page 5

213 Infrastructure Canada: Investing in Canada Plan Report April 2018, page 11

214 [https://www.infrastructure.gc.ca/pub/dp-pm/2018-19/2018-02-eng.html#\\_ftnref3](https://www.infrastructure.gc.ca/pub/dp-pm/2018-19/2018-02-eng.html#_ftnref3) Accessed: 28 February, 2020



BC will add one million people to its population over the next 10 years, putting pressure on BC's transportation and trade corridors.<sup>215</sup>

To fully leverage public investments and eliminate the municipal infrastructure deficit, municipal governments need predictable, long-term revenue. According to the Vancouver Board of Trade, the provincial approach should be to group project priorities, and align provincial priorities with the available federal infrastructure funding opportunities.<sup>216</sup> With aging infrastructure and limited resources, our communities face huge challenges in financing the necessary repair, replacement and upgrade of our infrastructure. The Investing in Canada plan is the Government of Canada's comprehensive, long-term plan for building a prosperous and inclusive country through historic infrastructure investments. Through this Plan, the Government is investing in people: to enable Canadians to get to work and home quicker and spend more time with their families; to have places to play and stay healthy; to enjoy clean drinking water and pristine environments; and to run their businesses and access services regardless of where they live.<sup>217</sup>

Over the 12 years of the Plan, starting in 2016, the federal government will invest over \$180 billion in infrastructure — more than doubling existing federal funding — to achieve three objectives:

- Generate long-term economic growth to build a stronger middle class;
- Improve the resilience of communities and transition to a clean growth economy; and
- Improve social inclusion and socio-economic outcomes for all Canadians.<sup>218</sup>

The Investing in Canada plan differs from previous infrastructure plans — it is longer-term and guided by clear priorities, concrete objectives and, instead of outputs, by measurable outcomes. It offers long-term, sustained funding to enable planning and prioritization by all orders of government. It funds a wide variety of needs and priorities including large, transformative investments, from housing, to public transit, to community centers, to highways, that will benefit Canadians now and in the future. Provinces, territories, municipalities and Indigenous communities are key partners. Through the Investing in Canada plan, the federal government's increased investment in infrastructure will be further leveraged by all orders of government to more than double the reach of the Plan's funding.

There are 196 municipal governments and 198 First Nations communities in British Columbia. Our communities, industry and businesses rely on our utilities, transportation and power system to sustain our business. Business interruptions due to broken water mains, poor roads, inadequate transit and other disruption causes economic loss to businesses and limits our ability to attract new businesses to our communities. Our communities also face financial challenges from increasing standards and regulations without adequate financial mechanisms to pay for them. The primary resources at the municipal level are property tax. Our businesses pay a much higher tax rate than our residential taxpayers. Significant increases in property taxes are not affordable either for our businesses or for many of our residents.

Our built environment or infrastructure is critical to the economic capacity and livability of our communities and the viability of our businesses within them. Many communities are struggling with competing financial pressures and aging, failing infrastructure. Municipal budgeting processes currently fail to require accounting for future demands for infrastructure upgrades and replacement. Government support at all

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<sup>215</sup> <https://vancouverisland.ctvnews.ca/full-text-2020-b-c-speech-from-the-throne-1.4807612> Accessed: 4 February, 2020

<sup>216</sup> Greater Vancouver Board of Trade, *Provincial Infrastructure Strategy* position 2016

<sup>217</sup> *Infrastructure Canada: Investing in Canada Plan Report* April 2018, page 4

<sup>218</sup> *Infrastructure Canada: Investing in Canada Plan Report* April 2018, page 4



levels is required to renew our infrastructure as well as assist with paying for new and increased regulations and standards.<sup>219</sup>

The power industry estimates their backlog is in excess of \$300 billion for the renewal of the power grid plus unknown generation renewal costs.<sup>220</sup> There is also demand by School Boards, Health Care facilities and Universities and Colleges for public funds for upgrades and replacement along with billions of dollars of assets owned directly by provincial, territorial and federal government. There are benefits to investing in infrastructure for all levels of government.

Municipal governments are essential to identifying and implementing projects that respond to local needs, while contributing to regional, provincial and federal prosperity. However, municipal governments often lack the resources and expertise to deliver productive and sustainable infrastructure in a cost effective and timely fashion. The cost and complexity of maintaining public infrastructure introduces significant risk to the effective use of taxpayer dollars. To alleviate this risk, provincial funding programs should require structured project selection criteria that will ensure value for money and continuity of high paying jobs in our communities.<sup>221</sup>

Provincial projects which are essential to municipalities, regions and the province are announced and planned separately from the work of these municipalities, through two-year service plans; whereas regions such as Metro Vancouver and Translink are currently planning ahead to 2050 and federation member municipalities are required to sign off on these long-term plans and to submit updated Regional Context Statements<sup>222</sup> every five years. To improve effectiveness in planning, a long-term provincial plan would allow for both regions and municipalities to more accurately anticipate upcoming provincial infrastructure investments and align their budgeting processes and work to federal, provincial, and regional goals.

Infrastructure plays a key role in Canada and the Province of British Columbia's future. In 2018, Canada and British Columbia signed the Integrated Bilateral agreement for the Investing in Canada Infrastructure Program (ICIP).<sup>223</sup>

The program invests in infrastructure that:

- Creates economic growth;
- Sustains well-paying jobs;
- Builds inclusive communities; and
- Supports a low-carbon, green economy.

As the nation's Pacific Gateway, the Provincial government must actively formulate an overarching strategy to prioritize investment and attract federal funds. As communities in every Province compete for funding, it is important that a consolidated provincial strategy is in place to ensure that attention is paid to the needs of British Columbia communities.

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219 Federation of Canadian Municipalities (2016) *Informing the Future: Canadian Infrastructure Report Card*, page 6

220 Federation of Canadian Municipalities (2016) *Informing the Future: Canadian Infrastructure Report Card*, page 6

221 Greater Victoria Chamber of Commerce, *Value for Money for Infrastructure Projects* position 2016

222 <http://www.metrovancouver.org/services/regional-planning/metro-vancouver-2040/context-statements/Pages/default.aspx> Accessed: 28 February, 2020

223 [www2.gov.bc.ca/gov/content/transportation/funding-engagement-permits/funding-grants/investing-in-canada-infrastructure-program](http://www2.gov.bc.ca/gov/content/transportation/funding-engagement-permits/funding-grants/investing-in-canada-infrastructure-program)



THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. **Develop a long-term Infrastructure Strategy (strategic investment planning document) for British Columbia, which is coordinated with the long-term strategic planning processes of the province's regional districts.**
2. **That this long-term Infrastructure Strategy include** funding incentives for municipalities that are tracking and reporting regularly on the following outcomes:
  - a. Rate of economic growth is increased in an inclusive and sustainable way;
  - b. Environmental quality is improved, greenhouse gas (GHG) emissions are reduced and the resilience of communities is increased;
  - c. Urban mobility in communities is improved;
  - d. Housing is affordable and in good condition and homelessness is reduced year over year;
  - e. Early learning and childcare are of high quality, affordable, flexible and inclusive;
  - f. Communities are more inclusive and accessible;
  - g. Infrastructure is managed in a more sustainable way; and
  - h. Amend the mandatory municipal budgeting process to require identification of future infrastructure needs.

That the Provincial and Federal Governments:

3. Execute as quickly as possible upon notice of Federal funding, the necessary Provincial-Federal agreements to ensure funding continues in a sustainable consistent manner that accrues to our communities for infrastructure improvements and upgrades, **(ICIP signed in 2018)** especially smaller communities for existing infrastructure, and required upgrades resulting from new regulations and standards.

That the Federal Government:

4. Clarify its readiness to continue a dialogue about a modernized fiscal relationship that empowers municipalities with tools to tackle a broad range of locally-defined priorities—efficiently, cost effectively and with robust planning horizons.

**Submitted by the Delta Chamber of Commerce and the Greater Nanaimo Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

#### **49. RIDESHARING – ELIMINATING RED TAPE FOR DRIVERS (2019)**

##### **Opening Statement**

Ridesharing, the ability of a driver who has been through appropriate criminal record and driver safety screening to use their personal vehicle to connect with a rider via a smartphone, is a key sector in the sharing economy. Ridesharing is currently available in hundreds of cities around the world, and now in select areas of BC as well, providing a new transportation option and flexible income opportunities for



those wanting to drive. However, the red tape for drivers to have a Class 4 license presents an ongoing issue.

## Background

The Passenger Transportation Board approved the Uber and Lyft applications to operate in the Lower Mainland and Whistler. BC residents have been looking for more transportation options and ways to increase the affordability of living in Metro Vancouver and throughout BC. Ridesharing provides a key opportunity. It has been shown to:

1. Grow the number of rides in a city, e.g., Portland, Denver
2. Decrease impaired driving e.g., MADD, Temple University
3. Complement existing public transit, e.g., Lyft, Uber
4. Reduce car ownership, e.g., LA Times, IPSOS
5. Encourage passengers to share rides & reduce congestion, e.g., UberPOOL (how it works, why it helps put more people in fewer cars)

Over 70 jurisdictions have adopted regulations that embrace ridesharing. Edmonton was the first Canadian jurisdiction to adopt such rules, and Toronto, Ottawa, Hamilton, Calgary, the province of Quebec, and many other Canadian jurisdictions have brought forward regulations. The Competition Bureau of Canada has encouraged regulators to support competitive markets by regulating ridesharing and reducing unnecessary red tape on traditional transportation providers.

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 licence and pay fees.
2. Ridesharing drivers must have a valid, standard driver's licence issued by Province.
3. To be allowed on the platform, ridesharing drivers must:
  - a. Pass a federal criminal background check;
  - b. Pass an annual vehicle inspection by a certified mechanic;
  - c. Have valid insurance that meets the requirements established by the Province, and;
  - d. Have a safe driving record.
4. 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 licence 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.
5. 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.
6. Ridesharing companies are permitted to set prices based upon market principles and competition to best serve customers
7. 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.
8. The rider must have the ability to rate every ride through the app to help ensure high quality and safe service.
9. Ridesharing companies must have 24/7 customer service to respond in a timely manner to complaints.



## PROVINCIAL ISSUES

10. 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.

The BC Government has brought forward ridesharing legislation, and now with the regulations and implementation underway, hinderances to the successful operation and implementation of ridesharing are known. The nine-member committee that examined ride-hailing regulations for B.C. recommended a regulatory framework that places few requirements on boundaries, fares, numbers of vehicles and the licensing of drivers. They recommended not pursuing the contentious Class 4 driver's license proposed in the original legislation. The recommendation will create less barriers for people with disabilities, specifically those who cannot receive a class 4 driver's license due to health requirements, increasing the overall workforce.

Many not-for-profit and for-profit organizations, governments, Indigenous groups, and citizens are advocating for ridesharing. These groups are calling on government to allow ridesharing as quickly as possible to ensure that equitable and affordable transportation options are available.

### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Allow for market-based pricing to ensure consumer choice, convenience and innovation; and,
2. Permit taxi and ridesharing drivers to utilize a Class 5 license similar to Ontario, Manitoba and Saskatchewan if the driver meets strict safe driver screening criteria.

**Submitted by the Surrey Board of Trade**

**The Policy Review Committee supports this resolution.**



# **The British Columbia Chamber of Commerce**

## **SECTION III**

### **POLICY RESOLUTIONS ADOPTED IN, OR PRIOR, TO 2017**

**The following resolutions were due to expire at the 2020 AGM. The listed Chambers and/or Boards of Trade have updated these resolutions and are presenting them to the AGM for consideration. If these resolutions are approved by the membership, they will be treated as a new resolution and will be valid for 3 years.**







## 50. A FOCUS ON REFUGEES

### Opening Statement

The United Nations Refugee Agency says Canada has admitted the largest number of resettled refugees in recent years and has had the second highest rate of refugees who gained citizenship. Canada accepted 28,100 of the 92,400 refugees who were resettled across 25 countries in 2019.<sup>224</sup> British Columbia became home to 510 of asylum claimants, who settled in Canada in 2019.<sup>225</sup> Most of the refugees do not speak English, have varying levels of trauma and medical needs, and are learning how to adapt to Canadian society. Their day-to-day settlement needs – finding appropriate housing, furniture, appropriate clothing, food and living costs, enrolling children in school, figuring out the public transit system, finding their way to medical appointments, and finding social and emotional support networks – takes the majority of their time in the first year. In addition, the emotional toll of having left loved ones behind has an understandable impact on their resettlement efforts. Service providers such as Progressive Intercultural Community Services (PICS), Options and DIVERSEcity have done their best to accommodate these refugees, but wait lists for services, English Language training, basic job-skills training can take multiple weeks.

### Background

The concern is that Federal support for publicly sponsored refugees is only for one year. Refugees then apply for Provincial funding, which in BC is much less than the funding that was available from the Federal government for the average family. Funding varies based on size of family and housing needs, as well as health, language instruction and employment services; however, provincial funding, though similar in base amount, does not include transportation allowances and supplements, leading to a substantial decrease in support especially in the tight housing /rental market of the Lower Mainland.<sup>226</sup>

Given that it is unreasonable to expect refugees to find sustainable employment within a year of arrival due to waitlists for language and job skills training, as well as family health and emotional needs and the challenges of integration to a very different society, service providers are now advocating for the provincial support to be increased by a value that to help mitigate the impact of transitioning funding sources.

### Benefits

A number of refugees have various education backgrounds such as engineering, or other professional credentials. Many have had their education interrupted and would like to continue; however, with lengthy waitlists for English instruction that will expedite employment opportunities, a provincial “top up” of the income assistance (IA) funding will assist refugee families transition until their English becomes relatively proficient. Two key areas are being suggested, including the reinstatement of bus passes for all employable income assistance recipients including refugees who must avail themselves of BC income assistance (BC IA). For those BC IA recipients living outside communities without public transit then a cash equivalent would be provided. Without a transportation allowance it makes it extremely difficult for people to find work and/or attend English language and job-related training. The other policy area relates to the wage claw back

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224 <https://www.unhcr.org/statistics/unhcrstats/5d08d7ee7/unhcr-global-trends-2018.html>

225 <https://www.canada.ca/en/immigration-refugees-citizenship/services/refugees/asylum-claims/asylum-claims-2019.html>

226 [http://www.conferenceboard.ca/commentaries/immigration/default/15-04-08/why\\_canada\\_needs\\_a\\_national\\_immigration\\_action\\_plan.aspx](http://www.conferenceboard.ca/commentaries/immigration/default/15-04-08/why_canada_needs_a_national_immigration_action_plan.aspx)



mechanism while on BC IA. The wage claw back portion should be increased to fifty percent (50%) or higher to enable refugee newcomers to gain Canadian work experience without a significant claw back of benefits. Currently the federal government provides all government assisted refugees with the ability while on federal income support to earn fifty percent (50%) of their monthly income support without claw back.

It should be noted that between 1979 and 1981, Canada accepted 60,000 “boat people” from Southeast Asia. Within a decade, 86% of those former refugees were working, healthy and spoke English with some proficiency, achieving the basic criteria for success set out by academic Morton Beiser in his landmark study of their integration into Canadian society (*Strangers at the Gate: The Boat People*). They were less likely to use social services and more likely to have jobs than the average Canadian. One in five was self-employed and did not become a drain on the taxpayer—they *were* taxpayers.

In December 2015, Vancity Credit Union released a report entitled: *From Crisis to Community: Syrian Refugees and the B.C. Economy*. The report outlined that Syrian refugees settling in British Columbia would generate at least \$563 million in local economic activity over the next 20 years.<sup>227</sup>

Canada has a rapidly aging population. Over 6 million Canadians are aged 65 or older, representing 15.6 percent of Canada's population. By 2030—in less than two decades—seniors will number over 9.5 million and make up 23 percent of Canadians. Additionally, by 2036, the average life expectancy at birth for women will rise to 86.2 years from the current 84.2 and to 82.9 years from the current 80 for men<sup>228</sup>. The demographic shift is expected to shrink work-force participation, erode labour productivity and drive up expenditures for things like elderly benefits. At the same time, the Advisory Council on Economic Growth advised the Government of Canada to increase immigration levels to 450,000 annually as one step to address the projected challenges to the Canadian economy. According to a Conference Board of Canada report we'll need to attract 350,000 immigrants annually by 2035, up from 260,404 in 2014.<sup>229</sup>

What's needed is not just a discussion of how to facilitate immigration—of refugees and others—but how to ensure our new residents integrate swiftly into the economy. But all of this requires a shift in thinking. Done properly, bringing refugees into our country isn't about charity. It's about investing in the future of business—both theirs and ours.

### Challenges

Statistically, only about 10% of refugees find employment in their first year in Canada. The concern is the need for the Province to provide support – in the form of money, increased English classes, additional training, funding for transportation, and career planning – for families that the federal government have accepted until they are sufficiently employable through English and other training. This will be a drain on provincial resources.

