

Focusing **FORWARD** >>>

2022-2023 Policy & Positions Manual



BC Chamber
of Commerce



Introduction

The BC Chamber of Commerce (the BC Chamber) is the largest and most broadly-based business organization in British Columbia, representing local Chambers of Commerce and Boards of Trade and 36,000 businesses of every size and from every sector and region of the province.

This 2022-2023 Policy and Positions Manual contains informed opinions and policy statements adopted by members during the policy sessions held at the BC Chamber's 70th Annual General Meeting and Conference on June 7-9, 2022, in Prince George and online.

The manual serves as a working document for the BC Chamber's staff and Policy Review Committee, as well as members, to regularly review and assess the timeliness, importance, and scope of the provincial association's policy statements. It reflects what our members see as important issues and forms the foundation – along with the policies of the previous two years – of our advocacy work with both federal and provincial levels of government.

As we continue to emerge from the pandemic, the BC Chamber will actively advocate for government policies that address the cost of doing business in British Columbia, so the job-supporting small- and medium-sized businesses that are the backbone of our economy can thrive and grow.

We will also continue advocating for an economy that rewards innovation, and the need for resilient infrastructure across the province that enables businesses to get their goods and services to markets more efficiently and without interruption.

In short, we remain focused on making sure governments foster an environment where businesses prosper, families thrive, and communities flourish.

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SECTION I: POSITIONS ON SELECT PROVINCIAL ISSUES





FILLING THE PROVINCE'S NURSING SCHOOLS

Background

In February 2022, the provincial Ministry of Advanced Education announced an increase of 602 new nursing seats to public post-secondary institutions.¹ This move was very timely – in a fall 2021 survey of more than 3,000 BC nurses by the BC Nurses Union, 68% of all respondents said staffing at their worksite over the last three months had been inadequate, while 74% of respondents said staffing had impacted practice standards. Most worrying, 35% of all nurses said the experience of the pandemic made them more likely to leave the profession in the next two years, with 51% of emergency and ICU nurses saying the same. Of even greater concern is that the proportion of those likely to leave nursing due to the pandemic is highest among those aged 20-29 (42%).²

This exodus of young nurses, if it occurs, could be even more challenging for our province's health care system, combined with provincial pre-COVID data that indicates that B.C. would be short by 24,000 nurses by 2029,³ with 22% of all currently employed nurses in B.C. aged 55 or older.⁴ In short, we face a rapidly aging workforce at the same time as the next generation considers leaving the profession – a double disaster.

While 602 new seats is a positive start, more can and must be done. For example, Thompson Rivers University received an increase of 10 BScN seats and 15 LPN seats for September 2022, in accordance with the School of Nursing and Population Health's request. The School of Nursing has the capacity to fill up to 80 total new seats with the proper funding and planning time. In order to meet the province's current and future nursing shortage, there is a clear need for the provincial government, post-secondary institutions like TRU and health authorities to collaborate more to address the issues required to accommodate the larger number of students that is needed immediately and into the future.

In parts of the province nursing programs are at capacity and lengthy waitlists have been established. These students may not be aware of program openings in other parts of the province. A centralized information system can be established to identify vacancies in certain institutions, which can then be communicated to students applying to schools with a waitlist.

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Collaborate with post-secondary institutions with nursing schools and with provincial health authorities and First Nations Health Authority, immediately provide both the resources to fill all available seats in nursing school programs in the province's schools as well as the resources required to expedite the process of opening those seats as soon as possible.
2. Create a centralized information system that indicates available nursing program seats throughout the province.



REINSTATE BUSINESS AND EXECUTIVE COACHING AS PART OF THE WORK BC TRAINING GRANT PROGRAM TO ENHANCE TRAINING AND SKILLS PROGRAM

Background

The B.C. Employer Training Grant program (ETG) supports skills training to address provincial labour market needs. The program is delivered by the Province of British Columbia and is funded by the Government of Canada through the Workforce Development Agreement (WDA). The Work BC Training program has evolved over the years and has helped many employers and workers gain important skills. And as the labour market research indicates, there is a huge need for skills training that is growing exponentially. And according to the Work BC Website¹, it notes these statistics:

- B.C. is expected to have 1,004,000 job openings between 2021 and 2031.
- Nearly 80 per cent of these job openings will require some form of post-secondary education or training.
- Approximately 63 per cent of these future job openings will be to replace workers leaving the labour force, mainly through retirements.
- About 37 per cent of the 10-year total job openings will be new jobs created either through recovery from COVID-19 or new economic growth.

Here is what the World Economic Forum's Future of Jobs report states: ²

- 50% of all employees will need reskilling by 2025, as adoption of technology increases, according to the World Economic Forum's Future of Jobs Report.
- Critical thinking and problem-solving top the list of skills employers believe will grow in prominence in the next five years.
- Newly emerging this year are skills in self-management such as active learning, resilience, stress tolerance and flexibility.
- Respondents to the Future of Jobs Survey estimate that around 40% of workers will require reskilling of six months or less.
- Half of us will need to reskill in the next five years, as the "double-disruption" of the economic impacts of the pandemic and increasing automation transforming jobs takes hold.

According to the third edition of the World Economic Forum's Future of Jobs Report, it also maps the jobs and skills of the future, tracking the pace of change and direction of travel. Clearly, these statistics show the incredible need for on going skills training as well as "reskilling" in the work place.

In today's VUCA world, which stands for Volatility, Uncertainty, Complexity, and Ambiguity, the skills shortage is exacerbated by ever changing needs in the work place, thus skills training is more important than ever. However, The BC Jobs Training Program gives access to new skills for classroom work and traditional training, but this type of training is shown not to be as effective in a VUCA world as skills training combined with on the job application combined with training.

A great article in Mind Tools ³ talks about the importance of on-going skills training, and the fact that traditional classrooms fall short by not allowing the skills to be enhanced by accredited coaching, including business coaching, executive coaching, or leadership coaching through an association that includes on-going training and professional development and a code of ethics, such as PBCA (Professional Business Coaches

¹ https://www.workbc.ca/getmedia/c43af36f-f408-4990-9ae1-c5b5f5f7be7a/BC_Labour_Market_Outlook_2021_9MB.pdf.aspx

² https://www3.weforum.org/docs/WEF_Future_of_Jobs_2020.pdf

³ <https://www.mindtools.com/pages/article/managing-vuca-world.htm#:~:text=VUCA%20stands%20for%20volatility%2C%20uncertainty,day%2Dto%2Dday%20working>



Association) or ICF (Independent Coaches Federation) or similar. Statistics show that classroom learning is great in theory, but is often forgotten when it lacks hands on application. For example, learning supervisor skills is great, but without hands on implementation, fall short of expectations.

Statistics show that, similar to Red Seal accreditation that combines classroom learning with hands on implementation, accountability, and experience, adding coaching to reinforce learning between sessions (or between modules) and helping the worker apply what they learned while learning it increases their learning by 88%. “Companies that offer training alone experience 22.4% increase in productivity, but when combined with coaching that figure rises to 88%.” Gerald Olivero, Denise Bane & Richard Kopelman, Public Personnel Management. ⁴

Programs that use classroom work alone are shown to be forgotten or shelved by the learners. A resource on the Government of Canada’s website⁵ discusses five case studies where improving skills for workers work best when the employee is able to relate and apply the new learnings on the job. Coaching and training together do this. Studies show there is a significant deficiency in using classroom work alone versus adding coaching during the training to help the employees and employers see how to implement the training into their specific workplace. When they are, the above study shows significant improvement in productivity, safety, and also that while it includes access to professional training programs, unlike the Red Seal Apprenticeship Program, there is no allowance for access to coaches during the entire program.

Business and Executive Coaching can be done individually or in groups and help take the classroom training from theory to work-based experiences, where the employee can not only discuss how to apply the learning from the classroom to work applications, but then set up actions to actually use the skills over the next week before their next learning, report back, be accountable, and gain valuable experience along the way. They can not only apply it, but really use it and learn further and apply it in real time. This experiential learning from coaching is an incredibly valuable addition to training alone.

These five studies show the value of business and/or executive coaching and discuss the importance and value, of coaching for improvements of productivity and safety, and reduced absenteeism, improved employee engagement, and thus, improvement in the overall effectiveness of the training.

- <https://www.mowbraybydesign.com/coaching-roi/>
- https://www.luisazhou.com/blog/coaching-statistics/#business_coaching
- <https://www.thepartnership.org/blog/exchange/coaching-works-the-impressive-roi-of-executive-coaching-leadership-development/>
- <https://www.coachinggap.com/return-on-investment.html>
- <https://www.fingerprintforsuccess.com/blog/what-is-coaching>

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Reinstate the WorkBC, BC Employer Training Grant to include access to accredited business and executive coaches as part of the overall program.

⁴ <https://www.mowbraybydesign.com/coaching-roi/>

⁵ <https://www.canada.ca/en/services/jobs/training/initiatives/skills-success/tools/building.html>



SUPPORT FOR THE DEVELOPMENT OF MICROCREDENTIAL PROGRAMS

Life-long learning has never been more important, as new technologies and emerging sectors require employees to have up-to-date knowledge and skills. Following the economic disruption caused by the COVID-19 pandemic, many British Columbians will seek opportunities to upskill and retrain. Microcredentials (short duration, high value, competency-based credentials) are great options for many mid-career employees and represent a significant opportunity for employers and government to collaborate on efforts to improve the competitiveness of B.C.'s workforce.

Background

Colleges & Institutes Canada defines a microcredential as: 'a certification of assessed competencies that is additional, alternate, complementary to, or a component of a formal qualification.'⁶ These post-secondary programs are short, competency-based courses. They are designed to quickly teach new skills or upgrade existing ones in a targeted area, using more flexible instructional strategies (online, evenings, etc.). As a result, these programs are well-suited to both building up a resume or advancing a career and are often more accessible to non-traditional learners, especially mid-career professionals who would only have to take little or no time off work to pursue a microcredential. Many microcredentials provide post-secondary credit and can be used, or stacked, toward completion of longer post-secondary programs such as certificates or diplomas.

