RESILIENCE to Recovery

Big Thinking for Small Business

2021–2022 Policy & Positions Manual

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

Introduction

The BC Chamber of Commerce (the Chamber) is registered under the Societies Act (British Columbia) as a volunteer, not-for-profit association and serves its members as the provincial federation of autonomous community chambers of commerce, boards of trade, and corporate members.

Known to have been in operation as early as March 1867, the Chamber was re-established in 1952 to:

1. Develop a true cross-section of opinions of the British Columbia business community, and effectively present these opinions to government;
2. Build a diverse, competitive and sustainable economy that provides opportunity for all who invest, work and live in British Columbia; and
3. Create and nurture an effective membership organization that provides value and purpose to its members.

This Policy and Positions Manual contains informed opinions and policy statements adopted by members during the policy sessions at the Chamber's 69th Annual General Meeting. The meeting was held virtually via Zoom on May 28 and 29, 2021.

The Chamber's policy statements contained herein are submitted or presented to the provincial and federal governments and are individually called to the attention of the cabinet ministers responsible in order to make it possible for pending government legislation and regulations to reflect the individual opinion of our chamber members.

The Policy and Positions Manual also serves as a working document for the Chamber's Staff and Policy Review Committee, as well as members, to regularly review and assess the timeliness, importance, and scope of the Chamber's policy statements.

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Principles of Effective Public Policy

Public policy affects BC businesses and the economy of British Columbia through the impact of:

- Regulation;
- Taxation; and
- Provision of government services, programs and infrastructure.

Regulation

Well-designed and effectively enforced regulation does improve how the economy functions by providing certainty and predictability for the business community. Certainty and predictability is essential for decisions our businesses make when it comes to long-term investments. Effective regulation should achieve desired environmental and social policy goals without:

- Imposing significant compliance costs on firms; or
- Weakening the ability of businesses to adapt to changing economic conditions, technologies and consumer preferences.

Undue impact to business and constrained economic activity occurs when regulations have:

- Disproportionately high compliance costs (particularly administrative costs);
- Inconsistent enforcement (as unenforced regulation favours those who would ignore them);
- Inequitable design and application;
- Restrictions on competition; or
- Otherwise, created an onerous or uncertain burden on business.

The Chamber believes that government must ensure that regulation is:

- **Effective** – Monitored or measured against intended outcomes to meet justified needs.
- **Equitable** – Non-exclusive in their application to the greatest extent practicable, depending upon the circumstances.
- **Cost-Efficient** – The cost of regulation, both in terms of administrative cost to government and cost to the economy is balanced against the intended benefits.
- **Predictable** – Business must be comfortable that the regulatory landscape is not open to sudden or dramatic change. Regulatory changes should not come as a surprise to the regulated sectors and have appropriate transitional provisions.
- **Transparent** – Both the regulations and the process for establishing them must be open to public input and review.
- **Timely** – Regulations should never be 'set in stone' but rather subject to periodic review.
- **Flexible** – Regulations, individually and collectively, must be responsive to changing circumstances.

- **Integrated and Harmonized** – Wherever it's practical, governments should integrate and reduce regulatory requirements and streamline assessment and compliance processes (i.e. 'one project, one process').

Taxation[1]

Business recognizes that government has a fundamental role to play in providing the infrastructure, both physical and social, that is essential to a vibrant and sustainable business climate. The Chamber recognizes that tax revenue must be raised by governments to pay for services, programs and infrastructure, but when properly designed should minimize distortive impacts on business and the economy.

Specifically, the Chamber believes government must ensure that taxes are:

- **Low, yet adequate** – Just enough to generate the revenue required for provision of essential public services and avoid structural deficits.
- **Broad-Based** – Spread over the widest possible section of the population or sectors of economy to minimize the individual tax burden.
- **Efficient** – Collection effort should not consume a significant portion of tax revenue and should be implemented in an economically efficient way (i.e. consumption taxes versus income or capital taxes). Tax credits, earmarking and exemptions are generally opposed by the Chamber.
- **Equitable** – Taxes should apply equally to all individuals or entities in similar economic circumstances.
- **Transparent** – To the extent that they interfere with or influence individual decision-making or favour some sector, explicitly acknowledge this intent.
- **Predictable** – Collection of taxes should reinforce their inevitability and regularity.
- **Simple** – Tax compliance, assessment and determination should be easily understood by an average taxpayer.
- **Competitive** – The overall tax burden must reflect the need for BC to remain competitive on a regional, national, and international basis.
- **Well-managed** – Effective and efficient systems of internal control are in place and proportionate to the risks they aim to mitigate yet support innovation and results for British Columbians.

[1] "Taxation" includes all methods applied by government to raise revenue, whether or not a tax, government budgeting and the application of fiscal and monetary tools by government

Government Spending and Programs

The provision of government programs is a central responsibility of government. Whether it is education, health care, housing, policing or income assistance, government plays a fundamental role in providing services that support families, business, and the broader community. However, government has a greater responsibility to ensure funding dedicated to these programs is appropriately directed and provides value to the taxpayer. Specifically, government must ensure programs consider the following questions:

- **Public Interest** – Does the program or area of activity serve the broad public interest?
- **Balance** – Does it balance the overall needs of society and address the sometimes-difficult trade-offs? For example, health care has increasingly crowded other areas of investment essential to the economic well-being of British Columbians.
- **Holistic** – Does the activity address the issue holistically (i.e. across society and government agencies)?
- **Funded Appropriately** – Is program funding linked to the natural cycle of the underlying investment (i.e. Municipal infrastructure has a different life cycle than education or unemployment insurance)?
- **Harness Competition & Innovation** – Does it consider and appropriately harness competition and innovation to control the cost of public services? For example, can delivery costs be lowered through intelligent use of technology, demand management, public-private partnerships or third-party delivery?
- **Affordability** – Is there broad public support for the level of taxation that is required to support a program and does it appropriately control demand as well as supply?
- **Role of Government** – Is there a legitimate and necessary role for government in this program area or activity, or could the private/voluntary sector play a greater role in whole or in part?
- **Efficiency** – If the program or activity continues, how could its efficiency and effectiveness be improved?
- **Accountability** – Are British Columbians getting value for their tax dollars?

The British Columbia Chamber of Commerce

Section I

POSITIONS ON SELECTED PROVINCIAL ISSUES

2021 – 2022

ENSURING FLEXIBILITY IN THE BC PNP PROGRAM TO ALLOW EMPLOYEE GROWTH AND DEVELOPMENT

The BC Provincial Nominee Program (BC PNP) is an immigration system that allows skilled and semi-skilled workers to gain permanent residency in BC. To help ensure these skilled workers can grow and develop in BC and continue to serve the labour market needs of BC employers, additional flexibility is needed in the BC PNP regarding the requirement for two years of "directly related work experience" as this disadvantages people who are promoted or advanced by their employer.

Background

The BC PNP program has several 'streams' through which individuals can apply. One such stream is the "Skills Immigration" stream which is intended for people with the skills, experience and qualifications needed by BC employers and who want to become permanent residents and live in BC.

As part of this immigration process, applicants must meet a number of criteria including having accepted a full-time, permanent and skilled job from a BC employer and having at least two years of directly related work experience to that job. In some situations, this two-year requirement can cause challenges for employers in developing and progressing workers into the roles needed by the business as it disadvantages immigration applicants who receive job promotions.

The BC PNP defines "directly related work experience" based on the National Occupation Classification system. This system organizes and classifies all types of jobs based on their broad category and their skill level. Jobs are given a classifying NOC code, plus are assigned a skill level ranging from A (most skilled) to D (least skilled). [1]

The BC PNP only counts employment as "directly related work experience" if it is in the same specific NOC code, or if it is in a different but related NOC code but the skill level is equal to or greater than the applicant's current job offer. In this instance, the applicant must demonstrate how this different job is related. Importantly, any experience in any NOC code from a lower skill level will not be counted as "directly related work experience."

This can cause challenges for employers in situations where employees have performed well and may be able to take on more advanced positions with their employer. Due to the above rules, any promotion to a new NOC code in a higher skill level would invalidate the work experience accumulated in the lower skilled job.

As an illustrative example, consider a financial services business with an employee with a work permit in the role of Financial Sales Representative. This job is classified as NOC code 6235 and has a skill level of B. If this employee excels and the business has the need for them to take on a more advanced role, such as a Financial Planner, Mortgage Broker or any managerial position, the employee would be disadvantaged by taking this promotion because each of those new roles would represent a different NOC code and be from a higher skill level (level A). This means any work experience in the Financial Sales Representative role would **not** count towards the "two years of directly related work experience" needed for their immigration application.

The result of this "directly related work experience" requirement and how it is applied in relation to NOC codes and skill levels can result in employees refusing to take on new assignments and businesses not

[1] The NOC skill codes are:
A - Occupations usually require university education.
B - Occupations usually require college education, specialized training or apprenticeship training.
C - Occupations usually require secondary school and/or occupation-specific training.
D - On-the-job training is usually provided for occupations.

fully utilizing the skilled talent they have access to. The provincial government should explore ways to allow greater flexibility in this aspect of the BC PNP to help both BC employers and future newcomers.

THE CHAMBER RECOMMENDS

That the Provincial Government:

> Consult with the business community on ways to increase flexibility in the BC PNP "Skills Immigration" stream to ensure the requirement for two years of "directly related work experience" does not unintentionally prevent employees from advancing, or employers from accessing the skilled workers they need.

IMPROVING APPRENTICESHIP COMPLETION RATES

Skilled tradespeople are vital to supporting industries that drive Canada's economy. Strong economic growth in areas such as construction and natural resources, combined with an aging and retiring workforce, have contributed to increased demand for skilled tradespeople in Canada. Registration in apprenticeship programs has been increasing steadily over the last few years, but the growth in the number of completions has not kept pace.

Background

In 2003, the Industry Training Authority (ITA) was established and a 'BC model' for trades training. The 2003 BC model was distinguished by the deregulation of skilled trades and modularized training and certification.[2]

Today, British Columbia remains distinct from other provinces in its approach to apprenticeship training.

The impacts of BC's 2003 model have now come into focus just as growth in the demand for skilled trades and the need to replace an aging workforce approach peak levels. While many of the general goals of the 2003 revisions have been achieved, including increasing the overall number of apprenticeship registrations and completions, the system has had a number of unintended consequences. Using data from the Statistics Canada Registered Apprenticeship Information System (RAIS) database, this report reveals a number of troubling findings:

- Overall apprenticeship completion rates have declined compared to a decade ago and relative to other jurisdictions;
- Lower average rates of completion for trades that are compulsory in other jurisdictions suggest that the absence of compulsory trade certification in BC decreases the motivation for apprentices to complete;
- Significant increases in program registrations and certifications have been achieved, but much of the increase can be attributed to a small number of trades and a subset of newly established sub-trades which do not afford workers the same degree of mobility as nationally recognized Red Seal trades. Many of the newly established sub-trades introduced to meet industry demands have been eliminated due to low enrolment and poor training outcomes;
- Certification in Red Seal trades has declined significantly in BC, from 84% in the 2001 to 2004 period to 65% in the 2011 to 2014 period. This decline is greater than that experienced in the rest of Canada and suggests fewer tradespeople in BC are completing the full Red Seal certification since implementation. This trend has continued through to 2017 with a modest increase in completion rates while continuing to lag behind the rest of Canada; and

[2] Modularization refers to the re-designation of trades into modularized sub-trades as opposed to large parent

- Trade deregulation and modularized training and certification has resulted in a 'trade shift' toward a higher concentration of registrations and completions in a smaller number of trades. This 'trade shift' is on opposite ends of the pay scale, with highly paid industrial trades on one end and service sector occupations with lesser qualifications on the other trades.

The continued 'narrowing and shallowing' of trades training system carries a major risk. If economic conditions change or the types of skills in demand change in BC, the workforce risks not having the depth and breadth of skills, both individually and collectively, required to adapt.

The increased incidence of workplace injury suggests that the ITA under the 2003 model has been unable to ensure the quality of safety training programs in BC. The injury rate for BC tradespeople is nearly four times that of their counterparts in Ontario. Although reported lost-time injuries in the skilled trades have been decreasing across all jurisdictions, injury rates have been consistently and significantly higher in BC than in other provinces and have not changed substantially since 2010.

There have been recent changes to BC's system. Training times for many trades have increased to be in line with those of other jurisdictions, and many smaller apprenticeship programs created under the 2003 system have been eliminated in favour of returning to the original apprenticeship format (e.g. re-instating the full scope carpenter trade apprenticeship instead of dividing it into two sub-trades). There are still changes required to contribute to an increase in completion rates and the continuation of a strong and skilled workforce.

The Certificate of Qualification credential is an important labour market signal that the person possesses the fundamental competencies and skills needed in the trade, which facilitates mobility between employers. Higher wages, lower unemployment, more productive workers, and higher return on training tax dollars are some of the positive outcomes when individuals complete their programs.[3] Prior to the introduction of the ITA, apprenticeship completion rates in British Columbia were just over 50%. Although considered low by many, this was comparable to rates in other provinces. A cohort study published by Statistics Canada in 2010 found that, on average, just over half (53%) of BC apprentices who registered in 1994 and 1995 completed their respective programs by 2005.[4] This was slightly higher than the national average of 49% (1994) and 51% (1995). After the 2003 changes, BC encouragingly experienced a marked increase in apprenticeship completion rates, following its spike in registrations. This sparked optimism for the policy change, given that increasing training completion rates was a key objective of BC's 2003 model. The number of overall completions peaked at nearly 7,000 in 2012—more than twice the number of completions in the early 2000s. Not surprisingly, the largest increases in completions occurred in trades that experienced the biggest increase in registrations, including welding and food services. In 2014, these two trades accounted for nearly four in 10 certifications issued in the province, compared to just 7%, or less than one in 10, in 2004. Figure 6: Apprenticeship Registrations and Completions in British Columbia Source: RAIS, Statistics Canada.

However, this rise in overall numbers is misleading. Although completions increased in BC following the surge in registrations, recent estimates using cohort ratios, which compare program completions to program registrations over time, reveal that overall completion rates in BC have actually fallen compared to the early 2000s and in relation to other provinces. Applying the cohort-ratio measure to the 50 largest programs in BC (in terms of registrations) across time shows that overall completion rates in BC averaged 46% over the four years prior to 2004. A similar completion rate of 47% was estimated for the rest of Canada over the same period. These estimates are generally in line with the findings of previous Statistics

[3] Literature on apprentice outcomes indicates that those who earn a certification are more likely to be employed full time and earn more than those with no certification. In contrast, those without certification are more likely to be unemployed and earn lower wages. Marinka Menard, Frank Menezes, Cindy K.Y. Chan and Merv Walker, National Apprenticeship Survey: Canada Overview Report 2007, (2007), 24-26

[4] Cohort ratios provide a close proxy for actual completion rates that are comparable over time and across jurisdictions.

Canada cohort studies over a similar period. Applying the same methodology for the period between 2004 and 2014 (following the establishment of the ITA and the introduction of the BC model), the average overall completion rate in BC falls to 42%, compared to a small increase nationally to 48%. Even the ITAs own reports estimate completion rates at 36%. The decline in completion rates provides some evidence that the BC model has not achieved one of its key objectives: to increase training completion rates within skilled trades.

This overall decline in completion rates is accompanied by marked differences in completion rates across individual programs in BC. Lower average rates of completion for trades that are compulsory in other jurisdictions suggest that the absence of compulsory trade certification in BC decreases the motivation for apprentices to complete. The link between compulsory certification and completions has been established in previous studies. A study conducted by Patrick Coe concludes that "apprenticeship programmes for which certification is mandatory had completion rates that are about 10 percentage points higher than those without mandatory certification."[5] The analysis of BC completion rates suggests that lack of compulsory certification may contribute to lower completion rates in some trades, but not others. Completion rates in BC for automotive service technicians and refrigeration and air-conditioning mechanics are above the averages for the rest of Canada, and, in the case of automotive service technicians, significantly so (59% versus 46%). In these cases, the higher completion rate may be influenced by the greater potential for permanent employment as opposed to the potential for multiple employers accompanied by periods of unemployment in the construction trades. In addition, completion rates could also be influenced through apprentices having a full-time position with a sponsoring company throughout their apprenticeship. Again, it is trades that have a higher rate of sponsorship through permanent employment such as automotive service technicians and refrigeration and air conditioning mechanics that demonstrate higher completion rates.

In certain programs there is a strong motivation for apprentices to complete even though there is no legal requirement to work in the trade. Higher wages for certified journeypersons in the trade, pre-screening requirements for entry, industry standards, opportunities in other provinces, and expectations or support from employers likely contribute to apprentices in these trades completing their programs. Employers of trades with elevated safety concerns, such as powerline technicians, will be motivated to fully train their apprentices. The complex nature of the work in these trades tends to attract individuals with stronger basic skills positioning them to succeed. Certification requirements in other provinces may also affect completion rates in BC for trades that tend to be more mobile (e.g., boilermakers). Lower average rates of completion in BC for most trades that are compulsory in other jurisdictions, appear to confirm that an absence of compulsory certification has had a negative impact on overall completion rates. For example, BC completion rates for hairstylists, crane operators, plumbers, steamfitter/pipefitters, and sprinkler fitters are lower than the national average, and many continue to trend lower.

Echoing the trend in overall certification, fewer workers in Red Seal trades in BC are obtaining certification. Certification rates in Red Seal trades averaged 65% in BC between 2011 and 2014, down significantly from 84% during the period between 2001 and 2004. The rest of Canada experienced a much smaller decline, falling from 88% to 76%. This implies that fewer individuals are progressing to complete the full scope of the trade since the 2003 model was implemented, or that more workers are working in the trade without the full certification.

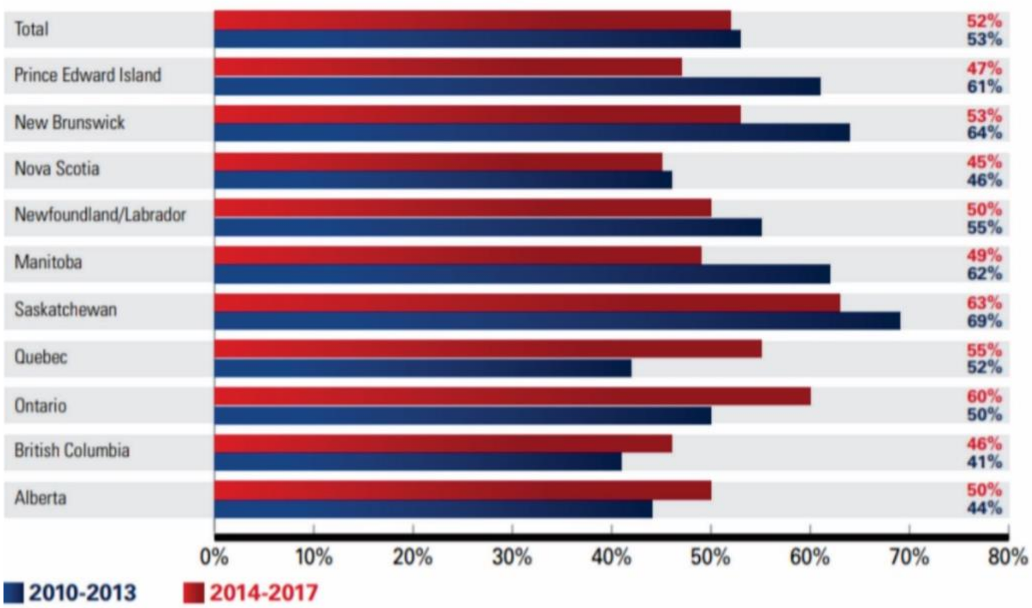
The analysis of completions suggests that despite the large increase in registrations and completions, certification in Red Seal trades has fallen in proportion to other modular sub-trades. This implies that the share of the workforce in BC that is certified in full-scope Red Seal trades has also declined. Workers

[5] Patrick J. Coe, "Apprenticeship programme requirements and apprenticeship completion rates in Canada," Journal of Vocational Education and Training, 2013. 16 Completion Counts, Ontario Construction Secretariat, 2013.

certified in single first-level modules have lower level qualifications and as such are not afforded the same degree of workforce mobility.

Since 2013 there has been a modest increase in completion rates in BC from 41% to 46%. Despite a strong economy in construction and resource extraction BC continues to lag behind all provinces except Nova Scotia. Completion rates decreased in the Atlantic Provinces, Saskatchewan and Manitoba. The rates increased in Quebec, Ontario, Alberta and British Columbia. Saskatchewan has maintained the highest rate at 63%, but even this "high" of 2013 is a decline from the province's rate of 69% in 2010. [6]

Figure 20- *Average Completion Rates, Top 10 Red Seal Trades by Province 2010 to 2013 and 2014 to 2017*



Re-introducing compulsory certifications for certain trades in BC could play a significant role in "re-balancing" the distribution of skilled trades training. Compulsory certification requirements would increase labour market demand for certified workers and related apprenticeship training. Compulsory certification would likely put upward pressure on wages, attracting more workers to the trade, and has been found to raise the prestige of trades, increasing their appeal further.

Re-introducing compulsory certifications will have a direct consequence to improvement in completion rates, improved safety and will contribute to increased productivity.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Should discontinue modularized training and certification;
2. Should reinstate compulsory certification, in alignment with the rest of Canada, accompanied by using a clear framework for the review of trades with an effective compliance and enforcement policy, based on evidence-based analysis and input from industry; and
3. That first and second year apprentices be sponsored by a company prior to registering for school.

[6] Apprentice Demand in the Top Ten Red Seal Trades: A 2019 National Labour Market Information Report

SUPPORTING UNIVERSITIES FOR A STRONGER ECONOMY IN BC

Universities are large economic engines located throughout British Columbia. Some of the greatest impacts to the economy include direct and indirect spending, employment, research initiatives and a knowledgeable workforce. For example, Thompson Rivers University in Kamloops is the fourth largest employer in the city. It contributes an estimated $355 million to the regional economy, adding intellectual and knowledge-based factors to the community.

Background

The present allocation formula for block grant funding of BC's post-secondary institutions is approximately 15 years old with the allocation structure generally static for 12 years. Despite a drastic increase in student enrollment across the province, and many other changes at universities throughout the years, there has been little to no change in funding allocation.

Increased student enrollment is only part of the issue cited with the present funding formula. The present formula is based on targeted enrollment and does not re-allocate total funds once actual enrollment figures are realized. Therefore, when a university targets below actual student enrollment, the university does not see an increase in funding. As such, the contrary is also true; if a university targets above actual realized student enrollment the university retains the initial funding amount.

Over a 15-year time span, a variety of changes have occurred within British Columbian universities, compromising outdated funding formulas. Highlighting a few for the purposes of this document:

- Mandates have changed, recognized through changes in the University Act. BC's funding allocations do not take into account the diverse mandates of its many universities;
- The need for individual student support services has become much more intensive especially for those universities who are designated as open access, directed to accept students without a cap on acceptance numbers;
- Pedagogy has changed over the past 15 years to where blended classroom-learning and experiential learning is the accepted best practice; and
- Enterprise management has become increasingly intensive with IT demands; safety concerns; environmental issues; government-imposed union bargaining mandates; intellectual property laws and a constant increase in provincial government reporting requirements.

In conclusion, a 15-year old funding formula does not add as much value as it could. For these reasons, and others, it is crucial that funding levels and allocation of funds be revisited for our post-secondary institutions in BC. This will make a better British Columbia for all involved.

THE CHAMBER RECOMMENDS

That the Provincial Government:

> In consultation and collaboration with industry and other relevant stakeholders, conduct a comprehensive review and revision of the funding model for post-secondary institutions in order to actively support BC's economic growth.

AGRICULTURAL LAND COMMISSION REGULATION REFORM: CREATING PRINCIPLES-BASED FARMLAND USE POLICY

A principles-based or merit-based regulatory approach to interpreting and enforcing the Agricultural Land Commission Act should be considered, such that arable farm land can continue to be protected for future generations *while also* providing an enabling environment for the development of agri-tourism businesses for current farm (business) owners.

Other BC government entities, such as the Liquor Control & Licensing Branch (LCLB), have moved away from a highly prescriptive stance toward a more flexible and adaptable approach, via the use of higher-level policy interpretation directives (*e.g.* is the application in the public interest; is there a health and safety concern).

This method has proven successful in achieving public interest and alcohol-related economic development goals simultaneously and serves as a model for other policy regimes (such as ALC Land Use Policy) for transitioning from historical, prescriptive regulations to a more modern principles-based approach that can reliably enable entrepreneurial farmers, stimulate farm business innovation, and grow the economy.

This approach also encourages more local involvement and interpretation for the betterment of local and regional business and agribusiness and requires the involvement on local districts and municipal government specialists.

The broad area of agri-tourism includes the arts, culinary institutes, agri-accommodation, agri-tainment and agri-recreation, and agri-therapy. Having some degree of local control is mandatory if BC is to preserve and grow its agricultural sector, and attract young, educated residents who have certainty of earning a good living from the land, while preserving the gift that BC's rich and prolific growing areas can give to current and future generations.

Background

While the BC Agriculture Land Commission (ALC) continues to practice stewardship under its well-developed regulatory framework – serving the purposes of Section 6 of the Agricultural Land Commission Act,[1] *i.e.*:

- To preserve agricultural land;
- To encourage farming in collaboration with other communities of interest;
- To encourage local governments, First Nations, the government and its agents to enable; and accommodate farm use of agricultural land and uses compatible with agriculture.

There is some confusion and contradiction which is creating barriers to agricultural excellence, expansion and business growth/food security/export in BC due to Land Use policies. Some new regulations and policies have become law since 2018.[2] Permitted uses in the ALR are identified in the Act.

[1] Government of British Columbia, 2014

[2] The Agricultural Land Commission Act, S.BC 2002, c. 36, (the "ALC Act"), is the high-level statute that sets out principles and broad rules for the protection of agricultural land in British Columbia. The ALC Act takes precedence over but does not replace other legislation and bylaws that may apply to the land. Local and regional governments, as well as other provincial agencies, are expected to plan in accordance with the provincial policy of preserving agricultural land. https://www.alc.gov.bc.ca/alc/content/alc-act-alr-regulation/the-alc-act-and-alr-regulations As of March 12, 2020, the BC Government adopted a new Agricultural Land Reserve General Regulation (ALR General Regulation Reg. 57/2020) and renamed the existing Agricultural Land Reserve General Regulation BC Reg 171/2002 the Agricultural Land Reserve Transitional Regulation (ALR Transitional Regulation). Both of these regulations set out application procedures that have partial force and effect. The remaining portions of the new ALR General Regulation will be brought into force on September 30, 2020, and the

THE CHAMBER RECOMMENDS

That the Provincial Government:

> In concert with agricultural leaders in each provincial district, review the current ALC Land Use Policy framework and develop scenarios which move away from current prescriptive farmland use regulations, allowing entrepreneurship by farmers and agricultural workers; and identify land that is uneconomic to use for agriculture identifying what additional business may be required to make the land economic. A proper assessment of the economics of the land in question should be part of the identification process.

INCREASE FOCUS ON BC GOVERNMENT-FUNDED TRAINING PROGRAMS FOR FRUIT GROWERS TO INCREASE PRODUCTIVITY, GET PEOPLE BACK TO WORK

Even before the pandemic upset local agricultural economies and labour markets, there were limited options for education in the agricultural sector in BC. As various lockdowns took hold, education programs at all levels mostly ground to a halt. The government has a key role to play in not only starting up these programs in 2021 but in increasing their availability and pertinence in order to grow the agricultural sector, improve food sustainability, and increase consumption and export of BC products, particularly orchard-grown products.

The pandemic has made all communities, particularly those with access to agriculture, focus anew on shop local, eat local, food security, and food chain issues. These issues are critical to Canada's economic growth, employment opportunities and ongoing support of this critical sector.

Background

Governments have a number of education programs on their books. Currently, the list and program status includes:

1. BC Agri-Business Planning Program – applications closed
2. BC Agrifood and Seafood Market Development – applications closed
3. BC Indigenous Agriculture Development Program – re-opening for application in 2021
4. BC Lean for Food Processors Program – applications open
5. Food Business Refresh Program – applications closed
6. Hazelnut Renewal Program – applications closed
7. Innovation (Canada-BC Agri-Innovation) – open
8. Knowledge Transfer Events – opening in 2021
9. Small Farm Business Acceleration Program – applications closed

This list emphasizes the lack of options open to agricultural workers and owners at a time when more, not less, education and innovation are critical. The tree replant program – paid for largely by orchardists – and the temporary farm workers program – are creating further barriers to a healthy orchard economy in the Okanagan and elsewhere in BC. Apple production alone is down to less than one-third of what it was ten

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ALR Transitional Regulation will be repealed. Order in Council 131/2020 sets out which sections of the new ALR General Regulation and the renamed ALR Transitional Regulation are currently in force and effect.
https://www.alc.gov.bc.ca/assets/alc/assets/legislation-and-regulation/the-act-and-regulation/oic_131_2020_march_12_bill_15_new_general_regulation.pdf

years ago in the Okanagan. The number of agrologists/agromists in the field is declining as large farms overtake small landholdings. Field Agrologists are leaders in environmental protection providing business information and services based on their knowledge of resource economics. Involved in the safeguarding of food production and ecosystem sustainability Agrologists work across a spectrum of industries.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. In consultation with fruit and vegetable growers, restart the nine educational programs currently listed on the BC government website and listed above which are in hibernation in order to jump-start education in the agricultural sector and increase productivity and labour and stimulate regional and provincial economic growth and recovery opportunities; and
2. Focus over the next 10 years, in consultation with professional associations such as the BC Fruit Growers Association, on new and accountable education programs, beginning with existing orchardists and expanding into secondary and post-secondary course offerings.

REALIZING THE POTENTIAL OF AQUACULTURE IN BC

In the 2020 Speech from the Throne, the Government of Canada articulated its plan for economic transformation post-COVID-19: addressing socio-economic gaps, building a stronger workforce, fighting climate change, and remaining committed to sustainable economic growth. The development of a blue economy strategy is a key component of this plan and will steer Canada's ocean-based economy towards a more sustainable future.[3]

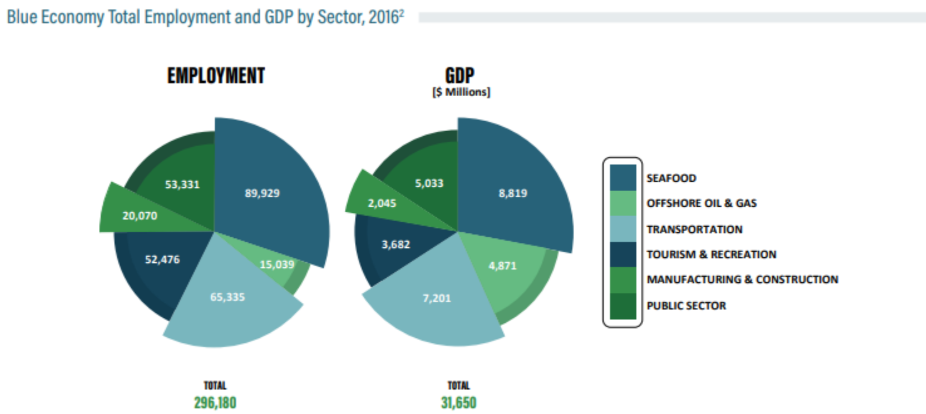
Growing Canada's blue economy requires sustainable business practices that recognize ocean health is directly linked to long-term economic value creation. Long-term prosperity can only be achieved through strong, consistent efforts to protect and conserve ocean spaces and minimize the impacts of human activities on marine environments. As the largest natural carbon sink on the planet, our oceans can support Canada in its efforts to lower greenhouse gas emissions and mitigate the impacts of climate change.[4]

Canada's blue economy is an important part of regional economies and the broader national economy. Our ocean sectors have the potential to drive sustainable economic growth and support the creation of more jobs in coastal and Indigenous communities while advancing innovation. Our blue economy consists of traditional ocean-based sectors such as commercial fishing, aquaculture, seafood processing, marine shipping, port activities, shipbuilding, and coastal tourism. It also includes emerging industries and activities driven by cutting-edge developments in science and technology such as offshore energy and marine biotechnology. In 2016, Canada's blue economy contributed 1.6 per cent to our total employment and gross domestic product (GDP), generating 296,180 jobs and $31.7 billion in GDP.[5]

[3] https://www.dfo-mpo.gc.ca/about-notre-sujet/blue-economy-economie-bleue/docs/engagement-paper-document-mobilisation-eng.pdf

[4] https://www.dfo-mpo.gc.ca/about-notre-sujet/blue-economy-economie-bleue/docs/engagement-paper-document-mobilisation-eng.pdf

[5] https://www.dfo-mpo.gc.ca/about-notre-sujet/blue-economy-economie-bleue/docs/engagement-paper-document-mobilisation-eng.pdf



[6]

In BC, primary ocean sectors include marine shipping, recreation and tourism, aquaculture, commercial fishing, Indigenous fisheries and traditional livelihoods, and fish and seafood production, as well as a growing ocean technology sector. The Pacific Ocean also offers direct trade links to Asia and the broader Pacific Rim, which present a key opportunity for Canada to expand its exports and global market access.[7]

Until 2010, aquaculture in BC had been a shared jurisdiction between the provincial and federal governments and involved a number of government agencies. For example, DFO is the lead federal agency for aquaculture but there are a number of other federal departments and agencies involved in the regulatory process, including Health Canada, the Canadian Food Inspection Agency, Transport Canada, the Department of Foreign Affairs Trade and Development, Environment Canada, and Agriculture and Agri-Food Canada. This mix of government agencies has created, and continues to create, issues for the managed growth of the aquaculture sector. For example, applications for operational changes within approved tenure boundaries may find companies waiting years for regulatory approval. This results in the loss of business opportunities in our communities and therefore an inability to plan the hiring and training for new employees, inability to purchase new equipment and most importantly, the loss of future investment due to lack of investors' confidence.

As a result of the 2009 Hinkson Court decision, the regulatory authority for the aquaculture industry shifted from the Provincial to the Federal Government. The transfer of authority has revealed that there is a gap in legislation when it comes to aquaculture. A federal Aquaculture Act should establish national environmental standards, clarify industry responsibilities, and codify a proud legacy of environmental stewardship.

Appropriate legislation should recognize in law the long-standing reality of aquaculture as a legitimate caretaker of Canada's aquatic resources. It should support efforts to ensure a modern industry and build on an already impressive record of safety and sustainability. The introduction of this legislation should help facilitate the currently ad hoc regulatory changes coming forward from the Federal government to realize its full potential, creating new jobs and expanding opportunity in industry that can and wants to be socially, economically and environmentally sustainable.

Canada's seafood farmers are united in support of healthy, sustainable and responsible aquaculture growth and the timely passage of Canada's first federal Aquaculture Act. The Act should set clear, consistent standards for aquaculture farming across the country, and allow for much greater federal-

[6] https://www.dfo-mpo.gc.ca/about-notre-sujet/blue-economy-economie-bleue/docs/engagement-paper-document-mobilisation-eng.pdf

[7] https://www.dfo-mpo.gc.ca/about-notre-sujet/blue-economy-economie-bleue/docs/engagement-paper-document-mobilisation-eng.pdf

provincial coordination in how the industry is managed, simplifying cross-provincial operations and focusing attention on creating sound, science-based rules.[8]

The Canadian Aquaculture Industry Alliance believes it should[9]:

- Foster a healthy, responsible and sustainable farmed seafood sector in Canada.
- Ensure a science-based, accountable and transparent management approach.
- Revitalize hard hit coastal communities including First Nations communities with sustainable high value jobs.
- Enable greater federal/provincial co-operation & collaboration.
- Meet future demand with global best practices and international competitiveness.

The proposed Aquaculture Act represents a step forward in modernizing how Canada views, regulates, and enables growth of the aquaculture industry. Rather than being regulated under a 150 year old Fisheries Act, the proposed Aquaculture Act should recognize industry as a farming activity – consistent with the approach of other leading jurisdictions around the world.[10]

Business needs clarity to move forward with confidence and ensure the continuation of the aquaculture industry for future generations.

THE CHAMBER RECOMMENDS

That the Provincial government work with the Federal government to:

1. Provide fair and timely access to long term tenures for the aquaculture industry;
2. Ensure that Federal consultation with the business community and Indigenous peoples clarifies and is beneficial to resolving conflicts and meets the collective needs of all stakeholders.
3. Support efforts to build public confidence in aquaculture management and place a focus on the development of technology to support sustainable and environmentally sound practices.; and

That the Federal Government:

1. Enact a Federal Aquaculture Act, to establish national environmental standards and clarify industry responsibilities through meaningful regional engagement with all relevant stakeholders.

[8] CAIA https://www.aquaculture.ca/a-new-aquaculture-act-in-canada-index
[9] CAIA https://www.aquaculture.ca/a-new-aquaculture-act-in-canada-index
[10] CAIA https://www.aquaculture.ca/a-new-aquaculture-act-in-canada-index

BC LOBBYING ACT 2020 – IMPLICATIONS FOR NON-PROFITS, SMALLER ORGANIZATIONS & CHAMBERS / BOARDS OF TRADE

The BC Government's new Lobbyists Transparency Act (2020) (LTA) has placed considerable burden on the not-for-profit sector, and smaller organizations including Chambers of Commerce/Boards of Trade. In addition, this legislation undermines the democratic process that enables organizations to lobby and advocate to government. It significantly constrains communications and collaboration with government on the impact of key decisions and direction on regulations, law, policy and programming.

Resourcing and support must be considered, in the context of the not-for-profit sector, recognizing that these are typically small organizations, with additional burden and differences related to organizational size and capacity for reporting compliance. With regards to Chambers of Commerce/Boards of Trade, their genesis was specifically to enable advocacy from SMEs to government, and require an exemption to much of the LTA. Government relies on advocacy and research to inform themselves of different issues impacting the economy and this Act decreases the ability for boards of trade/commerce to do that effectively, costing businesses and organizations time and money as additional resources are needed to follow the new administrative rules of the Lobbying Act.

Businesses that now have to register their activities as lobbyists are facing financial costs and consuming their time. These costs are prohibiting many crucial organizations from participating in the democratic process by informing government of issues.

Background

On May 4, 2020 significant changes to British Columbia's lobbyist registration regime came into effect with the latest reforms being both statutory and regulatory. BC's *Lobbyists Registration Amendment Act 2018* passed on November 26, 2018. The same day, the BC government published the *Lobbyists Registration Regulation 2018*. The provisions of the Act and Regulation were to come into force on May 4, 2020. The previous legislation was transformed to the *Lobbyists Transparency Act 2020* and the new *Lobbyist Transparency Regulation 2020*.

The LTA applies to communications with public office holders at the provincial government level. This includes:

- A member of the Legislative Assembly (MLA) including members of Cabinet;
- Political staff of an MLA or member of Cabinet;
- An officer or employee of the government of British Columbia;
- An appointed person to any office or body with approval of Cabinet or on recommendation of the Legislative Assembly;
- Appointed person to any office or body with the approval of a minister of the government of British Columbia; and
- An officer, director, or employee of any government corporation as defined in the Financial Administration Act.

The new Act and Regulation significantly altered BC's lobbyist registration rules summarized as follows:

1. In house lobbying immediately triggers a registration obligation
    a. Applies to an organization (such as a corporation, trade union, a charity or a government other than the government of BC)
    b. The organization is required to file a return with the provincial Registrar of Lobbyists within 10 days after any of the organization's paid employees, officers, or directors has become an

in-house lobbyist by lobbying a provincial public office holders. The obligation to file falls on the organizations most senior paid officer.

c. The Act eliminated the 100-hour threshold to register only when an organization has collectively devoted at least 100 hours annually to provincial lobbying.

d. An exemption exists for small businesses and non-profits to permit paid employees, officers, and directors of organizations with fewer than six employees to lobby without registration provided the organizations lobbying activities have totaled fewer than 50 hours in the preceding 12 months.

e. The above exemption does not apply to organizations whose primary purposes are to represent the interests of its members or to promote or oppose issues. i.e. small industry associations and advocacy organizations – unless the lobbying in question is not for either purpose.

2. Consultant Lobbyists will only need to register after they start to lobby.
3. Only one registration will be required.
4. Lobbyists and organizations will need to provide more detail about their lobbying activities.
5. Monthly returns will be required.
6. Gifts to public office holders will be banned exception for gifts under the protocol or social obligations normally accompany duties and only to the extent that the total value of all such gifts in a 12-month period does not exceed $100 dollars.
7. Greater Registrar Enforcement
   a. Penalties of up to $25,000 and the ability to impose a prohibition on lobbying and related activities of up to two years.

In addition to exceptions for smaller sized organizations as defined above, certain written submissions are permitted, and nonpaid volunteers of organizations can engage in lobbying.

Lobbying is considered to take place when: *Your organization is trying to influence government decisions about legislation, regulations, a program, policy, directive or guideline, the award of a contract, grant, or financial benefit, or another matter set out in the Act's definition of "lobby" (see Appendix)*

Advocacy and Lobbying are essential to our society and the democratic process, to enable feedback from stakeholders, organizations and institutions in order that government can be responsive.

The not-for-profit sector and smaller organizations of all kinds (including membership and industry based opposing issues) should not be obligated to the same level of expectation and burdensome regulations as organizations that are for profit with bigger interests at stake, and/or larger in size with greater capacity.

Consideration should also be applied to organizations of all sizes based on whether they are representing sectors or cross sector with a broader societal impact, versus more narrowly focused company centered interests.

Additionally, given the above bureaucratic expectation to track and register what would be seen as a major part of Chambers/Boards' operational plan (and has been for over 421 years of Chamber history);

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Update the definition of "small organization" under the *Lobbyists Transparency Act 2020* from six employees or less to 20 employees or less.
2. Alleviate the degree of obligation under the Act for organizations if sector or cross sector-based vs singularly company focused:
   a. Only require the registration of an actual act of lobbying (letter, meeting, policy decision) upon completion, increase the 50-hour threshold to 200-hours for charities and not-for-profits, and eliminate the requirement for Chambers of Commerce and Boards of Trade altogether;
   b. Establish a more streamlined lobbying tracking report form and process; and
   c. Removing accumulated lobbying reporting requirements when working with other organizations.
3. Provide greater resources for education and training in the not-for-profit sector, small organizations and Chambers/Boards of Trade to understand the new Act and comply including on how to fulfill reporting requirements.

[1]**Appendix – Definitions**

"lobby" subject to section 2(2) of the Lobby Transparency Act, means

a. to communicate with a public office holder in an attempt to influence

   i. the development of any legislative proposal by the government of British Columbia, a Provincial entity or a member of the Legislative Assembly,
   ii. the introduction, amendment, passage or defeat of any Bill or resolution in or before the Legislative Assembly,
   iii. the development or enactment of any regulation, including the enactment of a regulation for the purposes of amending or repealing a regulation,
   iv. the development, establishment, amendment or termination of any program, policy, directive or guideline of the government of British Columbia or a Provincial entity,
   v. the awarding, amendment or termination of any contract, grant or financial benefit by or on behalf of the government of British Columbia or a Provincial entity,
   vi. a decision by the Executive Council or a member of the Executive Council to transfer from the Crown for consideration all or part of, or any interest in or asset of, any business, enterprise or institution that provides goods or services to the Crown, a Provincial entity or the public, or
   vii. a decision by the Executive Council or a member of the Executive Council to have the private sector instead of the Crown provide goods or services to the government of British Columbia or a Provincial entity to arrange a meeting between a public office holder and any other individual for the purpose of attempting to influence any of the matters referred to in paragraph (a) of this definition

[1] DocumentHandler.ashx (lobbyistsregistrar.bc.ca)

IMPLEMENTATION OF BC'S ENERGY STEP CODE – A MORE COLLABORATIVE AND INCENTIVE BASED APPROACH

The STEP code is the envy of some Canadian municipalities, especially those without green building plans, and lower land costs. In BC, with its higher land costs, and high cost of housing, (Vancouver has been ranked the second most expensive housing market in the world after Hong Kong[2] for two years running) residents and builders are pushing back against building unaffordable supply.