There is a need to ensure refugee families continue to be supported beyond the one year federally funded period at a level that provides sufficient economic security to continue with English and employment related training. Policy should include bringing back bus passes for all BC IA recipients or cash equivalent where no public transit exists and increase the amount that BC IA recipients can earn without claw back. Recognizing

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227 <https://www.vancity.com/AboutVancity/News/MediaReleases/RefugeesBoostLocalEconomy-Dec2-15/>

229 [https://www.conferenceboard.ca/commentaries/immigration/default/hot-topics-in-immigration/2015/04/08/Why\\_Canada\\_Needs\\_a\\_National\\_Immigration\\_Action\\_Plan.aspx](https://www.conferenceboard.ca/commentaries/immigration/default/hot-topics-in-immigration/2015/04/08/Why_Canada_Needs_a_National_Immigration_Action_Plan.aspx)



the challenge to provincial resources, once employed, refugees will be able to contribute back to BC and Canada through taxes as well as economic activity in their community.

#### THE CHAMBER RECOMMENDS

That the Provincial Government works with the Federal Government to:

1. Extend the federal financial support of refugees from one year to three years;
2. Enhance funding to include transportation and housing support; and
3. Enhance various education services and career planning supports for refugees.

**Submitted by the Surrey Board of Trade**

**The Policy Review Committee supports this resolution.**

## 51. A FOCUS ON YOUTH ENTREPRENEURSHIP

### Opening Statement

Given persistently high rates of youth unemployment in British Columbia—at 8.6%<sup>230</sup>, three percent higher than the national average<sup>231</sup>—preparing youth to follow an entrepreneurial path is not only an acceptable choice, but also a strategic decision. There are programs in B.C. and in Canada that introduce youth to career paths, but there is not enough focus on developing practical entrepreneurial skills. It will take the combined support and involvement from all sectors, including businesses, to address the need for more support to develop B.C. and Canada’s future business owners.

### Background

Surrey is a young, rapidly growing city with one third of its population under the age of 19. While this is a source of strength, it creates challenges in key areas such as programs and services, education, health, outreach, housing and the job market. Statistics show that youth unemployment and underemployment is rising, and entry-level wages do not cover the cost of living. The Surrey Board of Trade (SBoT) has a Youth Entrepreneurship and Advocacy Action Plan, which is led by a team of youth and business leaders. The goal of the Action Plan is to combat unemployment, promote entrepreneurship and improve economic prospects for Surrey youth through targeted services, events, programming and mentorship.

A Surrey Vital Signs Report surveyed Surrey youth aged 12 to 24, which showed that older youth overwhelmingly felt they had not received adequate life skills training in their elementary and secondary years and were unsure of their ability to successfully transition out of school into stable fulfilling employment. With this in mind, a key component of the SBoT strategy is to empower local elementary and

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<sup>230</sup> [https://ycharts.com/indicators/british\\_columbia\\_youth\\_unemployment\\_rate](https://ycharts.com/indicators/british_columbia_youth_unemployment_rate)

<sup>231</sup> <https://www150.statcan.gc.ca/n1/daily-quotidien/200110/dq200110a-eng.htm>



secondary teachers to effectively teach entrepreneurship. Through a partnership with PowerPlay Strategies, a Surrey-based company that specializes in entrepreneurial education for youth, educators have been provided with turnkey resources and training. The customized solution also includes meaningful mentorship opportunities with the local business community.

PowerPlay Young Entrepreneurs is a curriculum-based program for grades 4-8 classrooms. Each individual student creates a real business by developing a business plan, product and marketing materials. They get loans, make sales and donate a portion of their profits to charity. This authentic, hands-on learning experience has proven to be highly engaging for all types of learners. Students develop practical entrepreneurial skills such as creativity, critical thinking and communications that can support them in all areas of life. They also discover that entrepreneurship is a viable career path.

Surrey Board of Trade also leads a second PowerPlay program called Project Enterprise in secondary school classrooms. Students develop real social enterprises and discover their ability to be change makers. They redefine success in business from an exclusive focus on profits to one that prioritizes people, the planet and profits. Whether coming up with a product that is environmentally friendly or addresses a social issue, students are encouraged to innovate and think outside the box. They conceptualize product ideas, develop prototypes and complete a market test. Again, this real-world approach to learning helps young people develop an entrepreneurial mindset that is needed in a highly competitive marketplace.

Together the Surrey Board of Trade and PowerPlay Strategies have created a model that can be easily adopted in other communities. In fact, the Surrey Board of Trade has been focused on entrepreneurial strategies for youth for the past 10 years.

With half of all owners of small and medium-sized business in Canada retiring in the next decade and youth unemployment more than double the rate of older age groups, entrepreneurship is an opportunity for youth to create jobs for themselves and others, generating tax revenue and producing the products and services that will play a vital role in our economic success. We need more of them. Corporations need to stop simply providing jobs and instead incubate entrepreneurial talent.

On a global scale, there are 21.2% of young people between the ages of 15 and 24 were unemployed in 2018.<sup>232</sup> These are the young people we should be worried about, but they're also the ones entrepreneurship can help save. The time for our governments to invest in creating and supporting youth entrepreneurship programs is now, because as scary as those unemployment figures are, they're only set to climb higher, according to findings from the G20 Youth Entrepreneurs' Alliance.<sup>233</sup>

Giving young people a real opportunity to gain control over the direction of their lives can reduce the malaise anxiety and hopelessness that permeates communities with vast numbers of unemployed youth. With basic business education and access to microloans, the economic ecosystem of whole communities can change drastically: small businesses create local jobs and keep capital circulating in communities.<sup>234</sup>

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232 <https://www.un.org/development/desa/dpad/publication/world-economic-situation-and-prospects-april-2019-briefing-no-125/>

233 <https://www.g20yea.com/>

234 <https://www.un.org/development/desa/dpad/publication/world-economic-situation-and-prospects-april-2019-briefing-no-125/>



The United Nations Conference on Trade and Development (UNCTAD) developed a Policy Guide on Youth Entrepreneurship.<sup>235</sup> The report builds on previous work by UNCTAD and recognizes the specific needs of young people. In summary, the five recommendations include:

1. Optimizing the regulatory environment – Ensuring that regulations do not in themselves present barriers, the recommendations are to balance regulation and standards with development objectives, introduce transparency and ease of access through “one stop shop” bundling of business registration, etc. Overall, the purpose is to simplify regulations where it makes sense.
2. Enhancing entrepreneurship education and skills development – The recommendation is to begin introducing entrepreneurship awareness from the beginning of the school experience. Similar to the program that SBOT uses, educational programming from kindergarten through to post-secondary, would provide experiential, hands-on training that incorporates external mentors and would include a variety of opportunities including trades, apprenticeships, innovation, and other extra-curricular programs. Some of this has been included in the language for the new B.C. K-12 curriculum; however, there is opportunity to expand.
3. Facilitating technology exchange and innovation – Information and communication technologies (ICT) are critical for any new business venture and is a particular challenge for marginalized young people (socio-economic barriers, remote locations, etc.). Incubators, research and development labs, knowledge hubs, education-industry collaboration and business mentorship are but a few ways that ICT challenges can be overcome. An appropriate policy would also include a mechanism to facilitate youth-led businesses connecting with potential clients/customers.
4. Improving access to finance – Challenges such as age restrictions and low financial literacy levels can be overcome by developing youth-friendly financial products, including flexible loans or a credit bureau, increasing financial inclusion, and recognizing public-private partnerships as a means of collateral for a start-up. Business mentoring should be seen as an invaluable resource for young entrepreneurs and should be encouraged.
5. Promoting awareness and networking – The hardest challenge for a young entrepreneur is to overcome negative attitudes and to connect with a supportive environment to foster their development. Businesses, along with governments, can jointly elevate the value of entrepreneurial programs, encourage and support peer networks, utilize media platforms to celebrate success, and to promote investments. Much of this is incorporated in the SBOT programs described above.

The recommendations through the UN report encompass both provincial and federal jurisdictions and will require collaboration between those governments and businesses to ensure that the business owners and employers of tomorrow are given the best tools to succeed. The best time to start is in the primary grades.

#### THE CHAMBER RECOMMENDS

That the Provincial Government work with the Federal Government to create a comprehensive youth entrepreneurship strategy.

**Submitted by the Surrey Board of Trade**

**The Policy Review Committee supports this resolution.**

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<sup>235</sup> <http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=1404>



## 52. ACCELERATING DEVELOPMENT BY ALLOWING FOR OPTIMUM TIMING OF PAYMENT OF DEVELOPMENT COST CHARGES

### Opening Statement

In the Local Government Act under section 559 (4), local governments may, by bylaw, impose development cost charges (“DCC”) upon approval of subdivision, or a building permit. Specially the act states:

*559 (1) A local government may, by bylaw, for the purpose described in subsection (2) or (3), impose development cost charges on every person who obtains*

*(a) approval of a subdivision, or*

*(b) a building permit authorizing the construction, alteration or extension of a building or structure.*

*(2) Development cost charges may be imposed under subsection (1) for the purpose of providing funds to assist the local government to pay the capital costs of*

*(a) providing, constructing, altering or expanding sewage, water, drainage and highway facilities, other than off-street parking facilities, and*

*(b) providing and improving park land to service, directly or indirectly, the development for which the charge is being imposed.*

*(3) Development cost charges may be imposed under subsection (1) in a resort region for the purpose of providing funds to assist the local government to pay the capital costs of providing, constructing, altering or expanding employee housing to service, directly or indirectly, the operation of resort activities in the resort region in which the charge is being imposed.*

*(4) Subject to subsection (5), a development cost charge that is payable under a bylaw under this section must be paid at the time of the approval of the subdivision or the issue of the building permit.*

For a single detached building permit, the DCC, depending on the municipality, is typically between \$15,000 and \$30,000. The requirement for payment of the DCC at subdivision or building permit stage, well in advance of closing of the sale and occupancy, results in a significant demand on cash flow, particularly for smaller construction/development companies.

### Background

Under the Local Government Act, local governments may, by bylaw, impose development cost charges (“DCC”) upon approval of subdivision, or a building permit authorizing the construction, alteration or extensions of a building or structure. The DCC is to assist the local government to pay the capital costs of providing, constructing, altering or expanding sewage, water, drainage and highway facilities, other than off-street parking facilities, sidewalk curb and gutter and providing and improving park land to service, directly or indirectly, the development for which the charge is being imposed.

Under section 559 (4) of the Local Government Act, the DCC must be paid at the time of the approval of the subdivision or the issue of the building permit. The time between the payment of the DCC and closing of the sale and occupancy can be many months, with the cost of carrying the early payment of the DCC being borne by the builder/developer.

In order to better align the timing and payment of the DCC with cash flow, amendments to the Act are sought requiring payment at a later stage in construction, for example at insulation inspection or issuance of



an occupancy permit.

As most newly built homes are insured, requiring an occupancy permit for their insurance, the DCC payments could be tied to the occupancy permit. Another possible option would be to allow the payment through installments at certain points of inspection (i.e. at insulation).

Under 559 (5) of the Local Government Act, the Minister may authorize the payment of DCC in installments. Under current legislation, BC Reg. 166/84, a developer may elect to pay DCC in installments for amounts \$50,000 or greater, and by local government bylaw on amounts less than \$50,000. Payment must be not less than 1/3 of the DCC at the time of approval of the subdivision or granting of the permit, 1/2 of the balance within one year after approval and the remaining balance within 2 years after the date of approval.

#### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Consult with local government and builders/developers to explore the preferred and optimum timing of payment of DCC, such as at occupancy permit stage, in better alignment with the cash flow needs of industry;
2. Amend the Local Government Act to reflect agreed upon changes regarding the timing of payment of DCC; and
3. Consider the timing of payment as a potential incentive tool for affordable or rental housing.

**Submitted by the Greater Nanaimo Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

### 53. BUSINESS OPPORTUNITIES FOR AGRIFOOD/SEAFOOD PRODUCERS IN BC

British Columbia has a rich agricultural heritage and represents thousand of farmers, ranchers and food processors. B.C.'s food and beverage products are among the best in the world, renowned for their diversity, freshness and exceptional quality. Buy BC was created to help British Columbians select fresh-tasting, high-quality products that are grown, raised, and processed locally in communities across the province. The Buy BC logo is a product of origin symbol confirming the authenticity of B.C. food products.<sup>236</sup>

The B.C. Agri-food and Seafood Market Development Program helps BC agri-food producers, agri-food and seafood processors, co-operatives and associations identify, assess, target and develop market opportunities to increase their sales outside of B.C. The five-year Federal-Provincial cost-shared program, funded through the Canadian Agricultural Partnership, supports the development of marketing skills and plans, the creation of market research and export-focused promotional materials, and participation in

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<sup>236</sup> <https://buybc.gov.bc.ca/about-buy-bc>





export-focused market development activities, including reaching new customers through interprovincial/international trade shows.<sup>237</sup>

Note: Seafood Producers/Fishers are ineligible for this program.

BC's agrifood and seafood sector needs a coordinated provincial strategy that supports agrifood/seafood producers that are not eligible for the existing funding programs.

Commitment to a strategic regional approach to business planning for BC agrifood/seafood producers will improve access to:

- funding programs/agencies for agriculture;
- food safety regulatory agencies;
- technical expertise and consultants; and
- methods of selling or expanding a farm business.

Long term commitment from the Province for continued funding to these programs will provide greater certainty and a stronger investment climate for agri-tech and agri-tourism businesses. This is especially important in the wake of COVID 19.

Opportunities exist to engage in consultations with the federal government to help shape the direction of future policy and programs for the agriculture and agri-food sector.

Continued cooperation between local, provincial, federal and international governments will assist BC agrifood/seafood producers resulting in increased economic growth and food supply security in our communities.

#### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Expand investment in the BUY BC Program;
2. Develop a long-term strategy for the agrifood/seafood sector in British Columbia;
3. Continue cooperative partnerships with local, federal and international governments in the delivery of funding programs that assist BC businesses with getting their product to market;
4. Create regional initiatives that promote incentives for agritech and agritourism investment and ecologically, environmentally and economically responsible innovation in BC's agrifood/seafood sector;
5. Provide support to SME businesses in our communities that create local agri-tourism activities for visitors to British Columbia;

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<sup>237</sup> <https://iafbc.ca/wp-content/uploads/2019/09/BCASMDP-Program-Guidelines-v5-formatted.pdf>





6. Encourage regional economic development alliances focused on attracting and facilitating business retention and expansion; and

That the Provincial and Federal Governments:

7. Extend BC's agrifood/seafood sector funding programs to include seafood producers.

**Submitted by the Greater Nanaimo Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

## **54. CLOSING THE GAP BETWEEN NON-RESIDENTIAL AND RESIDENTIAL PROPERTY TAXES**

### **Opening Statement**

The Chamber has long expressed concern regarding local governments charging non-residential property owners some multiple over residential taxpayers, a practice that is not based on any concrete rationale, e.g. aligned with consumption of municipal tax-supported services. This practice affects business' ability to compete with other jurisdictions and remain viable, impacts that will only worsen as property values rise and municipal costs increase.

### **Background**

Prior to 1984, the Government of B.C. regulated ratios between residential and other property classes. This restricted local government's ability to set arbitrary rates and restricted the difference between classes to between 2.6 and 3.5, depending on the class.

In 1984, the provincial government granted local government full autonomy in the setting of rates between the various classes. Property classes were then expanded to the current nine classes. This change allowed municipalities the maximum flexibility to allocate tax collection to distinct property types. In addition to the 1984 change, the *Community Charter*, introduced in 2003, provided local governments extensive control over the methods of tax collection and the services that they may choose to fund.

In some provinces, municipalities are free to set their own property tax rates without provincial involvement while in other provinces, the province is involved in the local tax structure through direct controls or limitations on what can be done. For example, in New Brunswick, each municipality sets its own local property tax rate, but it is a provincial requirement that the non-residential municipal tax rate must be equal to 1.5 times the residential municipal tax rate. In Ontario, municipalities are permitted to set different tax rates (related to the residential rate) for different property categories although provincially set ranges of fairness limit a municipality's flexibility in setting differential rates. In Manitoba, except for Winnipeg where differential tax rates may be used, municipalities are not allowed to apply differential tax rates to different property types.<sup>238</sup>

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<sup>238</sup> [Property Taxes and Competitiveness in British Columbia, May 2012](#)



Property taxes actually refers to a range of components levied on behalf of a range of different authorities: municipal, school, regional districts, hospitals, transportation authorities, and others. Municipal property taxes are calculated based on BC Assessment's assessed value on specific properties, the municipal budgetary requirements, minus all other sources of funding. It should also be noted that while these are all levied at the local level, only municipal components are fully under the control of the local governments.