Given the changing nature of the workforce, employers and governments have an interest in enabling workers to upskill on an ongoing basis. The COVID-19 pandemic has further catalyzed these changes, and many workers have taken advantage of new opportunities to pursue career changes or additional training. There are projected to be an exceptional number of job openings in the next ten years, especially due to retirements. According to the B.C. Jobs Outlook, B.C. is expected to have 1,004,000 job openings between 2021 and 2031, and nearly 80% of these job openings will require some form of post-secondary education or training.⁷

Recognizing the increasing demand for such programs, the B.C. government has already demonstrated significant support for microcredential programs across the province. In February 2021, the B.C. government announced funding for 15 public post-secondary institutions to provide microcredentials for more than 2,000 British Columbians.⁸ In September 2021, the government announced funding for an additional 35 microcredential programs to be delivered to 7,500 learners over a three-year period.⁹ According to the Micro-Credential Framework released by the government, one of the guiding principles for the development of microcredentials in B.C. is the importance of ensuring that employers and industry sectors are actively engaged in the process of developing and expanding microcredentials that support their workforce needs.¹⁰

This guiding principle is key to the success of microcredentials. Having an industry voice involved in the development of microcredential programs will help ensure the program is relevant, targeted and recognized by current and future employers in the sector. In 2021, the Higher Education Quality Council of Ontario (HEQCO), with the support of the Business + Higher Education Roundtable (BHER), surveyed 201 Canadian employers about their perception of microcredentials.¹¹ Overall, the employers who participated in the survey

⁶ Microcredentials: <https://www.collegesinstitutes.ca/policyfocus/micro-credentials/>

⁷ B.C. Labour Market Outlook: 2021 Edition: <https://www.workbc.ca/labour-market-industry/labour-market-outlook.aspx>

⁸ Micro credentials fast track to high-demand jobs: <https://news.gov.bc.ca/releases/2021AEST0012-000225>

⁹ Micro-credentials a gateway to support B.C. workers: <https://news.gov.bc.ca/releases/2021AEST0060-001869#:~:text=Micro%2Dcredentials%20recognize%20stand%20Dalone,for%20employment%20or%20learning%20purposes.>

¹⁰ Micro-Credential Framework for B.C.'s Public Post-Secondary Education System:

https://news.gov.bc.ca/assets/releases/2021aest0060-001869/micro-credential_framework.pdf

¹¹ Pichette, J., Brumwell, S., Rizk J., Han, S. (2021) *Making Sense of Microcredentials*. Toronto: Higher Education Quality Council of Ontario. <https://heqco.ca/pub/making-sense-of->



saw potential for microcredentials to play an important role in lifelong learning. About two-thirds of respondents said they would see a microcredential as highly favorable if it were directly related to the job at hand, competency-based, and or/accredited. Nearly 70% said that they would have a highly favourable view of microcredentials that were competency-based. Lastly, 54% of employers said they were open to working with post-secondary partners to deliver micro credentials.

New Zealand has recently introduced microcredentials as a part of their regulated education and training system. One of the requirements for microcredentials is to have “strong evidence of need from employers, industry, and/or community.”¹²

In January 2022, the Greater Vancouver Board of Trade, in partnership with the British Columbia Institute of Technology (BCIT), announced the launch of a new Environmental, Social and Governance (ESG) Fundamentals Microcredential. The ESG Fundamentals Microcredential will provide 24 hours of training from BCIT instructors and industry experts over a five-week period. This innovative new offering, along with the almost two dozen other microcredentials available at BCIT, is a good example of an industry voice working with a post-secondary institution to deliver a short-term upskilling opportunity that meets the needs of employees and employers as well as the changing nature of industry.

There is great potential in expanding the availability of these short-term credentials across the province to ensure employees have the skills they need to succeed in the current and future labour force and responding swiftly to the needs of employers for a workforce with up-to-date and relevant skills. Incorporating the industry perspective in the development of these programs will ensure they are comprehensive, relevant and recognized by employers.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. In collaboration with post-secondary institutions and the private sector, increase the number of microcredentials programs offered, based on employer and labour market needs, with a focus on in-demand occupations, to reduce the skills gap and provide more opportunities for British Columbians.
2. Recognizing the importance of embedding microcredential programs in the industrial and workforce contexts of their fields, work with the BC Chamber Network to help connect post-secondary institutions with industry partners to develop programs that meet the needs of employers.
3. Implement ways to provide incentives for employers to offer microcredential programs to their employees as well as support for students to pursue them.

[microcredentials/#:~:text=Making%20Sense%20of%20Microcredentials%2C%20a,postsecondary%20institutions%20and%20potential%20students.](#)

¹² New Zealand Micro-credentials: <https://www.nzqa.govt.nz/providers-partners/approval-accreditation-and-registration/micro-credentials/#heading2-0>



HELP FOR BC'S VETERINARIANS

Background

Currently in British Columbia, it is very difficult to find a veterinarian. In northern BC, for instance, clients are waiting upwards of 2 months to see a vet for a sick pet. Clinics are struggling to keep up with the demand, but are at a loss when it comes to hiring new veterinarians. This is not a new problem, it is being further exacerbated by the combination of the COVID19 pandemic and pet owners engaging in more preventative medical practice.

Further to the Government of BC's announcement of additional funding for the Western College of Veterinary Medicine (WCVM) on April 4, 2022, we recognize that this funding falls short of current and future demands, leaving perspective Veterinarians and their clients at risk. At current rates, BC must be producing 100 veterinarians per year just to maintain retirements, demand, departures to other jurisdictions and changes to animal care.

For the 2022/23 academic year, the Province will be funding 40 seats at the WCVM, and it is anticipated that approximately that number of veterinarians return to BC to practice here annually. In addition, the government also allots for some "non-funded" seats, which run the student \$55k per program year.

In 2018, recognizing the emerging crisis before them, the Government of Alberta announced they would cease their \$8M annual funding for the WCVM, opting to create and fund additional seats at the University of Calgary – Faculty of Veterinary Medicine (UVCVM) – creating a made in Alberta solution to the problem.

While BC will accept internationally trained veterinarians, it is an expensive, drawn out, and challenging process. Because of this, it does not have as much uptake as the veterinary community requires.

There is approximately 1600 working veterinarians and about 40% own their own practice, making this practice a significant contributor to the small and medium sized business landscape here in BC. Because of the lack of veterinarians and the increase in pet ownership, vets are burning out. Some owners are limiting the growth of their business because they simply cannot find the staff to service their community and let their business grow.

The Government of BC has been encouraged to fund more seats at the WCVM, but have decline additional funding, leading to today's significant shortage. Additionally, they have been encouraged to make it easier to welcome internationally trained vets, but that has not come to fruition.

While we know the longer term solution is to fund a made in BC solution, that process will take years of work to implement for an industry that is desperately in need of assistance today:

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Immediately fund additional annual seats at the WCVM;
2. Undertake a review of the standards and process for approving the credentials of internationally trained and accredited veterinarians;
3. Explore options, similar to Alberta, of moving to a provincial training institute instead of sending future veterinarians to WCVM in Saskatchewan; and



4. Engage the existing post-secondary institutions in BC to determine which one may be in a position to provide immediate supports for local programming and accreditation for new veterinarians.
5. Additional funding be included for the expansion of seats for Veterinarian Technicians to ensure adequate supports are provided



IMPLEMENT THE DEVELOPMENT APPROVALS PROCESS REVIEW (DAPR)

For years, chamber members have expressed significant challenges posed by local development approvals processes across the province.

As a result of the pressure from key stakeholders, the Development Approvals Process Review (“DAPR”) was initiated by the Ministry of Municipal Affairs and Housing, in collaboration with various stakeholders, to address challenges and identify opportunities for improvement in the current development approvals process and to support local governments in eliminating barriers to affordable housing and accelerate the construction of the homes they need in their communities.

DAPR consultations brought together diverse stakeholders from organizations across the province, enabling the Ministry to undertake a broad review of the development approvals processes. Throughout these consultations, several opportunities were identified that would guide and assist local governments and the province in revising and improving development approvals processes. The challenges and opportunities that were identified are laid out in a comprehensive report dated September 2019 (the “DAPR Report”).

Within the DAPR Report, the Ministry confirms that “...the development sector has grown and changed over the past few decades to become one of the largest industries in the province. In 2017, residential development alone was responsible for nearly \$12 billion in wages and nearly 200,000 jobs. Strong demand has increased competition for building sites, particularly in high-growth areas, resulting in shorter option periods when acquiring land. This creates great risk for developers and heightens the need for certainty at the outset of the development process.”

Further, the purpose of DAPR is to “empower local governments to eliminate barriers to affordable housing and accelerate the construction of homes people need.”

The Ministry has confirmed that that Phase 4 – the implementation phase - of DAPR is underway, however there has not been any significant changes enacted to date.

The opportunities presented in the DAPR Report would significantly improve the development approvals process and should be implemented.

Background:

The DAPR Report was prepared in September 2019. This process was initiated as part of the Ministry’s commitment to empower local governments to eliminate barriers to affordable housing and accelerate construction.

DAPR consists of four phases, with the first three focusing on stakeholder consultation. These consultations identified the key challenges and opportunities felt by the stakeholders and formed the basis for the DAPR Report. The Ministry noted that phase four would include consideration and analysis of particular opportunities in consultation with stakeholders and implementation of solutions as appropriate.

Specifically, the following is a summary of the key issues, challenges, and opportunities set out in the DAPR Report:

Local government application process



The local government processes for planning and land use are flexible, which has resulted in considerable process variations and differing requirements between local governments.

The specific challenges include inconsistent guidelines, complex requirements, a lack of transparency, and a lack of consistency between local governments.

The opportunities identified by these challenges include triaging applications, implementing a digital permit tracking system, creating a model Development Approvals Procedure Bylaw, best practices, improvement to staffing education and training, support from the provincial government, and minimum liability insurance for professional positions.

Local government approval processes

A. Delegation of authority

The Province provides authority to local governments for development approval tools under several pieces of legislation: the *Local Government Act*, the *Community Charter*, the *Building Act*, and the *Vancouver Charter* (applying to Vancouver only). Legislation specifies which decisions must be made by elected officials, which may be delegated to staff and which must be made by staff.

The specific challenges include issues around requiring an elected official to approve various applications, which lead to increased timeframes and uncertainty, and the necessity of approval where an application aligns with the Community Plan.

The opportunities identified by these challenges included empowering elected officials delegating to individuals to approve, reframe legislation, implement an appeal process, training and/or best practices guide for conducting meaningful and robust public consultation process for OCP and pre-zoning, and delegate approval for subsequent applications.

B. Public Input process

Public hearings are required for all development applications that seek amendments to OCPs and to zoning bylaws that are not consistent with the OCP. Public Hearings can be waived for rezoning that are consistent with the OCP, however many local governments choose to hold a public hearing regardless.

The specific challenges include that the public hearing process is ineffective and typically occurs late in the development process after significant costs have been incurred. They also attract and empower interest groups that may not have the community's best interest in mind and may not even be impacted by the application.

The opportunities presented by these challenges include improving the public hearing process including receiving more meaningful, earlier input from the public, advertising requirements, and using OCPs in the development approvals process, including provincial funding for the OCP updates and removing the requirement for public hearings for minor amendments.

Development finance tools

Development finance tools play a significant role in the development approvals process as they are key mechanism by which local governments invest in the infrastructure, services, and amenities needed to support new development. These are often in the form of development cost charges (DCCs) and community amenity contribution (CACs).

The challenges identified include the fact that DCCs do not provide funding for maintaining and replacing infrastructure and can only be collected for limited uses. As such, local governments have increasingly relied



upon CACs to address public expectation for a range of neighborhood amenities, however CACs are unclear and create considerable cost and approval uncertainty.

The opportunities presented by these challenges include conducting a comprehensive review of the development finance tools including defining CACs in legislation, removing the ability of local governments to levy CACs, create a new development tool called Super DCCs, new best practices guidance, secure and provide more reliable funding for local governments as a means of reducing funding pressure from DCCS and CACs, and training.