We have over strengthened our building code making it unrealistic for housing affordability. Homes that were built 30 years ago are still in good shape and now we are building new homes that are Cadillacs vs Chevies; and to make them energy efficient is tough to get payback. Costs are so high to produce these homes that it takes years to get some of that money back through savings on utilities.[3]

Housing affordability issues – including not only the STEP code, but also high demand, pandemic panic buying, low interest rates, limited supply and regulatory red tape – lead to increased issues with labour, business expansion, pandemic recovery and even mental health. Government needs to relinquish "green implementation" and give control back to professionals who have shown willingness to take on the risks of investing the money to produce more supply. Below is a snapshot of new construction costs in Kelowna, the largest centre outside the lower Mainland/island[4] where housing costs continue to climb.

Has government created the housing affordability crisis? Yes, according to input from many builders and builders' associations across the province, from Prince George to Victoria, from Kelowna to the Lower Mainland. The incremental effect of all levels of government 'taking their cut', DCCs, and now the STEP code, is crushing for homebuyers. According to the Executive Director of the Victoria Residential Builders Association, Casey Edge, "The government has created the housing affordability problem. They're in control. In terms of the STEP Code and government policy, what we're saying is the government tells us what to build, how much we can build, where we can build through rezoning policies, how to build in

[2] Bloomberg News, February 2021

[3] Justin O'Connor, Sotheby's International Realty Canada, Kelowna: interview December 3, 2020,

[4] https://www.mortgagesandbox.com/okanagan-real-estate-forecast

terms of the building code, and how much money we have to give to the government in order to build through property transfer taxes, GST and so on. So how is the lack of affordable housing the responsibility of industry?"

What price is 'net zero' if you have to live in a rented apartment your entire adult life? Does that address climate change? Government can offer incentives to make existing homes more energy efficient, thus producing less greenhouse gas emissions vs. what will be achieved by the STEP code.

His words are echoed by professional associations such as the Urban Development Institute and the Northern BC Canadian Home Builders Association and numerous consultants.[5]

The STEP code costs an extra $40,000 per door which is not affordable and will never be recovered through energy consumption savings. Again, the STEP Code is diminishing affordability at a time when we can ill afford another dollar on top of the cost of new housing.

Municipal and provincial fees continue to rise, further impacting housing affordability. Additionally, in the spring of 2021 rising lumber costs are now impacting costs for builders and potential buyers.[6]

The BC Energy Step Code is a compliance path in the BC Building Code that local governments may use, if they wish, to incentivize or require a level of energy efficiency in new construction that goes above and beyond the requirements of the BC Building Code. As of November 2020, 72 BC municipalities had endorsed an implementation plan and begun revising bylaws.

The Government of BC implemented the Energy STEP code in 2017 and set up the Energy Step Code Council[7], an advisory body, supporting local governments and industry as they implement the STEP code. The STEP code sets performance requirements for new construction and groups them into "steps." All authorities having jurisdiction over the BC Building Code—including local governments—can choose to require or incentivize builders to meet one or more steps of the BC Energy Step Code as an alternative to the code's prescriptive requirements. Most municipalities are passing bylaws to require the steps are implemented according to the government timelines.

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[5] A 2016 Public Sector Climate Action Leadership Symposium in Vancouver (November 22, 2016) defined net zero energy ready as "a Facility generating on-site all the **energy** required to power its functioning through the course of the year. Any project can be **Net Zero** provided you have enough $$$ or modest expectations for comfort, environmental quality, amenities, etc." https://www2.gov.bc.ca/assets/gov/environment/climate-change/cng/symposium/2016/23_building_the_future_net_zero_and_net_ready_-_brittany_coughlin.pdf

[6] Lumber costs have increased significantly adding thousands of dollars to building a new home. The price of a 2×4 has now tripled as of March 2021, while OSB is on its way to quadrupling since 2019. In addition, the pandemic has disrupted supply chains for other materials creating shortages and high prices, also impacting the availability of skilled trades. Plus, the US now (again) wants to re-negotiate the Softwood Lumber Agreement.

Government fees and taxes are part of these rising housing costs. For example, municipal building permit fees are often calculated from the "value of construction." "Value of construction," in addition to materials like lumber, include labour, liability insurance, builder's profit and other factors with no relationship to the cost of delivering municipal inspection services. This municipal fee is really a tax like the Property Transfer Tax (PTT) based on market value. The BC government receives up to $2 billion annually from the PTT for doing simple land transfers. Their PTT revenue increases along with the PST revenue from higher prices on materials.

Municipal fees should not be taxes, revealing the gap between high building permit fees and the cost of building inspections. This drives up housing prices as multiple levels of government generate significant revenue from the construction of a single new home. Municipal fees should be connected to the cost of providing a service and charged under the principle of reciprocity – a fair market fee for reciprocal service. VRBA Feb 3, 2021 https://www.vrba.ca/category/blog/

[7] BC Energy Step Code to work. It serves as a "bridge" between governments, industry, and utilities, to identify and resolve implementation issues, provide support and resources, and ensure local governments use the regulation prudently. https://energystepcode.ca/about/

The Code covers all new construction not just residential construction. The purpose is to improve energy efficiency[8] of new homes, leading to a 2032 “net zero compliance”.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Work with professional builders' associations and local governments to refine the implementation plan for the BC Energy Step Code to create a more robust and practical framework for new home construction and building retrofits that balances the cost of regulations vs. the benefit of keeping housing affordable for average working families.
2. Offer increased incentives to make existing homes more energy efficient in line with the objectives of BC Energy Step Code.

PRIORITY FOR HOUSING PROJECTS WHICH UTILIZE BC’S WOOD PRODUCTS TO ADDRESS COMMUNITY HOUSING ISSUES

Background

Communities across British Columbia face ongoing issues related to the supply and availability of affordable housing. These challenges range from housing for at-risk and low-income people, through to the affordability of housing for working families. The resulting impacts include social issues and community health crises, along with challenges for BC’s businesses to attract and retain the workforce they need to sustain and grow.

At the same time, building with sustainably harvested wood products is emerging as a safe go-to solution in jurisdictions around the world looking to reduce their GHG footprint. That is because carbon remains in the wood not only for the life of the tree, but for decades after – in products such as lumber, millwork or furniture. Most recently, the City of Vancouver joined municipalities across BC that are embracing green building as a climate change solution by allowing mass timber construction up to 12 storeys. If Canada is to meet its net zero emissions target by 2050, enshrined in both policy and legislation, then wood products and sustainable forestry should be emphasized in government policies, including housing.

Not only is BC’s forest sector poised to meet this growing demand for low-carbon building solutions in the long-term, in the immediate-term the industry has demonstrated the significant role it can play in economic recovery. The pandemic initially forced mill shutdowns, but operators were able to put safety plans in place and get back up and running much more quickly than consumer-facing industries. Strong demand fueled by home renovations and rising housing starts also helped – allowing many families to get back on their feet and demonstrate how our sectors’ deep roots and resilient supply chain are critical to our collective economic recovery.

It makes good policy sense to align existing federal and provincial housing and building programs with green objectives. Opportunities for recovery exist through continued innovations and adoption of the greater use of wood in building design and construction, as acknowledged by the Government of BC’s Wood First Program. Further, the Government of BC provides incentives for energy efficient construction

[8] Includes: Greenhouse Gas Reductions – High-efficiency homes require less energy to heat, resulting in reduced carbon emissions even if homes heat with fossil fuels. Homes heated with a heat pump will have the lowest carbon emissions. Better Affordability – Reduced energy consumption results in lower energy costs. Increased Comfort – Increased insulation and airtightness within a home means that it is better equipped to maintain a more even temperature throughout, for a more comfortable home. Better Health – Energy efficient homes do a better job of refreshing the indoor air by filtering out unwanted mould, moisture, pollen and other allergens.
Improved Durability – A high-efficiency home is less likely to have moisture and condensation issues that can lead to the deterioration of the building envelope.

and renewable energy use in buildings through the Clean BC program. The Better Buildings strategy states that by 2032, every new building in BC will have an ultra-efficient, net-zero energy ready design. There are real opportunities to integrating greater use of wood products, and extending incentives to residential buildings. Currently, the program only includes incentives for commercial retrofits and new construction. The Government of Canada via the Federation of Canadian Municipalities (FCM) supports sustainable affordable housing projects with the Green Municipal Fund, and there are similar opportunities to integrate wood products into building and housing grants and programs. Both levels of government have demonstrated a commitment to support for construction using renewable and environmentally preferred materials and designs.

The Government of BC has already indicated that housing issues are a priority, including the 2018 "Homes for BC" plan for housing affordability, and accompanying pledges for investments in affordable and social housing, along with housing for individuals, working families and students.

An opportunity therefore exists to help resolve British Columbia's housing crisis, to support net-zero emissions targets, while supporting the recovery of a critical industry through prioritizing and incentivising housing projects which utilize BC wood products.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. As an incentive for their use, ensure that new housing developments which utilize sustainably harvested BC wood products in their engineering, construction and energy systems, receive sufficient Housing Funding as determined by the BC Government in consultation with BC Housing;
2. Consider enhancements to the Clean BC Better Buildings strategy by adding incentives for use of sustainably harvested wood products in commercial buildings, and new mid-rise affordable housing of 5-12 storeys; and
3. Advocate to FCM that they similarly determine an allocation of new housing construction capital project funding from their Green Municipal Fund for projects which utilize sustainably harvested Canadian wood products.

CLEAN TECHNOLOGY & THE RENEWABLE, SUSTAINABLE ENERGY SECTOR IN BC

Much of the recent energy dialogue has focused on the price of oil and the impact this is having on federal and provincial budgets. This misses the fact that a more fundamental shift is occurring in the global economy. For the first time in more than a century, multiple signs suggest that the dominance of fossil fuels is beginning to decline. We are seeing the beginning of a new technology revolution that will provide huge economic benefit for those able to place themselves at the forefront of this revolution. One only need to look at countries such as Germany to appreciate how taking a leadership approach to this new green economy can benefit an entire country both economically and environmentally.[1] Unfortunately, while BC has a strong international reputation for innovation on climate change we are not leveraging this reputation to be at the forefront of the growing green technology economy.

The scope of the clean technology and renewable energy opportunities are poorly understood. While investments in renewable energy are well underway in many jurisdictions, the scope of change required will be well beyond electricity generation. Innovation in terms of new technologies and new practices will be required in a range of other areas, such as:

Sector	**Examples of Technology**
Electricity Access	Upgraded Power Grids Off-grid technologies
Water Management	Wastewater Treatment
Waste Management	Recycling Energy capture from landfills
Climate Change / Reducing Emissions	Mitigation technologies Upgraded power grids Renewable energy, wind, solar, geothermal, geo-exchange, tidal, biomass, hydro, etc. Electric and hybrid vehicles Carbon Capture and storage Adaption technologies New cultivation practices Climate resistant infrastructure: sea walls, drainage capacity, water, forest and biodiversity management, etc.
Transport	Rapid Transit systems Low emission vehicles and fuels, biogas, natural gas and plug in electric
Building Energy Efficiency	Thermal Insulation Energy efficiency programs best practice building codes

It should be recognized that some Canadian and international governments have already begun placing a direct focus on the green economy. “Technology and Green Economy” forms a part of the BC Jobs Plan. In addition, the provincial government has also developed “BC’s Green Economy – Growing Green Jobs”.

[1] http://thetyee.ca/News/2014/10/20/German-Clean-Energy-Revolution/.

Nova Scotia has created a rebate programs for a variety of solar and energy efficient green products for consumers through Efficiency Nova Scotia.[2] Sustainable Development Technology Canada (SDTC) has established a role that fills the gap in government funding for Canadian renewable energy and clean tech projects. In addition, they provide consultation for small and medium-sized enterprises (SMEs) wishing to engage in clean technology and renewable energy projects.[3] While the creation of SDTC is a welcome initiative, it is insufficient for the scale of the challenge facing Canada. While this program needs to be highlighted, expanded and encouraged, there are other successful programs in other jurisdiction that should be replicated here in Canada; perhaps the best examples can be found in Germany.

In conjunction with their National Action Plan on Energy Efficiency (NAPE), Germany has implemented a number of investment and incentive programs to foster the shift to renewable energy generation and clean technology.[4] Some of these include, but are not limited to, premium funding to strengthen the establishment of the renewable technologies in the heat market, special promotions of offshore wind energy projects, low-interest loans, and high volume loans for large-scale investment projects. The SME Energy Consulting programme in Germany which is run by KfW and the Federal Ministry for Economic Affairs and Energy helps unleash energy saving in SMEs. Consultations may qualify for subsidies of up to 80 per cent of the consultation costs. Around 17,000 companies received consultations under this program from 2008 to 2013. All told, the consultations led to EUR 0.7 to 1.4 billion of investment and 1.5 to 2.7 terawatt-hours of energy savings. Every publicly financed euro generated EUR 16 to 29 in private investment.[5]

British Columbia needs to move beyond the limited focus on BC's traditional industries and make BC a global leader in all aspects of the new emerging global green economy. As an example, the provincial government needs to make clean technology, including renewable energy production and the manufacture of renewable energy producing products (like solar panels, wind turbines, etc.), a high priority in British Columbia in an effort to grow a diversified 21st century economy.

This strategy should be broad and to be successful would have to address the following challenges:

- Build a stronger industrial structure, i.e. larger SMEs and more large firms entirely dedicated to the environment and green technology;
- Develop and accelerate the marketing of homegrown technologies;
- Capitalize on local markets to stimulate growth in the environmental and green technology industry;
- Increase exports and acquire a strong position in buoyant niches in international markets; and
- Achieve the convergence of the efforts of all players in the sector.

While market forces will be a key determinant of successful new technologies, governments have a critical role to play in setting the scene for this societal shift. We have seen a number of instances where government has been successful in initiating programs that have resulted in positive outcomes. As an example, policy and rebates to support zero-emission vehicles meant that in 2019, nearly 9% of light-duty vehicle sales in BC were zero-emissions, almost meeting the goal of 10% by 2025 six years early. In addition, we have seen the BC Hydro PowerSmart programs result in a significant reduction in electricity consumption through a range of programs, including targeted incentive and rebate programs. The recent establishment of an industrial electrification rate will offer a discount to incentivize new clean industries setting up or expanding operations in BC, including hydrogen and biofuels, demonstrating how we can

[2] http://www.efficiencyns.ca/energy-solutions/solar/.
[3] https://www.sdtc.ca/en.
[4] http://www.kpmg.com/global/en/issuesandinsights/articlespublications/taxes-and-incentives-for-renewable-energy/pages/germany.aspx.
[5] http://www.bmwi.de/EN/Topics/Energy/Energy-Efficiency/energy-consulting-and-funding,did=687122.html.

leverage our clean electricity grid to attract investment to BC

To ensure that BC is able to move quickly to establish ourselves as a global leader, we should look to best practices globally to identify programs that encourage the production, sale and purchase of renewable energy and green products. BC has a unique opportunity. BC has an undeniable advantage to be at the vanguard of addressing the challenges raised by today's industrial and environmental issues. This will require consultation and a focused effort by government to play a leadership role in partnership with the private sector.

These technologies are in demand worldwide and will be a catalyst in driving a diverse 21st century economy in British Columbia. Jurisdictions around the world are looking to lead. Without a coordinated plan we will quickly see BC overtaken and left behind in the new global economy, missing huge economic opportunities.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Develop and implement a plan to advance BC's contribution to select aspects of a new global economy, the conservation and efficiency industry, clean energy and clean technology sector;
2. Continue to implement and fund industrial, commercial and residential green programs to support, attract and retain clean technology and renewable, sustainable energy technologies in British Columbia;
3. Continue to work with the business community, provinces/territories, and international institutions and governments to further develop emerging clean technologies and to work toward a common target for emissions reductions; and
4. Align and integrate utility energy planning, Clean BC, carbon reduction planning and the mandate of utilities and BCUC to implement Clean BC.

INVESTING IN PUBLIC GEOSCIENCE TO ATTRACT INVESTMENT AND JOBS, STIMULATE INNOVATION AND ENABLE CLIMATE ACTION

The British Columbia Geological Survey and Geoscience BC are the core of an innovative and successful made-in-British-Columbia approach to public geoscience. An adequate, long-term provincial funding model for these organizations will improve the impact of public geoscience to attract investment and encourage economic recovery through responsible natural resource development; boost competitiveness and innovation; enable climate action; and support reconciliation with Indigenous peoples in every region of the province.

Background

Mining and energy are key to BC's economy, supporting thousands of jobs and generating billions in revenue while operating with low greenhouse gas (GHG) emissions intensity compared to other competing jurisdictions. Provincial metal and steelmaking coal production was valued at $9.28 billion and mineral exploration spending in BC reached $422 million in 2020, the highest since 2013[6]. The resilience of the mineral exploration industry during the COVID-19 pandemic emphasizes the importance of this industry to economic recovery in BC and across Canada. BC has significant mineral resource growth potential and, according to the World Bank, global demand for minerals and metals needed for a net zero

[6] Exploration and Mining in British Columbia, 2020: A summary - http://cmscontent.nrs.gov.bc.ca/geoscience/PublicationCatalogue/InformationCircular/BCGS_IC2021-01-01.pdf

emission future is forecast to rise in the coming years[7]. Foundational geoscience is key in attracting investment that supports jobs and government revenues.

According to the Canadian Association of Petroleum Producers (CAPP), upstream oil and natural gas investment in BC is forecast to grow by 29 per cent to $3.9 billion in 2021, with demand for BC's lower emission intensity natural gas expected to rise[8]. Canada is currently the only country on the Pacific Rim that does not produce geothermal energy. New research is helping to highlight and de-risk BC's significant potential for this energy source.

There is a direct link between public geoscience and resource development investment. For example, the Prospectors & Developers Association of Canada (PDAC) has calculated that every $1 invested in public geoscience leads to $5 in private sector mineral exploration[9]. More recently, a study by EY for Natural Resources Canada found there was $7.3 of economic benefit for each dollar the federal government spent on the Geomapping for Energy and Minerals (GEM) and Targeted Geoscience Initiatives (TGI) programs[10]. Public geoscience:

- Allows industry to identify areas of favourable mineral potential instead of spending money on non-prospective ground;
- Reduces duplicative spending by companies that examine the same parcel of land in different time periods; and
- Increases exploration effectiveness in difficult or challenging terrains.

BC's innovative and successful public geoscience model consists of a provincial government geoscience agency, British Columbia Geological Survey, and not-for-profit geoscience society, Geoscience BC. Each group has complementary goals and a history of working collaboratively. This was formalized in 2020 with a Memorandum of Understanding between the organizations and the establishment of a Coordination Steering Committee[11].

The British Columbia Geological Survey, as the steward of provincial geoscience and mineral resource information, conducts research to define the geological evolution and natural resources of BC Part of the Ministry of Energy, Mines and Low Carbon Innovation, it generates geoscience knowledge and data to inform land use and resource management decisions, and to support the growth of BC as a competitive jurisdiction for mineral exploration. The British Columbia Geological Survey, as the oldest scientific agency in the province, has provided public geoscience services to the people of BC since 1895. British Columbia Geological Survey staff of professional geoscientists generate knowledge and data that informs decisions that balance economic, environmental, and community interests. Maps, reports, and databases are freely available online, serving the interests of stakeholder groups including First Nations, local communities, the minerals industry, public safety agencies, environmental scientists, research organizations, and government agencies.

Despite the extensive knowledge base provided by the British Columbia Geological Survey's 125 years of corporate knowledge, products, and archives, much work remains. The remote, rugged terrain across much of the province means that vast areas lack the foundational framework geoscience necessary to unlock BC's mineral resource wealth. However, modern mapping techniques and technology

[7] Mineral Production to Soar as Demand for Clean Energy Increases - https://www.worldbank.org/en/news/press-release/2020/05/11/mineral-production-to-soar-as-demand-for-clean-energy-increases

[8] Natural Gas and Oil Industry Investing in Canada's Economic Recovery - https://www.capp.ca/news-releases/natural-gas-and-oil-industry-investing-in-canadas-economic-recovery/

[9] https://www.pdac.ca/priorities/access-to-land/geoscience

[10] Economic Assessment of Geoscience Information (GEM & TGI), Final Report January 15 2020

[11] British Columbia Geological Survey and Geoscience BC Sign Memorandum of Understanding and Coordination Steering Committee Charter - http://www.geosciencebc.com/british-columbia-geological-survey-and-geoscience-bc-sign-memorandum-of-understanding-and-coordination-steering-committee-charter/

advancements help improve the breadth and depth of geological understanding. Transformation of historic geoscience information to digital formats and databases enable innovation that will better predict economic opportunities, de-risk investment, and allow improved governance of BC's mineral resources.

Established in 2005, Geoscience BC is an independent, not-for-profit society which promotes, funds and supports public mineral, energy (oil and gas; and geothermal) and water resource geoscience research in BC that:

- Improves our collective level of geoscience knowledge;
- Informs responsible natural resource development and investment decisions;
- Catalyzes socio-economic opportunities; and
- Stimulates innovation and geoscience technologies.

This adds value and augments the work of the Ministry of Energy, Mines and Low Carbon Innovation, Ministry of Environment & Climate Change Strategy, Ministry of Forests, Lands, Natural Resource Operations & Rural Development, British Columbia Geological Survey, BC Oil and Gas Commission, Geological Survey of Canada and other government science, research and regulatory agencies.

The majority of Geoscience BC's funding has traditionally come from provincial government year-end contributions, most recently $5 million on May 9th, 2019. To continue to provide the added value of the BC public geoscience model, Geoscience BC requires a minimum of $5.5 million per year.

High quality, public and independent earth science research aligns with key provincial initiatives such as CleanBC, the Economic Recovery Task Force, the BC Mining Jobs Task Force, the Mining Innovation Hub, Scientific Hydraulic Fracturing Review Panel and the Climate Solutions Council.

In 2019, the provincial government's BC Mining Jobs Task Force recommended that a geoscience review for the province determine a "longer-term funding direction". It noted that BC's public geoscience is falling behind that of competing jurisdictions, primarily due to underfunding of the British Columbia Geological Survey. With an annual budget of around $4 million, the British Columbia Geological Survey is well below funding levels of the comparable and competing Canadian jurisdictions such as Ontario and Quebec. Increasing British Columbia Geological Survey funding to a minimum of $6 million per year would begin to make up the public geoscience deficit that BC faces. The Select Standing Committee on Finance and Government Services' *Report on the Budget 2021 Consultation – Volume 1* recommended: "*Continue funding the British Columbia Geological Survey and Geoscience BC."*[12]

Adequately resourcing the British Columbia Geological Survey and establishing a stable long-term funding mechanism for Geoscience BC would allow longer term projects, build more stable relationships with partners and potentially better leverage funds with contributions from other sources. Funding for these organizations will allow their public geoscience to attract investment and encourage economic recovery through responsible natural resource development; boost competitiveness and innovation; enable climate action; and support reconciliation with Indigenous peoples.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Establishes annual base funding for the BC Geological Survey from current levels ($4 million) to at least $6 million in order to maintain staff, continue framework mapping, enhance digital transformation of geoscience data, and provide mineral potential assessments for land use decisions; and

[12] Report on the Budget 2021 Consultation - Volume 1 - https://www.leg.bc.ca/content/CommitteeDocuments/41st-parliament/5th-session/fgs/Reports/Budget%202021%20Consultation%20Report_Volume%20I.pdf

2. Provides Geoscience BC with regular funding of a minimum of $5.5 million per year to maintain a consistent level of minerals, energy and water research projects, with a mandate to leverage these funds with funds from other sources; puts in place a forum to discuss long-term funding mechanism options for Geoscience BC; and commit to working with Geoscience BC and Federal Government to leverage provincial funding.

SUPPORTING A GLOBALLY COMPETITIVE LNG INDUSTRY IN BC

Fostering a new industry in BC brings significant new investment, opportunity, jobs and employment training. When BC is able to find new markets for our responsibly developed resources, it adds value to those resources and supports communities, businesses and provides new revenue for provincial government services such as health care, transportation, infrastructure and public safety across BC.

Background

British Columbia has 2,933 trillion cubic feet of natural gas reserves according to the report *The Ultimate Potential for Unconventional Petroleum from the Montney Formation of British Columbia and Alberta* by the National Energy Board, the BC Ministry of Natural Gas Development, the BC Oil and Gas Commission, and the Alberta Energy Regulator. According to calculations, this is enough supply to meet domestic supply and provide 150 years of natural gas to export as liquefied natural gas (LNG).

According to the Canada Energy Regulator (CER), Canadian natural gas supply currently exceeds domestic consumption. Canada's natural gas markets are heavily integrated with those of the United States and Canada exports its surplus natural gas to the U.S. while importing smaller amounts from the U.S. into Central Canada in return.

BC's natural gas industry can access new markets in countries where demand is growing in order to maximize the potential of natural gas to BC and Canada's economies. According to the International Energy Agency (IEA), under one potential scenario, world demand for natural gas could increase by as much as 30% by 2040, driven almost entirely by Asia and the Middle East[13]. Further developing the LNG industry in BC would allow BC and Canada to export natural gas to new customers. This has the potential to meet the need of these emerging economies for low-emission, reliable sources of energy, while providing BC with the opportunity to add value to its resource by creating thousands of new jobs, apprenticeship and business opportunities, new revenue and long-term economic benefits for all British Columbians for decades to come.

According to a report by the Conference Board of Canada, further developing the LNG industry in BC to 56 million tonne per annum would grow Canada's economy by $11 billion per year for the next 40 years. The increased economic activity would raise national employment by more than 96,000 jobs annually. The majority of the impacts would occur in British Columbia with real GDP lifted by $8 billion and employment up by an annual average of more than 71,000 jobs[14].

Without a LNG industry in BC, British Columbians risk losing these benefits to the United States as they will liquefy and export their domestically-produced natural gas and import cheaper raw British Columbian gas for their domestic needs. As British Columbia also has regulations and law in place to limit the amount of emissions produced by its LNG industry, allowing other jurisdictions to develop LNG would not only result in jobs and benefits leakage, but carbon leakage as well. British Columbia has the opportunity to supply market demand with the lowest carbon intensive LNG industry in the world, benefitting economically, while ultimately reducing global greenhouse gas emissions.

[13] https://www.iea.org/reports/world-energy-outlook-2020

[14] https://www.conferenceboard.ca/temp/04f31d19-4123-4fd1-a4be-86496d5e66be/10764_SE_Rising%20Tide.pdf

THE CHAMBER RECOMMENDS

That the Provincial and Federal Governments:

> Initiate an LNG investment attraction policy ensuring BC seizes the emerging global market opportunity for low emission natural gas and unlocks its potential for low emission LNG development in consultation with First Nations in the respective and affected areas.

CARBON EMISSIONS: IMPROVING GLOBAL EFFORTS THROUGH PROVINCIAL COLLABORATION

Carbon pricing systems for heavy emitters across Canada have the objective of promoting innovation, creating a shift to low-carbon industrial processes, reducing emissions and addressing competitiveness concerns.

Currently, federal policy objectives are not being met by New Brunswick, Alberta and Ontario's pricing systems, while BC's system exceeds the federally established level.

As our reliance on fossil fuels phases out, there needs to be another source of energy available for industry. The prime option is electricity, however, the electric grid is heavily reliant on fossil fuels and needs to become more sustainable. The Federal Government has the opportunity to create a national strategy on incentivizing electricity producers to reduce emissions along their supply chains and reduce barriers for provinces to share electricity.

Background

Climate change has led to many countries implementing ambitious strategies to transition to low-carbon economies. One such policy initiative is a carbon pricing system aimed at reducing emissions-intensive processes for industries such as cement, steel, lime, oil and gas, pulp and paper and mining. Carbon pricing is recognized globally as one of the strongest policy instruments available for tackling climate change. This strategy is being initiated at the provincial and federal levels of government.

The Federal Plan

The federal government has put a price on pollution. Carbon pricing is viewed as an efficient way to reduce greenhouse gas emissions, spur investments in clean innovation, and incentivize individuals, households, and businesses to green their operations. For those switching to low-carbon emissions, a rebate is provided. The carbon tax system is flexible as provinces can elect to use the system created by the Federal Government or legislate their own pricing.

If a province elects to pursue their own carbon pollution pricing system, they must meet the federal benchmark stringency requirements. If a province does not meet the benchmark, then the federal government will apply the federal backstop, which began on July 1, 2019. The federal carbon pollution pricing 'backstop' system was established under the *Greenhouse Gas Pollution Pricing Act* and adopted on June 21, 2018. It has two components: a charge on fossil fuels, and a regulatory system for large industry, known as the 'output-based pricing system' (OBPS).

The OBPS encourages heavy emitters to innovate and reduce emissions, while balancing competitiveness pressure from external jurisdictions that do not have carbon pricing systems in place. The OBPS was implemented in Manitoba, New Brunswick, Prince Edward Island, Saskatchewan and Ontario.

The Provincial Plans

British Columbia, Ontario, Alberta, and New Brunswick have implemented provincially legislated carbon pricing systems to transition to a low-carbon economy. By electing to implement a provincially legislated system, the provinces are able to set their own targets and goals based on the demographics, economy, and industry of the specific province. The ability to set their own targets and policies has led to varying degrees of success in shifting to a low-carbon economy.

Provinces like Quebec, Nova Scotia, the Northwest Territories, and British Columbia meet or exceed federal benchmark requirements.

Provincial systems in Prince Edward Island, Alberta, and Saskatchewan meet the benchmark requirements for emission sources they cover. The federal backstop supplements these systems by applying to other sources the provinces do not cover.

British Columbia is ahead of the other provinces in their efforts to transition to a low-carbon economy set out in 2008 with a fossil fuel tax across the economy, including for heavy emitters. The fossil fuel tax was frozen in 2013 and restored in 2018 under the CleanBC[1] plan. The plan exceeds the federal requirements for carbon pricing and economic growth; however, it may still not reach 2030 targets.

In 2007, Alberta began with pricing emissions from industrial emitters and extended the pricing with a levy on fuels in 2017. In 2018, the levy was increased to $30 and the system for heavy emitters was strengthened. Alberta has now introduced the Technology Innovation and Emissions Reduction (TIER) Regulation.[2] Alberta also accounted for 38% of emissions in Canada.[3]

New Brunswick's plan meets the federal stringency requirements on emission sources that it covers, which took effect April 1, 2020.[4] Additionally, Ontario has the federal backstop in place as their government cancelled the existing cap-and-trade system in October 2018.

A New Policy Direction

As the reliance on fossil fuels is phased out, there needs to be another source of energy available for industry. The prime option is electricity; however, the electric grid is heavily reliant on fossil fuels and needs to become more sustainable. The Federal Government should look to create a national strategy on incentivizing electricity producers to reduce emissions along their supply chains and reduce barriers for provinces to share electricity.

Since there are limited thresholds for Alberta, New Brunswick, and Ontario, the success of reducing emissions within certain industries is unlikely and as such the objectives set out in international agreements are unlikely to be met by Canada.[5] This will jeopardize Canada's efforts to decarbonize and will have little impact on global climate change. Without substantially more ambitious efforts, environmental and economic impacts with continue to grow.

The Cost to Business

Without an adequate supply of energy, fossil fuel reduction and eventual elimination is unlikely. Without the supply of energy such as electricity to meet the increasing demand, businesses will have to delay implementing industry processes that utilize alternate power sources over fossil fuels.

[1] https://cleanbc.gov.bc.ca/

[2] https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work.html

[3] https://www.canada.ca/en/environment-climate-change/services/environmental-indicators/greenhouse-gas-emissions.html

[4] https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work.html

[5] https://ec.europa.eu/clima/policies/international/negotiations/paris_en#:~:text=The%20Paris%20Agreement%20sets%20out,support%20them%20in%20their%20efforts.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Work with all Provinces to implement carbon pricing systems that will lead to greater market shifts towards low-carbon industrial processes;
2. Recognize the competitiveness of energy intensive trade exposed companies when implementing new low carbon processes.

That the Federal Government:

1. Set targets to green electricity producers; and
2. Reduce interprovincial barriers to share electricity.

ELECTRIC CHARGING SOLUTIONS AND PARTNERSHIPS NEEDED

Widespread electric vehicle adoption hinges on utility investment in charging infrastructure — a process fraught with payback challenges and difficult strategic choices.

The global auto manufacturing industry is undergoing a rapid transition from reliance on internal combustion engines (ICEs) to battery electric vehicles (EVs). This shift is essential for cutting greenhouse gas emissions in order to avoid the most catastrophic impacts of climate change and presents a major economic opportunity for the auto manufacturing industry. If done right, federal policy can help mitigate the climate crisis, deliver a win for workers, and ensure national competitiveness in key areas of economic growth, decarbonization, and technological innovation. BC and Canada need to build competitive domestic supply chains in industries that are at the frontier of technological change.

The growing trend in electrical vehicle (EV) deployment has transformed independent power network and transportation network studies into highly congested interdependent network performance evaluations assessing their impact on power and transportation systems. Electrified transportation is highly capable of intensifying the interdependent correlations across charging service, transportation, and power networks. However, the evaluation of the complex coupled relationship across charging services, transportation, and power networks poses several challenges, including an impact on charging scheduling, traffic congestion, charging loads on the power grid, and high costs.[6]

Background

Much of the charging infrastructure deployment to date in Canada has focused on establishing geographic connectivity along key highway corridors with 'fast-charging' stations that allow a typical EV to charge to 80% in 30 minutes.[7]

Canada is actually doing pretty well on this front. Thanks to investments by the federal government, provincial governments, electric utilities and a handful of private companies, Canadian EV drivers now have access to a number of charging networks that can get them from Victoria to Halifax.

[6]https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjT1a3J7KHvAhXY854KHf4VDC0QFjAAegQIARAD&url=https%3A%2F%2Fwww.mdpi.com%2F1996-1073%2F13%2F13%2F3371%2Fpdf&usg=AOvVaw1ai67q-WHpTF7qr1epZE2r

[7] https://electricautonomy.ca/2020/05/21/ev-charging-economics-for-utilities/

However, ongoing investment in charging infrastructure is essential to make sure there is a base-layer of charging infrastructure that can meet the demands of a growing EV population. By that measure, much of this country's existing fast-charging infrastructure suffers from two key limitations:

Inadequate charging power

The 50kW charging speed of many fast chargers leaves something to be desired. While they can recharge a 2011 Nissan Leaf with 117 kilometres of range to 80% in about 30 minutes, the batteries in EVs with 400 kilometres or more of range take longer to charge. Research suggests that charging at 150 kW, with the potential to replenish 300 to 400 kilometres of range in 30 minutes, is an essential development for EVs to appeal to a broader slice of the population. An increasing number of vehicles are coming to market that can charge this fast, and we should be building infrastructure in anticipation of them.

Too few chargers

The majority of fast-charging sites across Canada can only charge one EV at a time. First-hand accounts from Canadian EV drivers suggest this is already leading to some headaches on peak travel days, and modeling has shown that many jurisdictions need to be thinking of charging stations with four, eight or even more chargers each to avoid line-ups in the near future.

What's needed are opportunities to build a broader business case for public fast-charger deployment that looks beyond simply selling electrons. These three are the most compelling:

Companion retail

Some retailers may enjoy having a captive audience with 20-30 minutes to kill in their store. Retailers, convenience stores, coffee shops, grocery stores and other outlets may see EV charging as a way to lure customers, although they'll need to take a close look at the math based on the expected EV traffic in the area.

Carmaker incentive

Some automakers have seen fast-charging deployment as a necessary investment to enable sales of their EVs. Tesla, which has been deploying high-powered, multi-port charge stations since 2012, is the most obvious. But Volkswagen and Ford are among other EV makers now entering the charging game.

EV-driven load growth

A growing number of electric utilities are investing in public charging infrastructure on the basis that it will accelerate EV adoption, which in turn increases utility revenue through overall growth in electricity demand. While public fast chargers may only provide roughly 5% of an EV driver's energy needs, the electric utility is in the unique position of being able to recognize revenue from the remaining 95 per cent of that driver's charging, whether it happens at home, at work, or on the go.

Electric utilities can play a big role in addressing many of these issues.

Battery Prices

Cell costs have plummeted to $145 per kWh or lower and are expected to continue falling with technological improvements and returns to large-scale production. While cells are only one component of the cost of an installed battery, the cost of installed batteries has declined from around $1,000 per kWh in 2010 to an estimated $250-350 per kWh in 2018. Total battery costs are falling more slowly, as consumers demand EVs with longer ranges and thus larger batteries. Meanwhile, governments are finding it increasingly difficult to fiscally justify large subsidies to attract buyers.[8]

[8] https://projects.iq.harvard.edu/files/energyconsortium/files/rwp18-026_lee_1.pdf

The lifetime costs of battery-only cars (BEVs), plug-in hybrids (PHEV) and gasoline-fueled internal combustion-engine vehicles (ICE), needs to be evaluated and prepared for. The PHEV is more expensive than the ICE in almost all scenarios, while the BEV is robustly cost-competitive, once installed battery prices reach $200-$250 per kWh. Further reductions in battery costs will still be needed for BEVs to be a viable alternative to ICEs.

Commercial success for EVs will require installing charging infrastructure that is accessible, easy to use, and relatively inexpensive—whether at home or in public locations. The form this infrastructure will take is still uncertain, with a range of charging technologies currently available and more expected to emerge over the next five years. The total cost of power from fast charging stations is higher than slower residential chargers unless the former can achieve sufficiently high utilization rates.

THE CHAMBER RECOMMENDS

That the Provincial Government:

> And private sector, leverage utilities to build a positive business case for investing in charging infrastructure, helping to accelerate the transition towards electric mobility while delivering cost savings to their ratepayers.

ENABLING NET-ZERO GOALS THROUGH OFFSETS & INNOVATION

Whereby governments are seeking to meet net-zero goals emissions targets in Canada and help contribute to global objectives, we urge governments at all levels to partner with Canadian industry to establish frameworks that enable both economic and environmentally sustainable growth.

Background

Canada's economy is amongst the most trade dependent in the world. The fortunes of Canadian businesses, large and small, are tied directly or indirectly to the ability of Canadian industries to compete internationally. Climate change is global issue and knows no borders. Canada needs sensible policies that help achieve domestic and international climate objectives and fairly recognizes the interests and contributions that Canada makes.

A recent report by the Business Council of BC titled 'What is BC's Low Carbon Advantage?' [9] highlighted that BC products "are made with some of the lowest impacts on climate in the world." … "due to BC's clean electricity generation and other investments in operational efficiencies and innovations made by BC companies in order to compete."

It also noted that at this time "offsets and market mechanisms, such as carbon trading, are not included as compliance tools in the climate policy framework for industry." Unfortunately, "that is resulting in lost opportunities. BC industry offset projects could have a material impact on both GHG reductions and the economy."

THE CHAMBER RECOMMENDS

That Provincial and Federal Governments:

1. Enable domestic and international offsets that help benefit Canadian businesses in all sectors; and
2. Create financial incentives to stimulate innovation and technology to reduce emissions and help the Canadian and BC economies recover.

[9] http://www.lowcarbonadvantage.ca/

INCLUDE ICI CARDBOARD IN PROVINCIAL EPR PROGRAM

Does cardboard collected from businesses in rural areas or smaller communities go into landfills or does it get recycled? If a private individual can recycle their cardboard in the Provincial Extended Producer Responsibility (EPR) program, so should a business be able to.

Background

The Recycling Regulation, under authority of the *Environmental Management Act*, sets out the requirements for Extended Producer Responsibility (EPR) in BC. EPR is a management system based on industry and consumers taking life-cycle responsibility (i.e., recycling) for the products they produce and use. Producers of designated products may appoint an EPR agency to carry out their duties in accordance with an approved plan[10.] The Recycle BC residential packaging and paper recycling program is an example of an EPR.

In 2011, the province amended the Recycling Regulation to make businesses supplying packaging and printed paper responsible for collecting and recycling their products. This was done to shift recycling costs from BC taxpayers to producers and to give producers more incentive to be environmentally friendly by producing less packaging and waste; however, this regulation has negative effects on businesses in rural areas or smaller communities.

The provincial EPR program separates Industrial Commercial Institutional (ICI) material from residential recycling, which is handled by Recycle BC. ICI is run separately from any type of residential program since the regulation requires private businesses to handle their own ICI waste. ICI material, especially cardboard, is a huge issue financially, environmentally and logistically due to the fact that one needs volume to bale cardboard to make it economical to ship to the end contractor. As businesses cannot dispose of their cardboard at a Recycle BC depot or waste transfer station, the business can either 1) dispose of the cardboard in a landfill site or 2) pay a private hauler to transport their cardboard (baled or unbaled) to a designated industrial or commercial recycling depot. Certain landfill sites have banned cardboard as it is a) an easily recyclable material, b) is a fire hazard, c) takes up space, and d) compromises the integrity of the landfill.

Private residents may self-haul recyclable cardboard to a Recycle BC depot or waste transfer station, but businesses are not permitted to put any (zero) cardboard into the self-haul depots at transfer stations. Individuals cannot collect waste from residential dwellings as that would categorize the individual as a business, making the recyclables collected ineligible to be dropped off at a Recycle BC depot or waste transfer station as the recyclables are then classified as business recycling. As an example, if a small business owner wants to recycle a cardboard box which contained reams of paper they bought from the store, they cannot recycle the cardboard box at a Recycle BC depot or transfer station. However, if they bought this same cardboard box for their home, Recycle BC will accept the box for recycling.

There has been an exponential increase in online shopping, coupled with the COVID-19 pandemic. Individuals can recycle the cardboard boxes received from their online orders in the Recycle BC Program, whereas businesses incur additional costs for ICI cardboard recycling.

Please note that schools fall into the ICI category too and therefore cannot officially drop off recyclables at a Recycle BC depot or transfer station. This is applicable to all BC schools due to the provincially regulated EPR program.

Businesses with ICI cardboard are expected to use private haulers to collect and transport cardboard to industrial/commercial recycling facilities; however, these private haulers are challenged in rural areas or smaller communities with extra transport costs, since they must ship the cardboard loose as baling

[10] https://www2.gov.bc.ca/gov/content/environment/waste-management/recycling/extended-producer-responsibility/recycling-regulation

facilities are not available in these communities (the density of uncompacted cardboard is 30-90 kg/m3 compared to compacted cardboard at 180-300 kg/m3)[11]. In areas that have a higher population density, it is cheaper to collect and bale cardboard because of the economies of scale, therefore it would be worth having a baling facility. Likewise, areas that are closer to the end market for cardboard would have less transport costs.

Cardboard is easier to ensure it gets recycled. There is less ICI recycling for other types of materials (plastic, tin, glass, etc) as these materials are less marketable. An EPR program for ICI will provide stability for the collectors and haulers involved the system for recycling cardboard and these contractors will have the ability to broker materials (whether it be cardboard, plastic or other) more efficiently.

An ICI EPR Program is essential for the long-term sustainability of even residential recycling in low population density areas as ICE occupies approximately 40% of the waste stream. Areas with low volumes of recyclables need an ICI recycling program to support processing facilities (for example bailing facility, transportation system, waste base re-manufacturing, etc).

THE CHAMBER RECOMMENDS

That the Provincial Government:

> Include Industrial Commercial Institutional (ICI) material in the Provincial Extended Producer Responsibility (EPR) program to make it fair for retailers and other small businesses.

PLASTIC DRINKING BOTTLES – HOW TO INCREASE MORE P.E.T PLASTIC RECYCLING

Many plastic bottles end up comprising products that cannot subsequently be recycled (e.g., carpet, plastic chairs, and other products) and therefore end up in landfills. Additionally, plastic bottles are not made from recycled plastic materials since there is no requirement to do so federally or provincially. Recycling bottles is also time consuming and the ways to receive payment are outdated.