Property-tax rates vary by class of property: residential and non-residential, e.g. Industry, Business/Other,<sup>239</sup> Utilities, Supportive Housing, Farming, Non-profit, Recreational. The difference between residential mill rates and non-residential can be substantial; in Greater Victoria municipalities, the difference can vary from more than double to quadruple.<sup>240</sup>

The difference between residential and non-residential taxes is misaligned with the costs of providing services. In fact, studies have shown that non-residential property owners do not consume the tax-supported services of residential owners.<sup>241</sup>

The autonomy provided to local government, the variety of recipients of property tax, the setting of the tax rate, and the number of classes of property all lend themselves to a complex system that does not encourage openness nor transparency.

The Government of B.C. needs to ensure property taxation is fair, transparent, and sustainable.

#### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Provide control and oversight on the level of property taxation levied to all taxpayer groups to ensure fair, transparent, and sustainable taxation practices; and
2. Commission a study to assess municipal property taxation with the goal of developing a more sustainable structure related to value for money.

**Submitted by the Greater Langley Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

## 55. COMPETITIVE TAX ENVIRONMENT FOR CREDIT UNIONS

When the federal government moved in 2013 to eliminate the extended small business tax credit benefit

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239 Business/Other includes store and commercial services, office/commercial space, shopping centers, hotels, storage and warehouses, and strata non-residential.

240 There is no publicly available information from the Ministry of Community, Sport and Cultural Development nor BC Assessment relating to the representative commercial property owner's taxes.

241 A 2007 report by MMK Consulting for the City of Vancouver found that, on average, residential properties in Vancouver paid \$0.56 in property taxes for each dollar of tax-supported services consumed, while non-residential properties paid \$2.42 for every dollar of tax-supported services they consumed.



for credit unions, the government of British Columbia showed good sense by not mirroring this harmful change in provincial tax law. Our provincial government has continued to insulate credit unions from the full impact of the federal change in policy. The provincial government should continue to show leadership in this area by shielding credit unions from the federal tax change indefinitely and working to have the federal policy change reversed.

In spring of 2013, the federal government announced it would eliminate the extended small business tax benefit for credit unions over the next five years. Since 2006, the Government has introduced a large number of tax measures to support investment, innovation and growth by small businesses, including reducing the small business tax credit. The small business tax credit was reduced to 11 per cent from 12 per cent in 2008. British Columbia provided a similar tax rate for credit unions because they were not eligible for the federal reduction. Phasing out the federal reduction meant that the lower BC tax rate would also be removed unless legislative changes were made to protect it.

Like banks, credit unions are required to build ever-increasing capital to ensure soundness. But unlike banks, credit unions are member-owned co-operatives and cannot access capital markets. Instead, they must rely on retained earnings for capital, while banks are able to issue stock on capital markets. Increasing taxes on credit unions impedes the ability of credit unions to grow their retained earnings and capital.

Credit unions play an important role in BC communities by providing financial services to businesses and individuals and by supporting local projects.

The people and organizations of the community that use the credit unions help set its governance, its owners are its customers. Credit unions are currently the only financial institution in more than 40 communities in BC. The geographic reach of credit unions in northern and rural communities is notable.

Retaining the small business tax benefit indefinitely at the provincial level is a positive for elected and bureaucratic levels of government who rely upon credit unions as geographically dispersed, community-based sources of economic development stimulus.

By permanently extending the small business tax credit for credit unions, the government will demonstrate and recognize that credit unions are unique and historically dependent on this tax structure to the benefit of communities. Any opposition to this tax structure could be overlooking the sensitive inter-relationships of member-owned financial institutions that see profits directed to the community for re-distribution.

#### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Continue to work with credit unions to meet their needs with regulations and tax regimes that keep them strong and viable; and
2. Work to influence the federal government to restore the federal extended small business tax exemption for credit unions.

That the Federal Government:



3. Extend the small business tax benefit to Canada's Credit Unions.

**Submitted by the Greater Nanaimo Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

## **56. COUNTERING COSTLY CYBERCRIMES**

### **Opening Statement**

The cost of cybercrime perpetrated on businesses is rising. However, there is insufficient data to determine accurately what those costs are. When asked at a recent cybercrime dialogue if the attendants knew where to report a cybercrime, most did not. Canada does have websites where business can report a breach of their data, however, it is not well known. Businesses need to report cybercrime and provide the data that the federal agencies require to accurately measure the costs and develop strong countermeasures. Conversely, the federal agencies could and should do more to engage businesses as part of their planning and outreach strategies and promote their webpage for reporting cybercrime through education and awareness campaigns.

### **Background**

The fact that cybercrime is on the increase is indisputable. What becomes challenging is measuring the impact on Canada's economy. In 2018, 57% of Internet users reported experiencing a cyber security incident. Just over one-fifth (21%) of Canadian businesses reported that they were impacted by cyber security incidents which affected their operations in 2017. About 19% of small businesses reported being impacted compared to 28% of medium-sized businesses and 41% of large businesses.<sup>242</sup>

Of those businesses that were impacted by cyber security incidents, 39% could not identify the motive of the attack, while 38% identified the motive as an attempt to steal money or demand a ransom payment. Just over one-quarter (26%) of businesses experienced incidents where perpetrators attempted to access unauthorized or privileged areas, while 23% experienced incidents where there was an attempt to steal personal or financial information.<sup>243</sup>

Sectors which reported the highest level of cyber security incidents included banking institutions (47%), universities (46%) and pipeline transportation (45%). Businesses in these sectors were mostly impacted by incidents to steal money or demand ransom payments in 2017.<sup>244</sup>

Canadian businesses spent an average of \$16,000 to recover from all impactful cyber security incidents in 2017, these average costs were substantially higher for businesses in critical infrastructure sectors. Businesses in the pipeline transportation sector spent \$131,000, followed by businesses in the natural gas

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<sup>242</sup> <https://www150.statcan.gc.ca/n1/pub/89-28-0001/2018001/article/00015-eng.htm>

<sup>243</sup> <https://www150.statcan.gc.ca/n1/pub/89-28-0001/2018001/article/00015-eng.htm>

<sup>244</sup> <https://www150.statcan.gc.ca/n1/pub/89-28-0001/2018001/article/00015-eng.htm>



distribution sector (\$118,000) and banking institutions (\$87,000). Comparatively, universities (\$13,000) spent less than the average.<sup>245</sup>

In Federal Budget 2019, the Government of Canada invested \$144.9 million over five years to the Communications Security Establishment (CSE) to help improve protection of critical infrastructure, \$80 million to fund several university-affiliated cyber security networks to promote collaboration between cyber security centres of excellence, \$67.3 million over five years, and \$13.8 million per year ongoing, to Public Safety Canada; Innovation, Science and Economic Development Canada; Global Affairs Canada; and the Royal Canadian Mounted Police to raise cyber security awareness, \$30.2 million over five years to protect democracy and elections from foreign interference and election misinformation. \$19.4 million to over four years to the Heritage department to help educate Canadians to recognize online disinformation.

Currently, there are initiatives that the federal government has put forward such as the Mandatory Breach Notification legislation for organizations subject to The *Personal Information Protection and Electronic Documents Act* (PIPEDA). However, the general public has incomplete knowledge of which companies are subject to reporting breaches and are largely uninformed as to what information has been compromised. There are several models used elsewhere which can improve Canada's reporting and information dissemination procedures, for example, Australia's ACORN program (Australian Cybercrime Online Reporting Network) collects citizen complaints so that police and industry can monitor trends, thwart organized criminal groups and arrange incidents for further investigation.

To conclude, the research is not consistent on cost or number of incidences in Canada as this data is not fully tracked and not all breaches are reported. It is safe to guestimate that cybercrime has cost the Canadian economy up to \$3.12 billion dollars annually (Huffington Post, quoting NORTON, 2013). The time taken (averaging 19 hours for individuals, according to Norton) to deal with an incursion as well as the cost to salvage data, the cost to develop a more secure system, the cost to update employee training to avoid further breaches, and ultimately, the cost to a business's brand as client trust is lost along with their data, is incalculable. Cybercrime has become a barrier to economic growth.

#### THE CHAMBER RECOMMENDS

That the Provincial Government and Federal Government work collaboratively with stakeholders and business to:

1. strengthen and promote the Canadian Cyber Incident Response Centre (CCIRC) and the Canadian Anti-Fraud Centre (CAFC):
  - a. as collectors of data including type and number of incidences;
  - b. to develop awareness and education strategies for businesses in a format that is easily accessed and understood; and
  - c. to pro-actively engage businesses and the public in awareness and education campaigns;
2. ensure that the newly formed Electronic Crime Committee (ECC) includes business association representatives to assist with communications and outreach strategies to businesses,<sup>[9]</sup> and

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<sup>245</sup> <https://www150.statcan.gc.ca/n1/pub/89-28-0001/2018001/article/00015-eng.htm>



3. invest additional resources required to increase the RCMP's or other Municipal Police's ability to investigate and prosecute criminal activities with collaborating investigative agencies and local authorities.

**Submitted by the Surrey Board of Trade**

**The Policy Review Committee supports this resolution.**

## **57. EAST-WEST CONNECTOR BETWEEN ABBOTSFORD AIRPORT & HIGHWAY 99**

### **Opening Statement**

The Fraser Valley is one of the fastest growing areas in BC, with Chilliwack, Abbotsford, Langley and Surrey seeing huge population growth over the next few years. Transportation is a major barrier to this growth, and it must be addressed on a regional basis. While each municipality has specific challenges with the movement of people, goods and services transportation and traffic concerns go far beyond individual municipal boundaries and must be considered on all fronts. The Province of BC is promoted internationally as a world-class destination, with Metro Vancouver as the gateway to the Province. It is vital for this region to have facilities and infrastructure to handle the existing and future demand to alleviate transportation gridlock and to protect our air quality.

### **Background**

Currently, passenger and commercial carriers en route to or from Highway 99, the Canada/US Border and destinations in the southwest sector of the Fraser Valley are directed to travel on Highway 1. Residential and commercial development throughout the lower Fraser Valley and additional services and capacity at Abbotsford Airport continue to add to the stress and gridlock on Highway 1 from Abbotsford through Langley to Surrey. There is a demonstrated need for development of a provincial southern connector to link the Abbotsford Airport and Canada/US Border crossings with Highway 99, and Vancouver International Airport. At the present time 16<sup>th</sup> Avenue through Surrey and Langley has been identified as a truck route and part of the major road network by Translink and by the City of Abbotsford to the east. This high-capacity route will be critical to transportation movement during the announced expansion of Hwy 1 over the next 5 years, as construction will result in delays and many commuters and transport trucks will be seeking alternate routes.

While some sections of the 16<sup>th</sup> Avenue corridor are 4-lane in parts of Surrey and Abbotsford, through the remaining sections and the Township of Langley it is a 2-lane road with deep drainage ditches on both sides. We have seen some improvements such as the added interchange at Hwy 99 and the upcoming improvements in Abbotsford from King to Marshall Rd but the route still has major safety and traffic issues. There are numerous uncontrolled intersections along the entire stretch, as well as many private driveways entering and exiting the roadway. The City of Abbotsford has acquired title to the property west of the airport that will provide a direct east-west connecting corridor to Highways 13, 15 and 99. The one remaining property to complete the Abbotsford portion of the corridor is still in active operation as a gravel pit however it will be available for acquisition within the near future.



Designation of 16th Avenue as a Provincial Highway will serve to protect the right-of-way and facilitate the development of a critically needed east-west trade corridor significantly improving economic growth opportunities for Surrey, the Langleys, and Abbotsford. As a designated highway, it would greatly improve access, enhance safety, reduce stress on the environment, and ensure consistent maintenance and upkeep of this high-traffic corridor.

There are three types of support for three types of road structures. Municipal roads are supported by municipalities. The major roads network is supported by TransLink. Provincial Highways are supported by the provincial government.

#### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Designate 16<sup>th</sup> Avenue as a Provincial Highway to connect Highway 1/Abbotsford Airport with Highway 99 and to provide more direct access to the Canada/US border crossings, relieve the bottle necks of traffic, and facilitate increased movement of people, goods and services;
2. Commence property acquisition required to widen 16<sup>th</sup> Avenue to a 4-lane highway, develop frontage roads for residential traffic egress/ingress and reduction of north-south intersections across the corridor; and
3. Identify critical north-south intersections and install appropriate infrastructure to accommodate safe north-south travel.

**Submitted by the Greater Langley and Abbotsford Chambers of Commerce**

**Supported by the Surrey Board of Trade**

**The Policy Review Committee supports this resolution.**

## 58. ENCOURAGING AND SUPPORTING MORE WOMEN ON CORPORATE BOARDS

### Opening Statement

Canada as a whole, and BC in specific, continues to lag the rest of the developed world in terms of gender diversity in our corporate boardrooms.<sup>246</sup>

In BC, while women now make up 49% of public boards, only 1 in 5 members of corporate boards are women.<sup>247</sup> The most recent review by the Canadian Securities Administrators shows that overall representation of women on boards stands at 15%<sup>248</sup>, and recently released Statistics Canada data show that

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<sup>246</sup> Catalyst, *Gender Diversity on Boards in Canada*, (Ontario, Canada: Queen's Printer for Ontario)

<sup>247</sup> Government of British Columbia, News Release: Women now nearly half of public board members in B.C., May 31, 2019.

Accessed online: [https://archive.news.gov.bc.ca/releases/news\\_releases\\_2017-2021/2019FIN0058-001130.htm](https://archive.news.gov.bc.ca/releases/news_releases_2017-2021/2019FIN0058-001130.htm)

<sup>248</sup> CSA Multilateral Staff Notice 58-310, Report on Fourth Staff Review of Disclosure regarding Women on



a majority of companies have one or fewer female directors.<sup>249</sup> However, while the business case may be clear, and while most Canadian firms have made progress in welcoming more women into these positions, the change continues to be slow. There are policy solutions which could help facilitate this needed change, and the BC Chamber of Commerce network urges the Government of BC to explore ways to advance gender diversity on corporate boards.

## Background

The predominance of research regarding this issue suggests that companies which have more female board directors perform better, with greater gender diversity on boards being linked to everything from better returns on equity, higher stock prices, to overall better financial returns.<sup>250, 251</sup> The business case for having women on corporate boards is clear and their continued under-representation is likely costing us economically; it should be a priority to encourage and support more women to serve on corporate boards.

In its review of gender diversity metrics, the Canadian Securities Administrators found that while progress is being made, it is slow. Two-thirds of companies have women on their boards (up from 49%), women occupy 15% of all seats (up from 11%), and the number of companies with three or more women directors (often seen as a critical mass) has risen to 13% (up from 8%).<sup>252</sup> While comply-or-explain regulations enacted by most of Canada's securities regulators have had positive impacts and have driven corporate behavior in the right direction, there is still much work to be done, and further regulatory changes could drive this change.

## Supporting Regulatory Solutions

One major reason for the lack of women on boards that has been posited is the recruitment process itself; male board members and male executives search their often male-dominated networks for potential candidates, potentially perpetuating the gender gap. A requirement that large, publicly-traded companies<sup>253</sup> actively consider women for board vacancies would lead to these companies broadening their searches, getting creative in their recruitment efforts, and going beyond traditional networks to find candidates. Requiring women be included in the consideration and interview stage of board nominations at these large, publicly-traded companies would ensure that women are being considered fairly while *still requiring they demonstrate the skill and merit* necessary to receive a directorship. This targeted action would help achieve better gender diversity results without the potential negative impacts of actual gender quotas placed on board appointments/elections.

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Boards and in Executive Officer Positions, (September 28, 2018)

249 "Women hold less than 20% of positions on corporate boards, StatsCan finds", Melissa Bennardo, CBC News, May 7, 2019. Accessed online: <https://www.cbc.ca/news/business/statistics-canada-women-corporate-boards-1.5125995>

250 Credit Suisse Research Institute, *The CS Gender 3000: Women in Senior Management* (Zurich, Switzerland: Credit Suisse Research Institute);

251 McKinsey & Company, *Delivering Through Diversity*, (January 2018)

252 CSA Multilateral Staff Notice 58-310, Report on Fourth Staff Review of Disclosure regarding Women on Boards and in Executive Officer Positions, (September 28, 2018)

253 "Large, publicly traded companies" is used as a stand-in term for "reporting non-venture issuers." A "reporting issuer" means a company whose securities are publicly-traded and has issued securities/stocks/shares. A "non-venture issuer" is a reporting issuer that has its securities listed/quoted on any of the Toronto Stock Exchanges, a US marketplace or any marketplace outside of Canada/US. In Canada, "venture issuers" tend to be junior companies listed instead on the TSX Venture Exchange or the Canadian Stock Exchange.





The provincial government should support the requirement that large, publicly-traded companies have a policy regarding the representation of women in the director identification and selection process, and require such policies mandate that at least one qualified woman is fully considered for all board vacancies. Such consideration should be required to be meaningful, conducted in good faith, and include any requisite interview or assessment process.