Subdivision

Subdivision applications must be approved by an approving officer appointed under the *Land Title Act*. Approving officers are quasi-judicial officials who act independently to ensure that subdivisions comply with provincial acts and regulations, and with local government bylaws for official community plans, zoning, servicing, and other plans and bylaws.

The challenges identified include uncertainty around the role of the approving officer, inadequate training opportunities, low capacity, and preliminary layout plans are not used consistently, although useful for the developer.

The opportunities presented by these challenges include developing enhanced communication material about the subdivision approval process, providing regional district the authority to have their own approving officers, developing model letters that governments could use to provide guidance to proponents early in the process, and enabling governments to use cash-in-lieu for parkland dedication more widely.

Overall, the Guiding Principles established by DAPR include:

1. Achieves Outcomes in the Public Interest
2. Certainty
3. Transparent Access to Information
4. Collaborative
5. Flexible
6. Timely
7. Balanced

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Recognize and create a plan to implement the DAPR Report as a whole utilizing legislative and non-legislative changes; and
2. Work together with local municipalities, including providing education, around DAPR and assistance in implementing the opportunities presented in the DAPR Report as set out in the foregoing legislative and non-legislative changes.

Resources used in the development of this policy

1. Development Approvals Process Review Report, Sept 2019.
<https://chamberofcommercekam.sharepoint.com/sites/KamloopsChamber/Shared%20Documents/Chamber%20Summit%20-%20AGM%20&%20Policy%20Session/2022/Policy%20Session/Development%20Approvals%20Process%20Review%20Report%20Sept%202019.pdf>
2. https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/planning-land-use/dapr_2019_report.pdf



PERMANENT DAYLIGHT SAVINGS TIME (DST) FOR BRITISH COLUMBIA

Twice a year, in B.C. and in most parts of Canada, Canadians join with approximately 76 other countries around the world and practice Daylight Saving Time (DST). Since 2007, the clocks have moved forward on the second Sunday in March and then moved back on first Sunday of November.

In 2007, the B.C. government received 4,300 submissions from businesses, individuals and organizations and conducted a 4-week public consultation on expanding DST by an extra 3 weeks every year in order to align with the U.S. and other jurisdictions. The final tally showed that 92 percent of respondents favoured DST and the extra hour of daylight during the evening hours.

In 2019, the provincial government has launched a public engagement on the time change that garnered over 150,000 responses from British Columbians in just 1 week of the consultation process.

Currently, 78% of the world does not change time. In North America, Saskatchewan, Yukon, northeast B.C. and parts of east Kootenay's and Arizona don't change time. Neither do other areas and countries, such as Hawaii, Puerto Rico, China, Japan, Russia, South Korea, India and most of Australia, South America and Africa.

In November 2015, a petition was launched to Stop the Time Change in B.C. Within the 4 months during Standard time (Nov – March), the petition has obtained almost 25,000 signatures, raised awareness across Canada and definitely started the conversation. There was a meeting held in November 2015 with provincial Ministers Terry Lake and Todd Stone to discuss the petition and start the conversation within the B.C. Legislature.

In 2018 and 2019, California, Washington State and Florida have overwhelmingly passed state legislature bills to remain on permanent DST. Oregon currently has a bill introduced, but not yet voted on. In the United States changing the time requires federal approval. The states are now waiting for the federal approval to happen. These states would join Arizona, Hawaii, Saskatchewan and parts of British Columbia as jurisdictions that do not change time.

Background

The primary goal of DST is to conserve energy, but whether DST actually saves energy is unclear and there are many contradictory studies. There are, however, even more studies that tell us that the change itself can cause accidents, injuries and even deaths. Many of these issues are related to sleep pattern change that the biennial shift mandates.

There is a growing collection of evidence to show that the biennial time change has plenty of unintended consequences, examples such as these can directly affect the operation of business.

Workplace accidents

Workplace accidents may be another side effect of sleep loss from the one-hour time change. They increase in frequency that Monday. "Perhaps even scarier, is the spike in injury severity," said Christopher Barnes, an assistant professor at the U.S. Military Academy at West Point. "Instead of bruising a hand, maybe you crush a hand." A study Barnes led in 2009, and reported in the Journal of Applied Psychology, looked at the severity of workplace accidents in miners on the Monday following the time change. The researchers found a 5.7 percent increase in injuries and a 67.6 percent increase in workdays lost to injuries. Barnes said the results were likely to be similar in other workplaces with similar hazards. Sleep loss determines the difference between the relatively common near-miss that happens in mining, and a true accident, said Barnes. "We're closer to



disaster than we realize,” he said. “The margin for error is not very big.” “If I were in that environment, one thing I would try to do is schedule you’re most dangerous tasks for other days.”

Sleep loss

Alterations to sleeping patterns can mean employees have to make substantial changes to their routines, and some studies have shown that absenteeism goes up in the first few weeks of the introduction of DST.

In a culture where we are constantly being told we need more sleep, the start of DST piles another hour per person onto the national sleep debt. “We’re already a highly sleep-deprived society,” said Russell Rosenberg, Vice-chair of the National Sleep Foundation. “We can ill afford to lose one more hour of sleep. Additionally, the shift in the period of daylight can present a challenge in catching up on sleep. “It does take a little extra time to adjust to this time change, because you don’t have the morning light telling your brain it’s time to wake up,” he said.

Heart attacks

As our workforce is continuing to age, the connection between sleep and heart attacks gained attention following a 2008 Swedish study that showed an increase of about 5 percent in heart attacks on the three weekdays following the springtime shift. “Sleep and disruption of chronobiological rhythms might be behind the observation.” Heart attacks have been found to be highest on Mondays after the time change, so a shift in sleeping patterns may explain that as well as Dr. Imre Janszky told My Health News Daily. According to a 2012 study at the University of Alabama Birmingham, the Monday and Tuesday after daylight saving time in the spring have also been associated with a 10% increase in heart attacks. The study found a corresponding 10 per cent decrease in heart attack risk over the 48 hours after people “fall back” and gain an extra sleeping hour in the fall.

Traffic accidents

An increase in traffic accidents is perhaps the best studied health consequence of the time shift. Sleep loss puts people at much higher risk for motor vehicle accidents,” Rosenberg said. A 1996 study published in the New England Journal of Medicine showed an 8 percent increase in motor vehicle accidents on the Monday following the time change. A 2001 study from Johns Hopkins and Stanford universities also showed an increase on the Monday following the change. At least one U.S. agency has taken the point to heart. Last November, as the clock shifted back to daylight standard time, the National Highway Traffic Safety Administration warned drivers that, with nightfall occurring earlier in the evening, “adjusting to the new, low-light environment can take time, and that driving while distracted puts everyone — and especially pedestrians — at greater risk of death or injury.”

Tourism Boost – many tourism and outdoor activity businesses believe that daylight saving time could provide a financial boost for the tourism industry. Shifting that extra hour to the end of the day could boost outdoor activities and bring in an extra two (2) percent in revenue from visitors, according to timeanddate.com

Moving clocks forward and backward every year in an increasingly complex digital world is not without consequences either. Air traffic schedules, train schedules, public transport schedules all must be changed biennially. It complicates timekeeping, disrupts meetings and even livestock have been shown to have trouble adjusting to new routines.

Moving the hours around twice a year is a complex matter. Although it was originally brought forward by Benjamin Franklin as a way to conserve energy, and that remains its primary purpose to this day, there is in fact no consistent evidence to show it is helping us. There is on the other hand, plenty of evidence to show that constantly shifting back and forth does harm.



With the recent bills being passed in California and Washington state, Premier Horgan has now reached out to these states for more information and has stated that all the pacific will benefit from remaining on the same time, and he is open to the idea of stopping the time change if the west coast states do the same.

It is for that reason that the Chamber of Commerce advocates a no-time-shift policy and remains on DST for the calendar year

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Collaborates with Washington State, Oregon and California to have the Pacific Time Zone in Canada and U.S.A to remain on Daylight Savings Time throughout the year.



PROGRESSIVE HOUSING SOLUTIONS TO ADDRESS WORKFORCE CHALLENGES

The lack of diverse and affordable housing across British Columbia is having a significant impact on employers and employees. To ensure future economic sustainability, governments must work together to increase the supply and diversity of the housing stock without delay.

Background

The cost of housing continues to rise across British Columbia, with increases ranging from 8.3% in Powell River to 30% in the East Fraser Valley.¹³ Demand for housing is outpacing housing supply in both new builds and available rentals. By 2040, B.C.'s population is expected to grow by over one million people, requiring at least half a million new dwellings.^{14,15} A substantial portion of this population growth will be in urban areas, but all communities across B.C. will also face significant growth with even less housing capacity.

Over the past decade, around 40,000 new Canadians have immigrated to B.C. each year. This has increased demand for housing and supply has not kept pace. As demand for housing has outpaced supply, the average price of purchasing a home in B.C. has increased dramatically. As of September 2021, the benchmark sales price for a new home in Metro Vancouver was over 1.2 million dollars, more than triple the benchmark price from twenty years prior, and a 28% increase from just two years prior.¹⁶

Not only is the price of purchasing a home increasing, but rental vacancy rates across B.C. are alarmingly low compared to other Canadian regional centres. The overall vacancy rate in the rental market remains below one per cent and the absorption rate for multi-family homes in the Greater Vancouver region is almost 100 per cent.¹⁷ Current data shows 43% of B.C. Renters pay more than 30% of income on shelter costs and 21% pay more than 50% of income on shelter costs.¹⁸ The inadequate volume of housing threatens to drive away young professionals and hinders businesses' ability to attract labour. Diminished capacity to attract labour will negatively impact our province's productivity and competitiveness.

As demonstrated by recent budget commitments, the provincial and federal governments are rightly devoting more resources to addressing the affordable housing crisis. The 2022 federal budget outlines more than 8 billion dollars in investment in new housing. The 2022 BC Budget outlines \$166 million in investment as part of the province's affordable housing strategy. While these are important commitments, government has yet to implement any systematic reforms to zoning and land use policies that drive the undersupply of housing.

Gap Between Population Growth and Housing Supply/Demand

While there is no silver bullet when it comes to improving housing affordability, B.C. would benefit from initiatives that increase housing form and density, incentivize more efficient land use, and streamline and improve permit processing procedures.

Increasing Housing Density

B.C.'s Regional Districts and incorporated municipalities all have unique geography and challenges when it comes to addressing housing supply. Physical barriers and legislated land restrictions (Agricultural Land Reserve, Urban Containment Boundary etc.) significantly limit land available for new developments, meaning

¹³ B.C. Real Estate Association, November 2021

¹⁴ Regional Growth Strategy – Metro Vancouver 2040: Shaping Our Future;

¹⁵ B.C. Stats, [Population](#) and [Household](#) Projections for British Columbia

¹⁶ Greater Vancouver & Fraser Valley Real Estate Boards, via Rennie

¹⁷ Canadian Mortgage and Housing Corporation, "Housing Market Outlook: Vancouver and Abbotsford CMAs," 2016

¹⁸ [Canadian Rental Housing Index](#), 2022



most of the needed increase in our housing supply will need to be in areas where housing already exists. This requires creative housing solutions that balance density with livability.