Background

Many bottles aren't recycled at all, and those that do get recycled usually aren't turned into other bottles or recycled again after that. Instead, they end up in the world's landfills — or worse, in the ocean. In Canada, plastic bottles and cans were the top plastic trash items collected during shoreline cleanups in 2019[12], just behind cigarette butts.

The compound used to make beverage bottles is polyethylene terephthalate or P.E.T. Although PET is easily recyclable, it often does not get recycled. Companies that manufacture plastic bottles (e.g., Nestle, Coca-Cola, McDonalds, Starbucks, and Tim Hortons) have not made significant strides in reducing plastic production.

Currently, recycled plastic bottles are not turned into bottles but instead into fibre as a result of contamination of the recycled product from things like labels and organic waste. Bottle-to-bottle recycling also uses more energy and financial resources to turn the bottles back into bottles versus turning them into carpet or clothing, for example[13]. Once the product is recycled from a bottle to carpet or other fibre-based material, it will inevitably end up in the landfill.

[11] https://www.rcbc.ca/files/u3/aa_facts-cardboard.pdf

[12] https://www.cbc.ca/news/technology/greenpeace-plastic-brand-audit-1.5314739

[13] https://www.recyclingtoday.com/article/recycled-pet--should-it-be-used-in-making-new-bottles-/

The federal[14], provincial[15], regional, and some municipal[16, 17] governments have begun crafting a ban on single-use plastics, which was a policy submitted and advocated for by the Surrey Board of Trade[18]; however, this does not include a program that will increase the recycled material used in plastic bottles, another major cause of pollution and environmental degradation.

The BC Government has expanded the deposit-refund system to cover all beverage containers and are changing the deposit-refund to 10 cents for all containers. Most plastic beverage containers sold today have a 5-cent deposit and are frequently discarded, yet beverage containers with a 10-cent deposit, such as beer cans/ bottles, are returned more often by consumers[19]. BC is also modernizing recycling regulations to allow electronic refunds to be paid instead of cash, improving convenience[20].

Although some cities have a few recycling depots, they are not convenient. Having recycling facilities for small returns such as a bottle or two at convenient locations such as gas stations or convenience stores will increase the likelihood that bottles will be recycled. There are also examples of recycling machines that will provide a payout for bottles you insert, automatically cleaning the bottle to be reused.[21]

To ensure that companies are doing their fair share, they should be required to use a minimum amount of recycled content in their bottles.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Support private sector recycling industry by incentivizing the private sector to invest in smart recycling locations that will automatically provide refunds for bottles recycled; and
2. Work with the Federal Government to legislate a requirement for new plastic bottles to have a minimum amount of recycled P.E.T material.

PROMOTING INNOVATION IN REGIONAL SOLID WASTE MANAGEMENT

The Chamber asserts that there is a growing disconnection between the goals of reducing waste, increasing diversion rates and the cost that independent businesses are being asked to bear. It is apparent in recent developments proposed by Metro Vancouver and Nanaimo that regional and local governments are shifting to policies that protect and favour public facilities over private ones. The impact of this shift is an increased cost burden being placed on waste haulers, waste service providers and local businesses, with little or no economic or environmental benefit. The Chamber believes that policies like those detailed below set barriers that restrict private enterprise from competing and ultimately limit investment and innovation which benefit the value provided to consumers.

Because regional governments are moving to impose increased regulatory burdens, this shift represents an unfair advantage held by these entities and is anti-competitive. As a result, publicly owned facilities profit at the expense of private sector facilities and ultimately consumers.

[14] https://www.canada.ca/en/environment-climate-change/news/2020/10/canada-one-step-closer-to-zero-plastic-waste-by-2030.html

[15] https://cleanbc.gov.bc.ca/plastics/#:~:text=Bans%20on%20single%2Duse%20packaging,polluting%20our%20environment%20and%20waterways.&text=For%20example%2C%20the%20City%20of,out%20containers%20beginning%20in%202020.

[16] https://vancouver.ca/green-vancouver/single-use-items.aspx

[17] https://www.surrey.ca/services-payments/waste-collection/single-use-item-reduction-strategy

[18] https://businessinsurrey.com/wp-content/uploads/2019/05/SBOT-Resolution-on-Plastics-FINAL-1.pdf

[19] https://cleanbc.gov.bc.ca/app/uploads/sites/436/2019/08/CleanBC_PlasticsActionPlan_ConsultationPaper_07252019_B.pdf

[20] https://cleanbc.gov.bc.ca/app/uploads/sites/436/2019/08/CleanBC_PlasticsActionPlan_ConsultationPaper_07252019_B.pdf

[21] https://www.tomra.com/en/collection/reverse-vending/deposit-return-schemes

The Current Situation

In 2013, Metro Vancouver attempted to introduce proposed Bylaw 280—a bylaw that would institute flow control measures that would allow the region to increase tipping fees at will, maintain a feedstock for an incinerator and position the regional government to create a monopoly on solid waste services. Eight other regional districts[22] supported Metro Vancouver's efforts to institute flow control after lobbying efforts by Metro Vancouver, making the issue provincial in nature.

However, the then BC Minister of Environment, Mary Polak, rejected proposed Bylaw 280 in 2014 citing concerns that the regulation would have:

- The potential to "stifle competition" in the waste management sector;
- The potential for increased illegal dumping;
- Possible negative effects on MMBC; and
- A "destabilizing" effect on private-sector collecting and hauling.[23]

Revisiting this issue in 2017, the Greater Vancouver Sewerage and Drainage District recently approved measures proposed by the Zero Waste Committee on November 24 that have raised concerns. In particular:

1. The Hauler Licensing Bylaw;
2. The implementation of a Waste Generator Levy Bylaw; and
3. The amendments to Bylaw 181.

It is the Chamber's view that, when taken together, the licensing bylaw, the waste generator fees, and the amendments to Bylaw 181 serve to reconstitute the same regime that was proposed by the committee under Proposed Bylaw 280 a few years ago. These changes will place an additional and unnecessary regulatory burden on BC businesses operating in the Metro Vancouver region, will increase costs, stifle investments in innovation, and impact affordability for consumers.

Unsustainable Financial Model

Metro Vancouver's waste reduction goals are contradicted by the methods in which Metro Vancouver collects revenue for its waste management programs. The first two goals of the Integrated Solid Waste and Resource Management Plan (ISWRMP)—minimize waste generation and maximize reuse, recycling and material recovery—both reduce the resource from which Metro Vancouver gains its main revenue stream, waste. The Chamber asserts that by discouraging regional districts from restricting open and competitive markets and allowing private enterprise greater access to the waste management market, private industry can add to the achievement of Metro Vancouver's goals, create a market of opportunity and therefore decrease government expenditures.

The Role of the Regional District

The Chamber asserts that a regional district's main function is to provide regional services where, and only where, it is more cost effective than for municipalities to offer such services on their own, or if there is no other organization to provide services for a given region. In that regard, The Chamber believes that regional governments must be held accountable for seeking the most cost-effective and environmentally prudent means of waste disposal and diversion solutions that promote cooperation and competition. Additionally, in the spirit of competition, the Chamber believes that regional or municipal government authority should not extend to the selection of waste diversion or diversion methods other than to license

[22] Capital Regional District, Regional District of Okanagan-Similkameen, Alberni-Clayoquot Regional District, Comox Valley Regional District, Regional District of Nanaimo, Regional District of Central Kootenay, Regional District of North Okanagan, and Cowichan Valley Regional District
[23] Ibid.

facilities by setting up results-based operating standards to ensure that facilities are working to achieve the goals of the ISWRMP during their operation.

The ISWMRP states that the diversion of waste from disposal occurs through open and competitive private sector markets. Additionally, we understand that recycling, as defined under the Environmental Management Act, can occur at any point prior to disposal. In other words, there is no prescribed idea of only source separation, but that many methods of recycling can be used to achieve desired diversion goals.

Chamber members have indicated concern regarding the conflict inherent in the role that Metro Vancouver plays as both the licensing body for the waste management industry, but also as an operating player in the market, drawing revenue from the disposal of waste. Without increased separation of the operational and licensing roles that Metro currently performs in relation to the licensing of solid waste and recycling facilities or a third-party appeal process of Metro decisions, there is an inherent conflict that does not serve the residents and businesses of the region. Instead, there is a great incentive for Metro Vancouver to make licensing decisions based on what will best suit the region's capacity to generate revenue and expand its operations as the owner and/or operator of transfer stations or incinerators. Instead, Metro Vancouver can make more cost-effective decisions based on the best value for its member municipalities by promoting innovation in the private sector that allows for more cost-effective methods of waste diversion and waste disposal.

The Chamber understands that regional government has a role in setting waste diversion targets and operational regulations and following through with enforcement. But the Metro Vancouver region is also in direct competition with the private sector by providing services that can be provided by existing private waste businesses in a more efficient and cost-effective manner than government. Making it easier for private industry to invest in the waste management system will reduce cost to those businesses that generate waste.

THE CHAMBER RECOMMENDS

That the Provincial Government work with Regional Districts to:

1. Structure or restructure waste management policies in a manner that;
    a) Reduces the expenditures of the regional government on publicly-owned facilities (if they are in direct competition with private industry);
    b) Promotes innovation and investment by private enterprise;
2. Collaborate with all members of the Commercial Sector to set waste reduction & diversion goals allowing the achievement of those goals through open market processes;
3. Create policies and regulations that recognize new and future recycling and waste diversion technologies as secondary processing facilities (i.e. MRFs, Recycling Depots, etc.) and not as final disposal facilities (i.e. landfills, incinerators, etc);
4. Reduce, amend, or annul regulation and other systemic factors that support a government monopoly or monopsony of solid waste management; and
5. Direct regional governments to develop regulations in a manner that prevents the creation of government monopolies or monopsonies for solid waste management in the multi-family and industrial, commercial and institutional sector.

ENCOURAGE HIRING BY AMENDING THE EMPLOYER HEALTH TAX

The Employer Health Tax taxes every BC employer on their payroll, creating a tax on hiring and job creation in our province. The threshold above which payroll is charged the tax is currently set at $500,000, which is too low and should be raised to exempt more businesses from the tax and encourage hiring and wage growth as BC's economy emerges from the pandemic.

The Employer Health Tax came into effect in 2019 and is an annual tax which requires businesses to pay tax on their annual payroll over $500,000. Businesses with payrolls under $1.5 million are required to pay 2.925% on their total payroll over $500,000, while businesses with total payroll over $1.5 million are required to pay 1.95% on their total payroll. In its first full year in place, the Employer Health Tax taxed businesses $1.897 billion dollars.[1]

Background

The employer health tax is applied once an organization's annual payroll surpasses $500,000 and the tax is levied only on that payroll which is over the $500,000. When the Employer Health Tax was introduced in Budget 2018, the provincial government stated it chose the $500,000 threshold level to "protect small businesses" and exempt them from the tax.

However, the threshold is so low that it only exempts organizations with up to nine employees (based on the median income in BC of $54,028[2]), meaning businesses with as little as 10 employees must pay this tax on every dollar of payroll over the threshold. This is especially noticeable in labour-intensive industries which may have larger staff such as retail, hospitality, and food service, industries disproportionately impacted by the COVID-19 pandemic and related public health restrictions.

When the threshold was set in 2018, it was then already too low. Several provinces with similar health payroll taxes had exemption thresholds significantly larger in an effort to prevent undue negative impacts on small business. For example, in 2018 Manitoba, provided a $1.25 million payroll threshold for its Health and Post-Secondary Education Tax Levy, and Newfoundland has a threshold of $1.2 million on its similar tax.

Since 2018, several provinces have increased their exemption thresholds, including both Newfoundland (to $1.3 million) and Manitoba (to $1.5 million). Notably, the Province of Ontario also increased its threshold, more than doubling the payroll exemption to its Employer Health Tax from $490,000 to $1 million. This increase was initially done as part of its COVID-19 emergency response, but it has since been made permanent, securing meaningful savings for that province's small businesses.[3]

A comparison of the Employer Health Tax now owed by a comparable BC and Ontario small business illustrates the contrast in tax competitiveness between BC and Canada's largest province and the need for reform of BC's tax:

[1] https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/government-finances/quarterly-reports/fall-2020-economic-fiscal-update.pdf

[2] https://www2.gov.bc.ca/assets/gov/data/statistics/people-population-community/income/earnings_and_employment_trends_data_tables.pdf

[3] Employer Health Tax (gov.on.ca)

Business Payroll	BC Tax	Ontario Tax	Cost Difference
$500,000	$0	$0	-
$750,000	$7312.50	$0	$7312.50 more in BC
$1,200,000	$20,475	$3,900	$16,575 more in BC
$4,000,000	$78,000	$58,500	$19,500 more in BC

One of the shortcomings of thresholds in general is that the amounts are often not adequately increased over time, or not indexed to inflation. BC's new employer health tax should avoid this by ensuring the payroll thresholds are indexed to inflation based on the consumer price index (CPI), with either automatic annual increases based on the Index, or through regularly-scheduled reviews and increases of the thresholds.

Indexing or increasing the thresholds will prevent a scenario where, over time, the exemptions become less meaningful as the amounts are no longer relevant. For example, a $500,000 threshold implemented 10 years ago would now be approaching $590,000 if indexed to the CPI. In addition, indexing the thresholds to inflation would allow businesses to offer at least "cost-of-living" increases to wages and salaries without the risk of inadvertently raising their payroll above an exemption cut-off.

In general, payroll taxes are not an ideal way of raising revenue as they function as regressive taxes, with no regard for a business's profitability or ability to pay. For some small businesses with narrow margins, the additional thousands in costs this payroll tax impose presents a further challenge to their recovery and a long-term drag on hiring and on employee wage growth. In fact, a 2020 study of the impacts of the tax estimated that by increasing the cost of labour the Employer Health Tax would result in "a reduction in the province's average hourly wage by $0.59 in the short term and $1.64 and the long term."[4]

Given these negative impacts and the fact that BC's Employer Health Tax is now significantly more expensive than comparable taxes in other provinces, the exemption threshold should be increased as a way of supporting the recovery and growth of BC small businesses.

THE CHAMBER RECOMMENDS

That the Provincial Government:

Amend the Employer Health Tax to:

1. Increase the base payroll exemption threshold from $500,000 to $1.5 million to ensure BC's tax is more competitive with other provinces, to allow for more small businesses to be exempted from the tax, to reduce the cost of hiring for more businesses, and to encourage job creation and wage growth.
2. Ensure the payroll exemption thresholds increase over time to account for inflation, either through a regularly scheduled review, or through annual increases indexed to the BC Consumer Price Index.

MINIMUM WAGE TIED TO CPI

Depending on the government of the day, minimum wages either stagnate in comparison to the cost of living or are increased via legislation. Workers either fall behind economically; or business owners, particularly those in the service industry, suddenly find themselves facing unanticipated payroll increases.

[4] Ergete Ferede (2020). Who Bears the Burden of British Columbia's Employer Health Tax? Insights from the Literature and Some Empirical Evidence. Fraser Institute. Accessed from: http://www.fraserinstitute.org

Indexing any legislated wage increases to the Consumer Price Index provides stability and certainty for the business community, and investors.

Background

The BC Fair Wages Commission (FWC) Report[5] was released in January 2018. The 3-panel commission recommended that the basic minimum wage be increased to $15 by 2021. The increases have been occurring since the report's release and we will see that in 2021, the minimum wage will be increased to $15.20.[6]

Year	Increase ($)	Minimum Wage	% Increase
June 2020	0.75	$14.60	5.4
June 2021	0.60	$15.20[7]	4.1

The rationale for the increase was to take advantage of the relatively good economic climate. Due to COVID-19, we have seen that this climate is no longer viable for arbitrary increases. We have seen the economy shut down, businesses close, and many people out of work. The FWC found that "minimum wage increases have little or no effect on the over-all employment levels when economic conditions are good" (p.xiii).[8]

The commissioners, in addition to the increases, had three other recommendations, two of which were to establish a permanent commission and an advisory committee. The last recommendation is to establish "predictable indicators to guide future increases to the minimum wage, such as the CPI…." (p.xvi), among other indicators such as poverty levels or average wage levels.

Striking a Balance

The members of the BC Chamber of Commerce have in previous policies, called for stability of minimum wage (2020-2021) and minimum wage increases to reach wages indicated by the living wage (2021-TBD), by indexing to the Consumer Price Index (CPI). The CPI is a Statistics Canada measurement that is an "indicator of the changes in consumer prices … of a fixed basket of commodities purchased by Canadian consumers in a particular year."[9] The collective difference from one year to the next is the rate indicating an increase in the cost of living.

The CPI is used to adjust pensions, child support payments, and any number of social, welfare or other payment that over time will need to be adjusted to take into account the increase of the cost of living. As it is a statistical measurement, it is a neutral (non-political) tool to ensure increases are no more / no less than that required to cover the averaged increases experienced by Canadians from year to year. For 2020, the CPI (percentage change) for each Canadian province is:[10]

[5] Fair Wages Commission's (FWC) first report, "The Transition to a $15 Minimum Wage and Subsequent Increases," January 2018: https://engage.gov.bc.ca/fairwagescommission/

[6] The additional $0.20 is optional. The recommendation of the FWC is to consider the increase no less than 6 months in advance. If the economy is doing well, then add $0.15 to $0.20; if not, then keep to the $15.00.

[7] The additional $0.20 is optional. The recommendation of the FWC is to consider the increase no less than 6 months in advance. If the economy is doing well, then add $0.15 to $0.20; if not, then keep to the $15.00.

[8] Table 1 – Minimum wage increases and unemployment rates in BC: 2000-2017, p.8, also support the FWC's conclusion.

[9] Your Guide to the Consumer Price Index, Statistics Canada, 1996 (not updated since), p.1 www.statcan.gc.ca/pub/62-557-x/4194961-eng.pdf

[10] CPI by province, https://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/econ09a-eng.htm

Sept.	Alta	BC	Man	NB	NFL	NS	Ont	PEI	Que	Sask	CAN
2020	1.5	0.4	0.2	-0.2	0.3	-0.7	0.6	0.0	0.3	0.8	0.5

By indexing the minimum wage to CPI, it protects the workers from increases in the cost of living and preventing erosion in real dollar value compared to inflation.[11] Freezing wages for any length of time, although politically expedient, is not only harmful to workers, who are able to afford less over time, but is harmful to business, particularly retail and food service industries. Such industries find themselves responding to ad hoc jumps in pay roll costs as governments respond to public pressure and jump wages forward in unrealistic and unsustainable amounts. The CPI as noted above, is different for each province, reflecting the real cost impact of living within that province, therefore a very useful tool for determining raises.

Due to COVID-19, we found that prices fell in various provinces when comparing CPI in September 2019 to September 2020. Prices increased modestly in other provinces. Under the current plan, wages are going to increase 5.4% whereas CPI only increased 0.4% since last year. This puts employers at a disadvantage.

Accordingly, several provinces have indexed their minimum wages to the CPI. According to Retail Council of Canada [12]and several other sources, the minimum wages across Canada are:

	Alta**	BC	Man	NB	NFL	NWT	NS	Nun[13]	Ont[14]	PEI	Que[15]	Sask	Yuk
			IR[16]	CPI	CPI		CPI		CPI			CPI	CPI
2018	15.00	12.65		11.25		13.46	11.00		14.00	11.55			
2019		13.85											
2020	15.00	14.60	11.90	11.70	12.15[17]		12.55	16.00	14.25	12.85	13.10	11.45	13.71
2021		15.20					13.10						

Note: the gaps within the table means unchanged minimum wages since the first indicated wage.

The FWC noted that the minimum wage recommended for 2020 would be below Ontario and Alberta, who have jumped their wages to $15 with less transition time. This, they explain, is why indexing BC's wage to CPI post 2021, is not recommended as other factors may need to be considered (p.32-33).

However, their data reflect sporadic increases of 0% from 2002 to 2011, and increases ranging from as low as 1.95% in 2015, (p.8) to the recommended high of 11.5% this year. While the cost of living in BC is acknowledged to be a challenge for low-income earners, the instability created by "playing catch-up" is

[11] Battle, Ken. Canada Social Report: *Minimum Wage Rates in Canada: 1965-2015*, September 2015, www.canadasocialreport.ca/MinimumWages/2015.pdf

[12] Retail Council of Canada, Minimum Hourly Wage Rates as of October 1, 2020 https://www.retailcouncil.org/resources/quick-facts/minimum-wage-by-province/

[13] The minimum wage in Nunavut is adjusted annually.

[14] Minimum wages are specialized https://www.ontario.ca/document/your-guide-employment-standards-act-0/minimum-wage#section-0

[15] Quebec's minimum wages for employees receiving tips is $10.45 an hour https://www.cnt.gouv.qc.ca/en/wages-pay-and-work/wages

[16] The minimum wage in Manitoba is adjusted annually on October 1 based on the Inflation Rate.

[17] The minimum wage in Newfoundland & Labrador will return to being adjusted annually on April 1 relative to the Consumer Price Index.

unfairly carried by mostly small business operators. Consistent raises based on a statistical index, such as the CPI, are required to develop stability for businesses and their employees.

The provincial government should ensure that minimum wage continues to only increase by CPI, with the government encouraging employers that can pay a living wage to do so.

In any year that the CPI decreases below zero – as is the case in New Brunswick and Nova Scotia – our expectation is that the current base wage would be retained and there would be no downward adjustment based. The base wage would then increase again as the CPI exceeded the past high-water mark.

COVID-19 has crippled many industries and small businesses. Many businesses have had to take on massive loans to remain afloat during the pandemic. To ensure that there is equity, there needs to be a mechanism allowing certain businesses that simply cannot afford to provide raises the ability to opt-out. This would ensure that the business' bottom line is not further eroded.

THE CHAMBER RECOMMENDS

That the Provincial Government:

> Index any additional minimum wage increases to the Consumer Price Index (CPI), unless CPI decreases below zero.

PRESSING THE PAUSE BUTTON ON BC'S SPECULATION TAX

The tax is unfair, poorly thought out, has not achieved the dollar value predicted (just under $88 million collected in 2019 – 2020 according to government news releases). The tax encourages buyers to move out of areas such as Kelowna and West Kelowna to purchase property, while they continue to use the amenities and infrastructure of these communities without paying any local taxes.

Additionally, in-migration – from the coast, from other provinces, from abroad – is discouraged, even by those nearing retirement age who had purchased a second property with an eye toward not only vacationing and spending vacation dollars here prior to retirement, but also moving here permanently within several years.

Background

In 2018, a 'Scrap the Spec Tax' policy was adopted[18] by the BC Chamber delegates. At that point, it was a proposed tax. It is now entrenched in legislation, and for the subsequent two years, two additional policies[19, 20]called for the tax to be abolished, to be made fair, and the numbers made transparent.

Currently, there is no change forecasted on the horizon by the provincial government. This is an unacceptable situation for all residents of BC.

The speculation tax was defined as a means for "enabling affordable housing in the communities in which it was imposed." This has not happened, and in fact, the taxes collected, by community, have not been made public.

[18] "Anti-Canadian Tariff – Pressing the Pause Button" page 51 https://bcchamber.org/wp-content/uploads/2020/06/2018-2019-Policy-Positions-Manual.pdf

[19] "Stop & Rewind" page 67 https://bcchamber.org/wp-content/uploads/2020/07/2019-2020-Policy-Positions-Manual-2.pdf

[20] "Increasing Accountability, Transparency & Local Control of the Spec Tax" page 55 https://bcchamber.org/wp-content/uploads/2020/06/2020-2021-Policy-Positions-Manual-Final.pdf

The tax remains unfair, and not only punishes the communities in which it is imposed, including in the Okanagan, Kelowna and West Kelowna, but also encourages residential sprawl to neighbouring, non-Spec-tax collecting communities, such as Lake Country, Peachland, and Vernon.

Additionally, it punishes residents across Canada who plan to retire or move to BC to one of the Spec Tax communities. At a time when Canada is actively encouraging in-migration globally, BC has effectively shut the doors of many of its communities to global residents who may prudently wish to buy property in 'spec tax' communities with an eye toward permanent residency.

The BC Government stated on January 11, 2021[21] that region-specific details of the 2019 tax declarations have been forwarded to mayors of communities where the measure applies, to help them work with the ministry on any changes. Repeated requests for this information from Chambers have met with no information to date.

The speculation tax, in place since 2018, covers most residential properties in the Metro Vancouver and Capital regional districts, the districts of Mission and Lantzville and the cities of Abbotsford, Chilliwack, Kelowna, West Kelowna and Nanaimo. While the government repeats its message frequently that only a fraction of owners must pay – and the Finance Ministry says 92 per cent of the $88 million raised in 2019 was collected from foreign owners – this remains an anti-Canadian tariff. Canadians from outside BC, other non-BC resident owners or so-called satellite families who make most of their income from outside Canada are included in the 92%.

THE CHAMBER RECOMMENDS

That the Provincial Government:

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 speculation 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 speculation 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 with all revenue required to go into a community trust to be used for investments in non-market housing, or supportive 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 speculation tax or authority of local government to impose such a tax.

[21] https://vancouversun.com/news/local-news/speculation-tax-increased-long-term-rentals-in-b-c-raised-88-million-ministry

PROPERTY TRANSFER TAX REFORM – ADDRESSING BC'S HOUSING AFFORDABILITY CHALLENGE

While the Property Transfer Tax (PTT) used to only affect the higher price buyers, with the ongoing rise in average housing costs it now affects everyone. The surge in home buying, attributed to the 2020 – 2021 pandemic is adding to the affordability issue raised by PTT.

The BC Chamber has been on record advocating that affordable, market-based housing for families is a major factor in creating attractive, liveable and competitive communities.

Affordable housing is critical to the business community both as an economic driver in its own right, and also as a competitive advantage in the search for a skilled workforce and community growth. As BC and Canada recover from the pandemic, the property transfer tax remains a barrier to ownership.

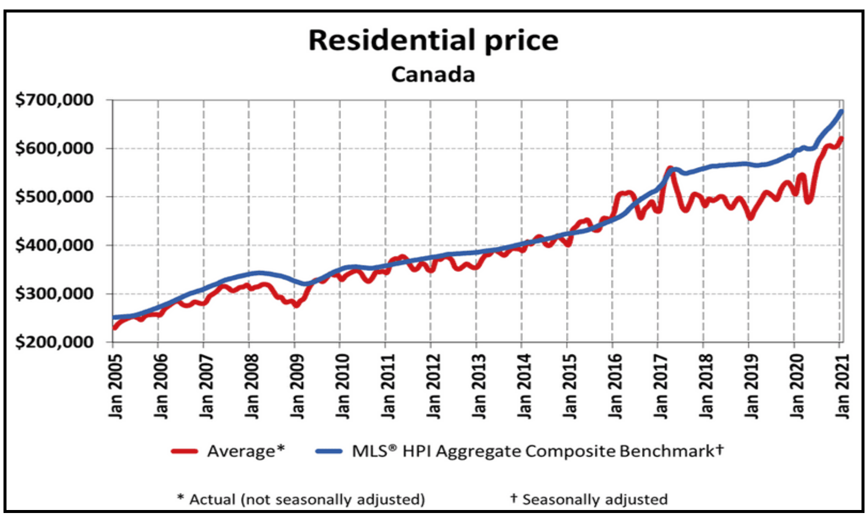
The PTT is often repeated and continually imbedded in the ultimate cost passed on to consumers. The majority of this tax burden, originally intended to impact only a small percentage of higher priced homebuyers now affects virtually everyone who purchases a home.

The Property Transfer Tax is a significant source of income for the province of British Columbia.

The cooled real estate market running up to Budget 2020 meant decreased government revenue in the form of the property transfer tax, which is, for most real estate transactions, based on purchase price. The 2019 budget had projected property transfer tax revenues to remain stable at around $1.9 billion over the following three years. But Budget 2020 shows it dropped to an estimated $1.54 billion for the 2019 – 20 fiscal year, forecast to raise to only $1.58 billion for 2020 – 21. The pandemic-fueled real estate market from September 2020 to present time means this number will be exceeded.[22]

Background

In Canada, average property prices have continued to rise.[23] This means that in BC, Property Transfer Tax is also rising.



The property transfer tax is based on the fair market value of the property (land and improvements on the day it was registered with the Land Title Office, unless buyers qualify for an exemption).[24]

Tax rates

[22] https://vancouversun.com/news/local-news/b-c-budget-2020-record-housing-funding-but-still-no-renters-rebate
[23] https://creastats.crea.ca/en-CA/
[24] https://www2.gov.bc.ca/gov/content/taxes/property-taxes/property-transfer-tax

There are three rates to consider when calculating total property transfer tax amount. The general property transfer tax applies for all taxable transactions. The general property transfer tax rate is:

- 1% of the fair market value up to and including $200,000
- 2% of the fair market value greater than $200,000 and up to and including $2,000,000
- 3% of the fair market value greater than $2,000,000
- Further 2% on residential property over $3,000,000

If the property has residential property worth over $3,000,000, a further 2% tax will be applied to the residential property value greater than $3,000,000. Other refinements apply.[25]

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Increase the 1% PTT threshold from $200,000 to $600,000 to reflect current average market value;
2. Increase the 2% over $600,000 and up to $3,000,000 to reflect current market values;
3. Continually index the threshold and First Time Buyers Exemptions using Statistics Canada's New Housing Price, making adjustments annually to account for inflation;
4. Introduce mechanisms to eliminate double taxation when properties are transferred between common owners/related parties; and
5. Amend the BC PTT Act to provide for a new Primary Residence Grant at 1% on the first one million dollars and 2% on the remainder.

RENEW THE COVID SCHOOL TAX CUT AND EMPLOYER HEALTH TAX DEFERRALS

As the COVID-19 pandemic persists and public health orders continue to restrict regular business activity, the provincial government can further support the BC business community by renewing two tax cuts and deferrals it introduced last year, specifically reducing school taxes and deferring the due dates of the employer health tax.

Background

Reducing Property Taxes via the School Tax

In 2020, the provincial government reduced the amount of school tax it levied on commercial properties in classes 4, 5, 6, 7 and 8. Initially, the province reduced the school tax by 50% for classes 4, 5, and 6 only, and then on April 16, 2020, announced a further reduction of school taxes for property classes 4, 5, 6, 7 and 8. As school tax makes up a significant portion of municipal tax bills, this cut in the school tax was sufficient to achieve an average 25% reduction in the total property tax bill for commercial properties across BC.

This was a meaningful reduction in expenses for businesses, allowing them to bolster cash flow and better mitigate the impacts of COVID-19. Renewing this tax cut for 2021 would provide an underpinning to the local business community by offering real savings which can be then redirected instead to the cost of resuming more normal operations post-pandemic.

Provide Deferred Installments for the Employer Health Tax

[25] https://www2.gov.bc.ca/gov/content/taxes/property-taxes/property-transfer-tax

In 2020, the provincial government allowed businesses which pay the Employer Health Tax in quarterly installments to defer those payments until December 31, 2020, January 31, 2021, February 28, 2021, and March 31, 2021. This allowed businesses the flexibility to manage their cash flow and make these payments at a time when this cost would cause the least disruption to the business.

As the Employer Health Tax remains a net new tax recently imposed on businesses, and as the provincial government has yet to increase the payroll exemption threshold to prevent more small businesses from being subject to the tax, the province should support employers in 2021 by providing businesses the option to again defer payments until late 2021 – early 2022.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Reduce the provincial school tax levied on commercial properties in classes 4, 5, 6, 7, and 8 in 2022 by an amount that would result in an average 25% reduction in overall commercial property tax bills for BC businesses; and
2. Allow businesses and non-profits which pay the Employer Health Tax in quarterly installments to delay those payments until December 31, 2021, January 31, 2022, February 28, 2022 and March 31, 2022.

USING PROPERTY TAX REFORM TO SUPPORT AGRICULTURE PRODUCTION

The Agricultural Land Reserve (ALR) was designed to protect farmland; only 5% of BC is in the ALR, and only 1% of all of BC is prime farmland — much of which is close to urban centres. Non-farm residential and non-farm commercial uses are becoming more numerous and take advantage of tax breaks designed to foster farm production without meaningfully contributing to BC's overall Farm Cash Receipts (FCR). Property tax benefits for agricultural land must be reformed to ensure that the recipients are farmers, not speculators.

Background

The Globe & Mail (2016) published an investigative report illustrating the means by which investors and speculators are purchasing agricultural land and removing those acres from production. In their research, they found that 60% of the purchases of agriculture properties in the Lower Mainland during the period studied were by speculators.[26] The article described how the tax benefits designed for farmers, were instead, encouraging land speculation.

Metro Vancouver produced a White Paper in 2016[27] outlining the challenges of protecting agricultural land in the region – despite the best intentions of municipal governments. Strikingly, in 2011, the Ministry of Agriculture found that only half of the 60,893 hectares in the ALR was actively farmed[28]. The remaining half of the ALR in the Lower Mainland was not actively farmed including parcels that remain fallow. The remaining farmland under production generated 26% of BC's gross annual farm receipts, on only 1.5% of the province's agricultural land in 2016[29]. In 2016, Farm Cash Receipts (FCR) for all of BC was $3 billion,

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[26] Globe and Mail. On BC's farmland, mega-mansions and speculators reap the rewards of lucrative tax breaks, www.theglobeandmail.com/news/investigations/farmland-and-real-estate-in-british-columbia/article32923810/, November 18, 2016, updated November 12, 2017.

[27] Encouraging Agricultural Production through Farm Property Tax Reform in Metro Vancouver, 2016 http://www.metrovancouver.org/services/regional-planning/agriculture/resources/Pages/default.aspx

[28] The Ministry of Agriculture will be releasing updated figures shortly.

[29] Agriculture in Metro Vancouver: Results from the 2016 Census of Agriculture http://www.metrovancouver.org/services/regional-planning/agriculture/Pages/default.aspx

down 2.5% from 2015. This 0.6% share of the provincial GDP was produced on less than 3% of provincial land.[30]

The Agricultural Land Reserve is valuable for its designated purpose and needs to be protected for farm use. However, as demonstrated by Metro Vancouver's White Paper and the Globe & Mail report, the measures originally designed to encourage farming, have become incentives for non-farmer owners to own land and live in the ALR. This situation we believe, although prominent in the Lower Mainland, may also make the ALR vulnerable to non-farm ownership and speculation across the province.

Tax breaks for ALR properties were originally developed to offset the strict land – use limitations that owners must abide by – such as not being able to sub-divide or develop the land into residential or industrial units. These restrictions when originally applied decreased the land value substantially when compared with land now encompassed by the Urban Containment Boundary in Metro Vancouver (Metro Vancouver 2040: Shaping our Future) for the Lower Mainland.

As described in Metro's White Paper, there are four property taxes that could be reformed to ensure that tax policy meets the originally intent of the agricultural land protection measures.

1. School Tax Exemption

All land in the ALR, regardless of classification, receives a 50% exemption on School taxes. The 50% exemption also includes other taxes in Metro Vancouver such as Translink, Hospitals, etc. An analysis completed by Metro Vancouver found that properties not used for farming accounted for 84% of the total amount of school tax exemptions for the region, despite accounting for only 59% of parcels. In particular, small properties (under two acres), not necessarily subject to ALR restrictions, received school tax exemptions. Metro's conclusion is that, "The school tax exemption is an inequitable property tax policy as the main beneficiaries of the policy are residential landowners in the ALR who are not farming."[31]

Metro Vancouver Recommendation 1: remove residential classification from the School Act (Section 30)[32], and amend so that only land classified as farm receives the tax exemption benefit.

2. Land Classification

Land classed as farm for assessment purposes, commonly referred to as 'farm class,' is defined by the type of primary agriculture and gross income for production on that land. The three farm sizes and the minimum gross farm receipts are:

- Less than 2 acres – $10,000
- 2 to 10 acres – $2,500
- Greater than 10 acres – $2,500 plus 5% of the actual value of the area in excess of 4 hectares

Owners can farm or lease portions of their land to farmers to meet the minimum requirements for farm class and qualify for a significant reduction in property tax, while paying residential tax rates on a substantially smaller portion of the property. However, these leases are sometimes as short as one year, which does not encourage investment in long term agricultural production or the necessary equipment and infrastructure to build a profitable business. As of 2016, 24% of the parcels in Metro Vancouver just meet the bare minimum income requirements for farm class.

Metro Vancouver Recommendation 2: The minimum threshold for farm class should be changed across all parcel sizes to $3,500, to accommodate for small, active hobby farms currently required to earn over

[30] Sector Snapshot for 2016 https://www2.gov.bc.ca/gov/content/industry/agriculture-seafood/statistics/industry-and-sector-profiles

[31] Encouraging Agricultural Production through Farm Property Tax Reform in Metro Vancouver, 2016, p.6. http://www.metrovancouver.org/services/regional-planning/agriculture/resources/Pages/default.aspx

[32] https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/96412_09

$10,000 in gross receipts. In addition, there should be a two-tier system where farms that meet a higher threshold of gross farm receipts (i.e. $10,000) receive greater benefits, thereby encouraging the small farms to expand.

3. Assessed Value of Agricultural Land

Properties with farm class (Class 9 properties) are assessed based on the quality of the soil: the better the soil, the higher the value. If not actively farmed, the land is assessed by the market value by its "highest and best use" in comparison with other rural properties, those with poorer soils or other non-farm usage, for example, within the ALR. The non-farmed properties are subsequently valued by the "market comparison" at a lower rate than a producing farm with good soil, which results in lower tax assessments, and therefore lower property taxes than comparable residential and commercial uses in urban areas. Subsequently, it is a strong financial incentive to locate non-farm activities on agricultural land.

Metro Vancouver Recommendation 3: Reconsider how non-farm activities located in the ALR are assessed. The purpose of changing the assessment method is to discourage non-farm land uses not part of a farm operation from locating on the cheaper farmland.

4. Assessment of Farm Buildings

There are numerous acceptable uses for buildings on farms: packing houses, processing facilities, market buildings, and related uses. These are assessed as per their use for the farm operation as per definitions in the legislation used by BC Assessment. The challenge arises with a change of ownership, which may lead to a change of building function. Assessors may not be aware of changes in function causing the assessments to become "misaligned."

Metro Vancouver Recommendation 4: Ensure that provincial agencies involved in the assessment have adequate process and resources to ensure the correct assessment of buildings in the ALR.

Opportunity for Change

In Budget 2018, the Province increased funding for the agrifood sector, supporting a variety of initiatives such as Grow BC, Feed BC, and Buy BC. Further, the provincial government has put into place an advisory committee of 9 members.[33] The Discussion Paper: Revitalizing the Agricultural Land Reserve and the Agricultural Land Commission, outlines the committee's objectives and the themes they anticipate reviewing. Of those 10 themes, none specifically considers property tax reform, though several discuss residential and non-permitted activities.

One additional issue requires consideration – that is encouraging investment in farmland and the use of bare land trusts to avoid the foreign buyer tax. The Globe & Mail article investigating mega-mansions and speculators, found that property would be purchased by a numbered company, then buyer purchased shares and ownership was transferred without transfer taxes or foreign buyer tax levy. Auditing and/or ensuring that bare land trust ownership is public information may catch those using the cheaper farmland as an investment rather than for agricultural production.

The Provincial Government has struck an Agriculture Advisory Committee to review the Agriculture Land Reserve.[34] Portions of the Metro Vancouver recommendations are included in the government's discussion paper for the review committee. Although there is opportunity to provide comment, there is need to ensure that tax reform is focused and effective. Further, given the impacts on farms and the ability of farmers to access quality farm land, the government needs to:

- Reconsider how non-farm activities are assessed on agriculture land;

[33] Ministry of Agriculture, consultation https://engage.gov.bc.ca/agriculturallandreserve/

[34] https://engage.gov.bc.ca/govtogetherbc/consultation/agricultural-land-reserve/

- Ensure that provincial agencies involved in the assessment process have adequate process and resources to correctly assess buildings in the ALR; and
- As previously mentioned, BC's Farm Cash Receipts dropped 2.5% between 2015 and 2016. While there are numerous factors that could contribute to this, not farming over 50% of the Metro Vancouver's ALT would be impactful. Those who are not using farmland for its intended purposes currently are doing so because it is easy and cheap to own land in the ALR for non-farm uses or land speculation. Encouraging production and discouraging undesirable land use in the ALR, can be done simply and effectively by reforming tax policy and using other policy tools to ensure farmers benefit and speculators don't.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Reform the school tax exemption to apply strictly to land classified as farm, and remove residential classification from the School Act (Section 30).
2. Change the minimum farm receipt threshold across all parcels, regardless of size, to $3,500; and create a tier system where farms that meet a higher threshold of gross farm receipts receive greater tax benefits.
3. Audit and/or make public the ownership of Bare Land Trust ownership of ALR properties in British Columbia.

NATURAL ASSETS: GIVING A DOLLAR VALUE TO FORESTS, GREEN SPACES AND WETLANDS ON GOVERNMENT FINANCE REPORTS

Beyond the immediate health and economic impacts of the COVID-19 crisis, one of the most pressing threats facing Canada and the world is the degradation of nature, exacerbated by climate change.

The emerging ecological disaster has been matched by an increasingly destabilized global economy and gaping inequality, fueling destructive populist politics that threaten established democracies. As we recover from the pandemic, we have an opportunity to create a new normal. One fundamental challenge will be ensuring that nature is understood to be of core importance to business models – and that its value is properly accounted.

Much groundwork is already laid. Current measures of GDP are often distorting. Economic activity, productive or destructive, is seen as a positive and encouraged. If funds going out of business accounts exceed income, we enter bankruptcy. Translate to global speak: replace bankruptcy with ecosystem, societal and economic collapse, and we get a clearer picture of the value of green accounting.

Non-governmental organizations (NGOs) have emerged to provide guidance to reporting organizations and users, including the Sustainability Accounting Standards Board (SASB)[1], the Global Reporting Initiative (GRI)[2], the Task Force on Climate-related Financial Disclosures (TCFD)[3], the Corporate Reporting Dialogue and the International Integrated Reporting Council (IIRC).[4] These organizations have developed environmental reporting standards for the calculation and disclosure of environmental metrics.

Additionally, there has been significant documentation of the process for gathering data, converting company-level results to impacts and dependencies, and selecting prices by, among others, the Capitals Coalition[5], ISO 14007 and 14008[6] protocols, and the Impact Institute.[7]

Financial institutions (Impax, ASN, Manulife) and companies (Kering, BASF) have begun integrating natural capital into decision making. It is time for mainstream business organizations and governments to adopt this work and these philosophies into an accurate accounting of natural assets.[8]

A number of Canadian municipalities have begun the shift to a new normal, one that recognizes that nature is our most vital asset. They are measuring, valuing, investing in and ultimately managing natural assets such as forests, wetlands and foreshores for the vital municipal service-delivery benefits they offer, such as storm water management, drinking water filtration and coastal zone protection. A key organization driving this effort is the Municipal Natural Assets Initiative (MNAI), which helps local

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[1] April 12, 2021 "Climate Risk: Technical Bulletin" https://www.sasb.org/knowledge-hub/climate-risk-technical-bulletin/

[2] The *global standards* for sustainability *reporting* The *GRI Standards* create a common language for organizations – large or small, private or public – to *report* on their sustainability impacts in a consistent and credible way. This enhances *global* comparability and enables organizations to be transparent and accountable.