Regulations such as this would have the benefit of forcing a change in mindset in boardrooms and would be a catalyst for progressive changes in corporate governance rules and in greater gender diversity outcomes. Through such regulations companies would also be encouraged to reflect on their own hiring/advancement policies and potentially identify barriers to women's advancement which prevent them from being considered for board positions currently.

#### *Providing Tools and Resources*

In addition to regulations, tools and resources exist that could be better supported and shared with the business community and with women professionals. The provincial government could play a continued leadership role in supporting women in business by finding and promoting these tools and resources to the broader business community.

In particular, increasing provincial government support of mentorship programs and leadership training for women in business delivered by business groups such as chambers of commerce or boards of trade, or dedicated non-profit organizations such as Minerva BC, would be a meaningful way of encouraging and empowering more women to take on board and leadership roles. In addition, business associations like chambers of commerce and boards of trade are well positioned to share research, resources and best practices on gender diversity with the business community. The provincial government should investigate ways it could support these groups in developing and delivering these gender diversity resources to BC business community as a way of encouraging ongoing and systemic diversity and inclusion in our economy.

#### THE CHAMBER RECOMMENDS

That the Provincial Government works with the Federal Government, the federal Ministry of Innovation, Science and Economic Development, the provincial securities regulators and the business community to develop and support tools, resources and regulations to ensure greater gender diversity on boards.

**Submitted by the Burnaby Board of Trade and Greater Langley Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

## **59. GET BC BUSINESS MOVING AGAIN**

### **Introduction**

BC is Canada's Pacific Gateway, the preferred gateway for Asian trade to North America and the world. Transportation is a key support for economic growth and development. That's why it is singled out for special focus in 2012-2020 Pacific Gateway Transportation Plan. More than any other sector, it serves the



dual purpose of generating direct employment and underpinning job creation, development and progress throughout BC<sup>254</sup>. While significant progress has been made in some parts of that strategy, a major deficiency exists in B.C.'s Fraser Valley which requires re-consideration of priorities from the Provincial and Federal governments, particularly as it pertains to Highway 1 as an integral part of the Gateway sector.

## Background

The ability of our nation to effectively trade goods and services hinges on robust transportation infrastructure. The portion of the Trans-Canada Highway 1 extending across Greater Vancouver and through the Fraser Valley to Hope is a critical artery of Canada's Pacific Gateway. In recent years, population and trade growth, a regional industrial land shortage and the marked growth of the Abbotsford airport have overburdened Highway 1, resulting in heavy congestion, safety implications, and challenging the ability of the trucking industry and service providers to effectively move goods and services.

The gateway sector in the Lower mainland is of provincial and national importance, providing direct, indirect and induced benefits. According to the World Trade Centre- Vancouver's Regional Export Framework, in 2016, gateway activities in Greater Vancouver sent more than \$1.6 billion to the provincial government in tax revenue, provided over 150,000 jobs in B.C. and added over \$16 billion in provincial GDP<sup>255</sup>. On a national level, the region's gateway activities sent nearly \$2.4 billion to the federal government in tax revenue, provided over 185,000 jobs in Canada and added nearly \$20.3 billion in federal GDP in 2016<sup>256</sup>.

Many of the goods moving along Highway 1 are bound for the Port of Vancouver, which facilitates trade through Canada's west coast. Approximately \$1 in every \$3 of Canada's trade in commodities and goods beyond North America move through the Port of Vancouver, making it a critical component of Canada's economy. In 2018, overall cargo through the port reached a record 147 million metric tonnes and in 2019, the port experienced record growth in potash, grain and containers.<sup>257</sup> Ensuring effective access to the port and supporting a fluid supply chain are essential, particularly in light of recent and projected trade growth.

From semi-trucks and trailers hauling freight, to logging and industrial trucks serving the resource industries, to smaller trucks serving local businesses, trucking supports our economy and helps to maintain a high quality of life for all British Columbians. These industries make use of the national Trans-Canada Highway 1. The trucking industry accounts for 2 percent of BC's GDP, employs about 40,000 people, and is larger than other major industries, including forestry, pulp and paper, and oil and gas<sup>258</sup>. There is tacit acknowledgement of the importance of this industry to BC's economy in the 10-year plan, which embeds a trucking strategy.

Each year, more than \$3 billion in goods are trucked between our gateway ports and the rest of Canada, and over one million trucks cross to/from the U.S. via the three Lower Mainland border crossings. For many

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254 [http://www.pacificgateway.gov.bc.ca/documents/120402\\_Gateway\\_Strategy.pdf](http://www.pacificgateway.gov.bc.ca/documents/120402_Gateway_Strategy.pdf)

255 <https://www.boardoftrade.com/wtcref/>

256 Ibid.

257 <https://www.portvancouver.com/news-and-media/news/second-highest-annual-cargo-recorded-in-2019-for-port-of-vancouver/>

258 <http://www.bctrucking.com/news/bc-move-road-map-gets-it-right-trucking>



communities and transportation stakeholders, increasing the economic efficiency and safety of the commercial trucking industry is critically important.

In 2015 the provincial government presented its 10-year Transportation Plan - BC on the Move<sup>259</sup> that looked to initiate design for the construction of six-laning on Highway 1 from Langley to Abbotsford. Construction of a new Port Mann bridge, widening of Highway 1 to 200th Street and addition of the South Fraser Perimeter Road had already been completed. Consultation recently wrapped up this spring on a \$59-million project in Langley to build a new interchange at 216th Street and widen the highway between there and 202nd Street. Construction on that project is currently underway and expected to be completed by winter 2020.

On March 28, 2017 and April 25, 2019 the BC government announced commitment of \$113 million in its share of funding for Phase 2, a federal-municipal project to six-lane the highway from 216th Street to 264th Street. The full project is estimated to be \$235.5 million and the provincial government is seeking funding from the Government of Canada and the Township of Langley. Design work was expected to start in the fall of 2017 and in the most recent announcement construction not expected until 2021<sup>260</sup>. However, as of January 2020, this project is not listed as an approved project on the BC Ministry of Transportations website. A recent report on industrial land supply in the Lower Mainland, completed for the City of Abbotsford, indicated<sup>261,262</sup>, that strong BC provincial economic performance has helped drive development and leasing interest in the region. However, a lack of new supply has created a very supply-constrained market characterized by extremely low vacancy rates. Conversion of industrial land in Metro Vancouver to residential use also added to this shortage.

The Fraser Valley has long represented a primary supply of industrial zoned land and the scarcity of land options in Metro Vancouver and rising values in recent years have accelerated the migration of industrial owner-occupiers eastward toward more affordable options in the Fraser Valley. The Abbotsford market is among the fastest growing with an annual inventory growth of 6.4% and Chilliwack is at 4.8% compared to Surrey (4.2%) and Langley (3.1%).

Meanwhile, ministry stats show that both the amount of traffic and number of accidents on the Highway 1 corridor through Abbotsford and Chilliwack are only getting worse. Traffic is growing at 1.4 per cent per year, and the increased congestion is slowing median traffic speeds, which can drop to 60 km/h near intersections during peak periods. Figures provided by ICBC in Chart 1 (below) show the number of crashes has risen in key highway 1 intersections in Abbotsford and Chilliwack from 2016 to 2017 (most recent available).

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259

<http://www2.gov.bc.ca/gov/DownloadAsset?assetId=6BDC5827613C454E81820AE9792CCB72&filename=bconthemove.pdf>

260 <https://www.citynews1130.com/2019/04/25/highway-1-widening-langley/>

261 The 2016 Census indicated that Abbotsford's population grew by 5.9% in the last five years, above the national and BC average. Abbotsford's neighbours have been growing quicker with Mission up by 6.6% and Chilliwack up by 7.5%. Lower housing prices, compared to Metro Vancouver, will continue to bring even more population growth in the future.

262 <https://abbotsford.civicweb.net/filepro/documents/?preview=51140>



Chart 1 – ICBC Crashes in Abbotsford and Chilliwack Hwy #1 intersections<sup>263</sup>

Abbotsford	Chilliwack	Year
Hwy#1 & Whatcom Rd - 101 Hwy #1 & Mt Lehman Rd - 132	Hwy #1 & W Yale Road - 47 Hwy #1 & Vedder Road - 28	2016
Hwy#1 & Whatcom Rd - 113 Hwy #1 & Mt Lehman Rd - 142	Hwy #1 & W Yale Road – 52 Hwy #1 & Vedder Road - 31	2017

ICBC statistics for the Lower Mainland overall indicate that from 2014 to 2018 crashes increased by a further 11%<sup>264</sup>.

Highway 1 congestion, accidents and daily delays have become a way of life for commuters, students and business traffic on the Highway 1 section between Langley and Abbotsford and through to Chilliwack. Alternative routes are limited to local rural and residential roads or the two-lane Fraser Highway, which is already highly congested.

While commuters get a lot of the media attention, it is important to remember that the movement of goods and services is an important part of the economy outside of Metro Vancouver. Commercial trucks account for approximately 8.5 per cent of the total traffic on the Abbotsford section of the Trans-Canada Highway<sup>265</sup>.

Completion of the South Fraser Perimeter Road, replacement of the Port Mann Bridge, adjacent improvements to Highway 1 to 200th Street and the Phase 2 construction all put an increased burden on Highway 1 in the Fraser Valley. Increased commercial traffic from the growth in the Port of Vancouver and the migration of industrial operations from Metro Vancouver to the Fraser Valley are increasing the need for more immediate action on the Province’s transportation priorities.

Travelers use Highway 1 as a means to get to and from the Abbotsford International Airport (YXX), which surpassed one million passengers in December 2019. There will be even more congestion on the Highway because of the growth of YXX.

While the highest priority of need is the improvement in the section from 264th Street to Whatcom Road, consideration needs to be given to future needs to extend the six-lanes to Chilliwack and then to Hope where Highway 1 provides an entry to three main provincial highway routes.

BC’s economy depends on a safe, reliable and efficient transportation network. A strong and healthy BC economy relies heavily on a vibrant, thriving, efficient trucking industry to keep that economy moving. Widening Highway 1 through the Fraser Valley is essential to ensuring safety, reliability, and efficiency for our truck transportation in and out of the Lower Mainland.

The provincial and federal governments need to commit to a phased, scheduled funding and construction timeline to widen Highway 1 to at least 6 lanes, at least to Evans Road in Chilliwack, eventually to the interchanges of Highways 1, 3, and 5 in Hope. Completing a transportation investment project of this scale requires long-term funding commitments that cannot be manipulated for election campaign purposes. Any

<sup>263</sup> <https://public.tableau.com/profile/icbc#!/vizhome/LowerMainlandCrashes/LMDashboard>

<sup>264</sup> <https://www.icbc.com/about-icbc/newsroom/Documents/crashes-casualty-crashes.pdf>

<sup>265</sup> <http://www.abbeynews.com/news/387000041.html>



one of these construction phases is likely to span more than one 4-year election term, at any level of government. Completion of the Highway 1 widening to Hope may take decades, but industry, taxpayers, and local governments need to be able to rely on the federal and provincial governments to commit to a plan and get the job done.

While review of traffic patterns and design details/challenges of certain overpasses may affect the specific phasing of this project, every section that Highway 1 is widened will help relieve the congestion and help keep our economy moving. Logical phases might include widening Highway 1 to highway exits that pick up significant industrial and residential areas and North-South transportation corridors in Abbotsford and Chilliwack.

Key Exits and phasing goals might include, in this order:

- Exit 83 Mt Lehman: Significant Industrial areas, YXX Airport
- Exit 92 Sumas Way, Hwy 11: North to Mission bridge and South to Sumas Border Crossing
- Exit 95 Whatcom Road: Significant residential areas and popular traveler stop
- Exit 116 Lickman Road: Significant industrial areas and trucking services hub
- Exit 118 Evans Road: Significant industrial areas and North-South traffic corridor
- Exit 123 Prest Road: Significant residential areas
- Exit 135 Route 9: Bridge to Agassiz, Harrison Hot Springs alt route to Hope

#### THE CHAMBER RECOMMENDS

That the Provincial Government work with the Federal Government to:

1. Recognize the priority of the Fraser Valley portion of Highway 1 as a major economic corridor and establish a higher priority timetable for necessary widening and upgrades from 264th Street, in phases, to Abbotsford and Chilliwack and eventually to Hope;
2. Ensure that a funding commitment is made by both levels of government to ensure timely project completion; and
3. Revise and update the Pacific Gateway Transportation Plan to reflect the shifting base of industrial and commercial activity into the Fraser Valley.

**Submitted by the Abbotsford, Greater Langley, Chilliwack Chambers of Commerce, Surrey Board of Trade, and Greater Vancouver Board of Trade**

**The Policy Review Committee supports this resolution.**

#### **60. IMPROVING CAPITAL RAISING EXEMPTIONS FOR BC CO-OPERATIVES**

##### **Opening Statement: Make Co-ops appealing to investors**

There is an opportunity to increase the retention and circulation of British Columbian's hard-earned money in our own province that will lead to meaningful job creation, increased provincial tax revenues, increased local wealth and economic resiliency. Co-operatives are democratic corporations with considerable investor



protections and director accountability mechanisms built into the legislation under which they are incorporated. Because each member has only one vote no matter how many shares they hold, co-ops are unattractive vehicles for anyone seeking a controlling interest in a company.

## Background

BC co-ops, registered under the BC Co-operative Act<sup>266</sup>, have a special exemption from the prospectus and registration requirements under the BC Securities Act<sup>267</sup> regulations and rules. That exemption has not been changed since its introduction in 2001. The British Columbia Co-operative Association<sup>268</sup>, Community Impact Investment Coalition of BC<sup>269</sup> and the Canadian Community Economic Development Network<sup>270</sup> recommends that it be updated to meet current circumstances. Minor changes would make it a more useful exemption for BC co-operatives whilst providing sufficient protection for investors. Loosening the red tape would permit investors to make the choice to invest their own funds in their communities. These organizations also believe that a new CEDIF-like program<sup>271</sup> is introduced to enable local investment through the Investment Co-op model. This would allow Investment Co-ops to issue an investor tax credit using the existing VCC program or a newly established CEDIF-like program, which keep wealth circulating in the British Columbia economy rather than being invested elsewhere.

Under the current exemption BCI 45-530<sup>272</sup>, B.C. co-ops can issue any number of membership shares as long as no individual invests in excess of \$5,000. For investment shares, there are two additional requirements: the co-op must have no more than 150 members in BC (excluding full-time employees), and the purchaser must have been a member of the co-op for at least 12 months (or since its inception, if the co-op has existed for less than 12 months). If a co-op had exactly 150 members, each of whom invested the maximum of \$5,000, it could raise \$750,000 from the combination of membership share and investment share issuances. In practice, that is unlikely.

The lifetime limit of \$5,000 per investor was intended to limit risk. The number has not been changed since 2001, even though the consumer price index has since risen by over 30% and the cost of British Columbia's real estate has multiplied. The administrative costs associated with small investment amounts are inefficient and frustrating. A higher limit, or an annual limit, would not significantly increase investor risk.

The time requirement in BCI 45-530 is also a deterrent. Co-operatives seeking to raise capital from their members to undertake projects cannot be expected to wait more than a year, and investors do not want to wait a year before investing due to this technicality. There is no evidence that this waiting period advances investor protection; in fact, it may be counterproductive because it makes it harder for co-operatives to respond nimbly to business opportunities.

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266 [http://www.bclaws.ca/civix/document/id/complete/statreg/99028\\_01](http://www.bclaws.ca/civix/document/id/complete/statreg/99028_01)

267 [http://www.bsc.bc.ca/Securities\\_Law/Act\\_Regulations\\_and\\_Rules/](http://www.bsc.bc.ca/Securities_Law/Act_Regulations_and_Rules/)

268 <https://bcc.coop/about-us/>

269 <http://www.bcimpactinvestment.com/>

270 <https://ccednet-rcdec.ca/en/page/bc-community-impact-investment-coalition>

271 <https://nssc.novascotia.ca/corporate-finance/community-economic-development-Investment-funds>

272 [https://www.bsc.bc.ca/Securities\\_Law/Policies/Policy4/45-530\\_Exemptions\\_for\\_securities\\_issued\\_by\\_a\\_cooperative\\_association\\_BCI/](https://www.bsc.bc.ca/Securities_Law/Policies/Policy4/45-530_Exemptions_for_securities_issued_by_a_cooperative_association_BCI/)



The Chamber acknowledges the current analysis underway by the BC Securities Commission to review this exemption and work with industry partners such as the BC Co-operative Association and the BC Community Impact Investment Coalition.