Despite constrained geography, inefficient land use continues to exacerbate B.C.'s housing affordability challenges. On average, 69% of residential zoned land in municipalities across B.C. is occupied by detached single-family homes, housing a small minority of our total population.¹⁹ The number is much higher for the City of Vancouver – around 80% of residential zoned land is occupied by single-family detached homes.²⁰ This is unsustainable, and building in this manner results in unaffordable city centres. Families and working professionals would be pushed out of the city and further away from their jobs, thereby increasing commute times and emissions. *Diversity in Housing Form*

To make more efficient use of available land, we must construct higher density housing known as the “Missing Middle,” which includes, but is not limited to laneway housing and secondary suites in single-family home zones, townhouses, and apartment multiplexes. The availability of housing units that can support families is also of great concern. While some local governments have recently introduced family-unit requirements for new developments, zoning and regulations have created disincentives to build denser family housing styles like townhouses and other higher density housing options.

Processing Time Limits

Long permitting times, re-zoning processes and unpredictable outcomes generate uncertainty for development proponents, often stall housing developments and act as barriers to increasing supply of housing. Developers incur significant costs due to the uncertainty, inefficiency and delays. These costs are often passed down to the home buyer, further escalating the already high housing costs and worsening housing affordability. There is an incentive for developers to mitigate these costs and lengthy delays, which may result in undesirable consequences.

Data Collection on Timelines

Regulatory processes at the local government level can take more than a year for new developments, even if rezoning is not required.²¹ These processes, while generally similar, vary across jurisdictions. While some municipalities have made progress on data collection by creating tracking systems, a more systematic approach will enable the public to hold policymakers more accountable for creating more efficient approval timelines.

To properly address lengthy development timelines across, there must be a consistent, empirical system to measure, monitor, and compare timelines and processes across municipal boundaries. There is a role for the B.C. Government to play in prioritizing and mandating the collection of data and ensuring standardization for what data is collected and how it is made publicly available.

Concurrent Processes

When the development process is simplified and streamlined according to a set of clearly defined desirable outcomes, development timelines become much shorter. When the timelines are shorter, and the expectations are clearly laid out, homebuilders can invest quickly and with certainty. This allows greater diversity and supply to be added to the market at a rate which keeps better pace with rapidly growing demand.

¹⁹ Greater Vancouver Home Builders' Association & Landcor Data, 2017, "[Housing Approvals Study: A Review of Housing Approvals Processes in Metro Vancouver.](#)"

²⁰ Ibid

²¹ Kenneth Green, Ian Herzog, and Josef Filipowicz, "New Homes and Red Tape: Residential Land-Use Regulation in BC's Lower Mainland," Fraser Institute, July 2015



Concurrency is the practice of processing permits simultaneously rather than sequentially, which can significantly reduce development timelines and improve the time it takes for new housing supply to enter the market.²² Understanding where duplications exist and working to streamline the permitting process can increase efficiency for both developers and local governments. The B.C. government should require local governments to achieve concurrency in permit processing.

Conclusion

Housing affordability impacts everyone from young families, seniors, employers and employees. There is an urgent need for the B.C. government to take immediate action to address the lack of density being built, and the length of time it takes for new housing supply to be built.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Assist municipalities, in developing a planning framework that actively encourages new housing options , including the following:
 - a. Incentivize municipalities to deliver density near new and existing transportation hubs and adjacent to transportation corridors like highways;
 - b. Require municipalities to pre-zone for dense, transportation-oriented development during the transportation planning process; and
 - c. Consider imposing statutory time limits to stages of the property development process
2. As part of the housing needs assessment process, require municipalities to report the level of density they are delivering under current land use and zoning designations, and to enact changes where necessary to ensure the appropriate level of density is achieved according to the community’s specific needs;
3. Ensure that Official Community Plans are updated regularly, respond to population changes, address the gaps identified in cities’ own Housing Needs Assessment.
4. Work with local governments to meaningfully reduce development timelines through concurrent permitting for all housing types to enable more affordable and diverse housing supply;
5. Amend Section 941(1) of the Local Government Act to read “An owner of land being subdivided must (a) provide, without compensation, park land *or land to be set aside for attainable housing* of an amount and in a location acceptable to the local government, or (b) pay to the municipality or regional district an amount that equals the market value of the land that may be required for park land purposes *or attainable housing under this section determined under subsection (6)*”

²² Meg Holden, Sophie Fung, and Daniel Sturgeon, “Getting to Groundbreaking: Residential Building Approval Processes in Metro Vancouver,” Greater Vancouver Homebuilders Association, March 2016



CHILDCARE

While the BC Government has made tremendous investments in childcare and has made efforts to reduce barriers for families to access childcare, there are critical issues to address for the sector including the need for Early Childhood Educators (ECEs) as well as a focus on specific needs for the private sector of childcare providers.

This policy outlines the case for a balanced approach to childcare to achieve affordable and quality care in the interests of children, all families and the taxpayers of BC. In order to successfully establish affordable childcare in BC, it is essential that parents and families are left with choices and flexibility for all childcare providers to meet the current and growing demand to ensure accessible services are for BC's workforce.

Childcare operators within the spectrum of providers require additional support. While many supports are available now for Indigenous, not for profit, and public providers, the private sector has been left out. Private daycare operators have historically delivered childcare in support of women, families, and the provincial economy and must be part of the solution while given the autonomy to manage business operations without overly burdensome red tape and intervention. Further dialogue and transparency with private childcare providers and the public is essential to a successful path forward, fairness, and to achieve shared and sustainable objectives with all stakeholders. Moreover, the labour shortage in childcare is very real. We need a greater supply of Early Childhood Educators (ECEs), who also need more support, and more specialized ECE training.

BACKGROUND

In 2022, the BC Government continued to enhance childcare access. From 2018-2021, the BC government invested \$2.2 billion in Childcare BC – denoting the most significant childcare investment in BC's history.²³

These changes included:

- Creating more before- and after-school spaces, including nearly doubling the Seamless Day program from 24 to 44 school districts, and expanding the Just 4 program to 14 more school districts.
- Through the new shared agreement with the federal government, delivering 30,000 new spaces for children under the age of six within five years, and 40,000 within seven years, however, private facilities are excluded from this funding.
- Through a new agreement with the federal government, fees for full-day infant and toddler care will be reduced by 50% to an average of approximately \$20 a day by the end of 2022.
- Expanding the wage enhancement program to early childhood educators (ECEs) who spend less than 50% of their time in direct childcare functions but are still working within childcare services.
- Adding new licensing officers to accelerate the process of certifying childcare facilities.
- Expanding the dual credit program to 150 more students and creating 130 more ECE training seats annually in post-secondary institutions.

These are all positive developments particularly given the demand for quality childcare as parents are at work. Quality childcare has significant benefits to children including peer socialization, school readiness, and numeracy and language skills. In BC and Canada, options for childcare are varied, ranging from nannies, home daycares, daycare centres, preschool programs, and before and after school services. Finding the most

²³ [Support for B.C. families, early childhood educators | BC Gov News](#)



appropriate childcare arrangement can, at times, be challenging. Parents must often balance the need between the overall quality, convenience, availability and cost of childcare.²⁴

The research done by Dr. Paul Kershaw of UBC found that work-life conflicts of parents raising young children is costly for employers with resulting higher absenteeism rates, greater turnover, and increased use of employer funded extended health benefits.¹ Further, the cost to the BC business community, according to Kershaw, is over \$600 million annually and over \$4 billion for Canadian businesses. These costs are exasperated by the costs to the Canadian health care system of over \$2.5 billion and child welfare of over \$1.2 billion. Inadequate childcare is too costly to ignore. Therefore, it is essential that childcare policy and development in BC are approached with a holistic viewpoint and are outcomes based.

In urban regions, prime employment areas for a diverse and skilled workforce, homeownership requires two reasonable incomes to cover mortgage payments. Childcare for one or more children can be the equivalent of another mortgage payment or higher than rent for family sized homes (2-to-3-bedroom units). Establishing a targeted \$10 a day Childcare model available for families who need it most would support affordability. This would free up financing opportunities for young adults and others to enter the housing market, becoming stabilized, and contributing to the community's economy while preserving options in the sector and in an efficient approach for taxpayers in the interest of all British Columbians.

KEY CONSIDERATIONS TO IMPROVE CHILDCARE POLICY IN BC

Fees and pricing

Currently, childcare facilities can opt into the BC Child Care Fee Reduction Initiative (CCFRI). When they opt in, there is a layer of regulations that the facilities are required to adhere to. For example, any fee increases (whether it is nominal, regionally aligned and minor or a great amount) must be approved by the Ministry and greater amounts of information may be required of the provider.²⁵ There is no policy on turn-around for a decision, which alarms many providers. The process has not been well communicated with private facilities as many are still unaware of how to enroll in the program.

Pricing restrictions associated with opting into the new \$10 a day childcare model in BC make it challenging and at times unfeasible to run daycares in different markets with varying operational cost environments including ability to adequately pay staff. If fees are dictated by the government without consideration of each different centre, little funds will be left to raise the livable wages of staff. Owners will be limited with how much they can reinvest in their businesses to improve and expand on services.

If private daycare operators do not opt in to the \$10 a day model geared to Not for profits and public spaces, they face unequal market conditions due to government subsidizing other care centers and institutionalization of the industry. There is a real risk that many private operators will shut down and thus the availability of childcare spaces will suffer tremendously.

Early Childhood Educators (ECE)s in BC

The shortage of ECEs in BC cannot be understated as their importance which is foundational to the childcare sector. In BC, there is a widespread shortage of qualified, well-trained ECE workers. Because of this shortage, operators are less stringent in hiring and vetting practices. One reason for the shortage is because of the lack of training availability and there are options to expand this.

²⁴ <https://www150.statcan.gc.ca/n1/pub/89-652-x/89-652-x2014005-eng.htm>

²⁵ https://www2.gov.bc.ca/assets/gov/family-and-social-supports/child-care/child-care-operating-funding/ccfri_funding_guidelines_21_22.pdf



As an example, Surrey released their Surrey Child Care Report for 2020-2021²⁶ detailing a comprehensive analysis of Surrey's ability to provide childcare access for workers, and a lack of coordinated childcare planning and service delivery. The key findings of the report illustrated the lack of childcare resources and support services for families in the advent of Surrey's booming population. Early Childcare Educators (ECE) cannot receive training in adult education facilities in Surrey.²⁷ These issues are not specific to Surrey. They are applicable to many cities in BC.

Current ECE restrictions are also excluding young adults out of high school. To work in a licensed facility, you must be 19 years of age unless an exemption is received, which is difficult to secure. There is also a lack of ECEs that are infant-toddler and special needs certified, which neglects many parents from seeking childcare because there may not be any professionals that can provide the services that their children require.

There is a lack in ECEs with infant-toddler and special needs certification. Facilities that can offer a broad array of ECEs are in demand and can help children with their development. Ensuring that we have the workforce to cater to these needs is essential in building up a childcare program in British Columbia.