[3] "Canadian corporations push back against internationally aligned-climate reporting" January 19, 2021: *Bankers association, Loblaw parent co oppose mandatory "one size fits all" climate-risk disclosure, diversity targets.* *https://www.corporateknights.com/channels/climate-and-carbon16110600/*

[4] https://www.corporateknights.com/channels/natural-capital/valuing-nature-15901362/ "It's time for our financial statements to reflect the vital value of nature"; May 22, 2020

[5] https://capitalscoalition.org/canadian-cities-are-counting-on-nature-its-paying-off/ October 21, 2017

[6] ISO 14007 "Guidelines for determining environmental costs and benefits"; ISO 14008 "Monetary valuation of environmental impacts and related aspects" https://committee.iso.org/files/live/sites/tc207sc1/files/Explaining%20%20ISO%2014007%20and%2014008%20by%20case%20study%20-December.pdf

[7] To empower organizations and individuals to realize the Impact Economy by creating a common language for impact through the publication of open-source standards. https://www.impactinstitute.com/

[8] https://www.basf.com/ca/en/who-we-are/sustainability/whats-new/sustainability-news/2019/value-balancing-alliance.html

governments understand and manage natural assets within their core financial and asset systems just as they would with critical engineered alternatives.[9]

MNAI's findings are particularly illustrative of the value that natural assets offer for climate resilience. MNAI works directly with municipal governments, creating norms and tools that allow natural asset management to become mainstream practice for local governments across Canada.[10]

Background

Natural infrastructure assets play a role in climate resilience, and their contributions can be quantified in dollars and cents. In 2016, a framework was established by the Intact Centre on Climate Adaptation (University of Waterloo), Insurance Bureau of Canada and the International Institute for Sustainable Development to help assess this contribution.[11]

Public sector financial statements, however, have not yet recognized natural infrastructure as a valuable asset. A prohibition in the CPA Canada Public Sector Accounting Handbook (Financial Statement Concepts, Section PS 1000, Paragraph 57), states:

> *"Purchased natural resources and Crown lands are recognized in government financial statements. However, when natural resources and Crown lands have been inherited by the government in right of the Crown and have not been purchased, they are not given accounting recognition as assets in government financial statements. These items are not recognized as assets because the costs, benefits and economic value of such items cannot be reasonably and verifiably quantified using existing methods."*

While this exclusion results in conservative financial reporting, it also means that financial statement users have no way of knowing the extent or value of natural infrastructure assets, and how they might contribute to a public sector entity's future ability to provide services. Financial statement users also have no transparency concerning any potential changes in the value of these natural assets, and responsible investors no reliable measures.

If, for instance, a municipality has vast natural resources, such as wetlands, forests and ponds, it's prohibited from reflecting those as an asset on its financial statements. The municipality is also not required to report in its financial statements whether those natural resources have been damaged by pollution. This lack of transparency ultimately results in less accountability for safeguarding natural resources.[12]

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[9] Defining & Scoping Natural Assets, March 2017, Making Natural Assets Count. https://www.assetmanagementbc.ca/wp-content/uploads/definingscopingmunicipalnaturalcapital-final-15mar2017.pdf

[10] *op. cit.*

[11] Across the country, natural assets provide substantial economic benefits in their ability to mitigate the growing costs of extreme-weather disasters, and in particular, flooding. Naturally occurring ponds in Gibsons, BC, provide up to $4-million in storm-water storage benefits; a restored wetland in Manitoba provides a $3.7-million value in reducing floods, improving water quality and sequestering carbon; protecting four wetlands in New Brunswick delivers $1.4-million in reduced flood-damage benefits for Moncton; and wetlands provide a $49.8-million benefit to Quebec City for their ability to manage rainwater and reduce flooding. If these natural powerhouses didn't exist, we would have to build grey infrastructure at considerable cost to contain the damage they mitigate for free. https://www.theglobeandmail.com/business/commentary/article-its-time-to-reveal-the-hidden-value-of-canadas-natural-assets/

[12] Recent statistics suggest that the loss of natural infrastructure in Canada is already a pressing problem. In southern Ontario, an estimated 72% of the original wetlands have been lost to development (e.g., agriculture, urban sprawl and other land conversion). In Alberta, approximately 64% of the original wetlands in settled areas no longer exist. In BC, more than 70% of the original wetlands have disappeared in the lower Fraser Valley and parts of Vancouver Island, and an 85% wetland loss has been documented in the South Okanagan.

Many businesses continue to see green initiatives as corporate social responsibility rather than central to operating. This confuses investors and doesn't move the dial forward.[13]

There is a strong interest in getting Canadian governments, companies and standards bodies more deeply involved in the work of the Capitals Coalition.[14] A series of roundtables in Ottawa and Toronto are ongoing so that stakeholders can share information and best practices. This will allow more regular sharing of information and assist Canada to be represented in the work of the Capitals Coalition globally.

The Value Balancing Alliance (VBA, a new business-led non-profit)[15] is standardizing the process of integrating business into society and nature for better decision-making. The VBA has been tasked by the European Commission to develop generally accepted accounting principles and guidelines around environmental impacts for business. This will entrench common standards and consolidate other initiatives for measuring and valuing environmental impacts in monetary terms.

A new normal in the market system might include:

- New/updated accounting standards to measure and value natural resources;
- Update regulations to balance environmental profit and loss against actual profit and loss;
- Re-allocation of capital to incentivize investors to redirect investments in green-aware companies; and
- Working closely with the Capitals Coalition in the Impact Management Project, helping investors measure and report the impacts of their investments.

Reliable measurement of natural assets has, in the past, proved a challenge. Since 2016, data measurement, some of which has emerged from the Insurance Bureau of Canada; the International Institute for Sustainable Development; and the Intact Centre on Climate Adaptation has given us ways to estimate total economic value of natural assets. One example is southern Ontario wetlands could reduce building damage costs related to hurricanes and severe weather by $50 million. Other examples are as robust.[16]

Investing in green infrastructure creates jobs. A European study recently concluded sustainable infrastructure projects create five jobs more per $1 million invested than traditional projects.[17]

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[13] As Canada advances its climate commitments made under the Paris Agreement, the United Nations' Sendai Framework for Disaster Risk Reduction, and the Pan-Canadian Framework on Clean Growth and Climate Change, it needs to revise its accounting rules to enable public sector entities to use natural infrastructure for climate change mitigation and adaptation. If it does not change its internal accounting rules, Canada's natural assets will continue to degrade and disappear – and the costs of climate catastrophes will continue to climb.

[14] The Capitals Coalition is a global group – encompassing many larger companies, governments, international organizations and standards bodies – that shares knowledge from around the world, establishes global standards and advocates to convince the various players to synchronize their efforts. It has also developed a series of protocols that combine current thinking from different organizations.
https://capitalscoalition.org/canadian-cities-are-counting-on-nature-its-paying-off/ October 21, 2017

[15] Value Balancing Alliance: https://www.value-balancing.com/ Time for companies to move away from profit maximization to value optimization by taking responsibility for the impact of their action

[16] Across the country, natural assets provide substantial economic benefits in their ability to mitigate the growing costs of extreme-weather disasters, and in particular, flooding. Naturally occurring ponds in Gibsons, BC, provide up to $4-million in storm-water storage benefits; a restored wetland in Manitoba provides a $3.7-million value in reducing floods, improving water quality and sequestering carbon; protecting four wetlands in New Brunswick delivers $1.4-million in reduced flood-damage benefits for Moncton; and wetlands provide a $49.8-million benefit to Quebec City for their ability to manage rainwater and reduce flooding. If these natural powerhouses didn't exist, we would have to build grey infrastructure at considerable cost to contain the damage they mitigate for free. https://www.theglobeandmail.com/business/commentary/article-its-time-to-reveal-the-hidden-value-of-canadas-natural-assets/ and Intact Centre on Climate Adaptation: study on Southern Ontario wetlands, reducing damage to the Grand River watershed by $50 million in severe weather events.

[17] Mark Carney, UN Special Envoy Climate Action & Finance

Dr. John Janmaat of the University of British Columbia Okanagan has reported on the economics of water resources; water use in the Okanagan and other regions; and policy options to encourage more effective use of water.[18] In this area of Applied Environmental Economics, we are now able to measure the value of environmental assets which are not traded.[19]

The federal debt as the pandemic begins to show signs of weakening, has caused economists to question how the red ink of $500 billion (and growing) can be managed. If we were to add the natural assets of Canada to the plus column, their value would be higher than the COVID-19 debt. The econometrics of this challenge are becoming better known, and an example additional to the above would include carbon sequestration – the ability of nature to capture carbon dioxide in the atmosphere – which slows down the rate of climate change.

Ecological habitat and water by definition have serious implications to business, industry, commercial, residential and personal property and welfare. Who is entitled to use water, at what proportions and how land is valued and accounted needs study. Many regulations, federally and provincially protect and identify those values. While the ask appears simple (appreciate and evaluate the wealth of natural assets), the practicality of this ask is complex with implications for the country's future economic health.

Certainty of process and accountability will follow from better green data.

THE CHAMBER RECOMMENDS

That the Provincial Government with the Federal Government:

1. Recognize Bioeconomics as a key area which Canada should focus on for economic sustainability, financial growth, job security and green-based solutions to pandemic-induced budget shortfalls and recognition of green asset value in the future;
2. In advance of new international standards, work with accounting agencies to revise their accounting rules to enable public sector entities to use natural infrastructure for climate change mitigation and adaptation (i.e. CPA Financial Statement Concepts, Section PS 1000, paragraph 57) and ensure transparency;
3. Work to ensure cooperation at an international level, and establish universal standards, i.e. at the United Nations, the World Trade Organization and at regional trade forums;
4. Collaborate with municipalities and private business organizations to agree how natural asset valuation might contribute to a public sector entity's future ability to provide services; and
5. Encourage Canada to work within the Capitals Coalition and have a meaningful presence on the world stage in pursuing these changes.

SOLVING THE GREEN INFRASTRUCTURE NETWORK COMPLIANCE BOTTLENECK

New developments, especially in the Metro Vancouver area, but in all of BC, are severely delayed due to required environmental review assessment at the provincial level. This exacerbates the housing crisis as housing is not built to meet the demand of an expanding population. The Environmental review process can be expedited with more staffing at the provincial level.

[18] Drought Impacts, Irrigator Attitudes, and the Potential for Water Trading in the Okanagan. Janmaat, J.

[19] *Commodification of water: Okanagan Basin Water Board seeks answers on commodification of resource*: February 27, 2021, https://www.castanet.net/news/Vernon/326353/Okanagan-Basin-Water-Board-seeks-answers-on-commodification-of-resource

Background

Environmental review processes were originally undertaken by the Federal Government at the Department of Fisheries and Oceans (DFO). In order to streamline the regulatory process, the position was terminated, and all environmental reviews for land was passed to the provincial Ministry of Forests, Lands, Natural Resource Operations and Rural Development (FLNRORD).

Some cities had an environmental review staff person that would work with developers to ensure that they are abiding by the regulations set by FLNRORD. However, this resulted in the same burden that was alleviated when the Federal Government DFO position was terminated. In Surrey, for example, the city staffer was put in a new role, and developers are now working with planners. Once approved by planners, the environmental applications go to FLNRORD. But the approval delays by the province due to staff shortages cause significant delays in construction.

There also used to be an Environmental Review Committee comprised of municipal staff, provincial regulators, and some industry representatives in Surrey. This group ensured that plans were aligned and provided a forum for municipalities to voice their concerns. Since its termination, there is no direct line for municipalities to provide input on regulatory inefficiencies and potential remedies.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Ensure an adequate level of service, provide required level of staffing at the Ministry of Forests, Lands, Natural Resource Operations and Rural Development to review environmental applications based on level of service needed by cities and the private sector; and
2. Encourage municipalities to re-establish an environmental review committee with municipal staff, provincial regulators, and industry representatives.

EMERGENCY MEDICAL SERVICES FOR BRITISH COLUMBIANS

All British Columbians should have equitable access to medical services regardless of where in the Province they live. Access to quality healthcare is an important consideration for attracting and retaining qualified employees and often a key factor in the decision to relocate away from working and living in rural communities. In the 2017 report by the BC Forest Safety Ombudsman Roger Harris titled "Will It Be There? A Report on Helicopter Emergency Medical Services in BC"[1] Ombudsman Harris noted "nearly three quarters of all people who die of trauma related conditions in Northern BC do so before they can be brought to a hospital. In Northern BC this number is 82% compared with 12% in Metro Vancouver.

Background

Ombudsman Harris' initial investigation was focused on forest safety and industry personnel access to medical services in the event of an accident. Through his investigation he determined that if you live or work near an urban centre it is more likely that, in the event of an injury, you will receive access to a medical centre within one hour. There are no such assurances however if you live or work in rural BC.

The findings of his report indicate there are serious gaps in the provision of emergency medical transportation services to people living and working in rural parts of the Province and it threatens the safety of workers and residents. While it is acknowledged that rural communities cannot support or expect the same level of medical facilities as those in urban centres, they should not lack access to emergency medical transportation services. As the distance to the nearest medical facilities increases, access to timely medical transportation should be enhanced not reduced.

The UBCM (Union of BC Municipalities) and NCLGA (North Centralized Local Government Association) have endorsed several resolutions related to this issue since 2007. One such resolution in 2013 called "for the provincial government to support the development of a reliable air ambulance service that fully meets the emergency health care needs of all British Columbians."[2]

In the 2012/2013 BC Auditor General Report 13 "*Striving for Quality, Timely and Safe Patient Care: An Audit of Air Ambulance Services in BC,*[3] the Honourable John Doyle reported, "Air ambulance services are a critical component of the provincial health care system, providing emergency lifesaving treatment and transporting patients across vast distances to the necessary level of care. This service, provided by the BC Ambulance Service, is particularly important in British Columbia due to this province's large size and the remoteness of some communities. My overall conclusion is that the BC Ambulance Service is unable to demonstrate the quality, timeliness and safety of its patient care. This is largely because the BC Ambulance Service lacks a performance based approach for managing its air ambulance services. It has not clearly defined objectives or measures and while it has processes to support quality care, timeliness and patient safety—it does not assess its own performance to find out how well it is doing and look for ways to improve."

BCAS (BC Ambulance Service) audit response of March 21, 2013 stated "BCAS accepts the findings of the OAG and will apply the findings which support the organization's philosophy of continual improvement of patient care. BCAS will implement all of the OAG recommendations".[4] In the HEMS report by BC Forest Safety Ombudsman Roger Harris, we clearly see that nothing has changed.

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[1] http://www.bcforestsafe.org/files/HEMS_Report_jan31.pdf

[2] http://www.ubcm.ca/assets/Convention/Documents/2013%20Convention%20Minutes.pdf
http://www.nclga.ca/resolutions/air-medical-access/25/default
http://www.nclga.ca/resolutions/air-ambulance-services/25/default

[3] https://www.bcauditor.com/sites/default/files/publications/2013/report_13/report/OAGBC%20Air%20Ambulance.pdf

[4] http://www.bcehs.ca/news-stories-site/Documents/air-ambulance-service-audit-response-factsheet.pdf

Whether working, living or travelling in rural British Columbia, citizens are entitled to emergency services and when this access is not provided or fails, the cost to families, employers and tax payers increases. In the case of a Haida Gwaii worker, it took 11 hours to get to medical access and resulted in the loss of a leg. It took 24 hours to transport a stroke patient in Northern BC to a critical care centre well outside the 120 minute treatment window. This remains an ongoing issue in 2020, a stroke patient in Northern BC could not be transported by provincial medivac in the time required and the patient's family had to charter a private airplane to get him to medical care. Covid-19 has further highlighted the need to improve access to medical services for rural and remote communities.

In an April 2020 news release, Premier John Horgan said "People living in rural, remote and Indigenous communities have unique challenges in accessing the health care they need"[5]; this was made in relation to developing a framework for medical support during the Covid-19 crises. With more services centralized, and travel and clinics restricted, BC needs to recognize these issues are more than just Covid related and ensure British Columbians can access timely care for emergency medical health complications.

Dr. Dave Snadden, recently appointed the founding chair in rural health at the University of BC also questioned the issue in a January 21, 2017 issue of the Vancouver Sun. "If you have a stroke in Vancouver, you can be at Vancouver General Hospital in less than half an hour, receiving highly specialized medical care from on-site neurologists. But what happens if you have a stroke in Dease Lake, a community of about 450 almost 1,000 kilometres northwest of Prince George, or you suffer a traumatic injury in the Eastern Kootenays that requires a higher level of care beyond what the local hospital can provide? These are the questions Dr. Dave Snadden is keen to tackle in his new role as founding chair in rural health at the University of BC. "How does that patient get access to the same degree of expert care that would give us a good outcome?" said Snadden. "That, to me, is the challenge of rural health.""[6]

Emergency and non-emergent care can and should include access to technology that enables patients and caregivers to access specialized services and consultation from remote locations.

In comparing BC to similar jurisdictions, Ombudsman Harris found that Washington and Alaska, both representing similar geographic challenges as BC yet have legislation that ensures all residents have access to a level 3 trauma centre within 60 minutes. "There are no technical or infrastructure barriers to the delivery of air ambulance within that critical first hour to any resident of BC, regardless of where they live. The decision by government not to provide that access is a choice," asserts Harris. His recommendations "support faster care for workers and all residents regardless of where you live in the province. Faster care results in better medical outcomes for the patient – which in turn, results in lower cost to the health care system."

The recommendations put forward by the Ombudsman in his report include:

1. BC consider mandating – through legislation or policy – guaranteed timelines for the public to be able to access Trauma 3 level care, similar to other jurisdictions.
   a. Establishing guaranteed timelines will direct BCAS to put in place the necessary assets, protocols and procedures that will ensure a patient focused service delivery model.

2. BC undertake a review of the effectiveness of the legislation as it pertains to the provincial emergency ambulance service. The BCAS was originally established in 1974. A lot has changed since then.
   a. The Emergency Health Services Act puts significant limitations on the ability to access and utilize other potential service providers. Section 5.2 4 however, does provide the minister

[5] https://news.gov.bc.ca/releases/2020PREM0020-000725

[6] http://vancouversun.com/news/local-news/new-chair-at-ubc-takes-on-rural-health

with flexibility. Expanding the scope of practice and the role of First Responders in the transportation of accident victims to medical facilities would allow them to be better utilized. A patient focused system needs more flexibility, not less.

b. Health services in BC have been regionalized with the establishment of five regional health authorities, the First Nations Health Authority, and the Provincial Health Authority. Like policing and fire protection, there may be value to administering some aspects of the services from a local and regional perspective – services can be tailored to meet the dynamics of the communities and region being served, and geography can be considered when designing transportation systems, protocols and allocating resources. The value of having BCAS set provincial standards could be maintained while transferring certain procedures and processes to more regionalized bodies.

3. EMBC and BCAS expand the use of hoisting in the Province of BC

   a. There are some significant advantages to incorporating the use of hoisting over the current practice of longlining. The answer may not be in utilizing one method over the other but rests with incorporating both methods and developing a plan that uses the right technology in the right place at the right time with the flexibility to evolve over time and respond to incidents as required

   b. If hoisting were to be adopted, the skills sets of BCAS personnel could expand with additional training, incorporating the deployment of medical crews directly to the accident site to prepare a patient for extraction and transport to a hospital without additional transfers from helicopter to ground ambulance or another helicopter."

THE CHAMBER RECOMMENDS

That the Provincial Government:

To provide greater access to quality healthcare as an important consideration for attracting and retaining qualified employees and key factor in business locating in rural communities:

1. Enact legislation providing targeted timelines for the public to access the appropriate level of care including Trauma 3; and
2. Review and implement the recommendations of the Forest Safety Ombudsman in his February 2017 report "Will It Be There – A Report on Helicopter Emergency Medical Services in BC".

UNLOCKING THE POTENTIAL OF NURSES TO INCREASE ACCESS TO PRIMARY HEALTHCARE

Canada needs to expand the number of players who can deliver (and collect payment) for Primary Healthcare. The decades-old model of family doctors as the primary gatekeepers to MSP billing, and therefore delivery of primary healthcare, needs to be adjusted to allow BC to catch up to the rest of the world in offering team-based care.

This will:

- Increase access to care for patients (by increasing the number of providers in Primary care);
- Increase quality of care (demonstrated by countless studies); and
- Decrease the overall cost of healthcare to taxpayers through by increasing access and quality of care, resulting in more preventative care and reducing the need for Primary care access, such as emergency room visits for non-emergencies.

Why should Chambers of Commerce be concerned about this model? Because family doctor's offices and clinics are private corporations or sole proprietorships, with almost all of their funding coming from a single source: the Province.

Furthermore, access to a primary healthcare has an indirect impact on businesses through:

- Labour availability – the ability to access a family doctor's office is influencing individual's choice of where to live;
- In rural areas it can be used as a recruitment and retention benefit;
- Increased preventative care benefits workers and employers to reduce absenteeism; and
- Improved worker heath and reliability results in more productive workplaces and better employee retention/satisfaction.

All of these impacts will result in a reduction of costs to businesses and workers which results in an overall economic benefit to business and province.

Background

The MSP System in BC

In Canada, we think of the healthcare system as "free", but in actual fact there is a system of payment which happens in the background, where doctors are paid by the government for services they have provided to patients.

This system is called public health insurance and in BC, it is known as the Medical Services Plan (MSP). It covers the cost of medically necessary insured doctor services. The most applicable example is a visit to a family doctor's office. After the visit, the family doctor submits the appropriate "billing code" which relates to the services they performed, then the government pays the doctor through the MSP system for delivering those services.

Family doctor's offices are actually private businesses (sole proprietorships or incorporations) within the MSP system and have (mainly) only one source of income: payments from the government. This system is also known as a "fee for service" system.

The MSP (or "fee for service") system is the primary way in which Family Doctors are paid for delivering care to the general population. They collect this payment from the government for delivering services and use it to run their doctor's office (cover operating expenses) and make an income.

The Family Doctor Crisis

Across Canada, 15.3% or about 4.7 million people do not have access to primary healthcare providers, including family doctors, according to 2017 Statistics Canada data. While BC's 18.2% was higher than the national average (and means about 900,000 in the province had no access to primary healthcare providers) it was not the highest. Quebec and Saskatchewan were at 22.3% and 19.4%, respectively[7].

The Family Doctor Crisis is not just an issue in your local region, it is a provincial and national problem that is a result of a larger systemic issue.

Nurses; An Underutilized Resource in Primary Care

Nurses are trained to perform a wide variety of healthcare related tasks and are regulated under the authority of provincial law by the College of Registered Nurses of BC (CRNBC) – the same as doctors with the College of Physicians and Surgeons of British Columbia.

[7] The Capital Daily: *The Vancouver Island doctor shortage, explained*; Oct 23, 2020.

Several studies have shown that the management of patients by nurses in primary care has a positive effect on overall patient satisfaction, experience of care, and care outcomes.

Many of the services regularly performed at a family doctor's office are well with-in the technical scope of a registered nurse. For example, here is a brief (not exhaustive) list of some of these procedures: Vaccinations, taking blood pressure, preventative care and teaching, triaging and taking medical history, removing sutures, wound care and chronic disease management.

Nurse practitioners (NP) are registered nurses who hold a Master's degree in nursing and are trained to practice autonomously within a collaborative healthcare system. Extensive evidence indicates that NPs provide high-quality, patient-centred care; as a result, the BC Ministry of Health introduced the NP role in 2005 to help the province meet a growing demand for primary care. While NPs worked in various settings, they are employees of the health authority, paid a salary (not billed as a pay for service through the MSP system) and, as a result there, is a limited number of positions in the Province and the overall cost for their services is artificially inflated by unnecessary overhead and bureaucracy.

Despite some targeted initiatives, Registered Nurses (RN) and Nurse practitioners (NP) continue to be underutilized in Primary Care. While a number of reasons have been identified, the absence of an appropriate funding mechanism was found to be the most significant barrier to RN and NP utilization in primary health care.

The Issue

The Payment System in Primary Healthcare is Directly Linked to Limited Access to Primary Healthcare

The underlying problem to access in Primary Healthcare is complex. It is not simply a shortage of qualified professionals. BC has increased its intake of medical students and residency spots over the last number of years, yet this has not translated to an increase in access to family doctors. This is a result of a number of factors including the ability for doctors to take positions as "hospitalists", where they can collect a salary of $275,000 with less risk, responsibility and work compared to opening a family doctor's office. In effect the current healthcare system is inadvertently financially incentivizing doctors to not enter primary care, a problem they are also trying to solve.

A major issue is the payment system used in Primary Healthcare. Currently doctors are effectively the only healthcare providers who can access and collect payment from the MSP (Fee for service) system[8].

Newly graduate doctors are not attracted to the idea of running a small business, which involves maintaining a physical office, managing staff, ordering supplies, and managing a clinic, where they are solely responsible for the income and expenses (and all of those associated risks). They are instead much more attracted to a "team based" model of care where business risk and effort is lower and rewards are higher.

Canada has been slow in making the shift to "interprofessional teams-based care" despite:

- Vast scientific evidence showing their success in other countries; and
- The BC Ministry of Health's 2015 strategic policy framework for primary and community care highlighting a direction to transition primary care into a team-based environment.

What is "interprofessional teams-based care"? It is a model where the burden of delivering primary health care (family doctor's offices) is shared by a team-based model with nurses, social workers, and other allied health workers under the same roof.

Why has Canada's shift to "interprofessional teams-based care" been slow? Because if a family doctor decides to incorporate a nurse in their clinic, they must pay the nurse's salaries out of their own earnings.

8 There are some very limited billing codes that NP's and RN's can currently access in BC – this policy looks to expand on these precedents.

Furthermore, the nurse is not able to collect payment from the MSP system for delivering healthcare – only doctors are able to collect payment from the government through the MSP system.

Despite this, the benefit of incorporating nurses into a family doctor's office is so great (reduced workload for doctors, reduced burn-out, increased satisfaction, increased support and increased number of people who can access primary care) that some doctors choose to take from their own wages/income to pay for a nurse's salary in their clinic.

Largely, only Doctors can collect payment through the MSP system[9]. Team-based care in primary health care (family doctor's office) is virtually non-existent because there is no mechanism to pay other healthcare providers (such as nurses) through the MSP system.

The Solutions

Enabling Nurses to access the MSP System

Canada needs to expand the number of health care professionals that deliver (and collect payment) for Primary Healthcare. The decades-old model of family doctors as the primary gatekeepers to healthcare needs to be adjusted to allow Canada to catch up to the rest of the world in offering Team-based care.

This will:

- Reduce the burden on physicians;
- Increase access to care for patients (by increasing the number of providers in primary care);
- Increase quality of care (demonstrated by countless studies); and
- Decrease the cost of healthcare overall for taxpayers through both increased access and quality of care, resulting in more preventative care while reducing the burden on stop-gap measure for holes in Primary care access, such as emergency room visits for non-emergencies.

The infrastructure to make this happen already exists. We have an existing MSP billing code system and we also have existing electronic medical record infrastructure, which nurses (along with other healthcare providers) are already familiar with.

In BC Nurses can already access the MSP billing code system. For example, all licensed NPs in British Columbia are required to enroll with the Medical Services Plan and obtain a practitioner number. The practitioner number permits the NP to submit encounter records for insured services provided to patients who are registered under the Plan; however, these practitioner numbers are not used for compensation purposes, but rather to capture nurse practitioner practice activities[10].

Furthermore, in BC the recognized scope of Nurses (Registered) and Nurse Practitioners was amended July 26, 2016 to include the prescribing of controlled drugs and substances. This was further expanded upon by Dr. Bonnie Henry in 2020 to help with the opioid overdose crisis. These standards for NP CDS prescribing were developed in close collaboration with both the College of Physicians and Surgeons of BC and the College of Pharmacists of BC.

We may have a shortage of family doctors in Canada, but we do not have a shortage of nurses (RN's and NP's). Our current system severely limits the ability for nurses to deliver care in Primary Healthcare as there is no mechanism for them to be paid for their services.

Oversite, Structure and Accountability

One very valid argument against the movement to allow nurses to access the MSP billing system revolves around accountability and structure. What most individuals do not realize is that similar to Doctors who

9 There are some very limited billing codes that NP's and RN's can currently access in BC – this policy looks to expand on these precedents.

10 The Canadian Nurse Protective Society: *Ask a Lawyer: Nurse Practitioner Billing*, May 2016

have the College of Physicians and Surgeons of BC, there is also a body of oversight for nurses: the College of Registered Nurses of BC.

Looking at the earlier example of the expanded scope of nurses around prescriptions: an accountability framework, including rigorous oversight was developed program for NP CDS prescribing by drawing on the experience of the College of Physicians and Surgeons of BC in collaboration with the Ministry of Health. This success story proves that the argument of a lack of oversight or the inability to develop an accountability framework is simply not true.

Furthermore, the Ministry of Health has created a stream known as *Registered Nurses with Certified Practice* (RN(C)). These nurses are authorized to independently refer patients for select, medically-necessary, laboratory tests approved as within scope by the College of Registered Nurses of BC (CRNBC).

The goal behind the RN(C) referral program was to improve patient care in British Columbia and facilitates registered nurses with certified practice to work to their full scope of practice. This program is of particular benefit to patients in communities who do not have an attendant physician or nurse practitioner, but who do have access to nursing care provided by an RN(C). It should be noted that RN(C) can access an MSP practitioner number (access the MSP billing system), allowing laboratories performing these services to submit claims to MSP for remittance (payment).

All of this being said; an RN and a NP have a reduced scope when compared to a physician and it must be recognized that the ultimate responsibility of care needs to rest with a physician who does have the full understanding of the healthcare scope. This policy recognizes this fact and wants to make clear that patients should be ultimately attached to a doctor. Nurse services would be akin to a visit to a walk-in clinic or emergency room for qualifying services and where the results would be sent back to the family doctor for ultimate oversight for the patient's overall longitudinal care. There should also be allowances (perhaps a new billing code) developed to allow for doctors to bill for time spent "reviewing" the services completed by RN's and NP's – recognizing this ultimate oversight responsibility.

This structure would also offer the benefit of naturally incentivizing the development of "team-based" care – which ultimately will increase access to primary healthcare and quality of healthcare.

With these recommendations, BC can use the existing robust MSP payment system to increase primary healthcare capacity almost immediately, without largescale additional cost and substantial reduction in primary care costs with a concomitant increase in access to medical assistance.

Furthermore, access to a primary healthcare has an indirect impact on businesses through labor availability and improved worker heath and reliability. This results in more productive workplaces, better employee retention/satisfaction and reduced overall costs to businesses and workers which results in an overall economic benefit to the Province.

These changes would also enable a giant step forward for Canada to catch up to the rest of the world with the proven long-term benefits of Team-based care.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Expand the existing MSP billing code available to RNs and NPs to reflect services with-in their provincially-regulated scope of practice (in addition to the existing limited Health Authority salaried positions);
2. Expand membership in the General Practice Services Committee (GPSC) to include RNs and NPs to help further identify ways to reduce barriers and support implementation of Team-based care in Primary Healthcare; and

3. Develop a new billing code to recognize the time required by doctors to review and oversee services completed by nurses through this expanded billing code access – to accurately reflect the overall patient care responsibility of Doctors.

CREATING A COMPREHENSIVE ACTION PLAN ON BUILDING A SUSTAINABLE BUSINESS RELATIONSHIP WITH INDIGENOUS PEOPLE

The provincial government passed Declaration on the Rights of Indigenous Peoples Act [1] (DRIPA) legislation in November 2019 to implement the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). The purposes of the act are as follows:

a. To affirm the application of the Declaration to the laws of British Columbia;

b. To contribute to the implementation of the Declaration; and

c. To support the affirmation of, and develop relationships with, Indigenous governing bodies.

DRIPA creates a framework for reconciliation in BC, in keeping with the Calls to Action of the Truth and Reconciliation Commission (TRC)[2]. The TRC called on all governments in Canada to fully adopt and implement the UN Declaration as a framework for reconciliation. Through DRIPA, BC is Canada's first province to put the UN Declaration on the Rights of Indigenous Peoples into law.

DRIPA aims to create a path forward that respects the rights of Indigenous peoples while introducing better transparency and predictability in the work we do together.

In order for the business community to adopt DRIPA into their business models, there must be an understanding of the importance and value of achieving reconciliation and collaborating with Indigenous peoples and, business and community must move forward together.

Implementation requires an action plan. First, we must understand the history of Indigenous Peoples in Canada, and the contemporary landscape of Indigenous Relations. Only then will there be true reconciliation and understanding as we partner on projects on Indigenous territories and respectfully work together with indigenous communities. Second, we must continuously evaluate our relationship and understand, adjusting our approach through cyclical learning.

Background

DRIPA enacts a process to align BC's laws with the UN Declaration mandating government to bring provincial laws into harmony with the UN Declaration. It requires development of an action plan to achieve this alignment over time – providing transparency and accountability and it requires regular reporting to the Legislature to monitor progress.

DRIPA gives the Province the flexibility to enter into agreements with a broader range of Indigenous governing bodies and provides a framework for decision-making between Indigenous governing bodies and the Province on matters that impact their nations.

DRIPA has enacted the *United Nations Declaration on the Rights of Indigenous Peoples* ("**UNDRIP**") in British Columbia law creating a framework for reconciliation in BC in keeping with the Calls to Action of the Truth and Reconciliation Commission[3].

John Horgan, in his throne speech noted *"We need to address reconciliation in British Columbia, not just for social justice ... but for economic equality for all citizens, Indigenous and non-Indigenous."*

[1] https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/19044

[2] https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/indigenous-people/aboriginal-peoples-documents/calls_to_action_english2.pdf

[3] https://static1.squarespace.com/static/5dbc9e7daca795172ad604d0/t/5dc098b32e9da95437b2f793/1572903092577/Calls_to_Action_English2.pdf

Moving forward business and industry must create informed policies and operate in a manner that acknowledges indigenous cultures and values, legal rights and entitlements. As a result of this understanding, we can, together, create methods of collaboration, consultation and negotiation which reinforce economic stability for all British Columbians and Canadians.

The Chamber recognizes that while this engagement may create additional time and costs early on, it will save complications caused by judicial or regulatory delays, or causing the disintegration of relationships with Indigenous communities.

Greater understanding may be created within company culture through a Reconciliation Action Plan – a document that sets out an organization's tangible commitments to advancing the reconciliation process.

One common component of Reconciliation Action Plans is the inclusion of cultural competency training with respect to the underlying issues that are being addressed by UNDRIP, the Calls to Action and other sources. Training and resources are an extremely valuable component for ensuring widespread understanding of the issues. This requires skills-based training in intercultural competency, conflict resolution, human rights and anti-racism and capacity building.

While some companies can afford consultations or qualified instructors, many cannot particularly in light of the economic impacts as a result of the pandemic.

As government and communities work toward reconciliation with Indigenous Peoples, business needs the support of government to move forward and be part of the reconciliation process. In addition to the skills-based training educational pieces need to include case law, constitutional rights, the Indian Act and historical context.

This understanding will aid in the continued work that is required to create an environment that allows for regions and communities to achieve pathways that offer economic and social stability, with the goal to produce strong working partnerships that respect indigenous values and create wealth generating opportunities for Nations while allowing for continued non-indigenous economic growth, and development.

We need a comprehensive action plan of learning in our business community in order to fully appreciate, recognize, implement and realize the economic opportunities with indigenous partners that includes:

1. **Colonization in Canada:** terminology and definitions; the history of Indigenous-Crown Relations; the Indian Act, 1876; membership, land and governance; and the history and legacy of residential schools.
2. **The Truth and Reconciliation Commission's Calls to Action,** the UNDRIP, and why both are important to businesses, to include a background on each of the Indigenous peoples in BC, which is outlined in the 92nd Calls to Action[4]:

i. Commit to meaningful consultation, building respectful relationships, and obtaining the free, prior, and informed consent of Indigenous peoples before proceeding with economic development projects.

ii. Ensure that [Indigenous] peoples have equitable access to jobs, training, and education opportunities in the corporate sector and that [Indigenous] communities gain long-term sustainable benefits from economic development projects.

iii. Provide education for management and staff on the history of Aboriginal peoples, including the history and legacy of residential schools, the United Nations Declaration on the Rights of Indigenous Peoples, Treaties and Aboriginal rights, Indigenous law, and Aboriginal–Crown

[4] https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/indigenous-people/aboriginal-peoples-documents/calls_to_action_english2.pdf

relations. This will require skills-based training in intercultural competency, conflict resolution, human rights, and anti-racism.

3. **How to Build Sustainable Business Relationships with Indigenous Peoples**: best practices in community engagement, business development, protocols (including for Indigenous employees, contractors, businesses and entrepreneurs) and meeting Corporate Social Responsibility requirements.

Education and mentorship in areas of DRIPA, reconciliation action plans, consultation, negotiation and joint ventures, contracts and contract management issues, resource development, infrastructure will aid in the development of respectful and collaborative relationships with our Indigenous partners.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Engage with Indigenous peoples and the business community to ensure policies will be effective, efficient and create positive outcomes for Indigenous peoples and communities;
2. Support business through educational and mentorship programs to support policies as they are implemented and into the future;
3. Continue to grow sustainable economic projects with Indigenous partners that ensure positive economic outcomes within the Nations, as deemed positive by the Nations, and is supported by non-Indigenous business communities; and
4. With all relevant stakeholders, build a comprehensive action plan to build a sustainable business relationship with Indigenous People to align with foundational documents and legislation, being UNDRIP and DRIPA.

BC DIGITAL MEDIA INDUSTRY: A CONTINUING GROWTH ENGINE FOR BC AND CANADA

Tax credits alone will not allow the industry to continue to grow, although BC's focus since 2015 on tax credits has enabled BC to remain a player worldwide.

Education/Immigration

While some see the 95% of lower Mainland-based BC productions as "disadvantaged" due to the regional tax credit program, less than 5% of productions occur outside the lower Mainland. Skilled workforce retention; upskilling, reskilling & job entry remain crucial for growth and success. In the Okanagan and Prince George, the issue is severe. International students attending digital school are seldom legally able to stay in and work in Canada. The TFW and PNP programs must be revamped, along with Canada's legislation allowing students to become permanent residents. In 2019 the Kelowna Chamber supported the BC Chamber policy calling for making the "BC PNP Tech Pilot Permanent"[1]

Optimizing Rural Tax Credits

This program would allow a growth in regional jobs, and create high paying, long term jobs in the Okanagan and elsewhere in BC where digital media companies are gaining a foothold. The Okanagan is home to nearly ten per cent of programmers and digital media artists (WorkSafeBC). If regional and location distant tax credits were optimized, then an additional 1000+ jobs could be realized in the Okanagan. A strong interior economy benefits the overall BC economy, particularly in pandemic-changing economic times.

Homegrown Digital Media Skills Training

Okanagan College and some of the smaller animation studio/education arms need to expand, along with the UBCO Media Studies program. School District 23 and in-migration from the lower mainland are also causing an expansion of education in all areas of digital animation. Regional and in-migrating talent will allow education to expand and local media companies to retain senior talent.

Background

The BC TV/Film industry has three main revenue generating sectors: Live Action; Video Effects (VFX); and Digital Animation. 2019 set records for BC film production; $4.1B was injected into the provincial economy. 2020 figures are not yet complete, but it looks like in fact, they will surpass 2019, remarkable the midst of the pandemic. Production stopped altogether in March 2020, but by June, had regained momentum.[2] BC is currently North America's third largest motion picture production hub.[3]

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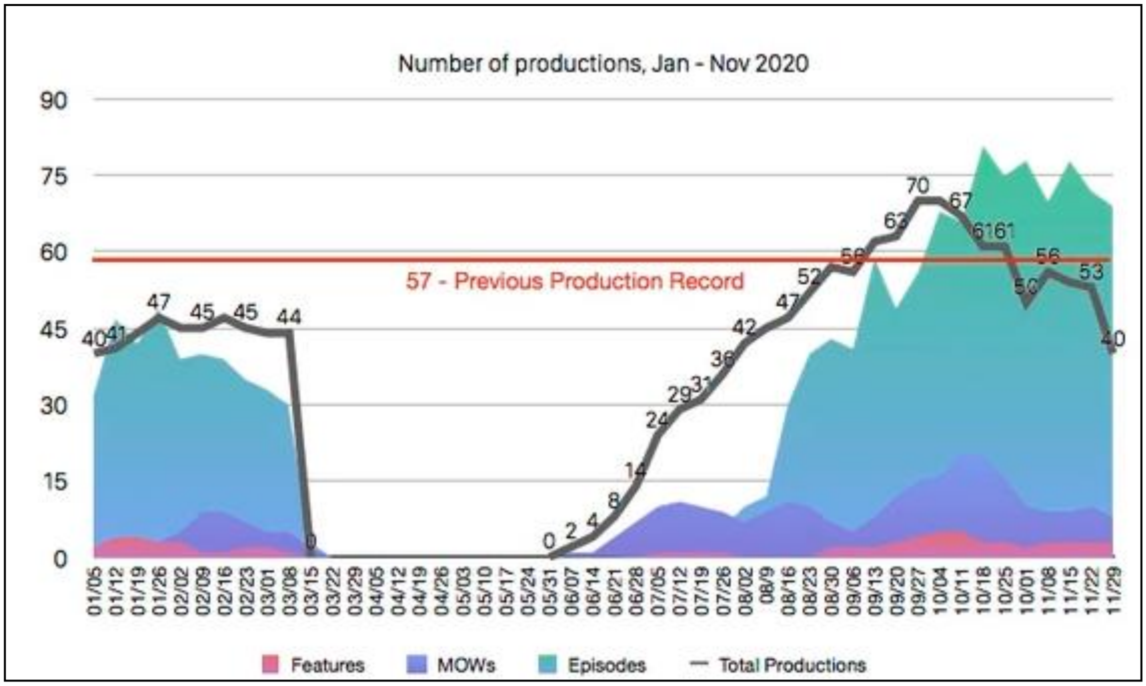
[1] BC Chamber Policy & Positions Manual, page 89, https://bcchamber.org/wp-content/uploads/2020/07/2019-2020-Policy-Positions-Manual-2.pdf

[2] At the time of the shutdown in mid-March, there had been 44 productions filming simultaneously. "Production levels dropped to zero for the first time ever in mid-March due to COVID-19 and didn't return until June. MOWs (movies of the week) came back to work first, with series coming back in July," notes a Dec. 15 report from the *Directors Guild of Canada BC* "The compounding effect of interrupted shows returning, and delayed shows starting, led to an unprecedented surge in production, rising to 70 shows in prep or production."

[3] Creative BC; https://www.creativebc.com/industry-sectors/interactive-and-digital-media/#overview Tax Credit data certified, *The Hollywood Reporter*



Source: Vancouver Sun

The impact of this industry is growing each year. Important stats[4] include:

Film & TV/VFX & Animation Industry Impact (see table 1)

- $3.2B annual income; 71,140 FTEs;
- 40% of productions made in Canada are made in BC;
- World's #1 largest animation & visual effects cluster;
- 100+ animation & VFX companies; and
- Top 3 VFX schools in Canada located in BC.

[4] *Ibid*

TABLE 1 - BC TAX CREDIT CERTIFICATIONS FOR FILM AND TELEVISION

Fiscal Year Reporting: 2018/19 | 2017/18 | 2016/17

	April 1 2018 – March 31 2019		April 1 2017 – March 31 2018		April 1 2016 – March 31 2017	
	Approved Tax Credit Certifications	BC Budget ($ Cdn)	Approved Tax Credit Certifications	BC Budget ($ Cdn)	Approved Tax Credit Certifications	BC Budget ($ Cdn)
FILM INCENTIVE BC (FIBC)						
Direct to DVD	0	$0	0	$0	0	$0
Feature Film	28	$50,318,055	27	$49,041,922	24	$53,531,488
Mini-Series	2	$1,226,800	3	$2,672,582	0	$0
Movie of the Week	51	$133,698,445	68	$161,817,517	51	$116,976,191
TV Pilot	2	$1,389,213	0	$0	0	$0
TV Program	20	$6,619,437	20	$6,912,406	14	$5,567,394
TV Series	51	$197,774,845	45	$183,454,387	32	$136,947,531
Total FIBC	**154**	**$391,026,795**	**163**	**$403,898,814**	**121**	**$313,022,604**
PRODUCTION SERVICES TAX CREDIT (PSTC)						
Direct to DVD	0	$0	6	$14,156,493	5	$15,422,144
Feature Film	67	$782,893,216	83	$861,632,324	90	$1,178,487,166
Mini-Series	2	$2,680,198	3	$891,500	0	$0
Movie of the Week	33	$114,008,989	44	$138,663,566	21	$56,380,686
TV Pilot	18	$73,864,566	21	$78,858,473	17	$76,587,997
TV Program	0	$0	2	$1,546,432	3	$2,760,630
TV Series	97	$1,771,493,439	119	$1,901,740,286	78	$976,925,653
Web Based/Other	13	$70,847,292	11	$42,039,137	3	$4,681,220
Total PSTC	**230**	**$2,815,787,700**	**289**	**$3,039,528,211**	**217**	**$2,311,245,496**
TOTAL	**384[a]**	**$3,206,814,495**	**452[a]**	**$3,443,427,025[b]**	**338[a]**	**$2,624,268,100[b]**

Source: Creative BC, BC Tax Credit Program applications (FIBC and PSTC) that were approved by Creative BC for certification by the Province of British Columbia. For more information, please refer to the Creative BC Fact Sheet "Tax Credit Certification for Film and Television / Explanation of Reporting Methodology".