#### THE CHAMBER RECOMMENDS

That the Provincial Government, working with the BC Securities Commission, make changes to the existing co-op securities regulations by amending BCI 45-530 to:

1. increase the \$5,000 cap per investor by raising to a higher maximum, or allow a \$5,000 maximum contribution per calendar year;
2. remove the 12-month membership requirement for purchasing investment shares;
3. significantly increase the maximum number of investors allowed in a community investment co-op; and
4. establish a total investment portfolio level where B.C. co-ops would be required to use the offering memorandum exemption under the BC Securities Act.

**Submitted by the Columbia Valley Chamber of Commerce**

**Supported by the Surrey Board of Trade, Tumbler Ridge Chamber of Commerce, Trail and District Chamber of Commerce, Nelson and District Chamber of Commerce, Creston Valley Chamber of Commerce, Kimberley & District Chamber of Commerce, Salt Spring Island Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

## 61. LEVELING THE PLAYING FIELD FOR LIQUOR DISTRIBUTION IN BC

### Opening Statement

In 2002, discussion around liquor regulation in BC noted that “the government brings no special talents or purpose to retailing, warehousing or distributing alcohol. Increasing opportunities for private-sector involvement will result in improved services, consumer choice and access, and better use of the Liquor Distribution Board (LDB) resources.”<sup>273</sup>

This view, as expressed by the Provincial Government then was reinforced by the BC Government commissioned 2018 Hicken Report<sup>274</sup> that included 24 recommendations aimed at improving efficiency and outcomes in business interaction between government and BC’s liquor industry. The report’s mandate was described as assisting government in focusing limited resources on evaluating industry priorities and reflects government’s interest in developing policy that makes life better for all British Columbians.

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273 2002 BC Government news release <http://www2.news.gov.bc.ca/archive2001-2005/2002CSE0054-000575.htm>

274 <https://www2.gov.bc.ca/gov/content/employment-business/business/liquor-regulation-licensing/liquor-panel>





Many changes have been implemented – including some recommended by the BC Chamber. However, much remains to be done. The specific issue of allowing private business to purchase and warehouse liquor at wholesale prices directly from producers in equal retail competition with GLS (government liquor store) locations has not been adopted.

## Background

The Province holds a monopoly of the distribution, warehousing, and price of liquor sales in the province. The Liquor Distribution Act gives the LDB the sole right to buy alcohol, either imported or produced in BC; and also, the LDB has the sole right to distribute that alcohol within the province.<sup>275</sup> The LDB is responsible for retail sales from all GLS and sales to private liquor stores, restaurants and bars. However, some licensees must still buy alcohol from a GLS branch at retail<sup>276</sup> yet private liquor stores get a 16% discount when they purchase from the LDB.<sup>277</sup> Only the government actually buys wholesale from producers in BC or abroad.

The current model pits private liquor stores in direct competition, with the LDB being able to out-compete any private liquor store on pricing. Private stores may compete through longer hours of operation or refrigerated product – although these are customer service enhancements now available in most GLS. Thus, the playing field is far from level, particularly on price and selection.

The LDB plays a significant role, but most noteworthy to others in the industry is its virtual monopoly in wholesale distribution of liquor. The liquor industry is at a major disadvantage with the government having the sole right to dictate pricing. Industry growth, new job creation, and economic contribution would increase significantly with true price parity between private sector outlets. Once private business sectors can purchase wholesale liquor at wholesale prices, competition – not government policy – will dictate price and quantities sold.

In addition, removing single government distribution and warehousing will create a nimbler responsive system which will support industry growth in line with demand. Consumers and the private sector both win, government revenue is protected, and costs are significantly reduced.

With the private sector on equal footing with government vis-à-vis service delivery, government revenue is not impacted: taxes collected from alcohol sales continue to flow to government regardless of distribution channel.

Private liquor stores and their customers will then have greater choice and easier access to products because private sector operations can choose their own hours of operation and have greater flexibility in managing overhead.

## THE CHAMBER RECOMMENDS

That the Provincial Government:

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275 Liquor Distribution Act: [http://bclaws.ca/EPLibraries/bclaws\\_new/document?ID/freeside/00\\_96268\\_01](http://bclaws.ca/EPLibraries/bclaws_new/document?ID/freeside/00_96268_01)

276 The Act, 10(a)

277 2010 BC Financial & Economic Review <http://www.fin.gov.bc.ca/tbs/F&Ereview10.pdf> (page 94)





1. Amend the Liquor Distribution Act to allow private businesses to purchase and warehouse liquor at wholesale prices directly from producers, in equal competition with GLS locations; and
2. Immediate implement all outstanding recommendations (of the 24) in the 2018 Hicken Report as recommended by the Business Technical Advisory Panel to the Government.

**Submitted by the Kelowna Chamber of Commerce**

**Supported by the Penticton & Wine Country Chamber of Commerce, Summerland Chamber of Commerce and Greater Westside Board of Trade**

**The Policy Review Committee supports this resolution.**

## **62. MANUFACTURING – A SKILLED WORKFORCE**

### **Opening Statement**

In the Canadian Manufacturers & Exporters (CME) Industry 2030 report, 35% respondents to a Management Issues Survey indicated that attracting or retaining skilled labour was one of their three most pressing challenges<sup>278</sup> and topped the list of possible responses. Further, the CME reported that close to 60% of businesses anticipate skilled labour shortages in 5 years. There are multiple strategies to attract youth to trade programs and to attract skilled immigrants. A third approach may be required to meet the growing skills gap: a flexible, easily accessible incentive program for employers to upgrade the skills of existing employees and potential hires to meet their specific skill requirements.

### **Background**

Employers publicly denounce the lack of available skilled labour, which leaves positions unfilled. Unemployed or underemployed university graduates decry the lack of opportunities in their fields. Industry associations, such as CME, advocate for developing a stronger skilled workforce in Canada as part of their Industry 2030 reports.<sup>279</sup>

Loosening immigration and temporary foreign worker regulations to assist employer access skilled labour or introducing the trade careers earlier in the education stream to foster a change of perceptions regarding employment prospects are often proposed. One concept that has yet to be brought forward in any substantive form is the use of tax credits to provide incentives for personal or in-house training.

Despite a variety of programs, grants and tax incentives there is no over-arching, flexible opportunity to encourage employers and employees to work together to fill any skills gap. Employers spend less on training

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278278 Industrie 2030, Manufacturing Growth, Innovation and Prosperity for Canada, CME, CMC. 2016.

P.15. [www.industrie2030.ca](http://www.industrie2030.ca)

279 Industrie 2030, Manufacturing Growth, Innovation and Prosperity for Canada. CME, CMC. 2016.

P.20. <http://www.industrie2030.ca/>



than in previous decades<sup>280</sup> and attracting good workers has become challenging since wages have stagnated.<sup>281</sup>

There are a number of programs that provide some incentives through grants and other tax credits; however, they are limited in various ways to specific demographics and defined circumstances. The Canada – BC Job Grant provides up to \$10,000 to employers per employee; however, the grant only applies to certain demographics, available only for a certain time periods of the year (April through August), must be applied for well in advance of that training period, and comes in the form of a reimbursement for only two-thirds of the cost, requiring the employer and/or employee to pay for tuition up front.<sup>282</sup> There are tax credits available through WorkBC for very specific industries and activities<sup>283</sup> and a federal wage subsidy program for youth only.<sup>284</sup> For older workers there is an employment assistance program for re-training – but only if the worker is unemployed, in a community experiencing high unemployment or economic downturn.<sup>285</sup> The best program by far is the Training Tax Credit for apprenticeships through the Industry Training Authority.<sup>286</sup>

The targeted nature of grants and credits are very helpful to employers to onboard minorities and the sometimes hard to employ; however, if an employer requires a very specialized skill set and has an employee who, with training, could fill the gap, there is little to support either party, particularly for small to medium sized entities.<sup>287</sup>

Employees, whether full or part-time, in their chosen career or underemployed based on their degree attainment bear some responsibility for their own training, but many are caught with student debt and minimum wage positions.<sup>288</sup> Workers cannot gain experience because employers are reluctant to take on those who may require additional skills mentoring. Full time workers with families are unable to shoulder the high cost of tuition that is required for them to keep up with the changing nature of their employment. This is particularly true for positions that are becoming more vulnerable with the rapid advances in

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280 Ontario employers spent \$1,200 in 1993 decreasing to \$700 in 2010. <http://www.conferenceboard.ca/infographics/skills-gap-info.aspx>

281 Morissette, Rene, et al. The Evolution of Canadian Wages over the Last Three Decades. Statistics Canada – Analytical Studies Branch Research Paper Series. 11F0019M-No.347. <http://www.statcan.gc.ca/pub/11f0019m/2013347/part-partie1-eng.htm>

282 <https://www.workbc.ca/Employer-Resources/Canada-BC-Job-Grant.aspx>

283 Training Tax Credit <https://www.workbc.ca/Employer-Resources/Funding-and-Programs/Incentives-and-Tax-Credits.aspx>

284 “Get Youth Working” for BC, 15-29 years old, providing a \$2,800 hiring incentive. <http://canadabusiness.ca/grants-and-financing/government-grants-and-financing/wage-subsidies/>

285 Funding for Employment Assistance for Older Workers <https://www.canada.ca/en/employment-social-development/programs/training-agreements/older-workers.html>

286 <http://www2.gov.bc.ca/gov/content/taxes/income-taxes/corporate/credits/training/employer>

287 Employer/employee tax deductions for scholarships, etc -- “In this situation, the amount of the scholarship or bursary is considered to be employment income for the employee or former employee.” <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/bnfts/dctn/ttn-eng.html>

288 Dehaas, Josh. “Entry-level” jobs are getting harder to find. Macleans. April 5, 2014. <http://www.macleans.ca/work/jobs/entry-level-jobs-are-getting-harder-to-find/>



technology.<sup>289</sup> Further, employees and/or students are eligible for a small tax deduction for tuition fees,<sup>290</sup> but effective January 1, 2017, related education and textbooks deductions were eliminated.<sup>291</sup>

Employers in Ontario were asked why they are reluctant to train, especially the small and medium enterprises who are not training their employees in any substantive manner. The Ontario Chamber of Commerce and Essential Skills Ontario (2014) concluded:

*“Employers are not training due to a couple of key factors, including cost, risk of turnover and ‘poaching,’ and a lack of human resource capacity. The success of employer-driven training programs is contingent on employer engagement. It is vital that government design training and employment programs so that they overcome these barriers. Training and employment programs should be easy to access for businesses, offer flexible training options to the workers who need it, and make room for not-for-profit and private service providers to play an intermediary role in the new training and employment system.*

*Similarly, employers need to get more engaged in building the skills of their employees. Ontario’s population is aging, and our workforce is shrinking. Some 28 percent of OCC members are having trouble filling job vacancies...”<sup>292</sup>*

B.C.’s situation of aging workers and the need for specialized skills is similar to what the researchers in Ontario found and as listed, programs for B.C. employers are limited and at times difficult and create more of a challenge and barrier than incentive. Streamlining opportunities and simplifying application processes would greatly enhance the ability of employers, particularly the small and medium sized entities, to engage in developing their own workforce.

Employers no longer have the luxury of hiring a made-to-order employee as the nature of the labour force has changed and, employees no longer have job security as the nature of their work is rapidly changing due to advances in technology.<sup>293</sup> An over-arching strategy of incentives for skills-upgrading on the job would encourage employers and employees to fill their own gaps with their own resources, particularly when employees have the opportunity to tailor their skill sets to the need at hand.<sup>294,295</sup>

## THE CHAMBER RECOMMENDS

That the Provincial and Federal Governments:

1. develop an easily accessible and understood portal to the tax credits and grants currently available for individually funded and employer-sponsored education expenditures; and,

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289 Hennessy, Angela. “As well or better than humans”: Automation set for big promotions in white-collar job market. <http://www.cbc.ca/news/business/automation-jobs-canada-computers-white-collar-1.3982466>. February 28, 2017.  
 290 Eligible tuition fees: <http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncm-tx/rtrn/cmpltng/ddctns/lns300-350/323/lgbt-eng.html>  
 291 Effective January 1, 2017, the federal education (a \$ amount x #of months) and textbook tax credits will be eliminated. <http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncm-tx/rtrn/cmpltng/ddctns/lns300-350/323/menu-eng.html>  
 292 Holmes, Andrea and Josh Hjartarson. Moving Forward Together: An Employer Perspective on the Design of Skills Training Programs in Ontario. Ontario Chamber of Commerce. 2014.  
 293 Hennessy, Angela. “As well or better than humans”: Automation set for big promotions in white-collar job market. <http://www.cbc.ca/news/business/automation-jobs-canada-computers-white-collar-1.3982466>. February 28, 2017.  
 294 Cappelli, Peter. Skill Gaps, Skill Shortages and Skill Mismatches: Evidence for the US. The National Bureau of Economic Research. August 2014. <http://www.nber.org/papers/w20382>  
 295 Burleton, Derek et al. Jobs in Canada: Where, What and For Whom? Executive Summary. TD Economics. October 2013.



2. expand tax credits and grants and be more flexible in assisting businesses in filling diverse and specific skills gaps as they emerge.

**Submitted by the Surrey Board of Trade**

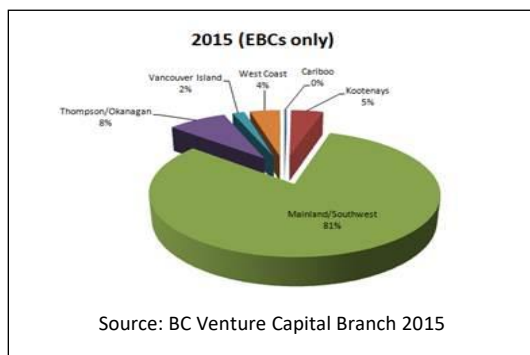
**The Policy Review Committee supports this resolution.**

### 63. MOBILIZING RURAL INVESTMENT CAPITAL

#### Opening Statement: The Need for Rural Investment Capital in B.C.

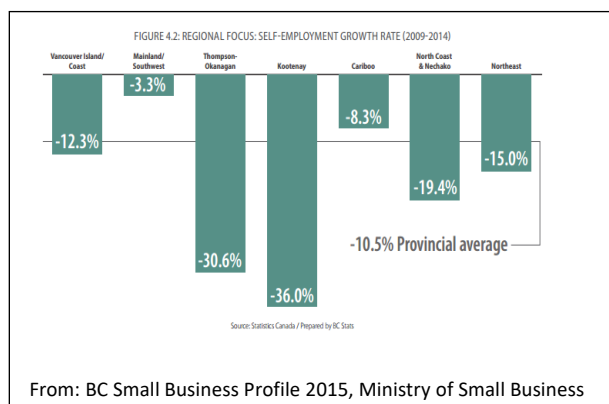
Access to investment capital is crucial to business and economic development anywhere – but is especially important in rural areas. However, research initiatives completed by BC Rural Centre<sup>296</sup>, BC Economic Development Association (BCEDA), BC Community Impact Investment Coalition, and Rural Development Institute (RDI) have noted that it is often difficult to access business financing – and specifically patient equity investment financing – in rural communities. Access to financing was the leading barrier to business expansion identified by business owners surveys conducted by the Columbia Basin Rural Development Institute<sup>297</sup>.

#### Background



For the past two decades, rates of business creation and expansion have been much slower in many rural regions of Canada and BC. Indeed, many rural communities in B.C. have lost a significant number of small businesses. To make matters worse, it is projected that over half of current rural business owners would like to retire in the next five years but anticipate some difficulty in selling their business.

For more than twenty years, the Province of B.C. has supported a very successful venture capital program to help stimulate the development of emerging industries in BC. While very successful, the vast majority of funds raised through this program are invested in Eligible Business Corporations (EBC) which are businesses in high growth sectors, usually clustered in urban areas as depicted in the adjacent graphic.



<sup>296</sup> <https://www.bcruralcentre.org/focus/community-investment/>

<sup>297</sup> <http://www.cbrdi.ca/search/node?keys=business+retention+and+expansion+reports>



While businesses are facing difficulties in accessing capital and the self-employment growth rate is declining, B.C. residents are investing huge amounts of money into RRSPs - most of which is invested outside of the province. In 2013 alone, B.C. residents contributed over \$4.7 Billion to their Registered Retirement Savings Plans. Rural residents in B.C. invested over \$1.2 Billion into their RRSPs in 2013. If only 5% of this was redirected into community investment vehicles this would be over \$235 million province-wide and over \$60 million rurally per year to help improve business growth rates.