Additionally, important to note is that the government's new childcare model includes the Ministry of Education targeting Early Childhood Educators and having them fill roles as Education Assistants in the public school system. This further undermines labour market availability in daycare settings where the need is the most and where the ECE staff ratio to children exists.

Childcare space creation

The BC government indicated they will be building 40,000 new spaces for childcare in the next seven years. This investment is available to not-for-profit, public spaces, and Indigenous providers. Excluded from this investment is the private providers that were the backbone of support for parents during the COVID-19 crisis. The government needs to ensure that these businesses that provide an essential service can expand. All organizations are key to solving the childcare crisis.

Currently, facility investments come out of operating costs at \$40,000 for local governments and school districts to develop a single childcare space. This has been deemed inadequate throughout the province such as Squamish and Vancouver Island. The investments that are made for childcare spaces show in operating expenses of the provincial budget. These investments should be shown in the capital expenses section. Private facilities should also receive a capital tax incentive or credit when they create new space, which is a program that was ended by the NDP government.

Any public investment into constructions including schools, hospitals, libraries, and others, must include a childcare component.

Affordability and accessibility to quality childcare spaces are necessary for employees to be able to perform at peak productivity, confident in the knowledge that their children are cared for in a safe, learning environment. Continuing to build a universal, affordable, quality childcare system in BC is a smart use of public resources that will have positive ripple effects across the provincial economy by:

- Removing some pressure from young working families by freeing resources to pay off student loan, mortgage debt or rent.
- Providing a good start for all BC children.

²⁶ <https://www.surrey.ca/sites/default/files/media/documents/SurreyCommunityChildCareActionPlan.pdf>

²⁷ [Recognized Early Childhood Education Training Institutions](#)



- Allowing more parents (particularly mothers) to participate in the workforce, increasing tax revenues almost immediately.
- Creating new jobs.²⁸

A Structured Eco-System of Childcare and Educational Infrastructure in BC

We need to reflect current socio-economic needs to create a structured eco-system of childcare in the province. Currently, access to high-quality, affordable early childhood education is varied. Early childhood education is the foundation of lifelong learning which can influence individual and community quality of life and contribution to society. The early education sector has a central focus on a child’s learning, development and wellbeing,

We need to ensure that social infrastructure assets like childcare (including disability care), hospitals and universities can also act as economic anchors, providing a source of stable employment and supporting local economies.

Education infrastructure supports the delivery of high-quality educational outcomes. On an individual scale, a high-quality early education environment can improve the chances of children achieving better learning outcomes while at school, which in turn can enhance broader learning, health, employment and wealth outcomes later in their adult life. On a national scale, childcare & education infrastructure directly impacts our workforce participation, global competitiveness, increased social cohesion, wellbeing and productivity as a nation.

We need a comprehensive education eco-system infrastructure consisting of the buildings, facilities and campuses which support learning for both children and adults, including:

- Early childhood education: Childcare centres and preschools provided to children aged up to five years. Centres and preschools can be provided by schools, local governments or private entities.
- Primary and secondary education: Primary and secondary schools, combined schools and special needs schools provided for children aged between five and 18 years. Schools can be provided by governments, religious or independent organizations.
- Tertiary education: Universities and vocational education facilities provided for adults to add to early childhood educators.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Provide a roadmap of the BC Childcare model including the role and place of private daycare operators
2. Improve communication policies with private childcare providers that will be evaluated annually;
3. Expand the incentives and financial supports indicated in Budget 2022 for non-profit, public, and Indigenous childcare providers to include private childcare facilities.
4. Ensure that childcare space investments are available to the entire spectrum of childcare providers and are part of capital costs of the annual budget and three-year plan;
5. Ensure that any public investment into the construction of buildings, such as schools, hospitals, libraries, etc., must include a childcare area;
6. Provide funding, establish partnerships and initiatives to support the increased supply of ECEs and for more ECEs to become infant-toddler and special needs certified; and,
7. Create an education eco-system of childcare infrastructure.

²⁸ https://www.policynote.ca/bc-budget-2019-maintain-momentum-building-a-universal-affordable-quality-child-care-system/?utm_source=newsletter&utm_medium=email&utm_campaign=focused&utm_content=secondary



SUPPORTING BC'S STEELMAKING COAL INDUSTRY

British Columbia's coal industry makes a significant contribution to the provincial economy through employment, tax revenue and contribution to provincial GDP. BC coal mining and export contributed \$4.6 billion in GDP to the province, in 2019 accounting for almost 13,000 jobs in the province and 30,500 jobs across Canada.*

There is a long history of environmental responsibility in the mining and transportation of steelmaking coal internationally. BC's port industry operates under strict environmental regulations that are among the highest in the world, ensuring no health risks for those who live near or work at coal terminals. In 2020 alone, the industry spent 1.91 billion on goods and services in 100 municipalities throughout the province.

Industry opponents have consistently made misleading and false claims about coal transportation in BC and have lobbied municipal governments to take action to block coal production and export. This has resulted in some municipalities considering or taking policy positions against coal transportation in their communities and opposing the continued mining and export of coal from our province. In fact, the industry contributes to BC's export growth strategies and ensures critical upgrades are made to terminal facilities to improve and mitigate environmental and residential impacts. It is essential that BC's steelmaking coal industry have access to international markets.

Restricting the province's coal supply chain will reduce BC's global competitiveness and result in the loss of livelihoods for a significant number of families in many parts of BC, that are reliant on and supported by the coal industry, at a time when economic recovery from the impacts of the global pandemic is a priority. It is important that BC protect the economic benefits of this sector by informing the public and municipalities about BC's steelmaking coal industry and corresponding global demand for steel, and ensure its transportation is not inhibited at critical points in the supply chain.

Background

Over 95 percent of the coal produced in British Columbia is steelmaking coal. In 2020, that amounted to approximately 23 million tonnes of steelmaking coal.*

This coal is sourced from four mines in the southeast Kootenay region and three mines in the Peace River coalfield of northeastern BC.

BC has 12.9 billion tonnes of mineable coal reserves, of which 8 billion tonnes are in the southeast region and 4.9 billion tonnes are northeast. Restricting the availability of Canadian coal will have limited impact on the world coal use market, but will severely impact our domestic economy.

Coal continues to be BC's most valuable mined commodity, with a majority of the coal is exported to Japan, South Korea and China for steel production.

Mines and terminals spent \$6.8 billion on goods and services with businesses in more than 140 communities across BC over the five years between 2016 and 2020.* This spending was shared across the province and included significant sums in communities that are not closely associated with the mining industry.

The four steelmaking coal mines in British Columbia's Elk Valley region*:



- Contributed \$1.3 billion in labour income
- Generated work for a wide array of professional service providers including engineers, technical contractors, iron workers, pipefitters, environmental experts and employees in legal, real estate, insurance and financial roles;
- Produced 21.1 million tonnes of steelmaking coal mined for export in 2020.

BC's steelmaking coal is vital to everyday life around the world. It is used to build major projects like bridges, rapid transit systems, wind turbines, high rises and everyday consumer products like cars, bicycles, tools, lawn equipment and household appliances. It is also one of the most highly recycled products.

Steelmaking, like many industrial processes, does create some emissions. Steelmaking coal, also known as metallurgical coal, is an essential part of a chemical reaction needed to create new steel. It is not used to generate power.

Steelmaking coal is not considered a dangerous or hazardous material by Transport Canada; it is safely handled by thousands of workers every day. BC's port industry operates under strict environmental regulations that are among the highest in the world, ensuring no health risks for those who live near or work on port terminals.

Rail is the most efficient mode of transport to move commodities and has been shown to be two to five times more fuel-efficient than truck transportation depending on the commodity.

As the population continues to grow, residential neighbourhoods have expanded and, in some areas, are closer to port terminals. In some communities where rail lines connect with port terminals, public debates have been held in the media and with their municipal representatives, calling for the elimination of coal transportation through communities where rail lines have been located for decades, in most cases long before the residential neighbourhoods were built around them.

Steel is vital for the world's advancement. Coal exporting is a major economic contributor for BC and Canada. British Columbia's ports play a critical role in transporting Canadian steelmaking coal to important international markets.

The provincial government has an important role to play in supporting expansion and infrastructure improvements in this important industry and protecting exports from being inhibited at critical distribution points.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Promote the productive and environmental benefits of high-quality Canadian steelmaking coal to international coal use markets.
2. Work with the coal industry to develop sound public and economic policies that fosters BC's steelmaking coal mining industry and align the industry with public interests.
3. Support educational opportunities to inform people of the province's steelmaking coal resources and its positive economic impact on local, provincial and national prosperity.

Resources:

*Figures referenced come from the following sources:

1. www.coalalliance.ca
2. <https://bcchamber.org/wp-content/uploads/2022/02/Teck-Resources-Economic-Contribution-Study-FINAL.pdf>;
3. http://cmscontent.nrs.gov.bc.ca/geoscience/PublicationCatalogue/InformationCircular/BCGS_IC2021-02.pdf



SUPPORTING URANIUM AND THORIUM EXPLORATION FOR BC'S ECONOMIC PROSPERITY

The Federal Government of Canada is investing heavily in critical minerals that includes uranium extraction for the purposes of Small Modular Nuclear Reactors²⁹. Climate change reduction policy based on targets have been implemented on an international scale. The BC Government has created a plan to become net-zero in terms of emissions produced in BC by 2050. Globally, the energy-sector's carbon emissions grew by more than 40% over the past 18 years. Countries like France and Germany are trying to diversify their energy production by utilizing a method that is both emission-reducing, and safe – nuclear power. BC currently has unexplored uranium and thorium deposits that can be exported to other provinces and countries, which will create economic prosperity in the province.

Background

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

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

Due to the climate crisis, many governments are endeavouring to reduce emissions. Since 2019, the BC Government has undertaken an initiative to become carbon neutral. On the international level, renewable energy contributed to 36% of power delivered to German consumers, and 34% of power delivered to United Kingdom consumers.³⁰ The difference being that the German government shut down its nuclear power stations, resulting in a higher CO2 emission whereas the U.K. maintained its nuclear capacity.³

Nuclear power can be a way to reduce reliance on high-emission products such as oil and gas.³¹ The Convention on Nuclear Safety was adopted in Vienna in June 1994 that asks each participating state to provide a report outlining the measures in place to assure safe operation of nuclear power plants. In Canada's seventh report, it was outlined that various measures are in place including: robust nuclear regulatory framework; a mature and effective regulator, and; licensee organizations that are fully committed to nuclear safety.³² As a result of the Fukushima incident, Canada highlighted an action plan to improve safety based on lessons learned from the Fukushima Daiichi nuclear accident in 2015.