[a] The number of tax credit certifications for each fiscal year may include productions that were completed in a different fiscal year than what is reported.

[b] The BC budget is based on budgets that are submitted to Creative BC at the time of application for tax credit certification and may not correspond to the final production budget. The budget for FIBC applications may also include the total budget for international treaty co-productions and inter-provincial co-productions.

Music & Sound Recording

- $690M annual income; 6,600 jobs;
- 13,400 people earn a portion of income through music-related work;
- 200+ music festivals in BC;
- 78% of festivals in BC expect increased attendance in 2021;
- 79% of people in the music industry are self-employed;
- 285 music businesses in BC;
- 80 independent labels in BC; and
- 200+ sound recording studios in BC.

Interactive & Digital Media (see table 3)

- $2.3B annual income; 16,500 jobs;
- 152 interactive entertainment companies in BC (up 19% from 2015);
- 27% of Canadians employed by its video game industry are located in BC;
- 1,300 digital media companies in BC;
- 200+ members in BC's augmented reality & virtual reality associations;
- 500FTEs in AR/VR businesses; and
- 14,740 of 16,500 tech workforce in BC are employed as computer programmers & interactive media developers.

TABLE 3 - DIGITAL ANIMATION, VISUAL EFFECTS AND LIVE ACTION

Fiscal Year Reporting: 2018/19 | 2017/18 | 2016/17

	April 1 2018 – March 31 2019		April 1 2017 – March 31 2018		April 1 2016 – March 31 2017	
	Approved Tax Credit Certifications	BC Budget ($ Cdn)	Approved Tax Credit Certifications	BC Budget ($ Cdn)	Approved Tax Credit Certifications	BC Budget ($ Cdn)
FILM INCENTIVE BC (FIBC)						
Digital Animation	11	$76,043,166	3	$20,875,756	6	$82,102,197
Live Action	143	$314,983,629	160	$383,023,058	115	$230,920,407
Total FIBC	**154**	**$391,026,795**	**163**	**$403,898,814**	**121**	**$313,022,604**
PRODUCTION SERVICES TAX CREDIT (PSTC)						
Digital Animation	58	$389,181,140	64	$361,731,369	47	$306,676,910
VFX only	47	$395,025,500[c]	58	$396,963,242[c]	66	$443,997,951[c]
Live Action	125	$2,031,581,060	167	$2,280,833,600	104	$1,560,570,635
Total PSTC	**230**	**$2,815,787,700**	**289**	**$3,039,528,211**	**217**	**$2,311,245,496**
TOTAL	384[a]	$3,206,814,495[b]	452[a]	$3,443,427,025[b]	338[a]	$2,624,268,100[b]

Source: Creative BC, BC Tax Credit Program applications (FIBC and PSTC) that were approved by Creative BC for certification by the Province of British Columbia.

[a] The number of tax credit certifications for each fiscal year may include productions that were completed in a different fiscal year than what is reported.

[b] The BC budget is based on budgets that are submitted to Creative BC at the time of application for tax credit certification and may not correspond to the final production budget. The budget for FIBC applications may also include the total budget for international treaty co-productions and inter-provincial co-productions.

[c] The budget for VFX only is based on projects that are not filmed in BC and does not represent total VFX activity in the province.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. In concert with federal government immigration programs, increase the focus on bringing in and retaining students and professionals who can work in the industry.
2. Expand tax credits and incentives to support digital based companies and support reasonable development of the industry for productions in all regions of the province.
3. Support increased education programs at secondary and post-secondary levels, including the diversity & Indigenous program; Export Development program; and SIGGRAPH (Business symposium).

BC INVESTMENT FUND NEEDS BOARD OF TRADE/CHAMBER OF COMMERCE INDUSTRY

COVID-19 has led to many levels of government providing grants and bursaries to businesses to keep them afloat. This has resulted in massive debt levels. Additionally, once the BC Government invests to support small and growing business sector and they reach a certain level of profitability, they are then acquired by capital south of the border along with any intellectual property. An innovative solution to this leaking of talent and growth is through an investment fund.

The BC Government is undergoing the possible implementation of a strategic investment fund (InBC) as a mechanism to invest in high growth potential firms, growing and anchoring talent, intellectual property, innovation, investment and jobs in BC, and driving economic growth in every region.

Background

COVID-19 has led to sizable of investments being made by governments. Governments have also created large pots of money that provide money for businesses that qualify. In British Columbia, these supports range from loans to relief.[5] These types of programs increase debt of both businesses and the government.

As we move from our initial response to recovery, government must tackle the issue of how we will support fledgling businesses, businesses that want to innovate and expand, and businesses that will provide sustainable jobs in various regions. In addition, there needs to be consideration for reconciliation efforts, supporting marginalized groups, and providing avenues for growth for rural businesses.

What is needed now is government partnering with the private sector to grow small businesses. In September 2020, the BC Government announced InBC as the mechanism that will invest in small and medium-sized BC companies to help them scale up and reach their highest potential, while generating returns that support a growing economy that benefits all British Columbians.

InBC vs. The Strategic Innovation Fund (SIF)

The Strategic Innovation Fund (SIF) is a fund that does not require repayment at a competitive level. In essence, the Strategic Innovation Fund is a grant program, which crowds out investment from other sources. The SIF, among many other things, also requires businesses applying be willing to make long-term commitments to Canada (e.g. collaborations with public and private entities, R&D investments, co-op/work integrated learning opportunities). As a grant, the SIF requires applications for funding streams. The SIF is a program that is monitored by Government, and decisions are made by Government.

InBC will invest in small and medium-sized BC companies to help them scale up and reach their highest potential, while generating returns that support a growing economy that benefits all British Columbians. Businesses will be expected to pay a rate of return at about 4.75%, which incorporates the cost of borrowing, cost of operation, and a basic return on investment. This competitive investment opportunity is designed to achieve the BC Economic Plan: A Framework for Improving British Columbians' Standard of Living[6], and the CleanBC strategy[7].

Investment decisions will be made by an independent Chief Investment Officer and a team of professionals. InBC will be overseen by a Board of Directors and will be required to submit annual reports pursuant to the Budget Transparency and Accountability Act. InBC's financial statements will be audited annually by an independent auditor.

InBC is based off of similar programs implemented around the world. These include Ireland, and Scotland. The successes of Ireland program lend confidence in the program being successful in BC.

Scottish National Investment Bank

The Scottish National Investment Bank is a state-owned financial institution based in Edinburgh, Scotland. It is intended to deliver infrastructure development and strategic investments. The Scottish National Investment Bank provides long-term investments for businesses, projects and communities, including both debt and equity. The Investment Bank supports businesses to achieve net zero, promotes equality, and invests in innovation.

The Ireland Strategic Investment Fund

The Ireland Strategic Investment Fund (ISIF) is mandated to invest on a commercial basis in a manner designed to support economic activity and employment in Ireland. It focuses on regional development, housing, Indigenous businesses, climate change, and Brexit. During 2020 ISIF committed €430 million to

[5] https://www2.gov.bc.ca/gov/content/economic-recovery/business-supports

[6] https://news.gov.bc.ca/files/BC-Economic-Framework-2019-20.pdf

[7] https://blog.gov.bc.ca/app/uploads/sites/436/2019/02/CleanBC_Full_Report_Updated_Mar2019.pdf

over 20 investments in Ireland[8]. At the end of 2020 ISIF has committed a total of €5 billion to 143 Irish investments[9]. The ISIF experienced an investment return of 6.2% in 2020, an increase of over €500 million.

THE CHAMBER RECOMMENDS

That the Provincial Government:

> Partner with the Chambers of Commerce and Boards of Trade in promoting and advancing the economic development opportunities of the InBC program and that the partnership includes involvement and collaboration with chambers/boards of trade from every region throughout BC, per the designated boundaries established by the BC Chamber of Commerce.

ENACT THE EMERGING ECONOMY TASK FORCE'S FIVE RECOMMENDATIONS ON LEVERAGING BC'S GREEN ECONOMY

The global market for low-carbon services and solutions is estimated to be $6 trillion and growing[10], and BC is well-positioned to seize a significant share of that market due to our existing strengths such as our low-carbon energy grid, our world-leading post-secondary education landscape, our diverse population and workforce, and our growing knowledge-based and highly-skilled economy. To ensure we capitalize on these opportunities, the provincial government should ensure it utilizes the work of the Emerging Economy Task Force, specifically as it pertains to what it describes as "Leveraging BC's Green Economy."

Background

In 2018, the provincial government struck the Emerging Economy Task Force, which was given the mandate to "examine the current state of BC's economy and provide analysis and advice on trends that will change the nature of business and society over the next 10 to 25 years and propose recommendations to ensure BC stays at the forefront of emerging economic developments."[11]

In 2020, the Emerging Economy Task Force's Final Report was issued and while the whole Final Report contains worthwhile policy prescriptions, the five recommendations relating to positioning BC to capitalize on the demand for green products and services is most relevant and important to our business community.

The Emerging Economy Task Force issued five recommendations which focus on ways to leverage our existing advantages to mitigate the risks of climate change while maximizing the opportunities it may create, and they should be adopted and enacted by the provincial government. These five recommendations include:

1. Capitalize on BC's vertically integrated, clean power advantage.

   BC is in an advantageous position of having an integrated low-carbon electricity grid with significant renewable electricity resources. Further electrification can reduce BC's carbon footprint and catalyze innovation in electricity generation, storage and transmission technologies.

2. Take advantage of growing global demand for green economy products and services.

[8] https://isif.ie/news/press-releases/ireland-strategic-investment-fund-publishes-2020-update

[9] https://isif.ie/news/press-releases/ireland-strategic-investment-fund-publishes-2020-update

[10] European Commission (2019). "Environment: Facts and Figures." Retrieved from https://ec.europa.eu/environment/eussd/smgp/facts_and_figures_en.htm

[11] Emerging Economy Task Force, Final Report – March 2020, The Province of British Columbia. Accessed online: Emerging Economy Task Force, Final Report, March 2020 (gov.bc.ca)

Grow BC's capabilities in green products and services and move the province up the value chain in traditional product mix by creating a targeted sector development and export strategy, including appropriate policies and regulatory frameworks, that identifies leading products and services such as those addressing climate change mitigation and adaptation.

3. Capitalize on opportunities presented by the circular economy.

   Leading jurisdictions, including in Europe and Asia, are leveraging the circular economy model to drive innovation, growth, investment and export opportunities. With its vast natural resource base, British Columbia can capitalize on these opportunities by investing in initiatives that rethink material and product supply chains while extracting the most value from our resources and other inputs to the benefit of industry, the environment and consumers.

4. Address the risks and opportunities associated with climate and sustainability trends that will affect BC's economy and communities.

   Throughout the economy and particularly in small- and medium-sized organizations and communities, greater knowledge and understanding about climate change and other sustainability risks, as well as the best practices for climate mitigation and resiliency, are required.

5. Ensure the British Columbia Government and its public sector organizations are leaders in sustainable operations.

   Public sector institutions must increasingly consider the current and long-term economic, social and environmental risks, opportunities and impacts of their operations and value chains. Putting a sustainability lens on government and the wider public sector can result in new business opportunities and investment attraction, as entrepreneurs scale-up to meet this new demand and export potential of their technologies and services to growing markets.[12]

As BC prepares to move past the COVID-19 pandemic and look to future opportunities, these five recommendations will help ensure our economy and business community is well-positioned to capitalize on the growing "green economy."

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Enact the five recommendations of the Emerging Economy Task Force as laid out in its 2020 Final Report under "Strategic Priority Two: Leveraging BC's Green Economy" including:
   a. Capitalize on BC's vertically integrated, clean power advantage;
   b. Take advantage of growing global demand for green economy products and services;
   c. Capitalize on opportunities presented by the circular economy;
   d. Address the risks and opportunities associated with climate and sustainability trends that will affect BC's economy and communities;
   e. Ensure the British Columbia Government and its public sector organizations are leaders in sustainable operations; and
2. Work with the business community, including major industry and small business, to explore and implement initiatives to increase the involvement in the green economy by BC businesses.

[12] Emerging Economy Task Force, Final Report

INTERPROVINCIAL TRADE BARRIER REFORM: BEER, WINE & DISTILLERY INDUSTRIES STILL AN UNSOLVED ISSUE

Until recently, the *Federal Importation of Intoxicating Liquors Act* criminalized the interprovincial importation of liquor by individuals. In 2012, the Act was amended to allow individuals to import wine across provincial borders for personal consumption. In June 2014, further amendments to the Act extended this personal use exemption to include interprovincial shipment of beer and spirits. Regrettably, the federal government's action to liberalize and modernize interprovincial trade in liquor has been largely frustrated by protectionist measures enacted by several provinces and territories. With few laudable exceptions (notably British Columbia), it remains largely illegal for individuals to import wine, beer and spirits for personal use from out of province. It is key to note that first TILMA and then the NWPTA can take precedence in interprovincial trade matters.[13]

The spirit, it seems of first TILMA, and now, NWPTA is being eroded: the current climate of cross-provincial borders retaliatory legislation, verbiage, and potentially, tariff-like penalties is completely counter to the spirit of economic health and resident benefit envisioned by the NWPTA. The effect of these protectionist measures is most keenly felt by British Columbia's small and mid-sized producers, who commonly lack the volume and financial resources to sell to provincial liquor boards. As a result, many British Columbia liquor producers are limited in their ability to establish demand for their products in a national domestic market, which makes competition against large international producers more challenging. Interprovincial protectionist measures are also a drag on all producers who would benefit from internet-based sales and direct-to-consumer buying programs that provide better margins and enable more efficient supply management.

Perhaps most importantly, barriers to individual important of wine, beer and spirits are a hindrance to our tourism industry. Many out-of-province Canadian tourists now cannot bring British Columbia's fine wines home to share with their friends and are unable to participate in the wine clubs operated by many of British Columbia's enterprising wineries. Wineries lose because they are challenged to build long-term, loyal relationships with out-of-province customers, especially during the pandemic-restricted tourism / open tasting restrictions.

Consumers lose because their favourite British Columbia wine is not available to them at home. As they do in all other industries, barriers to interprovincial trade in wine, beer and spirits restrict opportunity, stunt growth, and limit consumer choice. Freer interprovincial liquor trade will allow British Columbia's liquor producers to gain access to the national domestic market, improve financial stability of our liquor industry, and help British Columbia companies compete against imported products that have dominated sales in the past. In the decision on R v Comeau "Section 121," said the Court, does not impose absolute free trade across Canada. We further conclude that section 121 prohibits governments from levying tariffs or tariff-like measures (measures that in essence and purpose burden the passage of goods across a provincial border); but, s. 121 does not prohibit governments from adopting laws and regulatory schemes directed to other goals that have incidental effects on the passage of goods across provincial borders."

[13] Building upon the TILMA (Trade, Industry and Labour Mobility Agreement, the New West Partnership (NWPTA) continues to take precedence in interprovincial trade through its many exemptions. The NWPTA created Canada's largest interprovincial free trade zone. It is a ground-breaking economic partnership between the Governments of British Columbia, Alberta, and Saskatchewan. The Agreement has a number of benefits for the three provinces, which include: • Reduced costs for businesses, governments, and consumers. • Streamlined regulations through mutually recognizing or otherwise reconciling unnecessary differences in standards and regulations. • An enforceable dispute mechanism to ensure that each province lives up to its commitments. • Enhanced competitiveness through the free flow of goods, services, investment, and workers. The Agreement came into effect on July 1, 2010 and has been fully implemented since July 1, 2013. The Second Protocol of Amendment came into force on December 31, 2015.

Background

Interprovincial barriers in Canada prohibit growth and limit consumer choice in many businesses and industries. A prime example of an industry still hampered by antiquated interprovincial trade barriers is the wine, beer and spirits industry. In 2017, the federal government liberalized interprovincial trade in liquor by allowing individuals to import wine, beer and spirits for personal consumption, and a few provinces (including British Columbia) have made their own regulations congruent with this federal exemption.

Despite the appointment of a federal cabinet minister several years ago as Minister of Interprovincial Trade, there has been no significant progress, although much talk. In the minority government of 2019, the mandate shifted to the Deputy Prime Minister. [14]

Interprovincial trade in liquor remains restricted by a patchwork of regulations. British Columbia and Alberta have made encouraging overtures to other provinces to modernize their liquor laws to allow freer interprovincial trade in wine, beer and spirits. In 2020, MP Dan Albas (Okanagan-Similkameen-Nicola) introduced a Private Members Bill[15] aimed at forcing Canada Post, a federally regulated corporation, to ship wine, beer and spirits over provincial borders and internationally.

SAQ (Quebec) has meanwhile threatened producers with legal action if they sell alcohol products based in another Canadian province to a resident of Quebec.[16] This is no way to recover from a pandemic. The global e-commerce market for alcohol was estimated at US $28B in 2020, again due to the pandemic. Canada's market was worth $400 in the same period, an increase of 75%.[17] Why are we dragging our heels?

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Take an aggressive position at the forefront leading the charge to abolish barriers to interprovincial trade in wine, beer and spirits to incent growth in domestic businesses.
2. Work with other provinces, territories, and the federal government to remove barriers to interprovincial trade in wine, beer and spirits.

PROTECTING THE NATIONAL ECONOMY BY MANAGING THE LOWER FRASER RIVER

As highlighted in the 2016 report titled, *The Economic Importance of the Lower Fraser River*, the region under discussion stretches from Richmond to Hope, and is one of the prime economic generators in BC. As such, the Lower Fraser is a significant contributor to the national economy. Without clear strategic management between all levels of government and key stakeholders, the economic growth potential will

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[14] The Canadian Free Trade Agreement, which took effect on July 1, 2017, has faced criticism for its weak dispute settlement mechanisms and inability to compel provinces to reduce trade-restrictive measures. The issue of interprovincial trade was again highlighted in the Supreme Court of Canada's decision in R v Comeau, 2018 SCC 15. In Comeau, the Supreme Court held that provinces maintained the ability to enact laws that restrict commerce between the provinces if there is an overriding purpose, which included the right to control the sales of alcohol within New Brunswick. The mandate letter sets out the Prime Minister's goals for interprovincial trade, including the creation of the Canada Free Trade Tribunal:
Lead work with the provinces and territories to continue to eliminate barriers to trade between them, and work toward a stronger, more integrated Canadian economy. You will build on the Canadian Free Trade Agreement and actively assert federal jurisdiction where needed under section 91(2) of the Constitution Act, 1867 and Supreme Court decisions on the regulation of trade and commerce. Your work will include creating a Canada Free Trade Tribunal to hear, investigate, and help resolve cases where domestic trade barriers may exist.

[15] Bill C-260 https://parl.ca/DocumentViewer/en/43-2/bill/C-260/first-reading

[16] "No-brainer that Canadians should be able to by alcohol online from producers" Globe & Mail January 23, 2021

[17] *Ibid*

not be fully realized. It is time to bring all vested interests together and chart a mutually agreed course forward that maximizes economic potential while managing risks.

Background

The Port of Vancouver is Canada's largest port and third largest port by tonnage in North America. It is the principal ocean gateway to the Asia Pacific markets. The impact of the port function of the Lower Fraser is comparable in importance to the impact of Canadian traffic on the St. Lawrence Seaway, both in terms of tonnage and employment:

	Lower Fraser River	**St Lawrence[18]**
Cargo (Million Tonnes)	71.7[19]	47.8
Jobs (FTEs)	41,860	63,041
Wages ($Billions)	$2.77	$2.88
Economic Output ($Billions)	$9.26	$9.81

The Lower Fraser region is home to 2.9 million people and the most developable port lands to accommodate future port growth is along the Fraser River. In addition, the Fraser River supports other key industries such as the Fraser Valley's agriculture production, over 45 forest industry facilities, and nine federal government small craft harbours that support fishing, aquaculture, recreation, tourism, shipping, and other marine activities.

Risks

The geographical configuration of the Lower Fraser, a wide delta of silt and alluvial fill, is vulnerable to flooding and earthquakes. The port and supporting goods movement infrastructure will feel the impact of a major event: rails, highways, bridges, etc.

The Fraser Basin Council released a number of reports in the past 5 years that studied impacts of flood risks for the Lower Mainland coastal and Fraser River areas. In summary of four flood scenarios, the financial impact are:

- Present-day Lower Mainland flood scenarios would result in losses estimated at:
  - $19.3 billion (coastal flood)
  - $22.9 billion (Fraser River)
- Year 2,100 Lower Mainland flood scenarios would result in losses estimated at:
  - $24.7 billion (coastal flood)
  - $32.7 billion (Fraser River flood)

Although there were assumptions, such as dike failure, the Fraser Basin Council researchers found that 71% of the Lower Mainland dikes assessed by the Provincial Inspector of Dikes are vulnerable to failure by overtopping during a major flood event. They further found that only 4% of assessed dike segments met provincial standards for "crest height" (0.6m freeboard above water surface elevation) in flood scenarios.[20]

[18] The St Lawrence Seaway impact is for 2014; St Lawrence data covers Canadian cargo carried on the Montreal-Lake Ontario section of the Seaway and the Welland Canal between Lake Ontario and Lake Erie.

[19] https://www.portvancouver.com/news-and-media/news/39325-2/

[20] For full Fraser Basin Reports on flood risks, go to https://www.fraserbasin.bc.ca/Phase_1_Results.html

Other reports done, for example, by BC Ministry of Forests, Lands and Natural Resource Operations (2014)[21], or the Pacific Climate Impacts Consortium (2015)[22], found similar impacts. It is of sufficient concern, that the cities of Delta, Surrey and Richmond likewise have done or are currently doing flood risk analyses with anticipated climate change impacts.

Coordination is required

The strategic management of economic growth and environmental risks on the Fraser River is challenging because of fragmented jurisdictions throughout the Fraser region. There are 15 municipal governments, 29 First Nations, and 20 provincial and federal ministries, engendering numerous legislative and bylaw regulations.

There are a multitude of issues resulting from fragmented oversight on the Fraser River, including the loss of industrial land due to pressure on local governments for residential or other development (over 3000 hectares in the last 30 years), piecemeal dyking upgrades that are not continuous, and uncoordinated maintenance programs and safety responsibilities. Efforts have been made to coordinate between local governments and to work with other levels of government. However, these are issue or situation-based and not a high-level, over-arching, holistic strategic investment for the region.

As an example of recent efforts to try and bring stakeholders together, the Fraser River Industrial Association (FRIA)[23], a coalition of marine-dependent industries and terminal operators, including the Fraser Surrey Docks, is advocating for key priorities that include broad and collaborative stakeholder engagement, preservation of industrial land, stewardship to protect people and habitats, channel improvements, marine and public safety, transportation access, and streamlined regulatory processes.

They, along with other stakeholders such as adjacent chambers of commerce, would support the establishment of an integrated agency/committee to manage strategy, policy and regulation in the lower Fraser River to enhance economic benefit, and would look for the opportunity to be a part of such a coordinated entity. They have identified inconsistent regulation and overburdening of permitting process of a primary stagnation to growth and investment. Lack of collaboration, understanding and awareness of impact of changes or roles is a contributing factor to challenging any future economic growth and development in the region.[24]

The provincial and federal governments need to facilitate a region wide strategic coordination to resolve issues and overcome boundaries of authority, as it is a shared responsibility. Long term strategic planning and ongoing monitoring and mitigation of risks require all relevant stakeholders to be at the table in an organized, formal process that recognizes each party's role for the river and provide the authority to coordinate region-wide goals.

THE CHAMBER RECOMMENDS

That Provincial and Federal Governments:

Collectively establish a task force, lead agency or committee to examine the issues and create a mandate and coordinate a comprehensive action plan for the Lower Fraser River which will include:

- Broad stakeholder consultation
- Flood protection
- Navigation management
- Sea level rise
- Agriculture / industrial land protection and enhancement
- Asia Pacific Gateway potential

[21] BC Ministry of Forests, Lands and Natural Resource Operations. Simulating the Effects of Sea Level Rise and Climate Change on Fraser River Flood Scenarios, Final Report, May 2014.

[22] Pacific Climate Impacts Consortium. Simulating the Effects of Climate Change on Fraser River Flood Scenarios – Phase 2, Final Report. University of Victoria, May 2015.

[23] The Fraser River Industrial Association website, fria.ca, is a wealth of information for the Lower Fraser River region.

[24] As per FRIA representative, Jeff Scott, Fraser Surrey Docks.

SUPPORTING A HOMEGROWN AND ENTREPRENEURIAL DIGITAL ECONOMY IN BC

BC has an established and thriving digital tech start up ecosystem. However, BC's tech companies are relatively small and still face challenges in scaling up. There is a risk that if companies are not able to scale up and fail to grow there is a risk that the province loses out on important opportunities for economic growth, such as the creation of well-paying resilient jobs, attracting investment capital and creating spin offs, which solve new problems, encourage investment in R&D and drive economic prosperity.

Background

The rise of the intangibles economy (what has been described as "capitalism without capital") is, and indeed already has, transformed foundations of the global economy. However, Canada and British Columbia's current mix of policies toolkit is centred on a world of tangible assets. The tangible economy is centred on capital and labour as the main factors of production, investment and trade, raise everyone's boat. The growing trend towards intangible assets is described in detail by Speer & Asselin (2019), where they note the growing trend and importance of data, brands and IP, and the fundamental shifts required in policies and programs to support the new economy.

Even prior to COVID-19, the global economy was going through a major adjustment, being shaped by new technologies and technological applications, such as artificial intelligence and nanotechnology. These technologies, and others emerging technologies have the potential to suddenly upend sectors, firms and workers.

To highlight these changes, Speer and Asselin note that the S&P 500, is a telling barometer of how profound the unfolding transition to a data-driven economy is. In 1976, 16 percent of the value of the S&P 500 was in intangibles assets (i.e. brands, IP, data, etc.). Today, intangibles assets comprise 91 percent of the S&P 500's total value. Together, the world's five most valuable data-driven companies are worth well over $4 trillion (Canada's annual GDP is about $2 trillion), but their balance sheets show only $225 billion is in tangible assets, or just over 5 percent of their total value. Increasingly, this is a radically different economy, with new commanding heights.

Canada's Digital Technology Supercluster was launched in November 2018 with $153 million in funding from the Ministry of Innovation, Science and Economic Development and funding commitments of over $200 million from its initial cohort of members. The Supercluster leverages BC's strengths by bringing together private and public sector organizations to address challenges facing Canada's economic sectors including healthcare, natural resources, manufacturing, and transportation. Through its investments, the Supercluster helps position Canada as a global hub for digital technology innovation and contributes to the generation of new jobs, growing GDP and increasing Canada's global competitiveness[25].

While BC has a growing number of mid-sized companies, it continues to trail more mature tech sectors in Ontario and Quebec. BC's tech sector faces challenges with scaling up its businesses, with many remaining small or selling at an earlier stage than they would in other jurisdictions: the province's tech sector includes nearly 11,000 companies, however, the vast majority of them (80 percent) employ less than 10 people. In fact, only 220 BC tech businesses have over 100 employees, of which only 22 employ 500 employees or more[26].

Scaling and keeping homegrown and entrepreneurial businesses in BC will help with the creation of well-paying resilient jobs, attract investment capital and create spin offs that solve new problems, encourage investment in R&D and drive economic prosperity. A data and intangibles plan for BC that focuses on

[25] https://www.newswire.ca/news-releases/canadas-digital-technology-supercluster-officially-launches-with-153m-in-funding-from-the-ministry-of-innovation-science-and-economic-development-and-funding-commitments-of-over-200m-from-members-701364801.html

[26] KPMG. (2020). 2020 BC Tech Report Card: Tackling the scale up challenge. (Online). https://kpmg.pathfactory.com/l/bc-tech-report-card?utm_source=cpabc&utm_medium=article&utm_campaign=bc-tech-report-card-followup-2&utm_content=cpabc

cultivating local companies, growing technology ecosystems and commercializing data and IP in the province would set the ground work for these efforts. This could take the form of establishing innovation precincts, such as the discussion around the new St. Paul's campus regarding health research and development, with ties to the burgeoning life sciences corridor nearby.

In light of significant in-province investments already being made to foster an innovation ecosystem, the BC government is in a strategic position to support these efforts and anchor emerging solutions, technologies and businesses in BC and realize the associated economic growth.

THE CHAMBER RECOMMENDS

That the Provincial and Federal Governments:

Advance a data and intangibles plan for British Columbia, which would focus on cultivating and scaling local companies, growing the technology ecosystem, and commercializing data and IP in BC. The plan should:

a. Invest in efforts to provide faster, streamlined, coordinated and comprehensive access to data and facilitate and create data-driven advances in research and innovation;

b. Encourage the federal government to use tax policy not only to support and encourage the undertaking of certain innovative activities in Canada but also to incentivize the retention of IP in the country;

c. Aim to increase ties between post-secondary institutions and the private sector to support an innovation based economic development strategy that leverages the research funding in the province to support the commercialization of new technologies and retain IP in BC.;

d. Support innovation inside governments through the utilization of local technologies; and

e. Invest in a talent retention strategy to support local companies' growth.

AUDITOR GENERAL FOR LOCAL GOVERNMENT AS A RESOURCE TO SUPPORT ECONOMIC RECOVERY

BC's businesses continue to face financial challenges as a result of the COVID-19 pandemic. Local governments are feeling the same financial stressors, due to facility closures and the halting of other revenue streams. Raising municipal revenues through property taxes would only serve to increase costs to businesses. As a result, the pressure on local governments to do the best they can with the resources that they have has never been greater.

One response to the financial challenges caused by the COVID-19 pandemic by the federal government was the recent announcement of the Canada Infrastructure Bank, which includes a $10 billion Growth Plan that provincial, territorial, municipal, and Indigenous partners can use to build infrastructure across Canada. As such, we expect to see significant volumes of money coming to local governments over the next three years for infrastructure projects through this program. However, many local governments do not have the expertise or human resources to manage projects of this magnitude or the budget to hire external consultants with the skills to manage them on their behalf.

The creation of a "new" Auditor General for Local Government (AGLG), that draws on the lessons learned and expertise developed by the former AGLG's office, will go a long way to provide resources, expertise and oversight to local governments on the path to economic recovery.

The office of the Auditor General for Local Government was established with the adoption of the *Auditor General for Local Government Act*, which came into force in April of 2012. The AGLG's mandate was to "conduct performance audits of the operations of local governments in order to provide local governments with objective information and relevant advice that will assist them in their accountability to their communities for the stewardship of public assets and the achievement of value for money in their operations."

Opinions were divided over the creation of the office and the first few years of its operation were not particularly successful, with only four reports being released in the first two years of operation. However, following a replacement of the AGLG and an independent review of the office conducted by Mr. Chris Trumpy, the AGLG was able to successfully turn around its operations. To date, there have been 32 performance audits completed in 30 different locations covering topics such as improving local government procurement, managing policing services, improving local government emergency management and, notably, oversight of capital project planning and procurement.

Three surveys of local governments that were taken as part of a five-year review of the office in 2017 found that:

1. Of the local governments that responded to the survey and had a performance audit completed in their organization:
   a. 71% felt they benefited a medium to high degree from the audits;
   b. 76% felt they were on track with implementing the recommendations from the performance audit reports; and
   c. 76% felt they would implement 80% to 100% of the recommendations.
2. Of the local governments that responded to the survey that had not been audited:
   a. 86% indicated that someone in their organization had read a performance audit report or Perspectives booklet;

b. 71% of those who indicated that someone in their organization had read a performance audit report or Perspectives booklet had incorporated practices or made changes to policy found in these documents; and

c. 53% of the local governments responding to the survey indicated that they use the performance audit reports and/or Perspectives booklets to do a comparative check on similar services that they provide.

Following the five-year review, it was recommended that the AGLG office be retained, given the reported benefits to local governments from the audit findings and recommendations. The five-year review did note that the cost per audit was high and the amount of staff time required to support the audit process was onerous. Some smaller communities found that the recommendations were not scalable to the resources and size of their communities. A number of recommendations were made to address these issues that included ongoing reviews every five years, a strengthening of the communication and relationship between the AGLG and the Union of British Columbia Municipalities and other relevant stakeholders, and an exploration of different approaches to performance audits that would not be as costly or onerous for smaller communities.

In February of 2020, the Ministry of Municipal Affairs announced funding cuts of 31% with plans to close the office of the AGLG within a couple of years.

With the impending influx of funding for capital projects expected to reach the municipal level, and the magnified importance and scrutiny on local governments to spend wisely due to COVID-related financial constraints, it is important that local governments continue to have access to the resources, expertise, and accountability to taxpayers provided by an Auditor General for Local Government in the years to come. The new Auditor General for Local Government should incorporate the valuable lessons learned from the prior office in order to ensure that the new AGLG's office provides good value for cost, works harmoniously with the Union of British Columbia Municipalities and other stakeholders and is relevant to local governments of all sizes.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Re-establish the Office of the Auditor General for Local Government and appoint an Auditor General who implements the recommendations from the *Auditor General for Local Government Act* and Office Review published in November of 2018, including strengthening of the communications and relationship between the AGLG and other stakeholders, such as the Union of British Columbia Municipalities, chambers of commerce, etc.; and
2. Ensure that the performance audits conducted by the AGLG are structured to acknowledge and accommodate the capacity of the subject local government.

EMPOWER MUNICIPALITIES TO SUPPORT THEIR BUSINESS COMMUNITIES IN TIMES OF CRISIS: AMENDING THE COMMUNITY CHARTER

"The *Community Charter* provides the statutory framework for all municipalities in BC except the City of Vancouver…and sets out municipalities' core areas of authority…"[1] Within this framework, grants or financial support to business is expressly forbidden.[2] This provision hampers municipalities who wish to support their business community during times of crisis.

Background

In 2020, COVID-19 spread around the globe, creating a catastrophe that is unprecedented in living memory. In addition to the health crisis, COVID-19 created an economic crisis. Many businesses closed or reduced their operations. Jobs were lost. All levels of government scrambled to make relief available as quickly as possible.

The Province of British Columbia transferred funds to municipal governments by the end of 2020 on the basis that municipalities would experience a shortfall in their revenues. Some municipalities, recognising the ongoing hardship experienced by their business community (which make up a significant portion of their tax base), expressed an interest in working with their local chambers of commerce in administering a grant program for businesses. This could not take place because of the restrictions of the Community Charter.[3]

This is not the first crisis businesses in BC have experienced[4] and it will not be the last. The COVID-19 pandemic has underscored a fact that chambers and boards of trades have always known – thriving businesses mean thriving communities. Municipalities which take steps to support the recovery of their business community as quickly as possible after any crisis accelerate the future well-being of their communities. The *Community Charter* should support this practice, not act as an impediment.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Create a framework for direct funds/support from municipalities to businesses in times of crisis, and that municipalities partner with a chamber of commerce, board of trade or other appropriate non-profit organisation in their area to create a transparent, accountable, and equitable disbursement of funds.
2. Create a specific task force which includes representation from UBCM and the BC Chamber of Commerce to examine response options to provide local government with more tools, authority and funding streams to help businesses during a state of emergency.

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[1] https://www2.gov.bc.ca/gov/content/governments/local-governments/facts-framework/legislative-framework

[2] Community Charter [SBC 2003] Chapter 26 Part 3 — Additional Powers and Limits on Powers, Division 2 — Restrictions on Providing Assistance, General prohibition against assistance to business and exceptions:
"25 (1)Unless expressly authorized under this or another Act, a council must not provide a grant, benefit, advantage or other form of assistance to a business."

[3] The last legislative change to this section of the Charter came into force on January 1, 2016.

[4] Between 2003-2020, some of the communities who were impacted by fires include Burns Lake, Cranbrook, Kamloops, Kelowna, Prince George, and Quesnel. (Source: CBC Smoked in: A look back at BC's haziest wildfire seasons over the past 20 years by Rhianna Schmunk.) Flooding has also had a significant impact on some BC communities, such as Grand Forks in May 2018.

ENHANCED PUSH FOR INTERMUNICIPAL MOBILE BUSINESS LICENCES

At the 2006 Union of British Columbia Municipalities (UBCM) Convention, the Government of BC challenged local governments to develop a single business license framework, to become the first jurisdiction in Canada where businesses could operate freely anywhere in their province. The Ministry of Small Business and Revenue was charged with leading the Single Business License Initiative, working closely with UBCM, the Ministry of Community Services, and key stakeholders, to develop a model that streamlined business licensing processes while retaining municipalities' powers to set local standards for businesses operating within their jurisdictions.

Following initial concerns expressed by some local governments over loss of revenue and autonomy, the province moved away from the introduction of a single business license and began to promote regional Mobile Business License (MBL) programs. Resistance has diminished overtime as MBL programs have demonstrated value and an increase in compliance.

There are currently 15 MBLs Programs in the province, encompassing 99 local governments:

- Central Vancouver Island (12)
- Cowichan Lake Area (4)
- Greater Victoria Area (13)
- Courtenay/Comox Area (2)
- Metro West Region (6)
- Fraser Valley Area (11)
- Tri-Cities Area (3)
- North Shore (3)
- Okanagan-Similkameen Area (20)
- Trail Area (5)
- West Kootenay (6)
- North East (7)
- Sunshine Coast (3)
- Kimberly/Cranbrook (2) and
- Elk Valley (3)

To date, the established MBL projects have been positively received by participating municipalities and several local municipalities bordering existing programs have adopted the MBL model as well, thereby increasing the boundaries within which businesses can operate under one license.

In the absence of a single provincial business license, implementing regional programs is a more streamlined and cost-effective way for municipal governments in all of BC to operate in the short-term, and pave the way for the eventual goal a one province wide MBL.

While the Chamber has expressed concern over the lack of focus regarding a single business license for all of BC, we recognize the fact that regional MBLs still mark a significant improvement. The benefits to local governments, business, and residents of a regional MBL model have been supported by the feedback and financial success of the Okanagan-Similkameen, Fraser Valley, and other MBL programs already in place. The Chamber believes that the benefits of these programs have been demonstrated and early concerns over loss of revenue and autonomy have been negated. The Chamber encourages the provincial government to continue the expansion of this initiative across the province, with the goal of eventually establishing a single, province wide licensing program for all businesses.

At this time, the MBL program eligibility is limited to mobile businesses, defined as trades contractors or other professionals (related to the construction industry) that provide a service or product other than from their fixed and permanent location.

THE CHAMBER RECOMMENDS

That the Provincial Government work with municipalities to:

1. Proactively conduct data/revenue analyses for municipalities in defined regions to assist with implementation and creation of new Mobile Business License programs, as well as analysis of existing programs;
2. Merge existing Mobile Business License programs, such as the four current programs in the Lower Mainland region, into expanded regional Mobile Business License programs; and
3. Explore an expanded list of eligible mobile businesses to provide access to a broader range of sectors.

ONLINE MUNICIPAL VOTING

The success of businesses in BC is directly impacted by the policies of our municipal and provincial governments such as:

- Business tax levels, including income taxes, capital taxes, commodity taxes;
- Property tax levels, including the relative proportions to individuals and businesses; and
- Various regulations that impact the efficiency of doing business in the Province and/or community (i.e. employment standards, health and safety standards, environmental standards, insurance regulations).

As a Province, we are looking to create a more successful business environment and economy. Measures such as cost reductions, improving efficiency and reducing red tape are measures to facilitate such success. The current voter participation levels in municipal and provincial elections are extremely low and signal very poor engagement of the constituents. Province wide, in the 2014 municipal elections, turnout according to CivicInfoBC was 33.3%. Overall, statistics from Elections BC show a decline in provincial voter participation from 77.66% in 1983 to 55.32% in 2013.

This low turnout poses the following risks:

- Lack of government accountability to implement policies that positively impact business success;
- Implementation of policies that do not represent the will of the majority of constituents, (i.e. biased by minority views); and
- Further voter apathy as voters feel less ability to influence the public policy process.

Internet voting is a method that reduces many potential barriers and therefore can positively impact engagement. Internet voting has strong public support. In 2014, both Ontario and Nova Scotia permitted municipal Internet voting, upon approval by individual city councils. This experience demonstrates the desire of Canadian voters to use technology for the elections process. It also suggests that there is potential over time for further gains in voter turnout.

Historically voter turnout from the younger age groups 18-34 have been low, and that online voting could assist with voter apathy from these age groups.

Internet voting can provide the following direct and indirect benefits:

- Provide easier access to time constrained voters;
- Reduce overall apathy as voters feel their vote is accurately counted and does in fact have an influence;
- Allow business owners, particularly sole proprietors, to improve their accessibility to voting;
- enables people with disabilities to vote by themselves, easily and in secrecy; and
- It is expected that e-voting leads to more reliable results since human error is excluded Internet voting has not been implemented within BC to date because of concerns such as:

    a. Internet hacking;
    b. Technical difficulties;
    c. Difficulty in verifying voter identification; and
    d. Lack of evidence that internet voting will increase the turnout at the polls.

In this age of technology, the internet is an accepted method of communicating sensitive and confidential information safely. With the progress of enhanced online security such as blockchain and governments' increase in data protection in Canada, we feel that this would alleviate some of the security concerns that have existed in the past. The business community transacts routinely via the internet with security. Municipalities in Ontario have already demonstrated their ability to design effective and secure systems, and this is constantly improving with audit and verification procedures. In October 2014, about one-quarter of the municipalities in Ontario (98 out of 414) offered internet voting in municipal elections.[5] Voters could choose, which voting channel they wanted to use. The municipality of Markham has already effectively dealt with voter identification with a system that required login to the system prior to registering. The voters were issued an access code and had to provide their address and date of birth to mitigate this difficulty, similar to applying for a homeowners grant.

There may exists new risks with internet voting, but all systems have risks and generally these risks can be addressed and mitigated over time.

In 2012, the Chief Electoral Officer formed the Independent Panel on Internet Voting following an invitation of the BC Attorney General to examine opportunities and challenges related to the potential implementation of internet-based voting as a channel for provincial and municipal elections in BC.[6] The panel recommended that the Province not implement internet voting at this time. However, it did conclude "that internet voting has the potential to provide some benefits for administering local government elections and provincial elections in British Columbia, and that the most significant potential benefit of internet voting is increased accessibility and convenience for BC voters." Internet voting is likely to follow the same model, provided that good communications tools are in place to support the success of early adopters. With regards to security, the issues can be overcome with a focus on secrecy of the vote, verifiability, and voter authentication.

The Panel's report stated that "weighing the benefits and challenges to implementing internet voting in specific circumstances is the role of policymakers." The Chamber believes that the panel did not take a long-term view in its report. The panel also provided useful recommendations on how the Province can implement internet voting:

- Take a province-wide coordinated approach to internet voting;

[5] According to Ace Project: http://aceproject.org/ace-en/focus/e-voting/e-voting-opportunities.
[6] http://www.internetvotingpanel.ca/docs/recommendations-report.pdf.