### **Successful Models for Raising Investment Capital in Rural Communities**

Recognizing this need, BC Rural Centre and the Community Impact Investment Coalition has completed extensive research to identify best practices in raising rural investment capital. There are several successful models to redirect local investment capital into local economies in Canada, which are:

1. Nova Scotia's Community Economic Development Investment Funds (CEDIF)<sup>298</sup>: the longest community investment program and portfolios operating since the 1990's, incentivized by government policies and tax credits. To date more than 74 companies have been created through the CEDIF process and more than \$96 million has been invested by Nova Scotians<sup>299</sup>. Both Prince Edward Island's Community Economic Development Business Tax Credit program<sup>300</sup> and New Brunswick's Small Business Investor Tax Credit program<sup>301</sup> followed suit of the CEDIF model; and
2. Alberta's Unleashing Local Capital<sup>302</sup> initiative and British Columbia's Community Impact Investment sector<sup>303</sup>: which have been using the community owned co-operative model as an effective local investment tool. This model is growing quickly in British Columbia with the release of a new Community Investment Co-op Start-up and Operations Guide, but the model is still limited by an outdated BC Securities regulation that was introduced in 2001.

Experience in these models have demonstrated that given the opportunity, provincial residents and organizations are more than willing to invest some of their portfolios in their communities and local businesses, which keeps wealth recirculating in the provincial economies.

A CEDIF-type program in BC would mirror the current Venture Capital Program, complete with tax credits, however it would incentivize private investment into new eligible financing sectors such as: affordable housing, small business development, renewable energy, local food systems, social enterprises, and transportation and transit. These funds would be controlled by a local group of officers and directors, who may be chosen by the founders of each CEDIF or by the CEDIF's investors at an annual general meeting.

### **Existing B.C. Government initiatives for Rural B.C.**

The BC Chamber acknowledges that the BC government has taken steps in the past to strengthen rural economies in British Columbia as evidenced by the previous Rural Advisory Council (RAC), the suspended Rural Dividend Program, BC's recent forestry industry support, and the previous Rural Economic

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<sup>298</sup> <https://nssc.novascotia.ca/corporate-finance/community-economic-development-Investment-funds>

<sup>299</sup> <https://nssc.novascotia.ca/before-you-invest/question-week-what-are-cedifs>

<sup>300</sup> <https://www.princeedwardisland.ca/en/information/finance/community-economic-development-business-program>

<sup>301</sup> <https://www2.gnb.ca/content/gnb/en/departments/finance/taxes/credit.html>

<sup>302</sup> <https://www.acca.coop/community-investing-unleashing-local-capital>

<sup>303</sup> <http://www.bcpactinvestment.com/>



Development Strategy. The RAC's terms of reference goes as far as to state that government seeks advise on avenues to support greater rural access to capital.

#### THE CHAMBER RECOMMENDS

That the Provincial Government create a Community Economic and Development Investment Fund (CEDIF) type program for British Columbia, which would enable individuals and corporations within B.C. communities to pool their capital together and invest in local entities that can repay the financing.

#### **Submitted by the Columbia Valley Chamber of Commerce**

**Supported by the Tumbler Ridge Chamber of Commerce, Trail and District Chamber of Commerce, Nelson and District Chamber of Commerce, Creston Valley Chamber of Commerce, Kimberley & District Chamber of Commerce, Salt Spring Island Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

### **64. PROVIDING CERTAINTY FOR BUSINESS THROUGH THE TIMELY ADMINISTRATION OF JUSTICE**

#### **Opening Statement**

A justice system that resolves disputes in a timely and cost-effective manner is a foundation upon which our civil society is based. When legal disputes are allowed to interrupt the lives and business longer than necessary, we all bear the cost. To thrive, business in British Columbia needs a justice system that delivers predictably expeditious resolution of legal matters in accordance with law.

#### **Background**

Businesses in British Columbia wait too long to get justice in our courts. For claims brought in Provincial court – the court of first resort for business disputes under \$35,000 – the wait to get to a trial from when the defendant files its reply is 8.7 months for trials taking less than two days, and 11 months for trials taking 2-4 days<sup>304</sup>. In Supreme Court, wait times for a five-day civil trial are on the order of 18 months<sup>305</sup>.

Worse, scheduled trials and chambers applications have for years been regularly “bumped” due to overscheduling.<sup>306</sup> This is not a new problem. As the British Columbia Supreme Court’s 2018 Annual Report observes:

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304 British Columbia Provincial Court, Semi-Annual Time to Trial Report, September 30, 2019; [https://www.provincialcourt.bc.ca/downloads/pdf/Time%20to%20Trial%20Update%20\(as%20at%20September%2030%202019\).pdf](https://www.provincialcourt.bc.ca/downloads/pdf/Time%20to%20Trial%20Update%20(as%20at%20September%2030%202019).pdf)

305 British Columbia Supreme Court 2018 Annual report at pg. 3;

[http://www.courts.gov.bc.ca/supreme\\_court/about\\_the\\_supreme\\_court/annual\\_reports/2018\\_SC\\_Annual\\_Report.pdf](http://www.courts.gov.bc.ca/supreme_court/about_the_supreme_court/annual_reports/2018_SC_Annual_Report.pdf)

306 Ibid. at pg. 3. “As noted in previous annual reports, bumping of scheduled trials and scheduled long chambers applications in Vancouver and across the rest of the province remains an issue for the Court that causes expense and inconvenience for litigants.” In 2018, 7% of scheduled civil trials and 4.5% of scheduled long chambers applications in British Columbia were bumped; this statistic almost certainly understates the number of cases that do not proceed due to lack of court time, since



“As noted in previous annual reports, bumping of scheduled trials and scheduled long chambers applications in Vancouver and across the rest of the province remains an issue for the Court that causes expense and inconvenience for litigants.

...

Bumping matters increases the cost of litigation when work undertaken to prepare for a trial or a long chambers application has to be redone, and witnesses and experts who have traveled and taken time off of work must reappear at a later date.”

The costs of a trial being “bumped” are significant; businesses pay their lawyers to prepare for the same case two or more times and witnesses travelling from far distances are told to go home and come back months later. The costs to business from these delays can easily be thousands of dollars.

When businesses cannot get access to the justice system in a timely manner, investment decisions are delayed and frustration builds. Businesses that can resolve their disputes quickly and efficiently can spend their time and resources on growing and creating jobs in British Columbia. The undeniable fact is that reducing court backlogs will help business resolve many civil cases thus getting owners and operators back to growing their business and creating jobs for British Columbians.

Two key factors that contribute to delays in our court system are self-represented litigants that overburden our court system; and chronic offenders suffering from untreated or undertreated mental illness and/or drug addiction. To their credit, the provincial government, the courts and others have made a credible commitment to improving efficiency in our justice system. However, these laudable efforts to improve British Columbia’s justice system would be enhanced by addressing these two important sources of court delays.

### **Self-Represented Litigants and Legal Aid**

A major source of delays and backlogs in the court system is the number of litigants who do not have the assistance of a lawyer. The 2018 Annual Report of the British Columbia Supreme Court<sup>307</sup> pointed to self-represented litigants as a key driver of an increase in “complex proceedings”. The report explained the phenomenon as follows:

“Litigants who appear in person because they are unable to afford lawyers usually are not well versed in court procedures. This can have the effect of lengthening hearings. Judges must also be vigilant to ensure that self-represented litigants as much as possible enjoy the same legal rights as those who are represented by counsel.”

Cases where one or both parties are not represented by lawyers very frequently take much more court time than cases where both parties have lawyers. A sense of the disproportionate burden that self-represented litigants place on our courts is given by the recent comments of Judge Robert Hamilton, who noted that if legal aid had been available to the parties in a family law trial over which he presided:

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Supreme Court scheduling routinely advises counsel that there is no judge to hear the matter and invites counsel to maintain their hearing date on “backup” or adjourn to another date.

307 [https://www.bccourts.ca/supreme\\_court/about\\_the\\_supreme\\_court/annual\\_reports/2018\\_SC\\_Annual\\_Report.pdf](https://www.bccourts.ca/supreme_court/about_the_supreme_court/annual_reports/2018_SC_Annual_Report.pdf)





“...that trial, I am sure, would have been completed in six days. Instead it’s going to take 22. Sixteen days of court time have been taken away from a lineup that goes...miles down the road... people waiting for court time to get their case before the court. **And it really is not only a tragedy for those three parents, but for the system and all the people waiting to get access to the system.**” (emphasis added)

Since all parties in the court system draw from the same resources and pool of judges, these delays affect us all. Businesses hoping to resolve their own leasehold, contract or other disputes have their trials “bumped” because the family law dispute goes much longer than necessary.

The increase in the number of self-represented litigants over the last 20 years is directly correlated to the massive reduction in provincial funding for legal aid. Between 2002 and 2005 government funding to the Legal Services Society – the provider of legal aid – was cut by 40%, resulting in closure of 85% of the legal aid offices throughout BC; and a 75% reduction of staff.

Though the provincial government deserves recognition for vastly increasing legal aid in 2018, the damage done by past cuts remains. Though the tariff (allowable hourly rate) for legal aid lawyers in BC was increased effective November 2019<sup>308</sup>, it still remains below Ontario’s present legal aid tariff<sup>309</sup>, and below the level required for lawyers to break even on legal aid retainers.<sup>310</sup>

The failure to adequately fund legal aid is especially objectionable in view of the fact that the government continues to charge a 7% sales tax on legal services. In 2016, that tax generated more than \$172 million in government revenue<sup>311</sup>, just \$74.6 million was used to fund legal aid<sup>312</sup>. When federal transfers are taken into account, the provincial government is putting more than \$100 million of taxes charged on legal services into general revenue<sup>313</sup>. For a tax that burdened upon BC business for the ostensible purpose of funding legal aid, this diversion of funds is simply “unconscionable”.<sup>314</sup>

## Chronic Offenders

A large proportion of offenders in urban centers have a mental illness, a drug addiction, or both, and many are chronic offenders. Incidentally, these same chronic offenders are responsible for a disproportionate share of property crime, which falls heavily on business. The justice system and society at large are challenged to address the risks posed by offenders, while also supporting their health and social needs.

In Vancouver, the Downtown Community Court has proven effective in reducing the burden of chronic offenders on the mainstream court system. The community court aims to address crime in a timely way so

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308 <https://lss.bc.ca/sites/default/files/2019-10/ntc102TariffRateIncrease.pdf>

309 <https://www.legalaid.on.ca/lawyers-legal-professionals/accounts-billing/tariff-billing/>

310 [https://lss.bc.ca/sites/default/files/2019-03/2018-05-11\\_LSStariffInformation\\_0.pdf](https://lss.bc.ca/sites/default/files/2019-03/2018-05-11_LSStariffInformation_0.pdf) at 3.

311 FOI Request - FIN-2017-70041, \$171,923,690.70 collected to the end of November 2016; see [http://docs.openinfo.gov.bc.ca/Response\\_Package\\_FIN-2017-70041.pdf](http://docs.openinfo.gov.bc.ca/Response_Package_FIN-2017-70041.pdf)

312 Legal Services Society 2015/2016 Annual Service Plan Report at pg. 25;

[http://www.lss.bc.ca/assets/aboutUs/reports/annualReports/annualServicePlanReport\\_2015.pdf](http://www.lss.bc.ca/assets/aboutUs/reports/annualReports/annualServicePlanReport_2015.pdf)

313 <http://mtplaw.com/legal-aid-funds-diverted-by-bc-government/>

314 The Case for Replacing the 2002 Legal Services Society Act Part II: A Call to Action [article] Advocate (Vancouver Bar Association), Vol. 74, Issue 4 (July 2016), pp. 529-538

Rowles, M. Anne; Bildfell, Connor





that offenders see the consequences of their behaviour immediately and can make reparation to the community. Working with partner health and social service agencies, the community court takes a problem-solving approach to crime by addressing the underlying health and social problems that often lead to crime. These can include drug and alcohol abuse, mental illness, poverty and poor job and social skills, which make it difficult for an offender to break the cycle of criminal activity.

Many traditional Provincial Court of B.C. cases are delayed because:

- The accused has not applied for legal aid
- The defence counsel has not interviewed the accused, or
- There has not been adequate time to discuss the process or the options with the accused

As a result of these delays, it can take from several months to a year for even the most minor cases to be resolved in a traditional court. Some offenders make many court appearances before their cases are addressed. During that time, many fail to show up for subsequent court dates and eventually end up in jail. By the time the case is resolved, the process has been the punishment and offenders are sentenced to “time served.”

Because the community court has early access to relevant information about the accused, and because there are designated staff resources working together in one location, most community court cases can be resolved within three appearances, minimizing impacts on the victim.

Efforts to create community courts are underway in other communities in British Columbia, such as Kelowna, that struggle with chronic offenders whose behaviour is rooted in untreated or undertreated mental illness and/or drug use. However, these efforts may be stalled or blocked when any one of the partners required to provide the integrated support of a community court (e.g., health, income assistance and housing staff, victim services and native court workers, Crown counsel, police officers, and probation officers) is unable or unwilling to participate due to funding or other constraints.

The Provincial government’s support for community court initiatives throughout the Province would improve outcomes for chronic offenders while also enhancing access to justice for British Columbia business.

## **Conclusion**

Civil, criminal and family court cases are all handled by the same court system. Any delay in a criminal or family case slows down all cases especially civil cases involving businesses. Providing adequate funding to legal aid and supporting community court initiatives will go a long way to dealing with the delays and backlog, which in the end will support businesses along with the families and communities that depend on those businesses.

## **THE CHAMBER RECOMMENDS**

That the Provincial Government:

1. Continue efforts to determine and monitor meaningful performance measures for the civil justice system;



2. Provide support to community courts and similar alternatives to traditional adjudication and sentencing models;
3. Allocate 100% of all revenues collected from the tax on legal services to funding legal aid funding in British Columbia; and
4. Continue to work with the courts and other justice sector participants to develop efficiencies within the justice system.

That the Federal Government:

1. Commit to appointing the number of judges required for the Supreme Court of British Columbia to have a full complement of judges no later than January 1, 2021.

**Submitted by the Kelowna Chamber of Commerce**

**Supported by the Penticton & Wine Country Chamber of Commerce; the Summerland Chamber of Commerce; the Peachland Chamber of Commerce; the Greater Westside Board of Trade; and the Greater Vernon Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

## **65. PST ON IN-KIND DONATIONS**

### **Opening Statement**

Under the Provincial Sales Tax Act, charitable giving of in-kind donations is discouraged by onerous tax implications on the donor. A business providing an in-kind donation is subject to a 7% PST tax on the value of the donation, which is inequitable relative to the treatment of cash donations.

### **Background**

Provincial Sales Tax Act (PST) is defined by the government as a “retail sales tax that applies when a taxable good or service is purchased, acquired or brought into BC unless a specific exemption applies.”<sup>315</sup>

The government has recognized the tremendous benefit to communities from in-kind donations to registered charities and other non-profit organizations, as stated in the government response for 2017. This type of support will become paramount to these organizations as they strive to remain in operation while navigating the reality of a COVID-19 business-recovery environment. In many cases, this sector has access to fewer opportunities for federal and provincial supports and will rely on these donations.<sup>316</sup>

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315 Government, B. (2020). *British Columbia*. Retrieved from gov.bc.ca: <https://www2.gov.bc.ca/gov/content/taxes/sales-taxes/pst>

316 *Canada's COVID-19 Economic Response Plan*. (2020, May 5). Retrieved from Government of Canada: [https://www.canada.ca/en/departement-finance/economic-response-plan.html?fbclid=IwAR2QDqzCPTLrLo7jSFupBcAICrcyUv\\_rsZjUkkklI930Nf3mkiFLuahu3w#industry](https://www.canada.ca/en/departement-finance/economic-response-plan.html?fbclid=IwAR2QDqzCPTLrLo7jSFupBcAICrcyUv_rsZjUkkklI930Nf3mkiFLuahu3w#industry)



In-kind donations are taxable according to the Provincial Sales Tax Act, and thus, PST must be collected on goods or a portion of the goods given away by a donor. There is presently no exemption for in-kind donations under the Act. These uncertainties weigh heavily on businesses and create barriers for businesses in supporting the Non-Profit sector.

The Mission Regional Chamber of Commerce can cite the following examples, whereby certain members of the Chamber (Canadian Tire, Rona, FVBS, and other businesses) have made numerous donations to non-profits or charitable organizations (eg. Mission Hospice Society).

These in-kind donations are used by a non-profits to raise funds, attract engagement, and increase the overall prosperity of the organization. These in-kind donations are often paramount in fundraising efforts.

The businesses are required to pay the PST on the items donated, which can range from any retail item to supplies requested for specific projects. Some businesses benefit from charitable receipts, however, nonprofits are unable to issue these types of receipts. There is presently no method for businesses to declare in-kind donations to charities and nonprofits to exempt these donations from PST. The Act does not provide businesses incentive to donate in-kind to community organizations.

#### THE CHAMBER RECOMMENDS

That the Provincial Government amends the Provincial Sales Tax Act to exempt in-kind donations to Non-profits, NGOs and charitable organizations that serve BC communities.