It is notable that the construction of large-scale nuclear power plants is not cost effective. Innovative renewable energy projects are exponentially invested in and are the waves of the future.; however, Canada has seen many designs for small modular reactors (e.g., Candu) that could provide safe, clean, and economic energy.³³

²⁹ <https://www.nrcan.gc.ca/our-natural-resources/energy-sources-distribution/nuclear-energy-uranium/canadas-small-nuclear-reactor-action-plan/21183>

³⁰ <https://about.bnef.com/blog/liebreich-need-talk-nuclear-power/>

³¹ <https://www.world-nuclear.org/information-library/safety-and-security/safety-of-plants/safety-of-nuclear-power-reactors.aspx>

³² http://www.nuclearsafety.gc.ca/pubs_catalogue/uploads/Canadian-National-Report-for-Convention-on-Nuclear-Safety-Seventh-Report-eng.pdf

³³ <https://www.aecl.ca/science-technology/small-modular-reactors/>



Small modular reactors (SMRs) are an effective mechanism of reaching carbon-neutrality. Nuclear CO₂ emissions over the lifetime of a plant has a mean value of 66 tonnes CO₂e/kWh.³⁴ Comparatively, coal, oil, and natural gas emission rates means come in at approximately 888, 733, and 499 tonnes CO₂e/kWh.³⁵

SMRs may be located on sites that differ from where traditional nuclear power plants have been built. For example, SMRs may be established on small grids where power generation needs are usually less than 300 megawatt electric (MWe) per facility and at edge-of-grid or off-grid locations where power needs are small – in the range of 2 to 30 MWe.³⁶

While SMRs may not be effective for BC, which is a province that can utilize solar, wind, and hydro resources to generate green energy, other countries and provinces use nuclear. In order to generate nuclear energy, thorium and uranium are critical. BC has these critical materials, however, due to the moratorium, we are unable to export this natural resources.

Electrical utilities, industry groups and government agencies throughout the world are investigating alternative uses for SMRs beyond electricity generation such as producing steam supply for industrial applications and district heating systems and making value-added products such as hydrogen fuel and desalinated drinking water.³⁷

To drive the economy forward, we need to look at utilizing our existing natural resources. Without the ability to explore uranium and thorium deposits, we are missing out on a large revenue source that is being used by other countries. In 2014, the BC Chamber of Commerce had advocated for a policy requesting that the BC government lift the ban on the exploration of uranium and thorium and reduce our reliance on carbon-emitting products such as oil and gas. The BC Chamber has been a proponent for uranium, which is a key fuel for nuclear electricity. Ontario and New Brunswick already utilize Uranium³⁸ and Saskatchewan has most of Canada's reserves.³⁹ The Canadian Chamber of Commerce supports the critical materials needed for nuclear energy and sees value in nuclear technology.⁴⁰ It is important not only from an energy standpoint, but also from its application in the medical field.⁴¹

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Lift the ban on uranium and thorium exploration.

³⁴ Sovacool, Benjamin, K. "Valuing the greenhouse gas emissions from nuclear power: A critical survey." *Energy policy*, vol. 36, no. 8, 2008. <https://doi.org/10.1016/j.enpol.2008.04.017>.

³⁵ http://www.world-nuclear.org/uploadedFiles/org/WNA/Publications/Working_Group_Reports/comparison_of_lifecycle.pdf

³⁶ <https://nuclearsafety.gc.ca/eng/reactors/research-reactors/other-reactor-facilities/small-modular-reactors.cfm>

³⁷ <https://nuclearsafety.gc.ca/eng/reactors/research-reactors/other-reactor-facilities/small-modular-reactors.cfm>

³⁸ <http://www.bcchamber.org/policies/uranium-and-mineral-exploration>

³⁹ <https://www.nrcan.gc.ca/energy/energy-sources-distribution/uranium-nuclear-energy/uranium-canada/about-uranium/7695>

⁴⁰ <https://chamber.ca/criticalminerals/>

⁴¹ https://www.cdc.gov/nceh/radiation/nuclear_medicine.htm#:~:text=Nuclear%20medicine%20procedures%20are%20used,from%20some%20types%20of%20cancer.



RENEWED INTEREST IN BROWNFIELD REMEDIATION

Brownfields are an ongoing problem in communities across Canada. They affect both large cities and small rural municipalities, and can be any size – from small, former gas stations to large chemical processing sites.

Brownfields can be defined as “abandoned, vacant, derelict, or underutilized commercial or industrial properties where past actions have resulted in actual or perceived contamination and there is an active potential for redevelopment.” (National Roundtable on the Environment and the Economy, 2003)

Background

Whether these sites are large or small, there are costs to inaction, and according to the Province of BC, there are anywhere from 4000-6000 brownfield sites across the province, and the Province does not have an inventory of sites province-wide.⁴² Brownfields can blight neighborhoods, impede municipal development or investment, lower property values, result in unpaid taxes, and increased enforcement and policing costs. That’s not to mention the potential environmental damage, contaminated soil and groundwater, safety, and health risks. Many of these can be found on the BC Ministry of Environment Site Registry, but this has limitations. The Site Registry is not solely a registry of contaminated sites, and it does not clearly outline the steps to redevelopment potential needed on each site.

Municipalities can play an important role in encouraging remediation, even on privately owned land, with planning, proper zoning and incentives for developers. In some case municipalities may also own contaminated sites themselves or have assumed responsibility for such sites.

The provincial government plays an important role in setting out the legislative framework, as well as supporting the assessment and remediation/risk management activities that need to take place. Unfortunately, the overly complex process includes up to 16 procedures to follow for a site to be considered remediated, and leaves many property owners or prospective developers unable to navigate the bureaucratic process. Furthermore, once remediation work has been undertaken, property owners or potential buyers are often left waiting for years to receive contaminated sites legal instruments, such as a Certificate of Compliance that confirms that a site meets numerical or risk-based standards following remediation.

The Federation of Canadian Municipalities (FCM) has played a leading role in supporting communities and private sector partners. They provide grants for planning and loans for remediation projects at low cost.

Ontario was the first province in Canada to recognize that the upfront costs faced in the development of brownfields is a barrier to redevelopment, and therefore created incentives in 2004. The Brownfields Financial Tax Incentive Program (BFTIP) is an initiative of the government of Ontario to encourage the cleanup and redevelopment of brownfield properties. It allows municipalities to provide property tax assistance to property owners in connection with environmental rehabilitation of brownfields properties within an approved community improvement project area. It also provides provincial tax incentives that match the municipal tax assistance (through a reduction in the provincial education portion of the taxes for that property). Other jurisdictions in Canada, including British Columbia, have followed Ontario’s lead with their own programs and incentives.

⁴² <https://www2.gov.bc.ca/assets/gov/environment/air-land-water/site-remediation/docs/fact-sheets/fs38.pdf> .



The Province of BC has, in the past, played a leadership role with its *Brownfield Renewal Strategy*, which helped to build awareness of brownfield issues. It encouraged communities to take advantage of the *Revitalization Tax Exemption* through the Community Charter, which allows municipalities to provide property tax exemptions for brownfield redevelopment projects (similar to the municipal property tax assistance portion of Ontario's program). The strategy included funding for site assessments as 'seed' money to assist in moving brownfield sites across the province back into productive use. The five-year Funding Program granted approximately \$7 million towards site assessment projects and was completed in 2013/2014.

It is important that BC regains its momentum, and to recognize that brownfield redevelopment is a business issue. It is also an issue that has already fallen off of the provincial government agenda because real estate is so valuable in certain areas of the Province. That is not the case for small, medium, and rural communities across BC where there is less valuable real estate and less access to capital for redevelopment purposes. The Province's *Brownfield Renewal Strategy* website acknowledges that Brownfield redevelopment can:

- improve local economic growth;
- increase local tax revenue from redeveloping vacant & underused properties;
- enhance land values surrounding redeveloped brownfields;
- replace lost jobs by creating space for new industry on redeveloped brownfields;
- and be a catalyst for surrounding development, creating a favourable climate for more brownfield redevelopment projects.

FCM has noted that for every \$1 invested in brownfield redevelopment, an average of \$3.80 is invested in the economy. The Union of BC Municipalities has also advocated for improvements to the provincial policies on brownfields taxation after a resolution was passed in 2018. Further progress can be made to enhance transparency on liability issues (often historic information is needed to clearly identify who is responsible for the remediation), and on-site specific information for developers. Additionally, incentives are needed for private sector motivation to encourage remediation on land that is known to be contaminated and would not be redeveloped otherwise.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Update the BC Brownfield Renewal Strategy, and continue to provide municipalities and developers with clear rules, incentives, and information;
2. Develop a simplified set of guidelines and procedures with defined timeline requirements for Ministry of Environment officials to process contaminated sites legal instruments;
3. Develop an inventory of all brownfield sites in British Columbia that are available for redevelopment so that municipalities and developers have clear awareness of redevelopment opportunities that are eligible for incentives through provincial programs, the FCM Green Municipal Fund, or other programs;
4. Create incentives for brownfield remediation activity by canceling or deferring the provincial portion of property taxes and permit local governments to match these incentives through the Revitalization Tax Exemption, currently available to communities through the Community Charter; and
5. Consider re-investment in the Brownfield Renewal Strategy Funding Program for the next 3-year budget cycle.



SINGLE USE PLASTICS

Plastic, long believed to be a miracle material that has solved and continues to solve several needs of humankind while making lives easier, is now emerging as a most environmentally damaging issue the world is facing especially from cheap “single use” plastics that are not reusable and recyclable. British Columbia, needs to take action to minimize, seek alternatives and eventually eliminate the use of “single use plastics” from day-to-day living.

Background

Thanks to plastics, countless lives have been saved in the health sector, the growth of clean energy from wind turbines and solar panels has been greatly facilitated, and safe food storage has been revolutionized. But what makes plastic so convenient in our day-to-day lives – it’s cheap – also makes it ubiquitous, resulting in one of our planet’s greatest environmental challenges.

Since the 1950s, the production of plastic has outpaced that of almost every other material. Much of the plastic we produce is designed to be thrown away after being used only once. As a result, plastic packaging accounts for about half of the plastic waste in the world. Most of this waste is generated in Asia, while America, Japan and the European Union are the world’s largest producers of plastic packaging waste per capita. Our ability to cope with plastic waste is already overwhelmed. Only nine per cent of the nine billion tonnes of plastic the world has ever produced has been recycled. Most ends up in landfills, dumps or in the environment. If current consumption patterns and waste management practices continue, then by 2050 there will be around 12 billion tonnes of plastic litter in landfills and the environment.⁴³ By this time, if the growth in plastic production continues at its current rate, the plastics industry may account for 20 per cent of the world’s total oil consumption.

Our oceans have been used as a dumping ground, choking marine life and transforming some marine areas into a plastic soup. In cities around the world, single-use, non-recyclable and non-reusable plastic waste fills up landfills, enters into the freshwater and marine environment through groundwater or directly into surface water producing leachable toxic chemicals that harm ecological systems. Some plastic degraded compounds slowly bio-accumulate into aquatic life tissue, eventually entering the food chain causing widespread ecological and human health impacts. Plastics disposed within minutes of use clog drains, causing floods and breeding disease.

The world produces hundreds of millions of tons of plastic every year, most of which cannot be recycled.⁴⁴ It’s obvious that we need to use less plastic, move towards environmentally sustainable products and services, and come up with technology that recycles plastic more efficiently.