- Establish an independent technical committee to evaluate internet voting systems and support jurisdictions that wish to implement approved systems; and
- Evaluate any internet voting system against the principles established by the panel (which includes Accessibility, Ballot anonymity, Individual and independent verifiability, Non-reliance on trustworthiness of the voter's device(s), One vote per voter, only count votes from eligible voters, Process validation and transparency, Service availability, and Voter authentication and authorization).

If we are committed to reduction of red tape and generating efficiencies, on-line voting can be an effective tool to facilitate such success. By maintaining the current legislation and processes under Elections BC, we are effectively avoiding the opportunities to eliminate unnecessary labor costs and streamline the overall voting timeline process (from ballot creation to completion of count verification and reporting). This could save a significant amount of tax dollars and public resources.

The potential benefits of internet voting can reduce barriers to access and positively align the voting system with other preferred technology increasingly being used by a large component of the population.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Commence a plan to implement a province wide approach to an electronic ballot;
2. Amend the appropriate legislation to allow for the option of electronic ballots in municipal elections;
3. Establish an independent technical committee to evaluate internet voting systems to ensure the Elections BC criteria are met (i.e. accessibility, Ballot anonymity, Individual and independent verifiability, Non-reliance on trustworthiness of the voter's device(s), One vote per voter, only count votes from eligible voters, Process validation and transparency, Service availability, and Voter authentication and authorization); and
4. Ensure that cyber security concerns about online voting are thoroughly addressed before any such system goes ahead.

URBAN MAYORS CAUCUS BLUEPRINT FOR BC'S URBAN FUTURE: A BUSINESS PERSPECTIVE

The BC Urban Mayors Caucus was formed to draw attention to issues affecting the largest urban communities in the province. The group produced a document entitled *Blueprint for BC's Urban Future*[7], that calls for greater action in four specific areas, including Mental Health, Substance Use and Treatment; Affordable Housing; Public Transit; and A New Fiscal Relationship.

Established prior to the last provincial election, the Caucus has recently been leading a province-wide effort to garner further support for the recommendations in the document including seeking support from individual Chambers and Boards of Trade across BC. The Caucus has had several meetings with provincial officials and while specific details of those meetings have not been disclosed, the Mayor's Caucus has stated publicly that they have been encouraged by the reception received from the province.

[7] BC Urban Mayors Caucus - Blueprint for BC's Urban Future https://www.kelowna.ca/our-community/news-events/news/bc-big-city-mayors-call-provincial-parties-address-mental-health-and

Given the significance of the four areas identified by the Urban Mayor's Caucus, and the fact that the issues noted already have a significant impact on the business community and BC's economy, the BC Chamber should have a unified position on the *Urban Mayor's Caucus Blueprint*. This policy resolution captures such a position.

Background

Mayors from 13 of BC's biggest cities came together, prior to the last provincial election, and formed the BC Urban Mayor's Caucus to encourage all provincial parties to put a high priority on the significant issues impacting the province's most urbanized communities. The Caucus bills itself as an informal, non-partisan group of mayors from urban areas across British Columbia. Co-chaired by Victoria Mayor Lisa Helps and Kelowna Mayor Colin Basran, the group includes:

- Abbotsford – Mayor Henry Braun
- Burnaby – Mayor Mike Hurley
- Coquitlam – Mayor Richard Stewart
- Kamloops – Mayor Ken Christian
- Kelowna – Mayor Colin Basran
- Nanaimo – Mayor Leonard Krog
- New Westminster – Mayor Jonathan Coté
- Prince George – Mayor Lyn Hall
- Richmond – Mayor Malcolm Brodie
- Saanich – Mayor Fred Haynes
- Surrey – Mayor Doug McCallum
- Vancouver – Mayor Kennedy Stewart
- Victoria – Mayor Lisa Helps

Since last fall's provincial election, the caucus has called on the province to commit to addressing mental health and substance abuse while also seeking greater provincial investment in affordable housing and public transit, as well as a new funding framework for municipalities.

The Urban Mayors Caucus made several specific recommendations that are summarized below.

Mental Health, Substance Use and Treatment

The Caucus seeks the province to commit to:

1. Immediately expand the availability of the full range of substance use and mental health treatment and recovery options in urban communities for both youth and adults, including appropriate facilities for those with complex needs. Treatment on demand is needed so people get it when they need it.
2. Make the recent public health order regarding expanding the number of health professionals authorized to prescribe safer pharmaceutical alternatives to the toxic drug supply permanent and urge all relevant regulatory colleges to scale up access to safer pharmaceutical alternatives for people at risk across BC.
3. While reviewing changes to the Police Act, consider alternative approaches for responding to mental health and substance use calls in the community on a 24/7 basis.

Affordable Housing

The Caucus seeks the province to commit to:

1. Accelerate investments in affordable, supportive, and social housing on a priority basis, and simplify the funding application process.
2. Continue to ensure there is a regulatory and taxation climate that prioritizes housing for people who live and work in our cities, rather than housing as an investment.

3. Ensure there is a rental housing system that balances the security of tenure for renters with the needs of landlords.

Public Transit

The Caucus seeks the province to commit to:

1. Complete the financial recovery of the projected long-term losses facing TransLink, BC Transit and BC Ferries once the recently announced Safe Restart operating funding expires in late-2021, so that service levels are maintained, allowing ridership to quickly bounce back through the pandemic and the economic recovery period.
2. Redesign the transit funding model that has relied too heavily on regressive transit fares and local property taxes to one that is more resilient and equitable.
3. Prepare for a quick return to the transit expansion cities will need to maintain competitiveness by ensuring that current planning processes are not paused due to the pandemic. Investments in planning studies and developing business cases now will ensure future service expansion and capital investments are ready to go in the rebuilding stage.
4. Make the investments required over the coming decade to support BC Transit and TransLink's ambitious low-carbon fleet plans.

A New Fiscal Relationship

The Caucus seeks the province to commit to:

1. Convene an implementation committee comprised of local and provincial government officials to revisit and implement relevant recommendations in the Union of BC Municipalities report, Strong Fiscal Futures: A Blueprint for Strengthening BC Local Government's Finance System.
2. Pursue municipal finance reform to provide municipalities with a broader range of sustainable, predictable, and reliable funding tools in order to address increasing financial pressures related to a growing asset base, aging infrastructure, climate change, housing challenges and the opioid crisis as per the recommendation from the Select Standing Committee on Finance and Government Services.

Given the importance of the four areas noted by the Caucus as needing the attention by the Province, many Chambers of Commerce in BC have positively responded to requests from their local Mayor for letters of support. The complexity and scope of the specific recommendations put forward by the Caucus have also left other Chambers more cautious about providing unconditional support not knowing the full impact to businesses with each of the 12 recommendations. Adding to this concern is the specific reference under A New Fiscal Relationship to "revisit and implement" a previous UBCM report tabled in July 2013 that called for a significant overhaul of the financing system for local government. [1]

There are also several other important strategies that aren't identified in the Mayors Caucus Blueprint document that local governments could consider as a means to help businesses and the economy including:

- Undertaking a concerted effort to reduce the total cost of government at all levels.
- Expanding shared services and/or amalgamations to better serve urbanized areas where municipal governments share common boundaries.
- Capping property tax rates for business (Class 6) and/or Industry (Class 4) as a ratio of the residential rate (Class 1).

[1] Strong Fiscal Futures: A Blueprint for Strengthening BC Local Governments' Finance System
https://www.ubcm.ca/assets/Resolutions~and~Policy/Policy/Finance/LocalGovernmentFinance_Report_Web_Final.pdf

- Harmonize all regulations across local governments within growing regions of the province.
- Reforming regional governance in large urban areas to avoid the multi-layered local government structure that currently exists by having both regional districts and municipal governments represent the same constituents. Regional Districts as a governance structure may have made sense at one time in the Province's development as a means to ensure democratic representation (electoral areas) and services in unincorporated areas of the province but with increasing urbanization there is a need for a much more streamlined governance structure that would ensure public accountability, democratic representation, and a reduction of duplication across the province.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Supports the Urban Mayor's Caucus call for greater action to address Mental Health, Substance Use and Treatment in BC's communities.
2. Supports the Urban Mayor's Caucus call for greater investment in Affordable Housing but in doing so also encourages all levels of government to examine ways to reduce the total cost of taxes, levies, and development fees that are incorporated into all housing developments and eventually passed onto consumers who are facing ever increasing costs for housing.
3. Supports the Urban Mayor's Caucus call on the province to commit to:
   a. Helping TransLink, BC Transit and BC Ferries once the Safe Restart operating funding expires in late-2021, so that service levels are maintained, allowing ridership to quickly bounce back through the pandemic and the economic recovery period.
   b. Redesigning the transit funding and governance model that has relied too heavily on regressive transit fares and local property taxes to one that is more resilient and equitable.
   c. Preparing for a quick return to the transit expansion cities will need to maintain competitiveness by ensuring that current planning processes are not paused due to the pandemic.
   d. Making the investments required over the coming decade to support BC Transit and TransLink's ambitious low-carbon fleet plans.
4. Request that the Province:
   a. Work with the UBCM to require local governments in growing regional urban centres dedicate their share of the federal gas tax program to transit or similar regional transportation initiatives as is the case in Metro Vancouver (TransLink).
   b. Engage with the BC Chamber prior to any discussion on reforming the financial model for local governments so that any such discussion includes consideration of reducing the cost of government and streamlining regulations that limit BC's competitiveness, and enhance financial efficiencies.

CYBERSECURITY AND HEALTHCARE

In the race to create a COVID-19 vaccine by collaborating across industries and pharmaceutical companies have exposed more cybersecurity risks than existed before the pandemic. In research and development, clinical trials, manufacturing and distribution, there's a proliferation of new potential threats where cyber attackers are targeting, as evidenced by threat analysis reports from the U.S. Homeland Security Department's Cybersecurity & Infrastructure Security Agency (CISA)[1].

These attacks have led to billions of dollars in stolen intellectual property (IP), disruption to supply chains and negatively impacted public perception of the vaccine, delaying appropriate uptake. The Canadian Government needs to ensure that disruption to vaccine manufacturing, distribution, and IP theft is mitigated. This problem persists for many aspects of our life including food production, drugs, supply chains and others. COVID-19 is not going to be the last pandemic we will face but it has taught us valuable lessons of the inadequacies of our cybersecurity, which need to be addressed.

Background

In April 2020, the United States Department of Homeland Security (DHS) Cybersecurity and Infrastructure Security Agency (CISA) and the United Kingdom's National Cyber Security Centre (NCSC) published a joint alert that proved a litany of attacks on information related to COVID-19. These attacks came in the form of cyber-attacks perpetrated by cybercriminals and advanced persistent threat (APT).

Threats observed include:

- Phishing, using the subject of coronavirus or COVID-19 as a lure;
- Malware distribution, using coronavirus- or COVID-19- themed lures;
- Registration of new domain names containing wording related to coronavirus or COVID-19, and,
- Attacks against newly—and often rapidly—deployed remote access and teleworking infrastructure.

Today, some of the most significant threats include attacks on research and development, clinical trials, manufacturing, and distribution. These attacks are jeopardizing economic recovery due to delays, stolen IP, and reduced public trust in the vaccines.

COVID-19 vaccine supply chains must be protected. While pharmaceutical companies should make every effort to secure the supply chain, the distributors of the vaccine must also be secure as sensitive data can be leaked at any moment leading to cascading negative impacts. As the primary distributor of the vaccine, Governments at the Federal and Provincial level must align themselves with security measures that are being undertaken by the pharmaceutical industries. Government should also ensure that vaccine producers are securing their supply chain before purchasing more doses. Some of these measures include:

1. Prioritizing privileged access management across vaccine supply chain;
2. Assess every supplier's security readiness in vaccine supply chains and having a unified security model across all companies;
3. Taking a Zero Trust-based approach to secure endpoints across the vaccine R&D, clinical trials, manufacturing, distribution networks, and all phases of vaccine development cycles;
4. Incorporating multi-factor authentication across the vaccine supply chain; and

[1] https://us-cert.cisa.gov/ncas/alerts/aa20-099a

5. Provide a mechanism of funding for pharmaceutical producers to implement enhanced cybersecurity measures.

THE CHAMBER RECOMMENDS

That the Provincial and Federal Governments:

1. Ensure that vaccine manufacturers implement enhanced cybersecurity measures to protect supply chains by ensuring they:
    a. Prioritize privileged access management across the vaccine supply chain;
    b. Assess every supplier's security readiness in vaccine supply chains and have a unified security model across all companies;
    c. Take a Zero Trust-based approach to secure endpoints across the vaccine R&D, clinical trials, manufacturing, distribution networks, and all phases of vaccine development cycles; and
    d. Incorporate multi-factor authentication across the vaccine supply chain.
2. Provide funding to vaccine manufacturers so that they can implement these enhanced cybersecurity measures.

CATEGORIZING CINEMA AND PROFESSIONAL PERFORMING ARTS VENUES AS 'BUSINESS'

The BC Provincial Health Order has mis-categorized cinemas and professional performing arts venues as 'events'. This has led to a catastrophic effect on the arts and culture sectors during times of crisis. Due to the incorrect segmentation of this industry, both movie theatre and live performance venues are unfairly shuttered.

Background

In 2020, COVID-19 rapidly spread around the globe, creating a catastrophe that is unprecedented in living memory. In addition to the health crisis, COVID-19 created an economic crisis which caused, and continues to cause, many businesses to close or reduce their operations. A recent report from the Canadian Association of the Performing Arts: Association Canadienne Des Organismes Artistiques (CAPACOA) also places arts, entertainment and recreation as the sector that is furthest away from recovery on a national level, six percent below tourism.[1]

Cinemas and Professional Performing Arts Venues have found a way to utilize their services to help. Studies have shown that attending Performing Arts venues help alleviate mental health pressures.[2] These industries must be allowed to remain safely open; following recommended guidelines for patrons to attend.

Despite more than one million Canadians visiting movie theatres in the first and second waves of the pandemic, the Movie Theatre Association of Canada claims that there have been zero reported instances of transmission or outbreaks associated.[3] In fact, researchers have found that the risk of COVID-19 transmission is far lower in theaters than in supermarkets, restaurants, offices, or public transportation.[4]

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Work together with a created task force to assess the industry's operations with the intent to change the designation of Cinemas and Professional Performing Arts Venues within the Provincial Health Order from "events" to "businesses".
2. For the created task force to fast track a communication strategy with all stakeholders to ensure the future financial viability of the Performing Arts Sector.

[1] "Employment in Arts and Culture Industries, December 2020." CAPACOA, January 12, 2021. https://capacoa.ca/en/2021/01/employment-in-arts-and-culture-december-2020/.

[2] "How Watching Movies Can Help Your Mental Health." *The Best Brain Possible*, November 24, 2018, https://thebestbrainpossible.com/movie-help-mental-health-therapy/.

[3] Patrick von Sychowski, "CJ Analysis: The Number of COVID-19 Outbreaks Traced to Cinemas is Zero", last modified October 19, 2020. https://celluloidjunkie.com/2020/10/19/cj-analysis-the-number-of-covid-19-outbreaks-traced-to-cinemas-is-zero/.

[4] Hakim Bishara, "Museums Are Safer Than Any Other Indoor Activity, COVID-19 Study Says," last modified February 24, 2021, https://hyperallergic.com/623971/museums-are-safer-than-any-other-indoor-activity-covid-19-study-says/?fbclid=IwAR0cUP-y80taELT0QcmUIVBb2dCMMU0Tpo1yZm7OnE3SmfPFQ7EcvX1DU4I.

FOCUSED SUPPORT FOR THE LOCAL TOURISM AND HOSPITALITY SECTORS IN THE ECONOMIC RESTART

The tourism and hospitality sectors[5] have undoubtedly been seriously devastated and impacted by the ongoing pandemic. Realization and awareness of the depth and long-lasting nature of these impacts on the province's economy; for SMEs, jobs and the ability to restart is imperative.

Despite some provincial and federal relief, the industry is at a critical juncture and needs further support. Focused effort and initiatives are needed in economic restart plans, as without adequate solutions the economic entrenchment of this sector will be increasingly difficult to reverse on the road to recovery and to re-establish the industry as a driving force of the province's economic engine.

Background

Tourism and hospitality have for decades been the face of British Columbia and Canada around the world, contributing more than $4.5 billion in taxes annually to all levels of government. The industry has also been a strategic catalyst in helping to attract investment and talent to our province, while also contributing to a vibrant economy and a high quality of life. The BC Tourism Task Force report released December 2020, says tourism contributes more than $20.5 billion to BC's economy and employs more than 160,000 people.

As part of its revenue objectives for 2020, the Province of British Columbia targeted a 6% increase in tourism-related receipts from the Provincial Sales Tax and Municipal Regional District Tax (the accommodation and lodging tax). Signifying the important tax base the industry provides and demonstrating that government is eager to realize the tax revenues of the visitor economy, but the tourism industry is calling for continued help in the road to recovery and economic restart.

In planning for recovery, government and others hoped that British Columbians would provide a much-needed boost to struggling tourism providers by traveling within the province and spending vacation dollars closer to home. But as this pandemic continues and BC remains on unstable ground with unpredictable factors and resulting public health order restrictions, local visitors are simply not enough to sustain the industry in many areas of the province.

The impact on the industry cannot be understated. The pain spans the sector: restaurants, hotels, destinations, convention venues, aviation-related businesses and other ventures.

Pre-pandemic, BC's restaurant industry was the province's third-largest private-sector employer, generating $15 billion annually, or 5% of the province's gross domestic product, according to Restaurants Canada. [6] Vancouver Airport Authority (VAA) CEO, Tamara Vrooman, pinned passenger volume at Vancouver International Airport (YVR) in mid-December at 14.6% of what it was a year earlier.

The VAA laid off 25% of its 550 employees in May, but Vrooman said a small number of those workers have been brought back. Significant cuts were also made by private companies that combine to employ around 26,000 people at YVR, although Vrooman said some of those workers have been rehired recently.

Expansion projects at YVR, including new parking facilities, remain on hold.[7]

Similarly other BC airports such as Abbotsford Regional Airport passenger numbers in 2020 are only about one-third of what they were in 2019, with about 323,000 people compared to the 1 million passenger

[5] Tourism & Hospitality sectors include: Airline Industry, Hotel and Restaurant Industry, Tourism Operators, Cruise Industry

[6] BC's recovery economy: Pandemic ravages BC tourism and hospitality businesses - Hospitality, Marketing & Tourism | Business in Vancouver (biv.com)

[7] BC's recovery economy: Pandemic ravages BC tourism and hospitality businesses - Hospitality, Marketing & Tourism | Business in Vancouver (biv.com)

milestone of 2019.[8] In Kelowna, its airport experiencing a comparable approximately 35% decrease in passenger traffic as of half way through last year in 2020.[9]

The plunge in travel has been a nightmare for destinations. Some, such as the Vancouver Aquarium, have closed indefinitely.

Science World CEO Tracy Redies said she expects her attraction to lose close to $2 million in 2020, down from a normal year in which it would have broken even.

"In years gone by, we were close to $20 million in revenue – $19 million or $18 million – while this year, we will be closer to $6 million," she said.[10]

Ian Tostenson, CEO of the British Columbia Restaurant and Foodservices Association estimated that about 20% of the province's restaurants have closed as a result of the pandemic and could rise to more than 30% by the time restrictions ease.[11]

BC Hotel Association president and CEO Ingrid Jarrett told *BIV* that her $3.2 billion industry, which pre-pandemic employed approximately 60,000 people to oversee 80,000 hotel rooms, has been ravaged, with occupancy of less than 30% at the end of 2020. "That is a 60% drop from 2019," she said. "We have 46% of properties reporting that if they don't receive access to government-supported financing, they will not stay in business – and the timeline for that is between now and the end of March."[12]

Moreover, a misconception people have of the hotel sector is that large businesses dominate, Jarrett said. The reality is that small and medium-sized businesses partner with large hotel companies to use established brands. "About 82% of all [hotel] properties in BC are small and medium-sized, independently owned and operated businesses," Jarrett said. "They are barely hanging on."[13]

Although tourism industry leaders and provincial government have been meeting throughout the pandemic including with the Premier, the operating climate has been immensely challenging due to ongoing and new restrictions that are imposed sometimes very short notice.

In October 2020 the Tourism Industry Association of British Columbia (TIABC) asked the Province for a $680-million recovery package.[14] The components of the $680 million support requested for the tourism industry, together with employment benefits that will flow from such investments, are:

Component	Minimum Funds Requested	Benefits for Employment
Emergency Working Capital Support	$475 million	Support and maintenance of over 120,000 jobs with front-line tourism businesses
Support for Adaptation Costs	$190 million	At least 25,000 additional jobs
Support to Develop Resilient, B.C.-based Supply Chains	$15 million ($5 million for subsector wide initiatives	Increased employment at B.C. suppliers by at least 12,000 jobs

[8] Abbotsford Airport hit hard by COVID-19 pandemic – Abbotsford News (abbynews.com)

[9] Kelowna airport on pace for worst year in decades - Kelowna News - Castanet.net

[10] BC's recovery economy: Pandemic ravages BC tourism and hospitality businesses - Hospitality, Marketing & Tourism | Business in Vancouver (biv.com)

[11] BC's recovery economy: Pandemic ravages BC tourism and hospitality businesses - Hospitality, Marketing & Tourism | Business in Vancouver (biv.com)

[12] BC tourism task force asks governments for more help - Hospitality, Marketing & Tourism | Business in Vancouver (biv.com)

[13] BC tourism task force asks governments for more help - Hospitality, Marketing & Tourism | Business in Vancouver (biv.com)

[14] tourism_task_force_final_report_-_dec_9.pdf (gov.bc.ca)

The Province responded to TIABC's proposal by committing $50 million for a Tourism Task Force that released a report with recommendations in December 2020 and found that tourism contributes more than $20.5 billion to BC's economy and employs more than 160,000 people.[15]

Of particular note are the following recommendations from the BC Tourism Task Force Report (2020):

1. Postponement until December 2022 of any fixed costs, such as property taxes, utility rates and tenure or other Crown fees.
2. A government incentive program to encourage travel within BC in combination with a strong awareness campaign about the safety of tourism activities.
3. A 'Welcome to BC' program to encourage domestic and international visits, as restrictions ease and international borders have reopened.

As a result of findings, the government provided an additional $55 million in support to previously announced $50 million announced in September its economic recovery plan. This was in response to the report's recommendation for a $105 million fund dedicated to relief to help the tourism sector to be immediately launched. The grant is to be administered through the existing Small and Medium-Sized Business Recovery Grant program (Ministry of Jobs, Economic Recovery and Innovation). The commitment also includes $5 million to Indigenous Tourism BC to support Indigenous tourism businesses.[16]

When considering the dramatically less stimulus package than proposed by TIABC, restrictive public health orders crippling the sector, stigma attached to travelling, BC's tourism and hospitality sectors have a long path ahead before returning to anything that resembles the vibrancy of pre-pandemic levels. Moreover, government restrictions on travel, gatherings, events and restaurant operations are only part of what is holding the industry back. The other half of the equation is persuading the public that leisure travel and activities are safe.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Provide additional financial resources and tax relief to the sectors most impact by the pandemic, such as tourism, hospitality and entertainment as recommended by the BC Tourism Task Force; and
2. Continue open dialogue and close consultation with the tourism industry while leveraging industry specific data collected, by stakeholders like the BC Chamber of Commerce and Pulse Check Surveys, to inform ongoing recovery.

[15] tourism_task_force_final_report_-_dec_9.pdf (gov.bc.ca) pp.7

[16] BC commits $105 million to support tourism sector | BC Gov News

ABANDONED VESSELS: IMPROVING OVERSIGHT AND ACCOUNTABILITY

Abandoned boats are a growing problem and have economic, social, and environmental impacts on local communities across Canada. They can pollute the marine environment, harm local businesses such as tourism and fisheries, damage infrastructure, interfere with navigation, and pose safety risks to Canadians. The Government of Canada, through its Oceans Protection Plan, is working hard to deter this irresponsible practice.[1]

In November 2016, Canada launched a $1.5 billion national Oceans Protection Plan to:

- Protect Canada's marine environment;
- Improve marine safety and responsible shipping; and
- Offer new possibilities for Indigenous and coastal communities.

The plan includes a comprehensive program to reduce abandoned and wrecked vessels and to minimize the associated risks of environmental harm.

The Government of Canada has launched two programs to address legacy vessels of concern: Transport Canada's Abandoned Boats Program (ABP), and the Department of Fisheries and Oceans' Small Craft Harbours (SCH) Abandoned and Wrecked Vessels Removal Program.[2] The Abandoned Boats Program (ABP) has been designed to assist in the assessment, removal and disposal of abandoned and/or wrecked small boats that pose a hazard in Canadian waters.

The objectives of the ABP are to:

- Reduce the number of abandoned and/or wrecked boats in Canadian waterways and the hazards they pose;
- Contribute to the protection and preservation of the environment;
- Reduce the impacts of these boats on Canadian coastal communities;
- Enhance economic opportunities; and
- Increase awareness of the boat owners' responsibilities.

The ABP has multiple components, such as helping educate small vessel owners about how to responsibly manage their vessels and supporting research on vessel recycling and environmentally friendly vessel design.

On February 16, 2021, the Minister of Transport announced the most recent initiatives to receive funding for the assessment, removal and disposal of abandoned boats in Canadian waters. Under the Abandoned Boats Program, $1,692,079 is being provided to assess 44 boat removal projects in British Columbia and Newfoundland and Labrador, and to remove 51 abandoned boats in British Columbia and Nova Scotia.

In previous calls, eligible recipients may receive up to 100% of their total eligible costs for gaining legal possession of a vessel and for assessing the cost of removal and disposal of the vessel, and up to 75% for activities to undertake the removal and disposal of an abandoned and wrecked vessel in a small craft harbour.

[1] https://www.newswire.ca/news-releases/minister-of-transport-approves-new-projects-to-address-abandoned-boats-across-canada-875519313.html

[2] https://dfo-mpo.gc.ca/sch-ppb/vessels-bateaux/index-eng.html

In light of the economic impacts related to the COVID-19 pandemic, the Government of Canada will pay 100% of costs for boat removal assessment projects and for boat removal and disposal projects, for a maximum of $50,000 per project instead of 75% as in previous years.[3]

Eligibility for funding include recipients such as:

- Provinces, territories, municipalities and local governments;
- Indigenous groups, communities and organizations;
- Private ports and/or marinas;
- Canadian port authorities; and
- For-profit and not-for-profit organizations.

The Federal Wrecked, Abandoned or Hazardous Vessels Act came into force on July 30, 2019 and was last amended on August 28, 2019.[4] The Act makes it illegal to abandon boats, increases vessel owner liability, and strengthens the Government of Canada's response in cases where owners do not behave responsibly in disposing of their vessels at the end of their useful life.[5]

Under this Act, you may NOT:

- Abandon your vessel.
- Cause your vessel to become a wreck because you fail to maintain it.
- Sink, strand or ground your vessel on purpose.
- Leave your vessel in poor condition in the same area for more than 60 consecutive days within a radius of three nautical miles without the authorization of the location owner.
- Leave your vessel adrift for more than 48 hours without taking measures to secure it.
- Take possession of a wreck before reporting it to the Receiver of Wreck, unless:
  - The wreck is in danger and you need to take possession to secure or otherwise protect it; or
  - The Receiver of Wreck authorizes you to take possession.
- Enter into Canada with a wreck found outside of Canadian waters without reporting it to the Receiver of Wreck as early as possible.

Under the Act, the Federal Government can:

- Order owners of vessels or wrecks to take measures to prevent, reduce or eliminate hazards.
- Take action to remove a vessel or wreck posing hazards, if the owner is unknown, or is unable or unwilling to respond.
- Order owners of vessels to address their worn-down (dilapidated) vessel if they remained in the same location for 60 consecutive days without the consent of a person in charge of the location where the vessel is located.
- Hold the owners of vessels liable for the costs of moving or removing their vessel that is abandoned, worn-down, or that poses or may pose a hazard.

The penalties for non-compliance include:

- For minor violations, the maximum penalty is $5,000 for individuals and $25,000 for vessels or any persons (including corporations).

[3] https://dfo-mpo.gc.ca/sch-ppb/vessels-bateaux/index-eng.html
[4] https://laws-lois.justice.gc.ca/PDF/W-12.3.pdf
[5] https://dfo-mpo.gc.ca/sch-ppb/vessels-bateaux/index-eng.html

- For serious violations, the maximum penalty is $50,000 for individuals and $250,000 for vessels or any persons (including corporations).
- A regulatory offence prosecution for certain offences could result in a maximum fine of $1 million and/or up to 3 years of imprisonment for an individual, or up to $6 million for vessels or any persons (including corporations).

Unfortunately, boat and vessel owners continue to act irresponsibly, causing the following negative impacts: polluting the marine environment, harming local businesses such as tourism and fisheries, damaging infrastructure, interfering with navigation, and posing safety risks to Canadians.

Issues persist with the vessel registration system, making it difficult and sometimes impossible to hold boat and vessel owners accountable for their property. A coordinated approach between the Provincial government and the Federal government to improve vessel registration systems will minimize these negative impacts in the future.

The lack of availability of adequate facilities that allow for the safe disposal and recycling of wrecked and derelict boats and vessels also poses a threat to the positive developments the Federal government has undertaken thus far. In short, we must address the problem, which is ultimately irresponsible boat and vessel owners, and provide facilities to dispose of these vessels before they are abandoned.

Finally, a proactive and coordinated approach is required in cooperation with First Nations and local governments to build a comprehensive framework that can be used for addressing and assessing the financial and environmental risks of abandoned vessels in our communities.

THE CHAMBER RECOMMENDS

That the Provincial government work with the Federal government to:

1. Improve the vessel registration system so that vessel owners can be held accountable;
2. Create a pilot "turn-in" facility for safe disposal and recycling of abandoned vessels; and
3. Develop a strategy in cooperation with First Nations and local governments to build a framework that can be used for addressing the financial risks and assessing the urgency of environmental risks that abandoned vessels pose to our communities.

KOOTENAY REGIONAL TRANSPORTATION OPPORTUNITIES

Although the Kootenay region has a much smaller population base than many regions, there is a need to emphasize the importance of all transportation links throughout the region including airports, inland ferries as well as the safety of highways through the mountain passes. With a view towards regional economic development and community building, improved health care and rural education access and capitalizing on Kootenay tourism opportunities, the Chamber boards ask for a review of the transportation links and transportation corridors in the region.

The challenges faced by rural town communities can be significant with traffic delays due to avalanches and long ferry lineups and flights being cancelled into Trail and the West Kootenay Regional Airport throughout the winter months. In addition, with the Covid pandemic, the airline industry has incurred significant losses resulting in fewer flights in and out of the region. In 2021, the provincial government will be distributing $16 M to local airports to help cover operating costs for regional airport.

In 2017, a Regional Shipping and Logistics Analysis was undertaken for the Columbia Basin Trust. The scope of the project included the analysis of the shipping and logistics infrastructure in the Basin; identified of constraints and challenges to efficient operations; and assessment of impacts. The study provided recommendations on potential actions for improving regional logistics to enhance business growth and investment in the region.

In 2018, Greyhound Canada announced that all passenger and freight service would be discontinued in British Columbia. This has had a large impact on the rural travelling public and reduced their access to regional hospitals in Kelowna, Cranbrook, and hospitals in major cities both in Calgary and Vancouver.

In 2021, the BC Minister of Agriculture, Food and Fisheries announced that the BC government is investing up to $500,000 to purchase food-processing equipment and cover other start-up costs in partnership with the Regional District of Central Kootenay for a “Food Hub”. The food hub will help small- and medium-scaled businesses access shared food and beverage processing space and equipment to increase their production and sales in and out of the region.

Kootenay region residents appreciate the progress that has been made along Highway 3 including passing lane upgrades, avalanche management in the Kootenay Pass and with the ongoing building of a new ferry. Local residents have experienced travel time savings from Creston to the Alberta border. The additional upgrades over the years to the Creston airport have facilitated 100 medivac trips, in 2020 to Kelowna and other major health centers.

The opportunities:

- Ensure that the regional airports and city airports remain equipped with modern technology and that their infrastructure be maintained in order to serve the general population and businesses in the region.
- Ensure that there is a viable transportation network for the residents, tourists, trucking and courier companies within the supply change network; to travel in and out of the region along Highway 3, 3A, 3B corridor. Ensure the enhancements of the transportation links facilitate cold chain logistics to allow food produce sales in and out of the region.
- Ensure that the region residents understand the financial impacts based on reduced travel time and the financial impacts based on the additional tourism that would occur along Highway 3 corridor which includes all section of 3A, 3B and the financial impacts (positive/negative) on affected communities.
- Ensure that the region residents understand the energy savings for the reduction in travel time and the reduction in the number of cars using the using the Kootenay Pass.

Background

The number of tourists and summer only residents have increased significantly in the region. They discovered that working remotely was possible. Changing customer demographics are driving expectations for better transportation and logistics links that can deliver goods in a cost effective and timely manner. The Greyhound Bus business closure and the transportation challenges and logistics issues are driving the airport and bussing study requirements.

In 2011, the BC Ministry of Transportation and Infrastructure commissioned an Economic Impact Study of Highway 3, and portions of HWY 3A and 3B. The Highway 3 Corridor study included approx. 840 km of highway between Hope and the Alberta border and approximately 320 km of Highway 3A and 3B between trail and Castlegar. Excluded from the study was the economic impact of Hwy 3A along the East Shore of Kootenay Lake and the along the West Arm to Nelson. There has also been changes to the Creston routing of the bypass:

1. Preliminary Kootenay Lake Chamber of Commerce studies conducted in in 2020 indicated that relocating the Kootenay Lake Ferry economic terminal from Balfour to Queen’s Bay would have ranked the second highest economic opportunity along this corridor in the 2011 study. It now ranks as the number one economic opportunity based on travel time saving and the highest

potential for expansion of tourism activity due to travel time savings on the Highway 3 corridor. The KL studies used the MOTI microBenCost methodology, the same as Hwy 3 Corridor study. If MOTI conducted the studies in 2021, the opportunities will be approx. 50% higher in economic benefits.

2. The Creston Hwy 3A reroute, now known as the Creston realignment is now the 2nd highest ranked economic opportunity based on anticipated travel time saving. A new study should also include the impact to small communities and how would they be addressed.
3. The study should determine the energy savings for the reduction in travel time and the reduction in the number of vehicles using the Kootenay Pass.

Re-alignment and other opportunities identified by the Hwy 3 Mayors and Chairs Coalition. This would include the economics of the anticipated direct travel time saving impacts and the economic impact of increased tourism in the impacted regions. The study should include an assessment of the energy savings, CO_2 reduction and impact to local communities.

The BC Ministry of Agriculture, Food and Fisheries recently announced a “Food Hub” in the Creston region, making transportation infrastructure improvements even more imperative as well as a cold chain logistics study.

Project Scope

The project scope entails several studies that can be packaged into one or more studies. A 10-to-15-year vision of our regional transportation and logistics systems should be provided. The following studies are proposed:

- Regional (Municipal/Provincial/Federal) airport services- firefighting, medivac, tourists.
- Regional bussing services.
- An updated 2011 Highway 3 Corridor study a review of the Kootenay Lake Ferry and Creston Realignment and other opportunities identified by the Hwy 3 Mayor and Chairs Coalition.
- Regional cold storage logistics.

Environmental considerations

- The energy savings have not been established with the new diesel driven ferry. It is known that it takes only 3 to 5% of the ferry traffic travelling around Kootenay Pass to make up for distance for the extra 3.5 km that vehicles need to travel.
- The energy savings for the Creston Realignment have not been established.

Service considerations

- The airport study would identify the improvements in service to the communities and the anticipated increase in economic, health and firefighting opportunities.
- The HWY 3 study would identify the improvements in service to the communities based on travel time savings and the increased ferry availability.
- The bussing study would identify the improvements in service to the communities.

Stakeholders’ considerations

At this time what is being proposed are studies and the stakeholder impacts should be identified as part of the studies.

Economics Capital and Operating Costs

- The bussing study costs have not been determined.
- The airport study costs have not been determined.
- Preliminary discussions with Philip Davies Transportation have indicated that a 2011 Highway 3 Corridor equivalent study would cost approx. $120 to $140K. The Kootenay Lake Chamber study indicated ferry time travel savings of approximately $ 20M (25-year timeframe) based on 2011 study inputs. A 20-minute improvement indicates an increase in tourism income of over $200M over a 25-year period for the region. The income benefits would be significantly less, however income benefits would be realized from both the east and west directions. Additional income benefits are achieved in the forestry and agricultural sectors.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Work with Transport Canada to invest in the air transport logistics in the region and determine the opportunities for improvement in Cranbrook, Creston, Nelson, Trail and Castlegar.
2. Invest regional bussing to facilitate travel to our health centers in the region.
3. Update their 2011 study that was conducted on the HWY 3 corridor and include the Kootenay Lake Ferry, the Creston Highway
4. Through the BC Ministry of Agriculture, Food and Fisheries, study cold change services to facilitate food delivery in and outside the region.
5. Provide a multi-year vision of Kootenay regional transportation and logistics.

REGIONAL AND REMOTE AIR ACCESS FOR BRITISH COLUMBIANS

Air access for British Columbians in rural and remote regions has always been a challenge. Airlines struggle to economically provide routes and access to rural and remote areas while maintaining a positive balance sheet. Airlines have often written off the losses incurred in providing service to rural areas in order to feed passengers into other domestic and international hubs or the increased costs have been born by primarily the business traveler. The 2020 Covid-19 pandemic illuminated this issue as many airlines had to curtail services and some rural areas lost their only air service.

The Covid-19 pandemic has impacted business, communities and economic growth across the country and none more so than the travel and tourism industry. Local communities have done what they can to relieve the burden on local aviation operators; in some cases suspending landing fees and waiving lease fees to provide short term assistance to carriers.

While restrictions were/are necessary to curb the spread of the virus it obviously places a significant burden on business and airlines. Regional carriers need help to survive this crisis and continue providing service to remote communities during the pandemic and as we move forward. The pandemic has brought to light the transportation inequities faced in rural communities.

The loss of scheduled air service to a rural/remote community is more than just the inconvenience of not having leisure travel options, it is the loss of medical services including visits to specialists and specialized care such as surgeries, chemotherapy, and diagnostic testing; it is the inability to get time sensitive cargo such as laboratory testing out; it is the loss of essential business travel such as our dentists who fly in to serve the community or the business traveller looking to promote or expand.

Air service to rural and remote communities across Canada, that only have one scheduled air service option must be considered an essential service and we are calling on the government to put programs in place to support our communities and work with us to ensure regional airlines remain viable. Regional Airlines are private business and cannot maintain operating at a loss in order to service remote areas.

Australia, with a service area incorporating rural and remote regions has put into place a Regional Aviation Access Programme[6] (RAAP). This program provides "assistance to the owners of regional airports across Australia to undertake essential works, promoting aviation safety and access for communities through the Regional Airports Program." The RAAP guidelines[7] state "The Australian Government is committed to ensuring that Australian's regional and remote communities have reasonable access to air services to major cities and other key centres." Funds have been tied to maintain/providing regional air connectivity over a period of time and the carrier has ensured community fares with a set dollar figure per passenger calculated to support minimum operating costs. The efforts in Australia have poised their regional airlines to recovering quicker than international counterparts and providing increased revenue to both airline and country.

In order to improve and stabilize regional airlines and support passengers using regional airports; to improve delivery of essential goods and services, such as food supplies; health care and passenger air services and to improve the connectivity of rural regions to domestic and global market opportunities:

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Treat air service to remote & rural communities as an integrated public and private service;
2. Review the Australian and other models of regional air service to remote communities and work with federal counterparts to build a BC model that works;
3. Engage with regional airlines and stakeholders including business and indigenous & non-indigenous communities to determine guidelines, minimum capacity requirements, and minimum costs post Covid-19 for regional airlines operation in remote and rural communities; and
4. Support regional airlines through grants or subsidies, where determined necessary.

SIMPLIFY AND MODERNIZE THE PERMITTING PROCESS FOR BC'S TRUCKING INDUSTRY

BC's trucking industry is subject to an antiquated, time consuming and overly complex permitting system. The current system causes significant delays, costs and uncertainty for the trucking industry, is harmful to BC's competitiveness as a Gateway economy, results in greater GHG emissions, provokes non-compliance and related safety concerns, and diverts revenue from local businesses at a time when economic activity is urgently needed.

Background

BC's Heavy Haul/Oversize-Overweight (OS-OW) vehicle sector is critical to the supply chain for major projects in BC and western Canada. These projects are a significant source of economic development and jobs. However, the trucking industry is dealing with significant delays and uncertainty in servicing these projects as a result of permit processing times exceeding 25 days for extraordinary loads. Permits for the

[6] https://www.infrastructure.gov.au/aviation/regional/

[7] https://www.infrastructure.gov.au/aviation/regional/files/RASS_Guidelines.pdf

same types of loads are being issued in neighbouring jurisdictions, such as Alberta and Washington, much more quickly, and in some cases the same day.

The OS-OW vehicle sector encompasses vehicles with dimensions that exceed legal limits and are in excess of 27.5m in length, 4.15m in height, 2.6m in width and exceed a weight of 63,500 kg. In BC these loads are time restricted to night only, with large loads restricted to midnight to 5pm through the Lower Mainland. While these loads are often not seen by the public, they are critical to major project development. Large, major industrial projects depend on having oversized loads delivered to their sites. For example, oversized carriers move important pieces of equipment for major infrastructure projects, such as turbines for the Site C dam, large power generators used in natural gas process facilities, pipelines, mines, wind turbines, and specialized equipment for the Canada LNG site and bridge beams.

Permit delays lead to significant costs for carriers/shippers due to resulting daily storage fees, major project delays, and diversion of cargo ships to American ports. It has been noted that as much as 85 percent of imported project cargo loads destined for Western Canadian provinces is being shipped from American ports. Shipping through American ports to avoid BC permitting delays and to ensure certainty in the process can add up to 14 extra days at sea (for goods originating from Asia) and 15+ additional days of land transportation, resulting in additional transportation costs in excess of $200,000 for oversized loads. This diversion leads to significant lost revenue and jobs in BC at a time when economic stimulus is desperately needed. Shipping though American ports instead of BC directly also results in a significant increase in transportation emissions associated with transporting loads from distant US ports to their final destination in Canada.

BC's provincial permitting system is antiquated, primarily manual and paper-based, with insufficient staff resources to efficiently deliver, review and process applications. More importantly, it is governed by a regulatory framework that is far too complex. Alberta's regulatory requirements are approximately 250 pages, Ontario's is a 30-page manual, while BC's regulatory requirements are around 800 pages[8]. The Province of Alberta developed an online system that streamlines and grants municipal and provincial permits electronically[9], including permits for OS-OW vehicles and often within a day. The State of Washington has similarly made such an online portal available[10]. Despite calls from the BC OS-OW vehicle sector and the industry more broadly, little progress towards addressing systemic inefficiencies has been made and, as a result, the international shipping community continues to divert cargo away from BC in order to avoid costly delays and uncertainty. The international and regional perception that BC should be avoided due inefficient permitting processes has resulted in significant lost economic opportunities for British Columbia, BC ports and transportation companies and unnecessary transportation-related GHG emissions.

A high percentage of carriers are moving loads in the province without a permit and it is likely that the complexity and inefficiency of BC's permit system and the length of time required to obtain a permit is causing the level of non-compliance for over-dimensional load movements to increase. This means legitimate safety and infrastructure-related issues that the permit system is designed to consider are not being addressed for many of the over-dimensional load movements taking place in BC.