**Submitted by the Mission Regional Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

#### 66. REINSTATEMENT OF THE BUSINESS VOTE IN BC

Until 1993 a corporate vote existed in British Columbia Municipal Elections.

In British Columbia, businesses pay a significant portion of municipal property taxes; however, businesses do not have the right to vote in the municipal election process. Businesses have become the silent taxpayers - essentially taxation without representation.

The fact that businesses have become the silent taxpayers has led to many municipalities levying an unfair burden of property tax onto their business community. The Chamber is concerned because studies suggest that business uses fewer services than residential and yet, they are paying so much more. As municipalities face increased infrastructure costs, the current system will encourage municipalities to conceal the true costs from the voting residential taxpayers by further increasing the inequity by saddling businesses with ever greater levels of property tax irrespective of their usage and ability to pay.

Business owners invest significantly in our communities - acquiring or leasing real property, employing our residents, supporting social causes, and making significant contributions to their communities. It is critical they have the right to vote in the municipalities in which they make significant investments.



We elect a municipal government to manage our public services (police, fire, economic development, transportation, education, utilities) and perform the planning and development of the industrial, residential and commercial zones.

All communities need an appropriate balance of residential and commercial activity to be successful. The decisions local governments make have to consider the future impact to all parties. Therefore, it is important that businesses have the ability to provide input and influence the election of municipal representatives, who will then determine the strategic plans and policies.

Further to this, local governments are able to levy tax on business irrespective of the profitability of the business. At the provincial and federal level there is a focus on creating an environment conducive to economic growth. Without such an environment, businesses will not flourish and tax revenues will reflect this. Alternatively, municipal governments are able to levy property taxes irrespective of the businesses' success. At the federal and provincial level, where the ability to fund services is dependent on creating a positive environment for economic growth and prosperity, businesses are given the opportunity to play a central role in the decision making, this is not the case at the local level. A business vote ensures businesses are a central stakeholder in local government decision making.

There have been several projects that have proposed effective models, which would ensure fairness among businesses, equity for electors, and administrative workability. The key focus being a legitimate business, located in a municipality and paying business property tax.

In the past, this concept was debated and was not successful, specifically due to concerns over verifying voter eligibility and the 'one person, one-vote' concept. Residential property taxpayers currently have the right to vote both in the municipality where they reside, as well as in another municipality where they own property as a non-resident owner. They may only vote as a property elector for one piece of property in any municipality, regional district or school district. We recommend that a business who is paying business class property taxes, where the owner of the business is not a resident of the municipality, be permitted to have one vote on the same terms as residential property taxpayers. In other words, if you have a business in one municipality and are a resident in another, you may vote in both jurisdictions.

The limited participation by business in the past has also been interpreted as insufficient public support to warrant the change. Business should have the right to vote, regardless of the preliminary number of businesses who choose to exercise that right.

Further to this concern, the Chamber also believes that the need for business to be represented in municipal elections has increased dramatically since 1998. Local governments are expected to provide an ever-increasing range of services through downloading from senior levels of government. The expansion of services provided by local government has a direct impact on the ability to meet the needs of the business community. Local governments are responsible to provide the foundation for economic growth as this is a key factor in a business' ability to attract workers, service customers, and expand their businesses. While these services are also of significant importance to the residents of a community the significant difference is that residents of a community have the ability to hold their elected representatives to account through the exercise of their democratic right to vote— business has no such right.



## THE CHAMBER RECOMMENDS

That the Provincial Government allow business a voice in municipal elections by working with the business community to introduce a business vote for business property taxpayers where the business operator does not reside in the same municipality where the business property is located.

**Submitted by the Greater Langley, Kelowna and Terrace & District Chambers of Commerce**

**Supported by the Cranbrook Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

## 67. REMOVING UNCERTAINTY FROM COMMUNITY AMENITY CONTRIBUTIONS

### Opening Statement

Community amenity contributions (CACs) are becoming a feature of development in many parts of British Columbia. Municipalities negotiate CACs from those seeking a change in zoning, in order to capture some of the boost in land values that results from a change in use or an increase in density. This practice has grown immensely in recent years and seems poised to continue. Additionally, the amount of CACs taken by the municipal sector can be high and it is growing. In a City of Vancouver report, it is noted that in “...2011 approvals of additional density secured approximately \$180 million in public benefit commitments.”<sup>317</sup> In 2018 alone, the City of Vancouver obtained over \$70 million in cash-in-lieu CACs and over \$700 million of public benefits were secured through approvals of additional density.<sup>318</sup>

CACs can cause a number of issues:

- Impacts affordability by significantly increasing costs and reducing the land available for sale;
- Creates barriers to entry for small builders who don’t have the capacity to amortize these costs and manage the process, and in doing so, reduce the diversity of development projects;
- Causes proliferation of red tape, as every municipality takes a unique approach to CACs;
- Many local governments rely on negotiations to obtain CACs which are inherently not transparent, fair or predictable for builders;
- Hinders an industry which provides significant employment, and whose work leads to more efficient use of land, thus an increased tax base;
- Not a reliable or consistent revenue source for local governments as it relies on the state of an ever-changing market and,
- At times CACs are even applied to rental properties and commercial projects, further impacting the ability to deliver new job space and affordable housing.

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317 <https://council.vancouver.ca/20120612/documents/cfsc-1b.pdf>

318 <https://vancouver.ca/files/cov/annual-report-community-amenity-contributions-and-density-bonusing-2018.pdf>



Both affordability and economic development are impacted by CACs. In terms of affordability, the Province notes that when large CACs are extracted, builders are forced to lower their bids for land. Many land vendors will not accept lower prices and will effectively remove their land from the market. This shrinks the supply of available developable land and the number of units that can be built, which is particularly worrisome in a province that already has the most expensive housing in Canada and where home prices are expected to rise in 2020<sup>319320</sup>.

There is also concern about the economic impacts of affordability as attracting and retaining workers is an important determinant of future growth and prosperity for our region. Housing affordability remains one of Greater Vancouver's most pressing challenges, with the median household price being 12.6 times higher than gross yearly household income; a ratio above 5 is considered unaffordable<sup>321</sup>. A recent survey of businesses in Greater Vancouver found that 60 per cent of its Members businesses report having trouble recruiting and retaining workers due to the high cost of living in Metro Vancouver and nearly a quarter of them (23 per cent) have considered relocating away from the region due to affordability concerns<sup>322</sup>. CACs can delay the construction of new projects and jobs. MNP Consulting, in 2016, outlined the economic impacts that the development industry has in BC.<sup>323</sup> Table 1-1 summarizes the economic impacts as a whole.

Table 1-1: BC Property Development Industry - Total Economic Impacts (2016)

	<b>Output</b> (\$ millions)	<b>GDP</b> (\$ millions)	<b>Employment</b> (FTEs)	<b>Federal Tax</b> (\$ millions)	<b>Provincial Tax</b> (\$ millions)	<b>Municipal Tax</b> (\$ millions)
<b>Direct</b>	27,305	12,172	123,247	639	670	634
<b>Indirect and Induced</b>	19,135	10,680	110,366	1,344	978	300
<b>Total</b>	<b>46,440</b>	<b>22,852</b>	<b>233,613</b>	<b>2,972</b>	<b>2,193</b>	<b>1,388</b>
<b>Percent Change from 2012</b>	32.4%	34.6%	5.4%			

Because this tax is paid by a very small constituency, it is effectively hidden from the public and has mostly indirect effects, the risk of exploitation is high and the need for careful implementation is clear.

### Why CACs

Distinct from Development Costs Charges (DCCs), CACs are attached to re-zoning applications. Local governments negotiate CACs from those seeking a change in zoning to help fund a range of amenities or facilities that are excluded from consideration in DCCs, including new parks, community facilities, public art,

319 <https://www.crea.ca/housing-market-stats/mls-home-price-index/hpi-tool/>

320 [https://www.central1.com/wp-content/uploads/2019/11/ECON\\_EA\\_BC\\_20190522.pdf](https://www.central1.com/wp-content/uploads/2019/11/ECON_EA_BC_20190522.pdf)

321 <https://www.boardoftrade.com/scorecard2018/assets/pdf/full-report.pdf>

322 [https://assets.website-files.com/5b76c6dd74ffe42180e12e1/5d7d9a9ecb34e47193a0e5c3\\_VoteLocal%20-%20Canada%20Votes%202019%20Report-FINAL.pdf](https://assets.website-files.com/5b76c6dd74ffe42180e12e1/5d7d9a9ecb34e47193a0e5c3_VoteLocal%20-%20Canada%20Votes%202019%20Report-FINAL.pdf)

323 <https://udi.bc.ca/wp-content/uploads/2018/02/MNP-Economic-Impact-Report-201618.pdf>



affordable housing, daycare, etc. CACs mean these are paid for by development, not by the tax base. They are, in many cases, explicitly a way for the municipality to extract some or all of the value created by up-zoning of property.

DCC by-laws must be approved by the Province and are allowed only to cover specific costs, namely, water, sewer, drainage and roads and park land. There is a detailed provincial *Development Cost Charge Best Practices Guide*<sup>324</sup> for municipalities and the industry that is over 100 pages.

CACs arise through municipal discretionary powers in re-zonings. Councils have the right to review the impacts of projects when assessing them and what builders offer to mitigate those impacts. This discretionary power has evolved into CACs. There is no specific legislation dictating CAC implementation. The Province has only created a short best practices guide for CACs that is neither detailed nor enforced, resulting in a variety of municipal approaches and policies. They are set on a fixed rate, or negotiated individually.

### Calculating CACs

The methodology for establishing CACs varies. The development industry supports needs based assessment:

- The impacts of growth are identified;
- The community infrastructure (beyond DCCs) needed to mitigate those impacts is determined;
- The costs of this community infrastructure is estimated; and
- Costs per unit, or per square foot for builders is established.

For example, Coquitlam charges a \$3 per square foot CAC, based on this approach, for a community centre in the Burquitlam area that was identified by the community as a need. Surrey conducts a similar needs assessment for new development areas through its Neighbourhood Concept Plan process.

More problematic are revenue-based approaches: “land value increase” and “land lift”. The land value increase approach is determined by the per square foot value of land in an area and the project is charged a percentage (e.g. 35%, 50%, 65%, 75%, or 100%) of that value for the additional density allowed. The land lift approach uses the increase in land value from a re-zoning. Again, the municipality takes a percentage of the increase in value. The land lift calculation is particularly difficult to assess and negotiate, as builder pro formas can be several pages long with dozens of line items, each one debatable in terms of its value. In many instances, the builder and/or the land vendor is not allowed any share of the benefits of a re-zoning. Neither approach links development impacts with the fees charged.

### Negotiated CACs vs. Target CACs

CACs that have targeted rates are preferred for their transparency and timeliness. Additionally, builders are better informed about the significant costs when purchasing land. Whereas the negotiated approaches can be significantly problematic because of the unpredictability of the process as well as the risk, time, and cost they add to a project. It has been reported that some projects have taken multiple years of negotiations with municipal staff to determine the suitable zoning and on/offsite amenity contributions. Negotiations for small

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324 [https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/finance/dcc\\_best\\_practice\\_guide\\_2005.pdf](https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/finance/dcc_best_practice_guide_2005.pdf)



projects have also been difficult due to lengthy negotiations with municipalities on CACs. This is exacerbated because there currently is no dispute resolution process in place for any municipality for addressing protracted and stalled negotiation processes.

The negotiations are often highly subjective and inconsistent on a square footage basis. In some municipalities, a comparison of major projects has resulted in negotiated CAC's ranging from \$6 to \$38 per square foot, without reasonable explanation for the differences. Due to the opaque nature of negotiations, public trust in the development review process can be undermined and eroded – fostering NIMBY reactions to projects.

Additionally, due to a lack of standards, there have been municipal council decisions on CACs that are not necessarily in the best interest of the community and its amenity needs.

### Province's Guide on CACs

In March 2014, the Province released a high-level guideline called *Community Amenity Contributions: Balancing Community Planning, Public Benefits and Housing Affordability*.<sup>325</sup> It addresses the legality of CACs and their impacts on housing affordability. The guide also includes recommended best practices.

The Province is concerned about the legality of some municipal CAC approaches, as there is no clear legislated authority to charge CACs. In addition, section 931 of the *Local Government Act* “includes a number of restrictions on fees, charges and taxes that can be imposed on development applications. One provision of particular importance to rezoning applications is subsection (6).”<sup>326</sup>

“(6) A local government, the City of Vancouver or an approving officer must not  
 (a) impose a fee, charge or tax, or  
 (b) require a work or service be provided  
 unless authorized by this Act, by another Act or by a bylaw made under the authority of this Act or another Act.”<sup>327</sup>

The guide recommends that local governments pre-zone areas with density bonusing. Under Section 904 of the *Local Government Act*, municipalities are allowed to do this to fund growth related amenities. With density bonusing, zoning bylaws are written to allow “... a developer to build either to the “base” density or to a higher level of density, if they provide certain amenities or affordable housing, or meet other specified conditions.”<sup>328</sup> Some local governments are wary of using this power because it limits the flexibility they enjoy through the rezoning process.

The Province's Guide directs local governments to ensure that their density bonusing and CAC policies:

- Are a planning tool, not a revenue tool, and that CACs be *modest*;

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325 [https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/planning-land-use/community\\_amenity\\_contributions\\_guide.pdf](https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/planning-land-use/community_amenity_contributions_guide.pdf)

326 [https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/planning-land-use/community\\_amenity\\_contributions\\_guide.pdf](https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/planning-land-use/community_amenity_contributions_guide.pdf)

327 [http://www.bclaws.ca/civix/document/id/consol21/consol21/96323\\_30](http://www.bclaws.ca/civix/document/id/consol21/consol21/96323_30)

328 [https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/planning-land-use/community\\_amenity\\_contributions\\_guide.pdf](https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/planning-land-use/community_amenity_contributions_guide.pdf)





- Follow the principles of the Development Cost Charge approach, in which growth impacts, and amenities/capital infrastructure to mitigate those impacts are determined and cost out, so clearer financial targets for projects can be determined; and
- Not base CACs on 'land lift'.

The development industry and business groups generally support the targeted density bonusing/CAC approach in the Province's Guide. Nevertheless, there is no assurance that the guide will be followed, or little assurance regarding how the Province will monitor if local governments are following the guide. All of the above point to the need for a complete overhaul of the CAC rules and the need for provincial government intervention.

#### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Develop with municipalities and stakeholders a detailed Best Practices Guide for CACs and density bonusing similar to the *Provincial Development Cost Charge Best Practices Guide* that could also support the below legislative framework;
2. Introduce a robust ongoing monitoring program to ensure that the above best practices guide and the *Community Amenity Contributions: Balancing Community Planning, Public Benefits and Housing Affordability Guide* are being followed; and report its findings every year;
3. To the extent that non-compliance is identified, create – in consultation with municipalities and stakeholders – legislation on CACs and similar mechanisms that ensure;
  - a. compliance with the Guide in implementation including transparency and mechanism will be adhered to;
  - b. minimal effect on affordability/viability for all redevelopment sites;
  - c. provincial laws are complied with (as with Development Cost Charges); and
4. Work with municipalities and stakeholders to determine an effective third party escalation mechanism to help ensure timely decisions pertaining to the negotiated CACs process are made.

**Submitted by the Greater Vancouver Board of Trade**

**The Policy Review Committee supports this resolution.**

## 68. TRANSITIONING WORKERS TO FULL EMPLOYMENT

### Opening Statement

In 'Accessibility 2024', the provincial government's goal for BC is to have the highest labour participation rate for people with disabilities in Canada by 2024 (p.12); a laudable and supportable goal; however, there is a sub-set of individuals who receive disability supports that are not well represented in the government literature. These individuals are recovering from a long-term illness and are preparing to re-enter the labour market. To ensure their successful re-integration, they require flexibility in the Disability Assistance Program



to help both the employer and employee accommodate the transition from a few hours a week to full-time employment.

## Background

Although this likely affects a small number of employers (numbers not publicly available due to privacy concerns), workers in this sub-group are not covered by insurance or their insurance had time-limits and they are not Workers Compensation Board (WCB) or Insurance Corporation of BC (ICBC) related and there is no union agreement in place. The challenge requiring time away from employment is usually a major illness or injury of some kind that, at some point, can either go into remission, or the individual is “getting better,” or is in some form able to return to work.