In some cases, the plastics do not produce enough reusable material to make recycling economically viable, or there is no market for a particular type of plastic. Some plastics do not mix with others, and the components separate, like oil and water. Other types of plastics are made with polymerization techniques that bind dyes and other chemicals to the actual molecules, making removal of contaminants impossible or extremely costly.






The well-recognized “chasing arrows” symbol we see on plastic containers and products does not mean the product is recyclable. The little number inside the triangle tells the real story.⁴⁵

⁴³ 2018, Single Use Item Reduction Strategy (2018-2025) – A priority Action in Zero Waste 2040, City of Vancouver

⁴⁴ <https://www.reference.com/science/kinds-non-recyclable-plastics-866b7711edb040cc>

⁴⁵ <https://learn.eartheasy.com/articles/plastics-by-the-numbers/>



						
PETE	HDPE	PVC	LDPE	PP	PS	OTHER
polyethylene terephthalate	high-density polyethylene	polyvinyl chloride	low-density polyethylene	polypropylene	polystyrene	other plastics, including acrylic, polycarbonate, polyactic fibers, nylon, fiberglass
soft drink bottles, mineral water, fruit juice container, cooking oil	milk jugs, cleaning agents, laundry detergents, bleaching agents, shampoo bottles, washing and shower soaps	trays for sweets, fruit, plastic packing (bubble foil) and food foils to wrap the foodstuff	crushed bottles, shopping bags, highly-resistant sacks and most of the wrappings	furniture, consumers, luggage, toys as well as bumpers, lining and external borders of the cars	toys, hard packing, refrigerator trays, cosmetic bags, costume jewellery, CD cases, vending cups	

Within each chasing arrows triangle, there is a number which ranges from one to seven. The purpose of the number is to identify the type of plastic used for the product, and not all plastics are recyclable or even reusable. There are numerous plastic-based products that cannot break down and cannot be recycled. A three indicates that the water bottle has been made from polyvinyl chloride, a five means that it's been made of polypropylene, two materials that are not accepted by most public recycling centers. These usually end up in the landfill taking years to break down while generating potentially environmentally toxic leachate.

Plastic packaging accounts for nearly half of all plastic waste globally, and much of it is thrown away within just a few minutes of its first use. Any plastic that has no number for recycling which include items such as trash bags, Ziplock bags, cereal bags, bubble wrap, clear plastic wrap, some plastic store bags, single cheese wrappers, straws, coffee stirrers, soda and water bottles, most food packaging, toys, potato chip bags, candy wrappers, plastic rings that hold six-packs of beer or soda bottles and cans, are all examples of single use plastics.⁴⁶ Non-recyclable plastics include most polyolefins such as polystyrene and polyethylene, polyvinyl chloride, most polypropylene and miscellaneous plastics such as bisphenol-A.⁴⁷ When discarded in landfills or in the environment, single use plastic can take up to a thousand years or longer to decompose. Most plastics do not biodegrade. Instead, they slowly break down into smaller fragments known as microplastics which can enter food chains.

The food and beverage industries are best positioned to end the single use of plastics than any other industries. The City of Surrey has worked extremely well with food providers at all city events so that single use plastics are not permitted and items either must be recyclable or bio-disposable.⁴⁸ The use of polystyrene (Styrofoam) by the food industry is one of the major manufacturers of “dirty Styrofoam”.⁴⁹

BC termed “beautiful British Columbia” needs to play a leadership role in environmental sustainability in Canada by curbing and phasing out the use of “single use plastic.” If no action is taken, future generations will bear the consequences of environmental damage to the earth ecosystems.

⁴⁶ <http://www.plasticfreechallenge.org/what-is-single-use-plastic>

⁴⁷ http://lausd-oehs.org/docs/Recycling/Non_Recyclable_List.pdf

⁴⁸ 2018, Single Use Plastics – A Roadmap for Sustainability, United Nations Environment Programme for Sustainability

⁴⁹ <https://www.unenvironment.org/resources/report/single-use-plastics-roadmap-sustainability>



THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Enact regulation under the *BC Environmental Management Act* to gradually phase out use of single-use (non biodegradable, non recyclable) plastics within BC to align with the objectives of the Clean BC Plan. The phased process should consider the economic impacts of any changes to the BC EMA and include current recycling options;
2. Work with the food and beverage industry to eliminate contaminated styrofoam through education and incentives to produce recyclable and/or biodegradable products (in a timely manner so as to be accepted by biofuel plants);
3. Implement an awareness campaign to help consumers understand that plastic overwrap and other flexible plastics can be taken to recycle depots; and,
4. Work with the international community when developing a strategy to eliminate single-use plastics and packaging to ensure certainty within the business community and cohesion.

SPECIES AT RISK LEGISLATION: CONSIDERING THE IMPACT TO BUSINESS

In 2018, the Government of Canada began to use provisions of the federal *Species at Risk Act* (SARA) to pressure the Province of BC into taking more aggressive action to protect Southern Resident Killer Whales and Mountain caribou, including the potential for full closures of large areas of backcountry and coastal regions. The absence of consideration of the socio-economic impacts of these decisions is creating uncertainty for investors and has caused a sense of panic in the business communities directly affected by these decisions.

In response to the federal government pressure, British Columbia has begun to contemplate the creation of its own species-at-risk legislation, using laws from Ontario and other international jurisdictions as models for its work. Species-at-risk legislation has the potential to maintain and support the natural values of our eco-system while supporting the economic players that work within them. However, the legislation, if developed and implemented without a full economic and social lens, can – through restrictions or prohibitions -- have devastating economic impacts on the local communities and industries like tourism and forestry.

Background on SARA

- Canada's federal *Species at Risk Act* (a.k.a. SARA) has been in place since 2002.
- The purposes of SARA are to prevent wildlife species in Canada from disappearing, to provide for the recovery of wildlife species that are extirpated (no longer exist in the wild in Canada), endangered, or threatened as a result of human activity, and to manage species of special concern to prevent them from becoming endangered or threatened. Much of the focus of this act is on habitat, rather than on the animals themselves.
- Under SARA, socio-economic impacts of habitat protections only come into play when the federal Environment Minister makes a recommendation to the federal Cabinet for an order under the act.
- Until recently, SARA had only been an issue for wildlife species with very small home ranges (e.g. Sage Grouse). However, it's contemplation of habitat protections for wide-ranging species such as Southern Resident Killer Whales and Mountain Caribou have made the implications of SARA to BC's business community (including tourism) of greater concern.



Impact on Tourism Industry

- Tourism is a sector of BC's economy that has the greatest potential to be a showcase for the integration of economic and environmental considerations. This is particularly true in the many businesses in or partnering with the aboriginal tourism sector.
- Tourism's impacts on, and possible benefits to species-at-risk are not well understood by government staff at any levels.
- Tourism marketing, through Destination Canada, Destination BC, and regional and community DMOs, often focuses on protecting natural values and sharing those with guests from around the globe.
- Tourism is often lumped together with public recreation, which downplays the significant opportunities that professional, managed tourism businesses must bring innovative solutions to the table.
- The implications of SARA on tourism, and its weak consideration of economic (and social) impacts means that major decisions on habitat protection (and the impact of those decisions on business) may not be made in a fully informed way.
- Federal staff in Natural Resources Canada use very restrictive approaches to economic analyses that have the potential to significantly under-represent the actual impacts of habitat protections and prohibitions on tourism businesses.
- The uncertainty created by this situation is having negative impacts on investments in natural resource sectors such as tourism.

At present, the approaches taken by both the federal and provincial governments in species-at-risk initiatives (such as killer whales and caribou) have shown a lack of meaningful consultation with the business community.

THE CHAMBER RECOMMENDS

That the Provincial government:

1. Should it proceed with provincial species-at-risk legislation, all decisions by statutory decision makers must incorporate a socio-economic impact assessment that includes feasibility for recovery, population objectives, input from communities, indigenous nations and business sectors to ensure all values are considered.



CHANGING BC’S SALES TAX MODEL - MOVING BEYOND THE PST

BC’s tax competitiveness is seriously undermined by the antiquated Provincial Sale Tax. As a small, open trading jurisdiction this cannot be left unaddressed if BC wishes to advance itself as a competitive jurisdiction in our post-pandemic recovery.

Background

A value added tax is common throughout the world and highly relevant to goods and services taxes and should be considered as important aspects of our future, innovative economy, particularly when it relates to our competitive advantage and productivity.

Successive Provincial Governments have tried to keep taxes competitive for both individuals and business.

Table 1 - Interprovincial Comparisons of Business Tax Rates

	BC	AB	SK	MB	ON	QC	NB	NS	PE	NL
General Rate	12	8	12	12	11.5	11.5	14	14	16	15
Manufacturing	12	8	10	12	10	11.5	14	14	16	15
Small Business	2	2	0	0	3.2	3.2	2.5	3	3.5	3
Small Bus. Threshold (000s)	500	500	600	450	500	500	500	500	500	500
Corp. Capital										
- Financial (Small Financial)	Nil	Nil	4 (0.7)	6	Nil	1.25	5 (4)	4	5	6
Payroll Tax (%)	1.95	Nil	Nil	2.15	1.95	4.26	Nil	Nil	Nil	2
Sales tax	7	Nil	6	7	8	9.975	10	10	10	10

As shown in Table 1, BC does remain relatively competitive in a Canadian context across a range of key business tax rates. It must be noted that these rates are focused on established businesses generating revenue or making sales (except for sales tax which in BC, Manitoba and Saskatchewan is paid on business inputs). Future economic growth in BC will depend upon our ability to attract investment and new economic activity. If investment and new economic activity are the goal, BC’s tax picture looks very different.

To understand, BC’s taxation landscape, as it relates to new investment. it is necessary to review BC’s Marginal Effective Tax Rate (METR)⁵⁰.

⁵⁰ METR is a measure used to compare the total tax burden on new investment by industry, type of investment, and size of firm. To do this, METR includes the effect of corporate tax rates, sales tax on business inputs, investment tax credits and other incentives, capital cost allowances, capital taxes and the ability to deduct interest costs.



Table 2 - METR Rates by Province 2012⁵¹, 2014⁵² & 2017⁵³

	2012	2014	2017 ³
BC	17.8	27.5	27.7
Canada	17.4	19.0	20.3
Alberta	17.0	17.0	19.1
Ontario	18.2	18.2	19.0
Quebec	15.2	15.9	18.2
Saskatchewan	24.3	24.3	24.2
Manitoba	26.2	27.9	26.1
Newfoundland	10.7	10.7	11.4
Nova Scotia	13.4	13.4	18.7
New Brunswick	2.8	4.8	12.9
PEI	28.1	11.4	13.9

In 2012, BC was the 6th most competitive jurisdiction in Canada and well placed against our western neighbours and in relation to Ontario – in short against our competing jurisdictions. By contrast in 2014, we saw BC move to the bottom of the Canadian ranking. This difference is due to the fact that British Columbia – like Saskatchewan and Manitoba – “continues to levy the retail sales tax, which results in a significant tax on capital investments .”⁵⁴ In 2017, BC’s METR declined a little further, which – combined with an improvement of Manitoba’s METR – has resulted in BC being last among all the provinces.