It is critical that the BC Government support its OS-OW vehicle sector and the broader gateway by addressing the inefficiencies of the provincial permit system. In additional to reviewing and simplifying the regulatory framework, one consideration could be given to providing a general authorization for term

[8] BC Trucking Association. (December 2019). Bulletin: BCTA Urges MoTI to Act on Inadequate OS-OW Permit System. Online. Accessed on March 2, 2021. https://www.bctrucking.com/bulletin/2019/12/16/bcta-urges-moti-act-inadequate-os-ow-permit-system

[9] Government of Alberta. Ministry of Transportation. Webpage. Accessed on March 2, 2021. https://www.trans.gov.ab.ca/TravisWebLogin/welcome.htm

[10] Washington State Department of Transportation. Webpage. Accessed on March 2, 2021. https://wsdot.wa.gov/commercial-vehicle/permits/self-issue

permits that are legal weights with the following dimensions, which account for nearly 43 percent of BC's permits: ≤ 3.2m width, ≤ 27.5 m length, ≤4.30 m height.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. In consultation with the trucking industry and relevant stakeholders, review and amend the current regulatory framework with the core principle of ensuring safety and moving to a much simpler, commodity agnostic permitting approach where feasible.
2. Expedite the development of an online permit system with the ability to support multijurisdictional permitting.

TRANSPORTATION DEMAND MANAGEMENT SOLUTIONS FOR BC'S INDUSTRIAL AREAS & BUSINESS PARKS

Regional districts and their comprising jurisdictions across BC are going through the process of updating their regional growth strategies[11]. The urban planning concepts of developing goals, land use designations, and policies which support "complete communities" where "higher density trip-generating development" is being directed to Urban Centres and Frequent Transit Development Areas where "most trips can be taken by transit, walking or biking."[12]

Public transit solutions are not planned or focused on industrial areas or business parks[13], as these are lower-density areas and are – by design – located further away from residential neighbourhoods; resulting in longer commutes with fewer stops and therefore lower use. This makes them less financially viable options for regular bus service. As a result, the workers and businesses that operate on industrial lands do not have equitable access[14] to reliable and timely public transit as workers and businesses operating in sectors within urban centres.

As governments develop strategies to incentivize the use of public transit and active transportation over traditional automotive commuting, skilled trades, technical workers, and businesses located within vital Industrial Areas and Business Parks, need similar opportunities to be available for them as well. Due to the lack of ridership density within these spaces, traditional public transit service or infrastructure investment options may not be financially or logistically feasible within the short term[15].

Transportation Demand Management solutions, developed in partnership with all levels of government and industry can mitigate the service need of businesses and workers in Industrial Areas and Business Parks, while also providing opportunities for these groups to participate in programs and activities of reducing greenhouse gas emissions and improving efficiency of regional transportation systems.

Background

Industrial Areas and Business Parks are zoned to specifically accommodate the needs of manufacturing, processing, warehousing, distribution, repair, and goods-handling businesses of a variety of intensities. Due to the nature of their work, these business uses are permitted in areas away from residential zones,

[11] About Metro Vancouver 2050 (Accessed February 19, 2021), Capital Regional Growth Strategy Indicator Report (Accessed March 3, 2021), Regional District of Nanaimo Regional Growth Strategy Annual Report 2019 (Accessed March 3, 2021)

[12] Metro Vancouver Regional Planning Committee March 5, 2021 Meeting (timestamp 44:35-50:49)

[13] "*Business Parks*": We are using this definition to encompass land uses which are labelled in a variety of ways across the province, but which have similar functional purposes. Some districts or municipalities will call these areas Employment, Mixed Employment, Corridor, Commerical-C2, Trade-Oriented Land, etc.

[14] Why Manage Transportation Demand?, Victoria Transport Policy Institute (Equity) 2017 (Accessed March 5, 2021)

[15] Transit Future Plan, Prince George – January 2014 (pg 26) Accessed March 1, 2021

with 'buffering' types of businesses located in the areas between their locations and that of the majority of a community's housing.

At the same time, regions and municipalities are planning growth with greater density of housing and services to surround "Urban Centres." These areas are encouraged to have neighbourhood-serving shops and services, with enriched public realms, higher density office and commercial buildings, educational and public institutions like universities and museums, and all the other amenities which ideally allow for "most trips to be taken by transit, cycling and walking."

These planning concepts are an excellent value for residents who live in and commute within or to other urban centres, frequent transit development areas, and/or through frequent transit networks, where transit services area planned and transit infrastructure investments area made. However, businesses and workers in Industrial Areas and Business Parks – intentionally located further away from housing options place workers at significant distances from work. Public transit options, such as regular bus services, are not provided with the same frequency or convenience for these skilled trades and technical workers who are therefore required to use their own single occupant vehicle to travel to and from work.

Recognizing the importance of the industrial sector to BC's economy, some regional districts, such as Metro Vancouver, are beginning to develop specific policies and strategies around protecting their Industrial Lands, and designating more specific uses for Business Park zoning areas, which the BC Chamber of Commerce has been advocating for and is reflected in its Policy; Protection of Industrial Lands for Future Prosperity (2019). While this Strategy addresses the importance of protecting the land itself, and it does mention the need to "provide transit for industrial workers"[16] it goes no further into what – if any – changes to services or investments by government will be made to ensure that these transportation options are available.

Transportation Demand Management is a methodology of governments (often at a municipal or regional level) working with developers or business owners within particular areas to develop plans for alternative transportation options which may meet the specific transportation needs of their business' or area's workers. For example, if two warehousing facilities within a business park are interested in adding a third shift to increase capacity within their facilities, then they may contact Translink's TDM[17] team for support in this via coordinating a shuttle bus, vanpool, or car share program.

A current case study of this support is that of the Gloucester Business Park in Langley[18], where Translink surveyed 200 employees from 12 businesses (a sample size of 10% of businesses in the area) and found that 40% of those workers would be interested in participating in a vanpool program to access their work. Translink assessed the respondents and found that 21 potential vanpool groups could be developed, consisting of 100 people.

Understanding what opportunities are available (such as vanpools) or investing in the expansion of bike paths[19] in order for workers to safely and effectively commute to and from work requires the investment of time and money by municipal[20], regional[21], provincial, and federal governments. These investments benefit not only the specific businesses and workers in those Industrial Lands and Business Parks. They

[16] Metro Vancouver Regional Industrial Lands Strategy Report (pg 56) Accessed February 2, 2021

[17] *Translink TDM Plans for Development Guidelines FINAL – July 2019*

[18] *"Survey responses from Gloucester Business Park indicate positive demand with over 40% of respondents being somehow interested in joining the Vanpool program."* (Translink TDM Vanpool test case in Gloucester)

[19] As consistent with, and complementary to, BC Chamber of Commerce Policy, ENHANCING SUPPORT FOR CYCLING AS A MODE OF WORKPLACE TRANSPORTATION (2019)

[20] Transportation Demand Management: A Small and Mid-Sized Communities Toolkit, Fraser Basin Council (Accessed February 18, 2021)

[21] Fraser Valley Future 2050: Fraser Valley Regional Growth Strategy – working DRAFT 6 (pg 32, 42-43) Accessed March 3, 2021

benefit all those on the road[22], by reducing commuter traffic and increasing travel safety; and they benefit our collective effort to mitigate greenhouse gas emissions.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Engage with industry, regional districts, municipal governments, and other stakeholders, particularly TransLink and BC Transit, to help develop a comprehensive public transit service plan for industrial lands and business parks;
2. Require that TransLink and BC Transit include Transportation Demand Management services to their constituents as part of their mandate letters again[23]; and
3. Work with regional districts and the municipal governments in implementing and promoting active transportation options and investment in related infrastructure.

[22] Transportation and Healthcare Costs, 'BC ON THE MOVE' in a Healthier Direction Submission to the Ministry of Transportation and Infrastructure by the BC Alliance for Healthy Living (Accessed March 2, 2021)

[23]

The British Columbia Chamber of Commerce

Section II

POSITIONS ON SELECTED FEDERAL ISSUES

2021 – 2022

CREATING A LEVEL PLAYING FIELD FOR CANADIAN BROADCASTERS IN A DIGITAL AGE

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 exempt or unaffected. Canadian businesses and providers – and Canadian culture as a whole – are unable to fairly compete with American conglomerates. With the introduction of Bill C-10, the Federal Government hopes to level this playing field, however, it must be done so with a light hand, and foster innovation and growth for new entrants. In its current form, there will be a large barrier to entering the streaming and creation market, and also deter foreign investment in Canada.

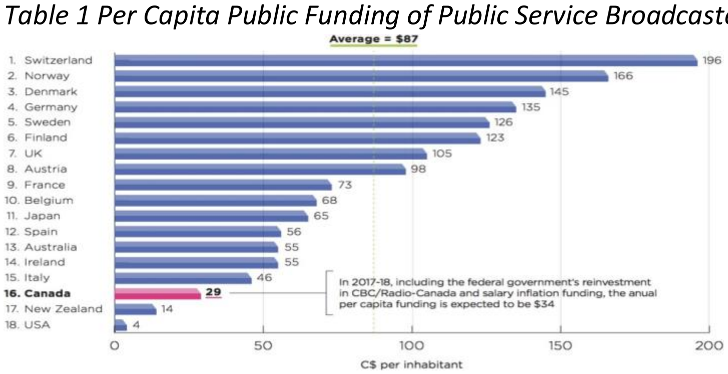
Background

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.[1]

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.[2] Investment in Canadian content will bring about a national identify 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.[3] Alternatively, 87% of Canadian households subscribed to internet services.[4] 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.

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1 https://www.businessinsider.com/the-30-biggest-media-owners-in-the-world-2016-5

2 https://site-cbc.radio-canada.ca/documents/vision/strategy/submission/january-2019.pdf

3 https://www.cdhowe.org/sites/default/files/attachments/research_papers/mixed/Commentary%20558.pdf

4 https://www.cdhowe.org/sites/default/files/attachments/research_papers/mixed/Commentary%20558.pdf

The Federal Government introduced the Privacy Bill C-10 in late 2020. This bill amends the Broadcasting Act by amending the current definitions of 'broadcasting' and 'broadcasting undertakings' to bring streamers within the scope of the *Act*. It gives the Canadian Radio-television and Telecommunications Commission (CRTC) new powers to require streamer registration and to impose conditions if they wish to operate in Canada. These powers are extraordinarily broad, and the Bill leaves it up to the commission to determine their necessity, their scope and associated compliance requirements. It also expands the scope to broadcasters that are not Canadian owned.

The CRTC is given broad powers through Bill C-10. If exercised harshly, there could be an exodus of streamers from the Canadian market. The CRTC should be limited to prescribing fees for administration, providing information and data, establishing audit requirements, stipulating the percentage of Canadian content that must be offered in online programming in Canada, prescribing the gross revenue that streamers have to spend on Canadian content production or contribute to Canadian content production, and prescribing discoverability methods for Canadian content.

Barriers to small businesses and small streamers

Additionally, barriers could be experienced by new market entrants resulting in a monopolized market. Registration should only be applied to large streamers. Smaller or new streamers would be pushed out of the market if there is no minimum gross revenue requirement. In order to continue competition and level the playing field, there needs to be a minimum set. Some have advocated for $80 million per year in gross revenues as the minimum.

THE CHAMBER RECOMMENDS

That the Federal Government:

1. Encourage or incentivize the promotion of Canadian content by digital providers such as Netflix, Spotify, Hulu and YouTube through non legislative means;
2. Incent streaming service providers to have a Canadian head office for all digital providers; and
3. Limit the CRTC's powers to:
    a. Prescribe fees for administration;
    b. Providing information and data;
    c. Establishing audit requirements; and
    d. Set a minimum gross revenue standard for streamers that are required to register and adhere to the Broadcast Act so that small businesses and streamers are protected from the impact of Bill C-10.

MAPPING CANADA'S TRAINING PROGRAMS TO SKILLS AND JOBS

The COVID-19 pandemic has resulted in high job losses. Those that are unable to return to the industry that employed them have the daunting task of learning new skills within their industry or to find employment in new industries. Coupled with the inability to attend traditional in-person learning is the lack of a national information system that would help workers in need of reskilling to find suitable education and training options that could provide sought-after skills, which are linked directly to available jobs.

There needs to be an inventory of Canada's training programs and jobs that want individuals with those skills. It will not only benefit skills development for workers and employers who gain most directly from smart training choices, but the entire Canadian economy stands to benefit through improved international competitiveness.

Background

The pandemic has resulted in many industries shutting down. The tourism industry, hospitality, restaurants, and retailers have been hardest hit. The Government of Canada has provided many opportunities to supplement wages and provide economic support; however, these government programs are going to begin to slow down and cease to exist. To gain employment, many individuals will need to reskill or upskill.

The daunting task of finding suitable education and training options was intensified during the pandemic by the lack of in-person learning. There are many programs that could lead to gainful employment but navigating through the sheer number of options can be crippling. Having a centralized database could benefit skill seekers but there needs to be a way for individuals to sort through the available programs based on location, job opportunity, length of program, cost, and the time or day the program is offered.

Finding the skill that a job requires is a necessity. Ensuring that the training program is linked to certain jobs could be done through a central database. Jobs could be linked by using a keyword search system. As technology and the ways in which we do things evolves, keeping skills up to date will be crucial to remain competitive.

Employers, industry associations, academic institutions, and program providers must work collaboratively with government to ensure that there is up to date information on programs available, career positions available, and skills required. A strong working group will be essential in creating a mapping system that will accomplish what is needed.

To understand the workings of such a database, a pilot project is needed. We envision that the initial pilot project would occur in a few cities across Canada. The demographic of the pilot cities should be representative of the diversity of Canada and include (but not be limited to):

- Rural towns;
- Cities that have a diverse population;
- Cities with large urban Indigenous populations;
- Indigenous reserves;
- Metropolitan cities such as Vancouver or Toronto;
- Coastal cities; and
- Resource-dependent cities.

Once initial learnings are gained through the implementation of the city pilot project, it can be scaled up to a regional approach, then provincial, and finally country wide. The data gathered by the pilot and subsequent projects will be crucial to developing a nation-wide mapping system linking individuals to skill programs and ultimately gainful employment.

THE CHAMBER RECOMMENDS

That the Federal Government, in coordination with Provinces and Territories:

1. Create an efficient feasibility study and then a call for proposals that would determine where the pilot project would occur. Applications should include information such as: demographic; population size; industry information; and labour statistics;
2. Create a working group with industry associations, academic institutions, program providers, municipalities, and employers to create a database of vacant jobs, as well as potential jobs identifying what skills are required, and the programs that offer training to achieve those skills;
3. Utilize the information gained through working groups to launch the pilot program within the selected cities that is available on a single platform; and
4. Launch a marketing campaign that will serve to educate the public on the mapping program.

ADDING FITNESS CREDITS AS MEDICAL EXPENSES ON TAX RETURNS

The fitness and exercise industry has been crippled due to COVID-19 restrictions. Additionally, public perception has been largely negative towards gyms and exercise programs, leading to a sluggish recovery. Exercise combined with a healthy diet can lead to improved mental and physical health, thereby reducing the burden on the public healthcare system providing treatment or medication. The Federal Government has the ability to generate a return on investment (the investment being a healthier populous, lower reliance on the healthcare system, and a happier workforce) by allowing people to claim fitness memberships and services as medical expenses on tax returns. The fitness industry is in dire need of support that is sustainable. Support to this industry has the potential to lead to greater societal benefits, and thus benefit to the workforce and businesses in general.

Background

COVID-19 has had ripple effects on the healthcare system. Mental health has deteriorated in the form of increased anxiety and levels of depression. There are more people that are no longer eating healthy due to cost. Closures of gyms and exercise facilities has resulted in many individuals leading sedentary lives.

The evidence and research to support that exercise is medicine is overwhelming and compelling – Canada has even been a leader in publishing this research.[1] While many gyms have been ordered to close, there are some that can operate with reduced patrons. However, the number of people going to the gyms is not enough due to the cost of membership fees. In order to remain open, gyms need to charge their membership fees. The Canadian Government can help subsidize the cost of membership fees by allowing people to claim fitness memberships and services as medical expenses when filing taxes.

This action can provide the federal government with a return on investment by reducing the overall health care burden. The fitness industry currently has the capability to support attendance records and payments for audit purposes. The Prescription to Get Active program[2] would support this action plan - the fitness industry is primed to roll this, already established, program out across the nation. This action plan and initiative would inspire Canadians with the promotion of their health and wellness and put Canada as a global leader in health care management and prevention.

Professionals across the country are ready, willing and able to provide both in person and remote services to support this action plan and the public health orders. The fitness industry employs 150,000 Canadians, with the majority of those under the age of 30.

In order to be a part of the solution, the fitness industry would like to partner with government. The federal government could create an immediate economic impact by including fitness memberships and services as a medical expense on tax returns.

Workers who access fitness services will ultimately be healthier, contributing to increased productivity in the workplace.

THE CHAMBER RECOMMENDS

That the Federal Government:

> Include fitness memberships and services as a medical expense on tax returns.

[1] https://www.redcross.ca/blog/2020/10/mental-health-and-exercise-working-together-for-wellbeing

[2] https://www.prescriptiontogetactive.com/

COMPETITIVENESS FOR CANADA'S GATEWAY

Canada's gateway sector is a key driving force for the nation's economy, facilitating the movement of Canadian goods across the country and to international markets. Improving the climate for infrastructure investment in Canada's gateway sector is imperative to address the growing pressures and demands on the sector, support the needs of our growing economy, ensure resilience to protect the nation from future economic shocks and to enhance our competitiveness in light of the recent U.S. tax reform.[3,4] Further, enhancing the investment climate for gateway infrastructure will allow for private capacity enhancing investments that in turn support the whole national supply chain and economic recovery process.

Background

International trade is the lifeblood of the Canadian economy. Throughout Canada's history, our open trade-based economy has successfully supported our rising standard of living. In 2018, the total value of trade in goods and services reached a record high of $1.5 trillion or 66 per cent of Canada's GDP[5].

Canada's strong gateway sector underpins our competitiveness as a trading nation, ensuring the efficient and effective movement of vital goods through Canada and to the rest of the world. A 2018 economic impact study by the World Trade Centre Vancouver found that BC's gateway sector alone supports nearly 310,000 jobs and contributes $34.3 billion to Canada's GDP. [6]

The onset of 2020 highlighted the national importance of railways and the gateway. Rail blockades resulted in hardships that were felt across the country as the movement of vital goods to and from communities across the country were brought to an abrupt halt. Our current reality has increased the awareness and appreciation for a robust gateway sector and the importance of maintaining the fluidity of global supply chains. The health pandemic has drawn attention to the essential service that our trade corridors and broader gateway industries provide, as they facilitated continued access to essential goods such as food and personal protective equipment (PPE) throughout the pandemic.

Over the years, the Federal Government has meaningfully invested in critical capacity enhancing gateway infrastructure projects in a way that has incented the participation of private sector partners. Investment to date have resulted in increased capacity, fluidity and efficiency of the gateway. Through the $2.4 billion National Trade Corridors Fund (NTCF), a key element of Transportation 2030, the Government of Canada has focused investments in strategic infrastructure projects to address transportation bottlenecks, vulnerabilities and congestion along Canada's trade corridors.[7] As of February 2020, more than $1.7 billion had been committed to through the NTCF for 82 marine, air, rail and road projects.[8] These important initiatives help Canadian companies access and compete in key global markets and trade more efficiently with international partners.

However, the importance and relevance of trade is only expected to grow for Canada; the federal government's 2018 Fall Economic Statement set the target of increasing Canada's overseas exports by 50 per cent by 2025[9]. Implementing mechanisms that encourage investments in Canada's gateway sector

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[3] In the United States, in 2017, the *Tax Cuts and Jobs Act* reduced the federal statutory corporate tax rate for U.S. companies from 35% to 21%, while the Base Erosion and Anti-Abuse Tax (BEAT) minimum tax increased costs for Canadian railways. This provision forces U.S. entities to pay the BEAT on payments made to foreign affiliates, without a corresponding offsetting credit or deduction for the equivalent amount of BEAT paid in the U.S.

[4] https://www.congress.gov/bill/115th-congress/house-bill/1/text

[5] https://www.international.gc.ca/gac-amc/assets/pdfs/publications/State-of-Trade-2019_eng.pdf

[6] https://www.boardoftrade.com/wtcref/

[7] https://www.tc.gc.ca/en/programs-policies/programs/national-trade-corridor-fund-backgrounder.html

[8] https://www.tc.gc.ca/en/programs-policies/programs/projects.html

[9] https://www.budget.gc.ca/fes-eea/2018/docs/statement-enonce/chap03-en.html

will help expand the capacity and efficiency of our trade enabling infrastructure, which will be critical as our country prepares for economic recovery and beyond to prosperity.

The role of rail

The gateway sector is composed of the mix of industries whose main business activity is to facilitate trade activity. The railway industry is a key enabler for this sector as it connects our nation with our terminals and ports and the rest of the world.

Rail operators are an integral segment to Canada's gateway sector, as it transports approximately $328 billion of Canadian-originated goods each year, with freight rail moving 50 per cent of exported goods.[10] Each year, approximately 3,800 locomotives and 32,800 dedicated railroaders transport goods and people across 44,000 kilometers of rail track across Canada and several points in the United States. [11] These tracks require maintenance and upkeep to ensure efficient deliveries, but more importantly to ensure the safety of rail employees and the communities in which they operate.

The railway industry is uniquely positioned to reduce greenhouse gas (GHG) emissions while supporting the economy and enabling trade. Railways are among the lowest industrial emitters in Canada, accounting for just 1% of GHG emissions. Despite increasing demand, railways continue to achieve emissions reductions. Since 1990, freight railways have reduced their GHG intensity by more than 40%, while experiencing an 80% increase in workload, [12]

Rail plays an increasingly vital role in Canada's trade corridors, particularly as it pertains to moving Canadian agricultural products. Canada's two largest railways, CN and CP, moved a record 15.4 million tonnes of grain in the final three months of 2019: CP set a new quarterly record by moving 7.9 million tonnes of grain and grain products and CN transported 7.5 million tonnes, which included an all-time monthly record of 2.79 million tonnes in October 2019 and the second best December on record despite a work stoppage.[13]

Rail is one of Canada's most capital-intensive industries and grain is one example of how important railway companies' annual spend on continuous improvement and maintenance is to the economy. Canadian railways are vertically integrated and own the track, real estate, and locomotives and rolling stock, which illustrates the need for significant investments. On average, Canadian railways invest between 20 and 25 per cent of their own revenues back into their networks each year — close to $30 billion in Canada alone since 1999.[14] These significant annual investments into rail infrastructure, support the strong and growing demand for Canadian products and supports the fluidity of getting Canadian products to global markets.

The need for a more competitive playing field

Canada needs a competitive tax framework to further incent railway infrastructure investment to ensure that the sector continues to have the ability to facilitate future volume growth including future demands for a growing gateway.

The recent U.S. Tax Reform has allowed for an even faster tax write-off of investment dollars compared to Canada. This has resulted in the after-tax-cost of investing in infrastructure to be higher in Canada than the U.S. New U.S. tax measures increased the bonus depreciation available in the year of acquisition from 50 per cent to 100 per cent for most property/capital acquired after September 27, 2017 and before January 1, 2023. While the Canadian Government tried to address this issue broadly in its 2018 Fall

[10] CANSIM Tables 23-10-0062-01, 23-10-0063-01, 23-10-0216-01, Rail Trends Database, CN, and CP

[11] 2018, Rail Trends Database

[12] https://www.railcan.ca/wp-content/uploads/2019/08/August_2_-_2020_Prebudget_Submission_-_RAC_FINAL.pdf

[13] https://www.cbc.ca/news/canada/calgary/grain-cp-cn-train-rail-shipping-fourth-quarter-1.5417334#:~:text=Canada's%20two%20largest%20railways%20moved%20a%20record%2015.4%20million%20tonnes,of%20grain%20and%20grain%20products.

[14] https://www.railcan.ca/101/investment/

Economic Statement, their efforts not only fell short of the US Tax Reform but did not even come close to the US pre-reform rate of 50 per cent write-off in the first year.

With a lower after-tax-cost in the U.S., Canadian railways and customers, who invest in their own rail infrastructure, are at a tax disadvantage to U.S. railways. If this tax imbalance persist important economic opportunities and investments in Canada may be being forgone.

The following table highlights the differences between the Canadian and U.S. tax regimes as they relate to railway capital spending.

Table 1: Canadian vs. U.S. Tax Depreciation Regimes for Rail*

Canadian Railways				U.S. Railways			
	Class Rates	CCA $ Claimed	% Claimed		Class Rates	CCA $ Claimed	% Claimed
Track Infrastructure							
Year 1	10%	$15	15%	Year 1	100%	$100	100%
Total by year 4		$38	38%	Total by year 4		$100	100%
Rail Yard Facility (Building)							
Year 1	4%	$6	6%	Year 1	100%	$100	100%
Total by year 4		$17	17%	Total by year 4		$100	100%
Railcars							
Year 1	15%	$23	22.5%	Year 1	100%	$100	100%
Total by year 4		$52	52%	Total by year 4		$100	100%
Locomotives							
Year 1	30%	$45	45%	Year 1	100%	$100	100%
Total by year 4		$81	81%	Total by year 4		$100	100%

*For $100 of capital spending

As recent U.S. tax reforms have altered the competitive landscape in North America, tax changes in Canada must ensure that the rail section and investment in rail infrastructure remains competitive. An important manner in which this can be achieved is through accelerated depreciation on capital investment. This significant measure would ensure that railways continue to make investments that improve safety, environmental performance, and enhance capacity to meet the needs of customers and the Canadian economy.

THE CHAMBER RECOMMENDS

That the Federal Government:

1. Enhance the depreciation regime for rail infrastructure investment to promote greater investment in rail infrastructure, to support BC's competitiveness as a trade Province, and to meet the needs of the growing national economy and trade volumes; and
2. Continue working with gateway industries and stakeholders to explore a policy framework, including tax measures, to incent investment in necessary capacity enhancing gateway infrastructure.

MADE IN CANADA – INCLUSIVE TAX POLICY PROCESS (ITPP)

After "50 Years of Cutting and Pasting", Canadian taxation, in general, has become far too complex to understand, administer, and manage. In the present environment, there is a need, and an appetite, to have a close look at the anatomy of the Canadian taxation system to determine best practices, as well as methods of implementation. It has also been determined that a study of other countries existing tax review, and implementation systems that are working, are worth a look.

Background

One of the core issues experienced by the business community today, who truly understand the need for efficient taxation, is the methods of determining how best to create a system of taxation that truly is not only efficient, but measurable, and is in the best interest of all.

Because of the unprecedented commitment by governments at all levels to borrow money to manage pandemic related issues, the timing to put a new tax policy process in place to ensure tax efficiency going forward is now.

Further, Canadians say they want action. Canadians want action to simplify Canada's tax system, according to a Nanos Research public opinion survey on tax, commissioned by CPA Canada. Over 81 percent of Canadians see a comprehensive tax review as a priority for the federal government, with more than one in three (35 percent) saying it should be a high priority.[15]

A base taxation review system is already in place, and has been time tested since 1994. The system has been created and implemented in New Zealand, and is called The Generic Tax Policy Process (GTPP). It ensures that the tax system remains not only calibrated to political goals of the party in power, but also reflects broader changes the country is going through.

John Cuthbertson, tax leader for Chartered Accountants Australia & New Zealand, says the most salient element of the process is that it's undertaken "holistically," meaning that specific changes to the system must account for their impact on the entire tax code, including policies governing charities, retirement savings and the environment. The government has dubbed the exercise "a national conversation on the future of tax."

It's an impressively transparent process and it offers some important lessons, quite apart from the fact that New Zealanders don't wait half a century to make big fixes to their system. As CPA Canada's recent position papers on the subject point out, Canada's system is suffering from a host of shortcomings, including the loss of our corporate tax advantage since the U.S. slashed its rates; uncompetitive personal income tax rates and thresholds; an overreliance on income taxes; and administrative complexity.[16]

"The GTPP improves policy and regulatory outcomes and informs stakeholders in advance of regulatory changes. Submitters will often have better access to empirical information on the size and nature of the policy problem or opportunity. Consultation can also enhance voluntary compliance because it allows taxpayers more time to understand why we need to change, and more time to adjust to changes. There is an added sense of legitimacy and shared ownership if stakeholders have been given a chance to provide input.[17]

A "Made in Canada" version of this initiative would finally give the people who pay the taxes in our country to have a say in how, and how much, the required taxes will be implemented, and collected.

THE CHAMBER RECOMMENDS

That the Federal and Provincial Governments:

> Initiate a task force to further explore, develop, and implement an efficient taxation system that includes review of the New Zealand Generic Tax Policy Process (GTTP), as well as other successful models, in the development and implementation of a Made-in-Canada approach to taxation.

[15] https://www.cpacanada.ca/en/the-cpa-profession/about-cpa-canada/key-activities/public-policy-government-relations/policy-advocacy/cpa-canada-tax-review-initiative

[16] https://www.cpacanada.ca/en/news/pivot-magazine/2019-05-07-tax-reform-bruce-ball

[17] *Tax Working Group Information Release Document September 2018 taxworkinggroup.govt.nz/key-documents*

CREATING BUSINESSES AND JOBS WITH THE BLUE ECONOMY

The ocean faces a number of severe threats: climate change, overfishing, biodiversity loss and pollution — including the ubiquitous issue of ocean plastics, which are dumped in the ocean at an average rate of about 8 million tonnes a year. These threats have led to an acidifying and warming ocean; destruction of coastal reefs; deteriorating seagrass, kelp and mangrove ecosystems; and billions of dollars in damage attributable to marine debris. According to APEC's most recent report, the damage to industries in the Asia Pacific region's marine economy alone could be US$216 billion by 2050. Creating a Blue Economy is a transformational opportunity towards economic recovery to preserve our ocean for future generations while also protecting our environment, accelerating economic growth, creating jobs, and fighting poverty and food scarcity.

Definition

Canada has the longest coastline in the world, the 4th largest ocean territory and its lakes and rivers make up a fifth of the world's surface freshwater. These natural, aquatic resources are the backbone of many Canadian communities and provincial territories.

Furthermore, the Organisation for Economic Co-operation and Development (OECD), estimates the value of the world's ocean economy (the blue economy) will reach $300bn by 2030[1] and, some sources state, this could provide 350 million jobs worldwide.[2]

Embracing the blue economy in Canada looks set to help create employment and contribute to the economy. In addition, the whole concept of the blue economy is centred on preserving the oceans' resources to ensure that they're around for a long time to come.

While there is no single definition of the blue economy, what's clear is that it relates to improving the sustainability of the economic activities involving the world's ocean. By focusing on this blue economy, it's hoped that the longevity of fishing, tourism, and energy sources from the ocean is increased. If successful, the blue economy looks set to provide economic and social benefits, while reducing its impact on climate change.

Background

Canadians depend on our oceans for leisure, sustenance, and their livelihood. Our ocean sectors contribute approximately $31.7 billion annually in gross domestic product and account for close to 300,000 jobs.

Canada is embarking on consultation on a Blue Economy Strategy. Ocean-related businesses, Indigenous people, local and provincial governments, economic development organizations, environmental groups and others are invited to submit ideas to Fisheries and Oceans Canada to inform the development of the strategy. In British Columbia, primary ocean sectors include marine shipping, recreation and tourism, aquaculture, commercial fishing, Indigenous fisheries and traditional livelihoods, and fish and seafood production, as well as a growing ocean technology sector.

To date, there have been a number of investments in the Blue Economy, particularly relating to plastics innovation and solutions. However, given the ocean covers more than 70% of the surface of our planet, the potential for the Blue Economy remains largely untapped. For example, while over a trillion dollars in green bonds has been generated for land applications, very few blue bonds with a focus on the ocean

[1] https://coveocean.com/news/2019-12-12/canada-takes-a-global-lead-in-the-blue-economy

[2] https://thecommonwealth.org/blue-economy

economy have been released. For the Blue Economy to succeed and for innovation to thrive, a diverse and varied financing approach is needed.

Under Canada's leadership, on June 9, 2018, France, Germany, Italy, the United Kingdom, and the European Union adopted the Ocean Plastics Charter to demonstrate their commitment to take concrete and ambitious action to eradicate plastic pollution. The charter has since been endorsed by 26 governments and 69 businesses and organizations. [3]

Some ideas for a Blue Economy Ecosystem:

1. Support a robust ecosystem, including accelerators — and, specifically, establish a Canadian accelerator. Showcase and celebrate small-scale examples of success. These could include shoreline restoration projects in the Great Lakes as well as sea grass restoration programs managed by hotels in collaboration with diving certifications.
2. Canada can provide nation-wide leadership by promoting ocean literacy. The Canadian Ocean Literacy Coalition is advancing a national strategy on this topic.
3. There's an opportunity to incorporate oceans into municipal bonds focused on the impacts of climate change (e.g., shorelines and large-scale infrastructure), and to connect marine ecosystem services to related initiatives (e.g., Municipal Natural Assets Initiative).
4. Priorities for further investment include convening key nations interested in ocean restoration, ocean-based R&D, and studying the impacts of tidal energy generation on fish and sea life.
5. Canada can provide support for bi-lateral or multi-lateral projects and international agreements on preserving the ocean and important habitats (sea grass, kelp beds, coastal areas, and sustainable environment for marine life).
6. Create Ocean innovation accelerators: There are several centres in North America and around the world where research and investment are starting to be directed to oceans (e.g., Maritime Blue in Washington State and the Marine Supercluster in Atlantic Canada). These are a critical part of the Blue Economy ecosystem, and can support education on the Blue Economy as well as research and development and commercialization efforts relating to ocean technologies.

Government should adopt the above enabling policies and enact legislation that support the Blue Economy that sends important signals to the market. These signals underpin capital flowing to Blue Economy financial mechanisms.

THE CHAMBER RECOMMENDS

That the Federal Government in coordination with the Provincial and Territorial Governments:

1. Adopt enabling policies and enact legislation that support the Blue Economy and sends important signals to the market.
2. Create a Blue Investments working group, including participation of the business community, that focuses on creating new investment opportunities will support a coordinated effort to diversify products (bonds, equities and other investment products) and strategies.

[3] https://www.globeseries.com/wp-content/uploads/2021/01/scaling-up-the-blue-economy.pdf

CANADA-US RELATIONS COMMITTEE NEEDS BUSINESS CONSULTATION

The United States and Canada have an interconnected, complex, and, at times, strained relationship. The last 4 years have shown how quickly communication can break down, and the economic toll such a break down can have. While there was hope that the next four to eight years will be amicable, the recent flurry of executive orders has shown that Canada-US relations will likely remain strained as Canadian interests are jeopardized. The Federal and Provincial Governments should create a Canada-US Relations Committee to protect BC and Canadian interests from plans made by the United States.

Background

The Canada-United States partnership is forged by shared geography, similar values, common interests, deep personal connections and powerful, multi-layered economic ties. Canada and the United States enjoy the largest trading relationship in the world. A secure and efficient flow of goods and people across the border is vital to both countries' economic competitiveness and prosperity.

Canada and the United States also work together on security and defence efforts. The relationship reaps benefits such as access to information, and the flow of people, goods and services. Both countries also have similar values that are used to address international challenges and humanitarian crises. To address these global challenges, the Canada and US cooperate by participating in many multilateral institutions ranging from the North Atlantic Treaty Organization (NATO) to the G20.

Canada has many trade and investment agreements with the United States. These agreements, such as Canada-US Free Trade Agreement (CUSFTA), Canada-United States-Mexico Agreement (CUSMA), Agreement on Trade-related Investment Measures (TRIMS, Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), and many others, serve as the first line of defining trade boundaries between the two countries. The boundaries become strained when domestic interest conflicts with international agreements.

Former President Donald Trump created many domestic policies that strained relations with Canada. The former President created sanctions, levied tariffs, created policy to only use domestically created product, among others, which compromised the Canadian economy, jobs, and international security. These policies fractured a once bountiful relationship. COVID-19 responses were also disjointed. In comparison, during President Obama's tenure, he effectively and efficiently created a plan to control the spread of the Ebola virus.

As of January 20, 2021, President Joseph Biden took office in Washington. It was believed that this change in leadership would start the path towards reconciling the fractured relationship, but many policies implemented or signed by President Biden under executive order only exacerbated the already fragile partnership. These orders included the cancellation of the Keystone XL Pipeline, creating a Buy America policy plan, and provisions being advanced by President Biden to cancel the Enbridge pipeline.

Canada must assess our relationship with our southern neighbours. We need to understand where our priorities lie, and how impactful US policy will be to Canada's interests. There is a need for a Canada-US Relations Committee.

The Canada-US Relation Committee would carry out many duties because our relationship with the US is complex and interconnected on many levels. On the COVID-19 front, the Committee would need to investigate what the government is doing with the US to procure a steady stream of COVID-19 vaccines. It would also need to report on what is being done in advance of borders reopening. Additionally, Buy American orders by President Biden may be a cause for concern. The Committee would need to apprise government and the public on how this will impact Canadian industries, trade access, and Canadian jobs.

The Federal Government has established a committee but should include presentations from relevant stakeholders and provincial governments.[1]

THE CHAMBER RECOMMENDS

That the Federal Government in coordination with Provinces and Territories:

> Include consultations from relevant stakeholders, such as the Boards of Trades/Chambers of Commerce, and the provincial governments in the Canada-US Relations Committee mandate.

USE EXISTING TRADE LAWS TO BENEFIT CANADA'S INTERESTS

The trade tensions Canada experiences for four years during the presidency of Donald Trump will not go away overnight. On the contrary, President Joe Biden has made some shocking policy decisions that have devastated the Canadian economy, cost thousands of jobs, and undermined the already fragile trade relationship between Canada and the United States. Canada must utilize every tool in its international trade tool chest to show its determination in putting the interest of Canadian and our economy at the forefront. One such tool is using our existing trade laws Section 52 of the Custom Tariff.

Background

The United States has a powerful economy. It is one that has been built from amassing wealth, natural resource extraction, open borders, and intricate financing, among a plethora of other contributing factors. As the richest nation in the world, it has developed a trade imbalance with its trading partners. It has developed policies to ensure that all trading relationships will be of benefit to their industry. These policies include Section 201 (safeguards) and Section 301 (imports restrictions on intellectual property and technology) of the United States Trade Act of 1974[2] and Section 232 (surcharges) of the Trade Expansion Act.[3]

Section 201, Section 301, and Section 232 have been abundantly used by the United States in the last four years by former President Trump. They have been used against the European Union (the EU) China, and, more pertinently, used or threatened to be used against Canada for a variety of reasons. The use has destabilized various markets in Canada.

Section 232 gives the president the executive authority to apply tariff surcharges or other restrictions for national security reasons in times of genuine international emergency. Originally intended to be used to open markets by reducing tariffs, Trump used Section 232 against imports from China, the EU, and Canada for the opposite effect.

Section 301 was similarly enacted to liberalize trades and forge relationships to reduce foreign trade barriers that impede the United States from doing trading in different countries. The Act gives the president the authority, such as using tariffs and non-tariff forms, to make a foreign country to remove any act, policy or practice that violates an international trade agreement that burdens or restricts US commerce.

Canada has utilized the World Trade Organization to settle any trade disputes. This leads to lengthy and costly negotiations that sometimes have no beneficial resolution. Instead, Canada should look to use Canadian law to ensure that foreign actors are not jeopardizing Canada's domestic and international

[1] https://www.ctvnews.ca/politics/mps-agree-to-form-special-canada-u-s-relations-committee-1.5311327?cache=yes

[2] https://www.govinfo.gov/content/pkg/STATUTE-88/pdf/STATUTE-88-Pg1978-2.pdf

[3] https://www.govinfo.gov/content/pkg/STATUTE-76/pdf/STATUTE-76-Pg872.pdf

economic interests. While the US has a plethora of trade statutes, Canada has one that can provide cabinet the means to retaliate effectively and efficiently: Section 53 of the Customs Tariff.[4]

Section 53 says:

Notwithstanding this Act or any other Act of Parliament, the Governor in Council may, on the recommendation of the Minister and of the Minister of Foreign Affairs, by order, for the purpose of enforcing Canada's rights under a trade agreement in relation to a country or of responding to acts, policies or practices of the government of a country that adversely affect, or lead directly or indirectly to adverse effects on, trade in goods or services of Canada,

do either of the following:

- *suspend or withdraw rights or privileges granted by Canada to any country under a trade agreement or Act of Parliament,*

or

- *make goods that originate in any country . . . or a class of such goods . . .subject to a surtax in an amount, in addition to the customs duty provided in this Act and the duties imposed under any Act of Parliament or in any regulation or order made under any Act of Parliament, for those goods or that class of goods;*

Cabinet is able to implement countermeasures without the need of parliamentary or WTO approval, similar to Sections 232 and 301 in the US. The Minister of Finance and Minister of Foreign Affairs must make the recommendation, though, which follows an order from the cabinet. Section 53 can also be used when a foreign government enacts policies that are detrimental to Canada, whether they impact trade or otherwise. This Section can be used when humanitarian atrocities are being carried out by governments, condemning those actions and upholding Canadian values.

Canada has used Section 53 when the US imposed steel and aluminum tariffs in 2018. The use resulted in tariffs remaining until May 2019 after negotiations. The Trump administration then used Section 232 tariffs on aluminum in June 2020, which Canada responded to with a promise to impose Section 53 on September 16, 2020. Due to this threat, the Trump administration removed the tariffs a day before Section 53 was to take effect.

Short of a public display of power, as the US has done in the past, it is difficult to discern when policies are enacted that disadvantage Canadian interests. There used to be a publication of foreign trade barriers to Canadian companies. This tool could be utilized by the government to understand when Canadian companies are experiencing difficulty in trading abroad. Global Affairs should publish this annual report once again. While an annual report on the state of Canada's trade performance is issued by Global Affairs[5], there is no longer a separate report listing foreign trade barriers faced by Canadian exporters of goods and services. The Trade Commissioner Service has a facility allowing Canadian exporters to register trade barriers but there is no comprehensive public disclosure of those obstacles.

[4] https://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/menu-eng.html

[5] https://www.international.gc.ca/gac-amc/publications/economist-economiste/state-of-trade-commerce-international-2020.aspx?lang=eng

THE CHAMBER RECOMMENDS

That the Federal Government:

1. Reinstate the annual publication on foreign trade barriers submitted by Canadian companies; and
2. Continue to use Section 53 of the Custom Tariffs Act to combat tariffs and other policies that impede Canadian trade interests.

ESTABLISHMENT OF THE FIRST NATIONS INFRASTRUCTURE INSTITUTE

High quality public infrastructure is critical to the health and sustainability of all communities, including Indigenous communities. Unfortunately, Indigenous infrastructure outcomes are very poor under the current approach. The literature, studies and media reports demonstrate that Indigenous infrastructure assets take longer to develop, cost more, and have shorter operational lifecycles than comparable infrastructure developed by other governments. Studies estimate that First Nations are facing an infrastructure gap in the tens of billions of dollars and the current approach will take far too long to close this gap, if ever. Interested First Nations should have the option to follow a different approach – one that applies standards and processes based on national and international best practices and ensures value for money.

Background

The infrastructure gap in many First Nations communities contributes to a series of poor health, social and economic outcomes. Unfortunately, the COVID-19 pandemic has further highlighted the negative impacts First Nations are suffering as a result of missing and substandard infrastructure within their communities. The current approach is unsustainable and First Nations expect and deserve better results.

In response, the institutions established under Canada's *First Nations Fiscal Management Act* (FMA) have proposed the creation of the First Nations Infrastructure Institute (FNII); a new institution that will support First Nations in the planning, development, procurement, design, construction, implementation, operation and maintenance, and management of their infrastructure projects. In 2017, First Nations leaders from across the country stepped forward to form a Development Board to provide advice and guide the creation of this optional, First Nations-led institution focused on designing a more innovative infrastructure system and achieving better infrastructure outcomes.