Under ideal circumstances, a worker is covered by their employment insurance benefits, and the accommodations required are agreeable to all parties.<sup>329</sup> Unfortunately, not all employees on long-term leave are covered if their employers were not able to provide an insurance benefit, or the benefit is time-limited. Not all employers are able to accommodate if the accommodation requires “undue hardship.”<sup>330</sup>

Limited by lack of assistance, these individuals end up on disability assistance which provides them and any family members a set income per month, plus the ability to earn up to various amounts (determined by their family income, as it applies) per year, before a dollar for dollar deduction or “clawback” is triggered. The exemption limits are:

- \$12,000 for a single person with the Persons with Disabilities designation
- \$14,400 for a family with two adults where only one person has the Persons with Disabilities designation
- \$24,000 for a family where both adults have the Persons with Disabilities designation

Any money earned over those annual earnings exemption limits will be deducted dollar for dollar from the assistance payments; however, to successfully re-integrate into an employment situation, individuals may find the maximum allowable support to be a barrier as they gradually increase their employment hours but are not experiencing the benefit. Further, the increase in employed hours paid may not be sufficient to replace the disability support, hindering the employee’s ability to leave the disability assistance program, particularly if that person has dependents.

The dollar-for-dollar deductions after allowable earnings is a major barrier to a successful return-to-work plan requiring recovering employees to full-time while ensuring sufficient income. If returning too soon, the employee can suffer a medical set back impacting their recovery and the workplace. What is required for these willing workers, is a flexible assistance schedule that allows for increasing hours and commensurate pay, and extra time required to successfully integrate. A temporary transitional interim support of 50% deduction before full dollar to dollar recovery, as part of their plan and with the concurrence of their government case worker, would be of great value to ease and encourage a skilled worker back to full employment.

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<sup>329</sup><https://www.canada.ca/en/employment-social-development/programs/planned-accessibility-legislation/consultation-legislation.html>

<sup>330</sup> Canadian Human Rights Commission, <http://www.chrc-ccdp.ca/eng/content/guide-managing-return-work>



A safe and timely return to work benefits the patient and their family by enhancing recovery and reducing disability. Through improvement of health outcomes, a safe and timely return to work also preserves a skilled and stable workforce for employers and society and reduces demands on health and social services as well as on disability plans.” — “The Physician's Role in Helping Patients Return to Work After Illness or Injury,” Canadian Medical Association, 201.<sup>331</sup>

THE CHAMBER RECOMMENDS

That the Provincial Government in their Annual Earnings Exemption table, introduce a transitional Disability Assistance graduated recovery of incomes earned over the allowable income exemption for individuals transitioning to full or near-full employment as part of a gradual return-to-work program.

**Submitted by the Surrey Board of Trade**

**The Policy Review Committee supports this resolution.**

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331 <https://www.canada.ca/en/treasury-board-secretariat/services/values-ethics/diversity-equity/disability-management/fundamentals-return-to-work-plan.html>



## 69. PORT AND MAJOR AIRPORT SHARE CAPITALIZATION

### Background

The Department of Finance investigated the “share capitalization” of Canada’s ports and major airports, as suggested in recommendations 9.3b and 10.3a of the 2016 Canada Transportation Act Review. This would have changed the current governance structure, so they’d be owned by private shareholders and no longer operated as not-for-profit commercial airports or quasi-commercial port authorities. Such a decision would have had significant adverse effects on the transportation sector, to the detriment of Canadian consumers and businesses.

Our critical transportation infrastructure connects businesses with opportunities around the globe and across the country. It links visitors with tourism operators and helps international students pursue educational opportunities. Our ports and airports create jobs, facilitate the movement of people and capital, and ensure that Canadian products get to market. Therefore, their governance is of the utmost importance to Canada’s business community. A move towards a share capitalization ownership model, regardless of short-term capital inflows, would jeopardize Canada’s long-term economic competitiveness and would be detrimental to the interests of the Canadian public and business community.

To maintain a competitive, responsible, and sustainably governed transportation industry, it is crucial for port and airport governance to reflect the values and direction of the communities they serve, and to protect national economic interests. A model in which shareholders make decisions regarding our critical transportation infrastructure would pose a key threat to such responsible governance, drive up costs, and require greater government oversight to regulate these newly minted private-sector monopolies. As commercial entities these pieces of critical gateway infrastructure have already harnessed the efficiencies that come with a profit-maximization model. Our current governance model is a successful “made in Canada” story, that has facilitated significant sustainable growth in our transportation industry.

We understand the budget challenges of ensuring secure, long-term funding for large infrastructure projects. However, we strongly urge the Federal Government to consider the negative potential impacts of share capitalization of Canada’s ports and major airports, including higher costs, lower service levels, less capital investment, decreased competitiveness, and the loss of control of a key economic driver and trade facilitator. Decisions would move from the communities or representative user groups in which these critical pieces of infrastructure operate to large groups of shareholders looking to optimize returns.

### *Major Airports*

Currently, non-profit airport authorities operate Canada’s major airports. Their major capital investments have already been paid for by passengers, airlines, and the airport authorities. If these airports are sold, users will pay for them all over again and at a much higher cost in order to finance shareholder return and cost of acquisition.<sup>332</sup> Our airports are already privatized, and there are no economic advantages to changing directions.

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<sup>332</sup> <http://www.cbc.ca/news/canada/british-columbia/privatization-proposed-federal-changes-1.3848696>



Through the process of commercialization in the 1990s, Canada's airports have already reaped the benefits of privatization including; transferring capital and operating expenses from taxpayers to private operators; access to capital markets at relatively low rates of borrowing; market discipline and increased efficiency; customer service focus; and striving for innovation. Profits from airports would no longer be directly invested back into the entity and instead be used to pay dividends to shareholders, who would be incentivized to maximize profit margins and shareholder returns. These for-profit entities would also face changes to their ability to borrow money and make the necessary investments in long-term infrastructure. YVR's 2037 investment plan is evidence that the current model already properly incentivizes these investments.

Due to fees, taxes, and charges, including after-tax fuel costs, Canadians face some of the highest air-travel costs in the world, negatively impacting our economic competitiveness. Share capitalization would only exacerbate these issues, and move future decision-making outside of the public interest.<sup>333</sup>

Australia has already gone through this process with its airports and it has been found that airports collect significantly more aeronautical revenue per passenger than before their airports were share capitalized. Meaning that passengers and airlines are paying more to access the airports.<sup>334</sup> Despite these increases in revenues, ratings of service quality have not substantially changed. The Australian Competition and Consumer Commission (ACCC) suggests that airlines and passengers in Australia have paid up to \$1.6 billion too much for airport access due to this model.<sup>335</sup> The chair of the ACCC, Rod Sims, recently claimed that while privatization often enhances efficiency and economic activity the privatization of Australia's airports and ports was "severely damaging" to the economy.<sup>336</sup>

#### *Canada Port Authorities*

Established under the *Canada Marine Act (1998)*, Canada Port Authorities facilitate Canada's trade objectives in a commercially viable way, ensuring goods and passengers are moved safely and efficiently, while protecting the environment and considering local communities. They also act as agents of the Federal Crown to manage federal land, an important function of which is First Nations consultation and engagement.

As a trading nation, Canada has much to offer the world, and Port Authorities are a key part of a highly competitive and very dynamic global trading system. Canadian Port Authorities provide key infrastructure for Canada's national and international supply chain systems. The importance of positioning our export-dependent economy for the future should not be underestimated. In 2019, Canada's Port Authorities handled over 340 million tonnes of cargo, directly and indirectly employing more than 213,000 people, all while supporting local regional economic development in communities across the country.<sup>337</sup>

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333 <http://www.theglobeandmail.com/report-on-business/rob-commentary/the-model-is-not-broken-only-dented-the-trouble-with-canadian-airport-privatization/article33359029/>

334 [https://www.accc.gov.au/system/files/2015-16%20AMR%20revised%206%20March\\_0.pdf](https://www.accc.gov.au/system/files/2015-16%20AMR%20revised%206%20March_0.pdf)

335 <https://yow.ca/en/media-center/cta-review/accc-suggests-airport-regulation-says-flyers-pay-16b-extra-fees-due-privatisations>

336 <https://www.theguardian.com/australia-news/2016/jul/27/acccs-rod-sims-says-privatisations-severely-damaging-economy>

337 Canadian Sailings Feb 24, 2020 Canadian Ports and Terminals, W. Zatylny Association of Canadian Port Authorities page 9



If Ports were to be share capitalized, government would have to take on the regulatory and statutory functions currently under the responsibility of Canadian Port Authorities. This would require a significant regulatory overhaul, and the overall process of privatizing such a monopoly would place a significant resource burden on the government.

Canada Port Authorities already operate in a quasi-commercial manner, and would have little to gain in terms of efficiency if they were to be privatized. Such a move would risk compromising long-term competitiveness, reduce investment in infrastructure, and undermine public trust in our ports.

As Canada continues to develop its critical gateway infrastructure and tap into new markets, it is vital that the Federal Government make no decision that would jeopardize the long-term competitiveness of our ports and airports.

#### THE CHAMBER RECOMMENDS

That the Federal Government:

1. Maintain a competitive and responsibly governed transportation industry by retaining the current governance model for Canada's ports and major airports;
2. Engage directly with stakeholders and industry experts before any further discussions regarding changes to the governance models of Canada's major transportation infrastructure.

**Submitted by the Greater Vancouver Board of Trade**

**Supported by the Richmond Chamber of Commerce, Greater Nanaimo Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

## **70. SUPPORTING NEW INVESTMENT IN INFRASTRUCTURE TO ENHANCE CANADA'S ASIA PACIFIC GATEWAY INITIATIVE**

### **Opening Statement**

In 2007, the Government of Canada, in cooperation with the Government of British Columbia and the three Prairie Provinces, developed and embarked on an ambitious program of capital and legislative infrastructure investments to create the Asia Pacific Gateway Canada Initiative (APGCI). The investments were focused on the "Gateway" corridors linking the Port of Prince Rupert and Lower Mainland regions of British Columbia with the inland supply chain of Western Canada and the rest of the continent.<sup>338</sup>

Over the following ten years after 2007, the APGCI was transformational towards enabling the growth of the economy for the benefit of all British Columbians through increased and enhanced trade. As the Gateway

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338 [www.asiapacificgateway.gc.ca](http://www.asiapacificgateway.gc.ca)  
[www.pacificgateway.gov.bc.ca](http://www.pacificgateway.gov.bc.ca)



Initiative is now over a decade old, it is time to reflect upon its successes; analyze its impacts (positive and negative; both intended and unintended); and, most importantly, encourage innovative and coordinated investments in various new potential strategic infrastructure, systems and marketing initiatives towards achieving continued growth, improvement and evolution of the APGCI. While the federal government has since implemented and funded the National Trade Corridor Fund (NTFC), to their credit, a renewed APGCI as both a concept and infrastructure delivery vehicle is needed to ensure we have the trade enabling infrastructure to take advantage of the economic opportunities in the fast-growing Asia-Pacific via our Pacific Gateway. This notion was also supported by the Canadian Chamber of Commerce in its upcoming 2017 Infrastructure Report that identifies “insufficient coordination of public-private trade-enabling infrastructure investment in Canada’s vital Asia-Pacific transportation networks” as a problem affecting the capacity and efficiency of the Asia Pacific Gateway and Corridor.<sup>339</sup>

## Background

The APGCI sought to:

- Boost Canada’s commerce with the Asia-Pacific region: China, India, Japan, South Korea and Southeast Asia;
- Increase the Gateway’s share of North America bound container imports from Asia; and
- Improve the efficiency and reliability of the Gateway for Canadian and North American exports.

These goals were to be achieved under development and implementation of key strategies within the following five priorities:

1. Build a global identity for Canada’s Pacific Gateway;
2. Strengthen B.C.’s trade and investment relationships;
3. Develop a world-class supply chain and gateway infrastructure;
4. Develop and attract a skilled labour force; and
5. Position B.C. as North America’s Asia-Pacific destination.

According to Transport Canada, federal funds of \$1.4 billion leveraged \$3.5 billion in total project funding and the investments had a spinoff effect in private investments exceeding \$14 billion.<sup>340</sup>

Over the life of the initiative, 47 strategic transportation infrastructure projects valued at more than \$3.5 billion were announced by the federal government in partnership with all four western provinces and other public and private sector partners. Specific examples for British Columbians include almost \$6 billion committed to support the objectives of improving both the capacity and efficiency of the country’s transportation system, and advancing the competitiveness of the Canadian economy. Specific infrastructure investment examples include the South Fraser Perimeter Road and the Roberts Bank Rail Corridor.

Canada and participating Gateway provinces have also invested in non-capital improvements to enhance the Gateway. According to these governments: improvements have been identified and implemented to reduce policy, regulatory and financial barriers, to improve the business environment for trade growth, and to enhance freight operations at key facilities by way of company-level agreements, application of new technology and establishment of innovative operational practices. While investments towards achieving the strategic priorities of the Gateway were the direct catalyst for these improvements all businesses in all

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<sup>339</sup> Canadian Chamber of Commerce May 2017 Infrastructure Report.

<sup>340</sup> <http://news.gc.ca/web/article-en.do?nid=1057809>



sectors have had the opportunity to receive the net positive results.

APGCI infrastructure continues to be a significant driver of economic growth throughout British Columbia. However, the growth rate has begun to slow and other challenges have arisen from its early success. In essence, British Columbia has started to become a victim of its own success related to unintended consequences of rapid Gateway-related growth. The growth has exacerbated the worsening and extremely expensive congestion problems in the Lower Mainland of B.C. This congestion is being seen at shipping terminals, distribution centres and commuter roads. General examples of congestion related negative impacts include:

- Inefficient and ineffective delivery of imports from ship to shelf
- Increased wear and tear on already over-stressed municipal road networks
- Lost time to commuters in vehicles and public transit
- Worsening environmental impacts to air sheds and waterways
- Further threats to agricultural land from the insatiable appetite for expansion of road networks and industrial warehouse developments
- Real threat of the Gateway no longer being the “gateway of choice” in the Pacific region of North America as shippers lose confidence in our resiliency and ability to fulfill the needs of the supply chain
- Continued stifling of economic growth to the point of potential no real net gains

Furthermore, and even with the investments and success of APGCI to date, “Canada’s port infrastructure has slipped from 14th place in the World Economic Forum’s Global Competitiveness Index in 2010-11 to 21st place in 2014-15” according to Alex Brinkley.<sup>341</sup> The looming threats to the Gateway’s continued positive contribution demonstrate that it is time the initiative be reinvigorated through strategic investments to catalyze its evolution. The Canadian Chamber of Commerce notes in its upcoming May 2017 Infrastructure Report, that: “despite the success and strong industry support for the initiative, no additional funding was provided for APGCI when a new a federal infrastructure framework was announced in 2013-14. The value of the program was reaffirmed in the 2016 report of the Canadian Transportation Act Review which found that, “the gateway approach of linking trade and transportation together in an integrated, multi-modal and public-private strategy was widely recognized as a Canadian best practice.”<sup>342</sup>

#### **Proposed APGCI Reinvigoration Action Items:**

As stated by the BC Chamber of Commerce in its submission to the Canada Transportation Act Review Panel: “The APGCI is a model of infrastructure investment that worked and the federal government should continue to use the APGCI to continue to build needed transportation infrastructure in B.C and across western Canada.”<sup>343</sup>

Therefore, this Resolution proposes that the Gateway be reinvigorated by the following action items:

1. That the following recommendation from Chapter 3, Linking Trade and Transportation, of the 2016

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341 Canadian Sailings magazine: <http://www.canadiansailings.ca/maritime-transport-needs-shakeup-emerson-report-recommends/>

342 Canadian Chamber of Commerce May 2017 Infrastructure Report.

343 December 2014 Submission Re: Canada Transportation Act Review Panel. Available online:

<http://www.bcchamber.org/advocacy-news/december-2014-submission-re-canada-transportation-act-review-panel>





Canada Transportation Act Review (known as The Emerson Report) be implemented: “the Government of Canada renew the Ministerial mandate for Gateway and Corridor strategies in order to provide leadership on efforts to link trade and transportation and consider budgetary allocations to support investment in transport corridors”<sup>344</sup>.

2. That the Governments of Canada and British Columbia review the past ten years of the APGCI and strategic investments to reinvigorate the Asia Pacific Gateway Canada Initiative from the perspective of leveraging opportunities outside of the existing corridor to provide resiliency, mitigate environmental impacts and create wider-reaching economic impacts.
3. That the Governments of Canada and British Columbia invest in key strategic infrastructure improvements and developments related to inland ports and multimodal hubs that offer opportunities to attract investment such as the proposed new Port Alberni Transshipment Hub (“PATH”).

#### THE CHAMBER RECOMMENDS

That the Federal Government work with the Provincial Government to develop a reinvigorated and revitalized new APGCI strategy to meet the evolved needs of the Gateway and international trade.

**Submitted by the Alberni Valley Chamber of Commerce**

**The Policy Review Committee supports this resolution.**

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344“ Pathways: Connecting Canada’s Transportation System to the World,” Canada Transportation Act Review; Emerson, David, p.264. Available online: [http://www.tc.gc.ca/eng/ctareview2014/CTAR\\_Vol1\\_EN.pdf](http://www.tc.gc.ca/eng/ctareview2014/CTAR_Vol1_EN.pdf)