The First Nations Infrastructure Institute (FNII) will support those First Nations that choose to work with it, to develop their infrastructure projects in a faster, more cost-effective, and sustainable manner. FNII will offer a menu of capacity support services, based on national and international best practices, to meet First Nations where they are at. Depending on their existing capacities and expertise, interested First Nations may utilize any or all of the FNII tools, skills, and processes to efficiently and effectively plan, develop, procure, implement, operate, maintain, and manage their infrastructure projects.

The Development Board has defined a comprehensive risk management framework and service delivery model through which FNII will implement a number of infrastructure innovations, including at least:

- Project identification and planning processes that respond to the First Nation's objectives, priorities and vision;
- Project definition and optimization processes that support the development of infrastructure projects that serve both community and economic purposes, where appropriate;
- Project development processes that utilize procurement options currently only available to other governments that more appropriately distributes risks;
- First Nations law-making processes that will enable First Nations to exercise their jurisdiction to regulate infrastructure for the provision of local services;
- Project financial planning processes that utilize whole-of-life costing from identification and planning to decommissioning or replacement for all expected capital, operations and maintenance, and lifecycle renewal costs; and
- Project fiscal planning and modeling processes that identify sufficient funding sources and revenues streams to ensure long-term asset sustainability, and utilizes financing options where appropriate to ensure optimal timing of revenues and project expenditures.

Beyond providing capacity support services on specific individual projects, the Development Board is also proposing that FNII perform a number of other functions, including at least:

- Collect, analyze, and distribute statistical data and information related to infrastructure to facilitate research, improve capacity support services, and support better decision-making;
- Function as a centre of excellence and repository of information on sustainable Indigenous infrastructure development;
- Provide advice to the federal government on the development and implementation of systems to support sustainable infrastructure development;
- Conduct policy research and evaluative services on the development of fiscal frameworks to support sustainable infrastructure development;
- Provide support to develop and assist in the implementation of new approaches to stable, effective, and efficient long-term infrastructure funding and financing;
- Establish and maintain a roster of trusted contractors by area of professional expertise, asset type experience, operating region, and familiarity with FNII processes and standards; and
- Provide public education and training respecting different aspects of infrastructure and sustainable infrastructure development.

The Development Board has been working collaboratively with the Government of Canada since 2017 to advance FNII. The Development Board is anticipating stimulus spending in the form of significant investments in infrastructure projects in the coming months and years as a component of Canada's economic recovery strategy. Some First Nations already have shovel-ready projects, but the Development Board believes that many other First Nations may be able to use FNII capacity support services to ensure their projects are well-planned, supported by sound business cases, and backed by effective risk management strategies. This ensures these Indigenous projects are positioned as well as or better than any other infrastructure project planned by other government to take advantage of this investment.

THE CHAMBER RECOMMENDS

That the Federal Government:

> Continue to collaborate with the First Nations Infrastructure Institute Development Board in developing a legislative amendment to the First Nations Fiscal Management Act to establish the First Nations Infrastructure Institute. as soon as possible to support the effective implementation of infrastructure development innovations and achieve improved Indigenous infrastructure outcomes.

SUPPORT FOR A RECOGNIZED NATIONAL INDIGENOUS PEOPLES DAY HOLIDAY

National Aboriginal Day was first introduced and proclaimed in 1996 by the Governor General of Canada. June 21st is the day officially recognized as National Aboriginal Day. While celebrated in various activities around the country, the day was not celebrated as an official statutory holiday anywhere in Canada until 2001, when the Northwest Territories became the first to recognize the day as a formal territorial statutory holiday. In May of 2017, the Yukon passed legislation making this day an official statutory holiday. Yukon and Northwest Territories have both passed this legislation; it is now time for the Province of British Columbia and the rest of Canada take note of the voices calling for change and officially recognize this important day as an official statutory holiday.

In addition to the above, in June of 2017 the federal government pledged to change the name of National Aboriginal Day to National Indigenous Peoples Day,[1] a move that is supported by the Assembly of First Nations and is being applauded by many.

Currently, the Government of British Columbia has shown openness in finding ways to move forward in reconciliation through passing the *Declaration on the Rights of Indigenous Peoples Act* which has created a process to align BC's laws with the UN Declaration.

Background

- In 1996, the Governor General of Canada proclaimed June 21st as National Aboriginal Day. In cooperation with Indigenous Peoples' national organizations, the Government of Canada designated June 21 *National Indigenous Peoples Day*, a celebration of Indigenous Peoples' culture and heritage. This date was chosen because it corresponds to the summer solstice, the longest day of the year, and because for generations, many Indigenous Peoples' groups have celebrated their culture and heritage at this time of year.
- June 15, 2017 NDP MP Georgina Jolibois tabled Bill C-361, calling for National Aboriginal Day to be a statutory holiday:

  "Mr. Speaker, I am honoured to introduce a bill that seeks to turn National Aboriginal Day into a statutory holiday. When this day was first declared a holiday, the National Indian Brotherhood—today's Assembly of First Nations—wanted a day to honour the indigenous peoples of this land. Designating this day as a national holiday is an important step and an opportunity to celebrate the cultures, languages, and contributions of the first nations, Métis, and Inuit peoples in Canada. This timely bill answers one of the TRC's calls to action, that Canada create a statutory holiday to honour residential school survivors, their families, and communities."
- Among the Truth and Reconciliation Commission of Canada's 94 Calls to Action (the "TRC Report"), is the call to create a new, national, statutory holiday: The National Day for Truth and Reconciliation. The TRC's calls to action specifically advocates for participation from the corporate sector. Call to Action #92 states Canada's corporate sector should "Provide education for management and staff on the history of Aboriginal peoples, including the history and legacy of residential schools, the United Nations Declaration on the Rights of Indigenous Peoples, Treaties and Aboriginal rights, Indigenous law, and Aboriginal-Crown relations. This will require skills-based training in intercultural competency, conflict resolution, human rights and anti-racism."
- By recognizing Indigenous Peoples Day as a statutory holiday, business owners and employees can show their respect for Indigenous cultures in Canada.
- In 2018, the BC Chamber of Commerce provincial network adopted a resolution submitted by the Prince Rupert & District Chamber to 'Implement the United Nations Declaration on the Rights of Indigenous People' (UNDRIP). The policy recommends using UNDRIP as the basis for reviewing and reforming laws and policies in BC, and to work with Chambers of Commerce to ensure the standards in the Declaration are incorporated into human rights policies and business practices.

[1] See Assembly of First Nations – Final Draft Resolutions (2016) for terminology definition as proposed by the United Nations

THE CHAMBER RECOMMENDS

That the Federal Government:

> Propose legislation to recognize National Indigenous Peoples Day as a statutory holiday.

That the Provincial Government:

> Support the federal government recognition of National Indigenous People's Day as a statutory holiday as a step forward to implement this UN Declaration.

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THE NEED FOR A NATIONAL SUPPLY CHAIN STRATEGY

Supply chains have been hit particularly hard due to COVID-19. The realization that Canadian industries are not prepared for global shut down, and do not receive priority shipment of goods has led many to understand the need for domestic and diverse supply chains.

Background

Supply management is the act of identifying, acquiring, and managing resources and suppliers that are essential to the operations of an organization. It includes the purchase of physical goods, information, services, and any other necessary resources that enable a company to continue operating and growing.

Under Canada's supply management system, production and importation of broiler hatching eggs, chicken, table eggs, milk, and turkey are controlled nationally to ensure that:

- Supply matches demand;
- Producers receive a fair return; and
- Consumers are assured a safe and continuous supply of quality product.

Supply managed products are controlled through three mechanisms. These mechanisms are: production controls, import controls, and price stability. The federal government controls production through a quota system that is determined by establishing how much the national market needs, then allocating quota shares to each of the provinces. The provinces then distribute quotas to individual producers, providing them with the right and obligation to produce the product within a defined period of time. The federal government restricts imports by establishing permits and tariffs, which regulates the amount of product entering the Canadian marketplace. Provinces establish prices for supply-managed products under a national marketing plan to be paid by processors and graders.

Once the pandemic hit, Canadian businesses soon realized how reliant they have been on foreign suppliers. Borders closed, factories shut down, supply chains were crippled due to COVID-19. This resulted in cascading impacts to Canada's economy. It revealed the need for more domestic supply chains, but globalization and competition would not permit this from happening in a normally functioning economy ecosystem.

Personal Protective Equipment Supply Chains

Across Canada, businesses and governments were unable to procure enough personal protective equipment (PPE) to allow for businesses and life in general to continue. The lack of supply available domestically resulted in an international bidding war on PPE. China is where much of the world's supply of PPE is manufactured, and it was being sold to the highest bidder, which at times made it impossible for Canada to secure enough equipment for its citizens.

Various levels of government indicated support for manufacturers to pivot in order to meet the demand for PPE.[1, 2] The swell of government support for PPE manufacturers has resulted in businesses like PRIMED Medical Products to open facilities in Canada. This is a policy that must be extrapolated to other suppliers.

Seafood Supply Chains

For the seafood industry, there is a shortage of demand. With restaurants opened at less than half capacity or not opening at all, there is no one for seafood distributors, producers and wholesalers to sell to,

[1] https://www.surrey.ca/news-events/news/10m-mark-surpassed-surrey-makes-ppe-manufacturers

[2] https://www.automationmag.com/manufacturing-companies-pivot-to-produce-ppe-medical-devices-for-covid-19-fight/

although some are faring better due to increased spending at grocery stores. In May 2020, Prime Minister Justin Trudeau announced nearly $470 million support package for fish harvesters. This was welcomed however it will be difficult to maintain the level of subsidies required to keep the industry afloat throughout the pandemic, and during recovery.

On top of the lack of domestic demand, international exports were reduced due to restrictions. Additionally, seafood farmed in Canada are shipped abroad for cheap processing, then re-imported to Canada. This complicated system was derailed due to COVID-19, and reveals domestic food insecurity. Support for domestic processing that is competitive internationally will alleviate the risk we face with another global incident.

Agribusiness Supply Chains

Canadian agribusinesses are reliant on international supply chains. With the limited movement of products across borders, and the increased domestic demand, Canadian businesses are left with decreasing input levels. The inability for restaurants to secure adequate supplies is leading to rising costs further eroding the bottom line of small businesses.

Due to supply chain issues, BC farms have been dumping milk because of problems getting their product to the stores.[3] Transportation shortages due to shortages in the trucking industry, processing and packaging challenges, and restaurant and bakery closures have impacted the ability of farmers getting their product to market. Processors and packagers that would supply to schools, hotels, and restaurants have had to readjust their packaging sizes in order to remain in business and get the milk to consumers buying at grocery stores.

The potato industry has experienced a large reduction in demand for French fries due to restaurant shut downs and capacity restrictions. Government support for businesses that are able to capitalize on large supply volumes is needed. Targeted investment in start-ups that are providing solutions to supply problems should be a key goal of governments.

International Response

As markets around the world were crippled due to the shutdown of China, they had to react quickly. Now, the United States is securing supply chain partnerships with Taiwan, Japan and South Korea to reduce reliance on China. The US is also setting policy to develop a national supply chain strategy. By working with other countries such as Japan, Taiwan, and Australia, the US is hoping to reduce global reliance on China. This will boost each individual economy and protect valuable supply chains.

Whether a large-scale environmental incident or a pandemic, we are going to be faced with similar shutdowns again. Strengthening the domestic supply chain in seafood, PPE, agribusiness, and other industries will allow for Canadians to continue to work and rely less on subsidies.

We caution against government managing supply chains. At this point, governments are ill-equipped to truly understand the intricacies of supply chains. Without international and domestic coordination, there could be disastrous effects. Government should strengthen domestic supply chains by working with domestic producers, reduce red tape to enter the domestic supply market, and create an ecosystem that allows for domestic supply chains to be competitive with international markets. At the same time, international diversification of supply chains should be championed by governments fostering connections between businesses and bilateral and multilateral trading partners to reduce our reliance on the United States and China.

[3] https://vancouversun.com/news/local-news/covid-19-b-c-farms-dumping-milk-because-of-problems-getting-it-to-the-store

THE CHAMBER RECOMMENDS

That the Federal and Provincial Governments:

1. Enhance relationships with countries that have Free Trade Agreements with Canada or other multi-lateral and bilateral trade agreements by working with and consulting the private sector for those supply chains that have been exposed as weak or in need of support as a result of the pandemic.
2. Work with the private sector to determine where domestic supply chains can supplement international supply chains by creating a national supply chain strategy that focuses on the supply chains that had issues revealed as a result of the pandemic.

IMPROVING CANADA'S CANNABIS REGULATORY ENVIRONMENT TO ACHIEVE POLICY GOALS

It has been just over two years since cannabis legalization in Canada; however, the market has been slow to grow with some exceptions. While many issues of legalization have been lauded as a success, there is much to improve upon to ensure that policy goals are achieved. Cannabis amnesty, combatting the illicit market, medical patient access, in addition to research, development and innovation are areas that require the attention of policy-makers.

Background

It has been a little over two years since Canada made history with the legalization of adult-use cannabis. The legislation and regulations have been in place since October of 2018, but the industry has been slow to develop with some exceptions. Provincial and municipal governments have had their hands full with implementing a safe, secure, and successful legalization plan.

The Cannabis Council of Canada embarked on a lengthy and comprehensive review of Canada's cannabis legalization efforts, its successes, and failures. The review included:

- Support for cannabis legalization;
- Keeping cannabis away from children and youth;
- Government leadership;
- Justice and law enforcement;
- Jobs and the economy;
- Consumer awareness;
- Combatting the illicit market;
- Medical patient access;
- Cannabis amnesty;
- Research, development, and innovation.

Among these categories, cannabis amnesty, combatting the illicit market, medical patient access, and research, development and innovation are areas that require the attention of policy-makers.

Cannabis amnesty – Roughly 70% of Canadians support wiping criminal records for cannabis possession but less than three per cent of Canadians have successfully applied for the Cannabis Record Suspension Program.[1]

The application process has been criticized for being overly cumbersome and the report states there is a need for a "marked change in approach." Critics of the program have called on the government to automatically remove cannabis possession records. A possession record and remaining in prison is removing a large number of individuals from the workforce. While programs exist for businesses to hire reformed convicts, there remains a record that dissuades people

Combatting the illicit market – According to the report, the legal market accounts for just over 50 per cent of all cannabis-related spending across Canada. Uncompetitive pricing due to excise taxation and wholesale markups are the largest barriers to further integration of the illicit market. The government has an obligation to reduce these barriers in order for cannabis legalization to be viewed as a successful policy.

Medical patient access – Another reason why the illicit market has not been reduced to the level that would deem legalization a success is because cannabis medicine is subject to an excise tax. This contributes to an affordability problem, which resulted in 60% of patients purchasing cannabis from the

[1] https://cannabis-council.ca/images/Cannabis_Legalization_after-2-years_Presentation_Oct2020.pdf

illegal market. The government needs to investigate adding medicinal cannabis products to public and private drug plans.

Research, development and innovation – Research into cannabis is needed urgently in order to maintain Canada's global leadership in cannabis research. However, the issuance of research licenses is threatening our leadership in this realm. The government should expedite research licenses to ensure that cannabis research, development, and innovation continue, leading to better products.

Part of the policy process is constant evaluation following implementation. We have had legalization in Canada for over two years now, and we need to reassess our execution based on successes and failures. Although the above is not an exhaustive list, we believe it is a good place to start in order to truly realize the policy goals set out in cannabis legalization.

THE CHAMBER RECOMMENDS

That the Federal Government:

1. Automatically remove simple cannabis possession records;
2. Reduce excise taxation and wholesale mark-ups;
3. Investigate adding medicinal cannabis products to public and private drug plans, and;
4. Expedite research licenses for cannabis research, development and innovation.

WORK FROM HOME HERE TO STAY – CRA NEEDS TO MAKE THE T2200 SHORT FORM PERMANENT

COVID-19 has resulted in a new normal. More employees are working from home, and that has led many to the question: what expenses can be deducted? The CRA's current calculation of work-at-home-expenses only allows for a very minor reimbursement, which is less than the current reality of working from home.

You should be able to claim on anything you pay to carry out business operations. Right now, only commissioned employees and business owners can claim certain things, and the employee is not given the chance

The Federal Government implemented the T2200 Short Form in 2020/2021. This form simplified the process for employers substantially, but it is not permanent. Reverting back to the long version of the T2200 Short Form will result in substantial red tape (administrative burden), more time spent away from focusing on the operation and growth of the business, and confusion.

Background

The employer completes a T2200 form to certify an employee's eligibility for certain deductions that they can claim against your employment income. Your employer fills in information about duties required, expenses, travel, commissions and if you were required to work from home for any amount of time.

However, there is the likelihood of work politics to be in play to complete in some work environment (i.e. acknowledgement by the employer of costs that the employee is incurring that the employer is not reimbursing). They are also often completed incorrectly.

The new reality is that many employees are now working from home where they will be using their own resources to complete operations on behalf of the company for which they work. This will lead to the need to complete the T2200. This will add a layer of administrative burden during a time of precariousness.

Some large employers must fill out a form for hundreds and even thousands of employees. This decreases productivity, increases the burden, and diverts attention from growth and innovation.

To claim deductions, the place where the work is being completed needs to be a principal place of employment (more than 50% of the time or a location where clients meet with them). Once eligible, there is no provision for the space in your house (i.e. mortgage interest). Property tax/insurance are limited to commission employees. There is no consideration given in the T2200 from for utilities and maintenance. Employers, on the other hand, have been able to claim interest on owned property, property tax, commercial insurance, and utilities. Costs of employment are being downloaded to employees and the provisions are too rigid and time consuming to allow for them to claim these expenses. This needs to change.

Burden on business

Many people have moved to working from home. The employer is administratively burdened with an archaic T2200 system, which needs to reflect the new reality.

Many employees at larger firms are choosing to either work from home permanently or adopt a hybrid model. This is a trend that is being observed worldwide. Our Federal tax code needs to reflect this new reality as well and ensure that the business community, with their workforce, is prepared for any changes that are coming down the pipeline.

The United Kingdom has already implemented a tax relief claim for extra costs as a result of being required (or opting to) working from home. Employees can claim $10 CDN a week from 6 April 2020 (for previous tax years the rate is £4 a week) as long as evidence of extra costs are kept such as receipts, bills or contracts. Employees will get tax relief based on the rate at which they pay tax. For example, if the employee pays the 20% basic rate of tax and claim tax relief on £6 a week, they will get £1.20 per week in tax relief (20% of £6). They have a simple online questionnaire that employees complete in order to determine if they are eligible to claim on expenses while working from home. Once they qualify, they use an online portal to apply. Once the application has been approved, the portal will adjust an individual's tax code for the 2020-21 tax year. The employee will receive the tax relief directly through their salary and will continue to receive the adjustment until March 2021.[1]

In Canada, a tax-free reimbursement of $400 is available to employees for expenses incurred while working from home paid by the Canada Revenue Agency (CRA). Instead of employees requesting the T2200 and employers having to fill it out for each employee, a simple fix might be to provide this reimbursement to all employees, however, administrative work would still be necessary.

The T2200 has been seen as an inconsistent tool for reimbursement. You can deduct the part of your costs that relates to your workspace, such as the cost of electricity, heating, maintenance, property taxes, and home insurance. However, you **cannot** deduct mortgage interest or capital cost allowance, whereas you can deduct part or all of your rent.[2]

The Current Tax Regime

In the 2021 tax cycle, the Government of Canada condensed the T2200 into the T2200 Short, which may not be permanent. The T2200 Short reduced the amount of information a business needed to provide for employees to deduct certain expenses. There was a reduction from three pages to a single page. This simplification of the form is a welcome reduction in red tape and burden for businesses as a result of the changing workplace.

Hybrid working models have been in place since work from home restrictions were lifted mid-2020. Some employers allow employees to work from home for part of the week and work in an office for another part. Other businesses have decided that employees can work from home permanently. Others decided that employees can decide on their own if they want to work from home. The modified tax forms must be made permanent to account for the changing workplace structure.

Business relies on predictability to operate efficiently. If the Government of Canada decides to revert to the original, cumbersome, T2200 long form, there will be inefficiencies, excess burden on businesses, and a learning curve costing the business.

THE CHAMBER RECOMMENDS

That the Federal Government:

1. Ensure that work from home tax deductions are consistent among business owners, non-commission employees and commission employees and include mortgage interest, rent, property tax, capital cost allowances, and property insurance;
2. Make the simplified T2200 Short form permanent, and;
3. Educate employers of the $400 reimbursement available to employees tax-free, and streamline this incentive to be similar to the United Kingdom system.

[1] https://www.theguardian.com/money/2020/oct/16/working-from-home-tax-relief-hmrc-covid

[2] https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/t4044/employment-expenses.html#P220_10437

THE LOCKED-IN ESTATE TRUST (LIET): A RESPONSE TO CANADA'S RETIREMENT INCOME CHALLENGES

Based on current Canadian demographics, Canada's baby boomers are retiring at a significant pace putting extra pressure on both the Old Age Pension Plan (OAS) as well as the Guaranteed Income Supplement (GIS). At this point, both these plans are funded from business owners and employees through general tax revenues. Because of the population shift, there are more Canadians in, or going into retirement than there are entering the workforce. This results in a dangerous imbalance related to governments lack of ability, and capacity, to continue to finance these benefits at this current level. There is inherent pressure for the Government to increase business contributions to the Plans.

In the event the government must reduce or restrict OAS and GIS, it will put a significant dent in the purchasing power of retired Canadians, thus having a negative impact on the economy, its growth, and other social services.

The other compelling scenario is the large amount of assets transitioning between generations never before seen in history. According to Mackenzie Financial, the projected average intergenerational transfers between 2016 and 2026 will be $1.1 trillion dollars. Of this, 33% will be real estate, and 67% will be financial wealth. Saying that, one of the least understood concepts in Canada is the cost of dying. Although we have no "Inheritance Tax" per say, the cost of dying and intergenerational asset transfer is significant. An example being that 100% of an intergenerational transfer (last surviving parent to children) of a RRIF is generally taxed at the highest marginal tax rate of 53% on the deceased's final tax return (Deemed disposition tax), before it is made available to the beneficiaries of the estate. This tax goes to general revenues and is not guaranteed to be set aside to support OAS and GIS.

In order to ensure the OAS and GIS is not oversubscribed, and that Canadians will have more dependable income going forward, we should look at the implementation of the Locked-In Estate Trust. This model would essentially allow individual families to take increased control over their retirement savings approach and be less reliant on the government managed programs.

The LIET would be created by the contributor/subscriber, who currently has assets to pass on to future generations in the form of investments, or real estate investment. This could be created during their lifetime, or upon death, similar to a Testamentary Trust. The mandate of the Trust would be to allow the transfer of assets to the trust, on a tax deferred basis – specifically defer the Deemed Disposition Tax. While still alive, the contributor will be able to draw income from the trust for his or her benefit, which would continue to be taxed as withdrawn, similar to any Registered Retirement Income Fund (RRIF), or the proceeds of revenue generated from investment real estate, or "rental property".

The key difference is that on the death of the contributor, the assets in the Trust will now be eligible to be paid to the named beneficiaries (i.e., children), without the assets in the Trust being subject to a Deemed disposition and related taxes. The Trust becomes an instrument similar to a Locked-In Retirement Account (LIRA) that restricts the amount of income being withdrawn on an annual basis. The amount eligible is typically 6-9% per year. The amounts withdrawn and paid to beneficiaries is taxed when withdrawn.

On balance, the government may generate a higher tax collection, albeit deferred in time, as follows:

- Personal real estate assets would be subject to tax exemption on deemed disposition, but would be taxed fully (income and capital gains) within the LIET, and
- Income assets would have incurred as deemed disposition on death and any unrealized gains earned over time would be subject to tax. While in the Trust such gains, would be deferred until withdrawn from the Trust.

The generational benefit to this instrument is that, when professionally managed, the growth will be equal to or better than the withdrawals therefore providing income to the beneficiaries in perpetuity, and for all future generations.

By locking in the Estate Trusts, the retirement assets are not being used for general purposes, which provides increased security for future generations. The beneficiaries who are able to draw from their Trusts will not be relying on government sponsored programs.

THE CHAMBER RECOMMENDS

That the Federal Government:

> Convene a special committee to determine the feasibility of implementing the Locked-In Estate Trust in the context of Canada's overall retirement savings framework and that this study and review be completed within a 2- or 3-year period.

RESOURCE INDUSTRIES – A CRITICAL INGREDIENT IN THE POST-PANDEMIC RECIPE

Canada must not only maintain our competitive advantages, but also actively leverage and enhance them in the recovery effort. As Canada emerges from the COVID-19 pandemic, it's essential that policy makers and the public understand the critical role that natural resource industries will play in rebuilding the provincial and federal economy in the short- and long-term. Canada's natural resource industries are more vital than ever to rebuild and strengthen the economy.

Background

A national coalition of businesses, unions, professional organizations and Indigenous advocacy organizations joined together in the Summer and Fall of 2020 to draw up a blueprint for Canada's economic recovery as the country emerges from the COVID-19 crisis.[1] The Task Force for Real Jobs, Real Recovery (The Task Force) includes 23 member organizations from the energy, manufacturing, transportation, forestry, construction and industrial maintenance industries and represents over a quarter of a million businesses and over 2.5 million workers across Canada.

The Task Force developed a package of policy measures presented to key government decision-makers, as well as to the Industry Strategy Council, a recent federal initiative in response to the economic effects of COVID-19. [2]

In the first quarter of 2019, natural resource industries directly contributed $236 billion to GDP, representing 11.3 per cent of the Canadian economy.[3] Industry remains at the forefront of creating meaningful, well-paying jobs that support families and communities across Canada and provide much-needed economic opportunities and growth for remote, northern and Indigenous communities.

Resource industries are accustomed to change and are ready to work in partnership with government on a dynamic effort to achieve Canada's climate goals and build a more robust, inclusive and globally competitive economy.

Securing Canada's economic future includes a series of extensive, wide-ranging recommendations that could help us to achieve these goals, falling into three categories:

Enhance critical infrastructure

The World Bank is a key organization that many international organizations and corporations utilize when determining whether to invest in a country. The Federal Government needs to improve Canada's ranking on the World Bank's Logistics Performance Index by 2025 as a goal in partnership with Indigenous populations, industry associations, the private sector and all levels of government.

Infrastructure development is a vital investment that will lead to recovery. The Federal Government should build roads, rail, deep seaport and IT infrastructure, especially in areas where infrastructure gaps constrain socioeconomic development. Additionally, the need for pipelines cannot be understated. Pipelines are the safest way to transport oil, a natural resource that will be used for decades to come due to its diversity of application.

Low-carbon economic policy is becoming increasingly popular among provinces. The Federal Government has also initiated various low-carbon initiatives. In order for a robust low-carbon national strategy, limiting

[1] https://businessinsurrey.com/wp-content/uploads/2020/08/FULL-Securing-Canada%E2%80%99s-Economic-Future-reduced.pdf
[2] https://businessinsurrey.com/wp-content/uploads/2020/08/FULL-Securing-Canada%E2%80%99s-Economic-Future-reduced.pdf
[3] https://businessinsurrey.com/wp-content/uploads/2020/08/FULL-Securing-Canada%E2%80%99s-Economic-Future-reduced.pdf

the barriers interprovincially is essential. Establishing a national low-carbon energy grid and promoting electricity interties between provinces will be paramount in this effort. The government should also establish a Plastics Technology Innovation Fund (PTIF) with an initial funding allocation of $200 million, managed by Natural Resources Canada (NRCan) to meet net-zero goals.

The Federal Government should also mandate a stronger resource development focus for the Canada Infrastructure Bank.

The Federal Government should ensure optimal delivery of direct and indirect funding to upscale and commercialize critical technologies.

Ensure access to resource lands for development

Canada relies on its natural resources to ensure economic growth and resiliency. From farming to resource extraction, we must ensure that our land is used responsibly. Decisions for land use must be based on science-assessments that determine the value of an area's resource potential, while considering competing or complimentary land use or interests. Any decision should be coordinated with, Indigenous, provincial and territorial governments on conservation commitments and Indigenous and Treaty rights.

Build meaningful employment

Building meaningful employment by ensuring job creation, building employment resiliency, advancing Indigenous employment and enhancing skilled workforce mobility is an important aspect to post-pandemic prosperity. Additionally, establishing a regulatory and policy environment that encourages investment in resource-based industry in order to get Canadians back to work will be needed.

Government should coordinate with industry to address pending shortages and the disruption of the natural resource sector's labour force. The Federal Government should work with provinces and territories to modernize Canada's education and training ecosystem to better support lifelong learning. To prevent shortages, the federal government should work with provinces and industry to address barriers to mobility for tradespeople and apprentices in natural resources and supporting industries.

Ensure innovation and environmental competitiveness

Canada has an unmatched array of natural resources and the world-class talent and expertise to build the resource powerhouse of the future – one that can drive national prosperity while simultaneously making Canada a world leader in emissions reduction technology and action on climate change. The federal government should champion and promote Canada's world-class emissions reduction technology, and the regulatory practices that lead to the safest and most environmentally-sustainable natural resource products.

Maximize Indigenous economic participation

The integration of meaningful reconciliation into Canada's economic recovery strategy is paramount. To do so, governments must engage and work in partnership with Indigenous communities to review and amend the Indian Act, improve existing Indigenous engagement and accommodation processes and resolve outstanding land claims to create a secure environment for investment.

To create lasting growth and development, the federal government should consider lending Indigenous communities use of the federal sovereign guarantee to ensure Indigenous entrepreneurs and businesses can access the proper capital and financial tools to succeed. Various levels of government should also prioritize procuring at least five per cent of goods and services from Indigenous-owned businesses to help grow the economy.

A review of tax incentives such as the Mining Exploration Tax Credit, with a focus on helping to develop Canada's North and benefitting Northern Indigenous communities, would provide benefit to these communities. Additionally, government should work with Indigenous governments to develop a framework to guide the development of the Indigenous natural resource workforce.

By acting on these recommendations, as part of Canada's economic recovery policy, the federal government can ensure our nation-building resource assets aid environmental goals and help secure our economic future.

Recommendations of the Task Force:

1. Improve Canada's ranking on the World Bank's Logistics Performance Index by 2025 in partnership with the private sector and all levels of government;
2. Build roads, rail, deep seaport, pipelines and IT infrastructure, especially in areas where infrastructure gaps constrain socioeconomic development;
3. Establish a national low-carbon energy grid and promote electricity interties between provinces;
4. Establish a Plastics Technology Innovation Fund (PTIF) with an initial funding allocation of $200 million, managed by Natural Resources Canada (NRCan) to meet net-zero goals;
5. Mandate a stronger resource development focus for the Canada Infrastructure Bank;
6. Ensure optimal delivery of direct and indirect funding to upscale and commercialize critical technologies;
7. Ensure land use must be based on science-assessments that determine the value of an area's resource potential, and coordinated with territories and provinces;
8. Ensure job creation, build employment resiliency, advancing Indigenous employment and enhancing skilled workforce mobility;
9. Establish a regulatory and policy environment that encourages investment in resource-based industry;
10. Coordinate with industry to address pending shortages and the disruption of the natural resource sector's labour force;
11. Work with provinces and territories to modernize Canada's education and training ecosystem to better support lifelong learning;
12. Champion and strategically promote Canada's world-class emissions reduction technology, and the regulatory practices that lead to the safest and most environmentally sustainable natural resource products;
13. Consult and work in partnership with Indigenous communities to review and amend the Indian Act, improve existing Indigenous consultation and accommodation processes and resolve outstanding land claims to create a secure environment for investment;
14. Consider lending Indigenous communities use of the federal sovereign guarantee to ensure Indigenous entrepreneurs and businesses can access the proper capital and financial tools to succeed;
15. Prioritize procuring at least five per cent of goods and services from Indigenous-owned businesses;
16. Review tax incentives such as the Mining Exploration Tax Credit with a focus on helping to develop Canada's North and benefitting Northern Indigenous communities; and
17. Work with Indigenous governments to develop a framework to guide the development of the Indigenous natural resource workforce.

THE CHAMBER RECOMMENDS

That the Federal Government in coordination with Provincial and Territorial Governments:

> Work towards meeting the recommendations in The Task Force for Real Jobs, Real Recovery Report.

COLLECTION OF DUTY AND TAXES AT THE CANADA-U.S. BORDER

Cross-border shopping in the United States was an estimated $4.7 billion in 2006. Since then, annual increases have taken the total to $8.0 billion in 2012, 72% higher than 2006.[1] The impact on BC retailers, particularly in border towns, is costing the economy billions of dollars which could be minimized if duties were enforced at the border.

Approximately three-quarters of Canadians live within 160 kilometers of the Canada-USA border. Therefore, many consumers use their relatively easy access to the United States as a shopping option. This is especially true in the Lower Mainland area of British Columbia. A study conducted by the Business Council of BC indicated same-day trips to the U.S. increased by more than 143 percent in BC between 2009 and 2012. Under the laws, there are no personal exemptions permitted for same day cross border shoppers. Assuming 95% of day-trippers return with a full tank of gas, at an average of $70, and $80 worth of goods, there is a significant impact on BC's economy due to lost profits and tax collections (GST, PST, gas taxes, etc.).

The federal government has clearly acknowledged that day trips should not be exempted from taxes, as stated by Jim Flaherty "Our government has no plans to create an exemption for day trips under 24 hours as it would disadvantage retailers in border communities and elsewhere in Canada," but Border Services Officers continue to routinely waive taxes and duties on goods bought by travelers in the US. According to a briefing note for the Prime Minister prepared in June 2014, the border agency waives taxes when the value is below a certain threshold. The threshold was established by considering the cost for CBSA to process a traveler through the collection process.[2] Collections may also be waived where the volume in collections results in unacceptable border processing delays, as determined by local management.

Collections may also be waived where the volume in collections results in unacceptable border processing delays, as determined by local management. If the reduction in border processing times is an overriding priority for Canadian business, there also needs to be consideration for the significant impact these exemptions have on the local economy.

A key barrier to consistent collection of duties and taxes are the conflicting responsibilities of the border personnel. The border personnel are managing revenue collection, service to the public (wait times), interdiction of inadmissible persons and goods, and the facilitation of legitimate trade and travel. Local management have the authority to adjust priorities and have several options available to them in order to meet these objectives, including opening more lanes, planning shift schedules, scheduling overtime, etc., but many of these options require increased resources and costs. The priorities of personnel include the security and safety of our nation; therefore collection of duties and taxes are by default a lower priority.

A consistent pattern of non-collection of taxes and duties at the Canada/U.S. Border creates a further incentive for residents to choose cross border shopping. This puts Canadian retailers at a disadvantage and results in a significant economic loss to border communities.

THE CHAMBER RECOMMENDS

That the Federal Government:

> Provide sufficient resources to enable consistent collection of taxes and duties at all Canada/US border crossings in accordance with enacted duty-free limits.

[1] Stats Canada Study: Cross-border Shopping 2004 to 2012.

[2] According to the briefing note obtained by the Canadian Press under the Freedom To Information Act.

A NEED FOR A LONG-TERM POST PANDEMIC STRATEGY FOR THE AIR TRANSPORTATION INDUSTRY

The air transportation industry has barely survived the pandemic. The impacts are evident in air cargo, commercial, and leisure transportation flights. The air transportation industry has received some support, however, there is need for a long-term strategy. Many nations in Europe are implementing rapid testing at airports and providing substantial information on the efficacy of testing and quarantining. Canada has made no such report available. The United Kingdom will be providing an overview of their reopening strategy that includes a plan on how to ease travel restrictions. No such plan exists in Canada.

Background

Canada needs to do better. The airline industry has been devastated as a result of the pandemic, uncoordinated responses, and limited engagement. Other countries have implemented various mechanisms that allow for the airline industry to survive and be ready for increased demands once it is safe to travel.

Air Canada was operating to 220 destinations from BC prior to the pandemic. 79 aircrafts retired permanently. Some of the remaining aircrafts have been repurposed to carry cargo but these will need to be converted back to passenger aircrafts once demand picks up resulting in additional costs to the airline industry.

We will see an increase in travel demand as more people become vaccinated. There needs to be an adequate number of scheduled flights to keep up with this demand, or else we will see higher costs to consumers due to the lack of supply.

The United States was quick to support the airline industry. In mid-April, the United States government provided a $25 billion bailout to the industry, noting their importance to the economy. Although the airlines were expected to lose $35 billion due to the pandemic, this aid provided much needed support to remain in business and prepare for strict safety protocols.[1]

In the United Kingdom, the Prime Minister indicated that holidays will be possible from Monday 12 April in self-catering properties, and in hotels and B&Bs. International travel from the UK may not resume before May, but a government report will be made public on April 12 that will look at ways to safely facilitate inward and outbound travel. The prospect of a detailed plan will allow for market actors to plan accordingly, and begin readying their capital for whatever government decision is to come.

Many European countries have implemented rapid testing at airports, and plan to roll out a systematic plan for travellers. The European Commission announced a strong recommendation to implement rapid COVID testing as the first step to reinvigorate travel.[2] The European Center for Disease Prevention and Control and EASA (European Aviation Safety Agency) developed guidelines for COVID-19 testing and quarantine of air travellers. They noted that the evidence does not support quarantining and testing of all travellers as a mechanism to reduce transmission, except when a country has reduced transition to almost zero.[3] Pre-flight tests could reduce transmission during travel, especially when departure is from a country or an area with a very high incidence rate. When a person travels from a place of low incidence to high

[1] https://www.cnbc.com/2021/01/01/us-airline-2-losses-expected-to-top-35-billion-in-dismal-2020-from-pandemic.html#:~:text=U.S.%20airlines'%202020%20losses%20expected,pandemic%20threatens%20another%20difficult%20year&text=Analysts%20expect%20U.S.%20airlines'%20losses,the%20second%20half%20of%202021.

[2] https://eturbonews.com/1884825/rapid-airport-covid-tests-europes-goal/

[3] https://www.ecdc.europa.eu/sites/default/files/documents/Guidelines_for_COVID-19_testing_and_quarantine_of_air_travellers-12-2020.pdf

incidence, testing is not an effective mechanism, nor is quarantining of those travellers. The following recommendations are made by the report:

- When travel is taking place from a lower-risk to a higher-risk area or between areas of similar risk, there is no public health benefit in testing for SARS-CoV-2 and/or quarantine of travellers before departure or upon arrival in the destination country.
- Exceptionally, for travel between two high-risk areas, when travel begins from a very high-incidence area, a combination of testing and shortened quarantine could be considered, although this requires sufficient testing capacity.
- When travel is from an area of high or unknown risk to a lower-risk area, based on modelling studies, a combination of testing and shortened quarantine could be considered, if sufficient testing capacity is available.

Where a country or an area has achieved consistent sustained control of the virus, having a 14-day incidence close to zero, all incoming individuals from regions with community transmission should be tested before entering the COVID-19-free areas. Given the 14-day incubation period and the possibility of asymptomatic disease, these travellers should undergo quarantine (voluntary or mandatory) and be tested rapidly if they develop COVID-19 compatible symptoms. In the absence of symptoms, they should be tested again at the end of the quarantine period.

If Canada does not want to miss out on much needed travel revenue, a long-term strategy is of utmost importance. Additionally, financial support to the valuable air transportation sector is needed. Some airlines have shut down service to and from various remote and rural regions throughout Canada. Once travel begins, there are fears that these airlines will not return. Incentivizing airlines to return to these locations is integral to any plan that is formulated.

THE CHAMBER RECOMMENDS

That the Federal Government:

1. Work with the air travel industry, Provinces and Territories to create a consistent domestic travel plan by developing criteria that signals the time for safe travel within the country before mass-vaccination efforts begin;
2. Implement national arrival and departure testing protocols by building upon Calgary's pilot program and learning from international examples;
3. Provide support for airlines and airports akin to the system in place in the United States; and
4. Implement a globally consistent vaccine passport strategy.

VETERANS: AN ASSET TO ANY WORKFORCE

Canada's military men and women are known around the world for their leadership skills, teamwork and dedication. They are highly skilled in areas such as planning, communication, management, and the trades. Without question, they would be an asset to any workforce; it is not always appreciated by the business community how big an asset someone with military experience can be. Each year, approximately 5,000 members of the Canadian Armed Forces leave the military. Many of them struggle as they attempt to make the transition to meaningful and sustainable civilian employment.

The ability to quickly retrain and re-deploy workers, when either market forces change or technology disruptions occur, will be paramount to Canada succeeding in the economy of the future. One of the keys to success will be to strategically identify the specific work-related skills of individuals who find themselves in transition and match them to jobs or short-term retraining opportunities.

Background

Veterans bring valuable skills and experience from their military service to the workforce.

A Federal Government study conducted for the Veterans Transition Advisory Council found that, out of 850 employers, most have "little to no understanding of the skillset veterans or former military personnel have."[1]

Once individuals join the military, soldiers receive some of the world's best training, worth on average between $500,000 and $1 million in government funds and resources. But all too often that expertise is ignored once the veteran or former military personnel leaves the military to pursue civilian employment. Soldiers who led battle groups in Afghanistan come home with management skills and crisis experience that could put them directly into mid-level management positions or higher; however, many human resource departments channel these battle-hardened vets into entry-level positions.

The same study showed a disconnect between civilian life from military experience. They discovered that close to half (45%) of employers agree that hiring a veteran reflects well on a business. And a significant number see veterans as disciplined and reliable individuals who can perform well in high-stress situations. But 35% do not think that their organization needs to make any special effort to recruit veterans, and nearly half (49%) had no opinion on the issue. Only 16% of employers agree that a corporation should make a special effort to recruit veterans.

Employers and companies can benefit from hiring veterans. Military personnel are often cross-trained in multiple skills and have experience in varied tasks and responsibilities. Many veterans have learned what it means to put in a hard day's work. They also appreciate the challenges and satisfaction of a job well done. Much of this experience can translate to their participation in the workforce making the veteran an asset on the job.

Strengths the veteran or former military personnel can bring to the workplace include:

- Working well in a team. Teamwork is considered an essential part of daily life and is the foundation on which safe military operations are built.
- Having a sense of duty. Responsibility for job performance and accountability for completing missions are something to take pride in.
- Experiencing self-confidence. Holding a realistic estimation of self and ability based on experiences is expected of each Service Member.

[1] https://nationalpost.com/opinion/francis-watt-putting-veterans-to-work

- Being organized and disciplined.
- Possessing a strong work ethic. In the military, the mission always comes first.
- Having the ability to follow through on assignments, even under difficult or stressful circumstances.
- Possessing a variety of cross-functional skills, such as extensive training on computer programs and systems, interacting with various people with different skills to accomplish a task, and coordinating and troubleshooting problems in novel and known conditions.
- Being able to problem solve quickly and creatively.
- Being able to adapt to changing situations.
- Being able to follow rules and schedules.

Many Canadian soldiers are unable to convert their advanced training into meaningful careers, even though the skill sets and experiences accumulated by soldiers would be highly valued by civilian employers.

The British Columbia Institute of Technology (BCIT) developed a solution at their SITE Centre, which conducts prior learning related research and assessment activities and turns them into advanced placement education options. At BCIT, The Legion Military Skills Conversion program accelerates and advances the civilian careers of former and current members of the Canadian Forces. They do this by mapping learning outcomes rather than course equivalencies, so that those from non-traditional educational backgrounds are given advanced standing in education and training programs.[2]

This is a great example where with polytechnics connections to industry, can be an integral asset to keep workers in the labour market -- and our economy moving forward.

THE CHAMBER RECOMMENDS

That the Federal Government work with Provincial and Territorial Governments to:

1. Revisit the implementation of a Military Employment Transition Program partnering with the chamber of commerce/board of trade industry, academic and industry associations;
2. Invest in a public campaign that clearly articulates the value of hiring veterans; and
3. Partner with Canada’s polytechnics and colleges to implement a skill identification and prior learning assessment process with time-compressed courses for those looking to retrain.

[2] https://www.ottawalife.com/article/how-a-program-retraining-canadas-veterans-offers-solutions-for-the-mid-career-worker?c=9

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