It's worth noting, the above METR calculations do not capture the full impact of the PST on BC competitiveness. This measurement only takes into account the PST on capital investment. The PST also applies to non-capital inputs that are used in business operations. In fact, the PST paid on non-capital inputs is four to five times the amount levied on capital inputs.

The other aspect of competitiveness is regarding BC’s critical export industries – a key component to any lasting, sustainable recovery. As a jurisdiction, BC has a smaller export base than similar-sized provinces (i.e. Ontario, Quebec, Alberta), it is critical that attention is paid to how tax changes can positively (or negatively) influence BC’s exporters ability to compete in other markets. BC’s PST is a significant impediment in this regard.

As a small, open trading jurisdiction, BC exporters compete with producers from across the globe, the majority of whom do not have a sales tax structure that embeds costs at every stage of production as does the PST. Indeed, if we look at jurisdictions that levy a PST system, we see that BC stands relatively alone as one of only 3 jurisdictions in Canada that do not have a value-added sales tax in place. This makes BC the exception to the more than 130 countries worldwide that do have a value added tax. As such, these producers have a significant competitive advantage over BC producers who endeavor to remain competitive by building these costs into their price. A VAT would also make BC producers more competitive against foreign competition who are selling in the domestic market for the same reason.

⁵¹ 2012 Annual Global Tax Competitiveness Ranking, Duanjie Chen and Jack Mintz, pages 15 & 16.

<http://www.policyschool.ucalgary.ca/sites/default/files/research/tax-competitiveness-2012.pdf>

⁵² 2014 Annual Global Tax Competitiveness Ranking, Duanjie Chen and Jack Mintz, pages 12 & 13.

<http://www.policyschool.ca/wpcontent/uploads/2016/03/Tax-Competitiveness-Chen-Mintz.pdf>

⁵³ 2017 Tax Competitiveness Report: The Calm Before the Storm, Philip Bazel, Jack Mintz, and Austin Thompson, page 16.

<https://www.policyschool.ca/wp-content/uploads/2018/02/2017-Tax-Competitiveness-Bazel-Mintz-Thompson-final.pdf>

⁵⁴ 2014 Annual Global Tax Competitiveness Ranking, Duanjie Chen and Jack Mintz, pages 11.

<http://www.policyschool.ucalgary.ca/sites/default/files/research/tax-competitiveness-chen-mintz.pdf>



This is also an issue for many of BC's resource industries that are important to the prosperity of many communities across the province. Commodity based exporters are price-takers in the global context. PST represents a significant cost for the extraction and production of resources and in turn reduces profits and, therefore, the ability of these companies to invest in innovation and further job creation.

The Productivity Imperative

The single biggest determinant of our per capita income and our ability to raise wages and living standards for workers is our productivity – in short how efficient we are as an economy. Countries that are innovative and able to adapt to shifts in the global economy will see high productivity and thus a superior standard of living.

In this regard, Canada has not fared well to other international jurisdictions.⁵⁵ In BC, our province has experienced faster productivity growth vis-à-vis the national average to the point we are among the top four provinces. It should be noted though that BC is significantly behind the top three provinces. Furthermore, BC lags of productivity in its business sector (the total economy less government services and non-profit institutions serving households),⁵⁶ so a move to a made-in-BC VAT can provide an added boost to our province's productivity going forward.

While there are a variety of factors that contribute to enhancing productivity, it is recognized that improvements will require investment in equipment and technology, particularly investments in information and computer technology. While BC's productivity performance is reason enough to look to government to find ways to boost investment in technology and equipment, the Chamber believes the ongoing demographic shift continues to make this the highest of priorities for government.

We know that the baby boomer generation continues to age and transition to retirement. While older workers have been encouraged to remain in the workforce longer, we can anticipate close to 640,000 workers will need to be replaced between 2021-2031. During this same period, BC can expect to create 29,000-36,000 new job openings through economic growth over the next decade, while there will be new entrants to the workforce, this expected job creation will only help fill 48% of these positions every year.⁵⁷ This represents a shortfall of 449,000 positions with no workers to fill them.

While interprovincial migration and immigration will go a long way to make up that shortfall, we need to use multiple tools to ensure this challenge does not impact future economic growth and slow recovery of the BC economy. To do so, we must improve our productivity levels, and a VAT is a key instrument in the toolbox.

The Importance to Small Business

While many of the arguments in favour of a value added tax focus on its broad provincial impact, this is an issue of particular importance for small business given the strength of BC's small and medium sized businesses for our economic prosperity.

BC's small business sector is critical to wealth generation and our capacity to grow and innovate. Employing over one million British Columbians, small business is responsible for 43% of all private sector employment in the province in 2020.⁵⁸ This overall number is lower in 2020 due to the pandemic, and will likely increase in

⁵⁵ <https://bcbc.com/insights-and-opinions/canada-lags-peer-nations-on-raising-living-standards-over-time>

⁵⁶ <https://bcbc.com/insights-and-opinions/b-c-has-mostly-caught-up-with-canada-on-productivity-levels#:~:text=B.C.'s%20faster%20productivity%20growth,per%20hour%20worked%2C%20on%20average.>

⁵⁷ https://www.workbc.ca/getmedia/c43af36f-f408-4990-9ae1-c5b5f5f7be7a/BC_Labour_Market_Outlook_2021_9MB.pdf.aspx page 8-9

⁵⁸ https://www2.gov.bc.ca/assets/gov/employment-business-and-economic-development/business-management/small-business/sb_profile.pdf



following reports, but government help can accelerate the growth of BC small businesses by switch to a made-in-BC value added tax that allows businesses to reinvest in their business and employee via more productive equipment and technology, which in turn supports even higher wages for workers.

While the concentration of small businesses largely reflects the economy at large with a significant focus on service sector industries, small businesses are significant economic value generators. Small businesses shipped approximately \$15 billion worth of goods to international destinations in 2020, comprising around 36% of the total value of goods exported from the province.⁵⁹

This places small business, especially those exporting and given the challenges facing our businesses on the global stage as outline above, as one of the key beneficiaries of a VAT. In fact, one of BC's largest productivity challenges is the difficulty small businesses face in accessing capital to invest in innovation or productivity enhancements. As such, the current PST has a disproportionate impact on these small businesses compared to larger firms in terms of addressing productivity.

The Solution

The competitive and productivity issues that we have outlined above were an issue. Indeed, so many business organizations support the introduction of a VAT because it addresses many of these issues.

Reform is needed – now more than ever. As we have demonstrated, the PST has a significant impact on BC's competitiveness and productivity. The Chamber realizes there is little desire for significant reform to our sales tax system. Over the long term, though, government should engage with British Columbians on our competitiveness and productivity and the role taxation plays coming out of the pandemic to be competitive in the future.

The Chamber believes that the most damaging aspect of the PST and the aspect that therefore requires ongoing attention is the PST being levied on investment in machinery and equipment. This is not to suggest that the PST is an increase in cost on all machinery and equipment as the PST is already exempt on certain machinery and processing equipment used in manufacturing and agriculture. And credit to the BC government for implementing PST rebates on those remaining items of machinery and equipment in response to the pandemic. This temporary reform needs to be made permanent so all sectors can access these savings and reduce BC's METR until a made-in-BC VAT can be implemented.

Indeed, the Expert Panel on Tax estimates that offering an Input Tax Credit/Rebate on the acquisition of machinery and equipment would cut BC's METR to 19%, significantly improving BC position in the Canadian context⁶⁰

The Chamber recognizes that this measure will come at a cost to the treasury. The Expert panel on Tax estimates this measure alone would result in a reduction in revenue to government in the order of approximately \$500 million back in 2016/17.⁶¹ While we would expect a similar result today, this change is going a long way to support BC businesses in their pandemic recovery efforts.

The PST represents a cost of \$1.5 billion, while BC businesses are also facing rising costs on several additional fronts. Business is facing higher payroll taxes (such as the Employer Health Tax) and WorkSafeBC premiums, an

⁵⁹ https://www2.gov.bc.ca/assets/gov/employment-business-and-economic-development/business-management/small-business/sb_profile.pdf page 52

⁶⁰ Expert Panel on Tax Report, Table 7

⁶¹ The Panel does estimates that this would be offset by higher economic growth that would increase revenue by \$12, \$50 and \$115 million in the period 2014-2017



increasing carbon tax, increases in the minimum wage, and uncompetitive municipal property taxes. This direct hit on companies' revenue is amplified by the ongoing permitting issues that continue to impede investment in our critical resource sectors, the ongoing regulatory impediments facing business at every level, and the necessary added costs to combat the pandemic. A forward-thinking shift in tax policy away from the PST to a made-in-BC value added tax is the kind of game-changing decision government can make to spur innovation and lasting growth in our businesses and economy, that contribute to a high standard of living for all British Columbians

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Make permanent a fully refundable investment tax credit or rebate claimed on businesses' income tax returns equal to the PST paid on all acquisitions of machinery and equipment (including computers and software) but excluding buildings and structures with a capital cost allowance rate of 5 per cent or less, until a made-in-BC value added tax is implemented;
2. Continue to work with the chambers of commerce and others to find ways to reduce the administrative burden of the PST; and
3. Develop a made-in-BC Value Added Sales Tax system to enhance BC's competitiveness and productivity.



IMPLEMENTING CHANGES TO PROPERTY ASSESSMENTS TO PROTECT BUSINESSES FROM UNSUSTAINABLE TAXATION

Many businesses across BC are facing an existential threat in the form of unsustainably high property tax bills. This problem is fueled by the BC Assessment process of valuing properties based on the “highest and best use” of the property (such as a redevelopment), and not on its current use. Due to this model, businesses, whether property owners themselves or through their leases, are being taxed on the future development potential of their sites with little regard for the current use of the property, or the cash-flow or profitability of the current business.

These high property tax bills can threaten the survival of many small and medium-sized businesses, and risk hollowing out local economies as businesses are forced to either relocate or close altogether due simply to the skyrocketing cost of their property tax bills. A provincial solution that mitigates the impact of soaring, inequitable property assessments on the tax bills facing the business community is needed.

Background

Property taxes are the principal funding method for local governments, and generate the revenue to fund important local programs such as police and fire services, parks and recreation, and roads, sewers and other basic infrastructure. Property taxes are based on two factors: a *local tax rates and rates set by the Province of BC* and the *value of a property*.

The *local tax rate* is set by municipal governments to meet the funding requirements of their annual budgets. There are nine classes of properties⁶², one of which is assigned to each property. The tax rate for each property class is set by local governments and is then applied against the assessed value of a property to determine its property tax bill.

Other tax rates determined or enabled by the Provincial Government are also applied against the assessed value of a property to determine the total property tax bill.

The *value of a property* is based on an assessment conducted annually by BC Assessment, a provincial crown corporation responsible for maintaining up-to-date assessments of the value of properties throughout BC.

However, as laid out in the BC Assessment Act and executed out by BC Assessment, the value of a property is based on several factors, including its “highest and best” use. This takes into account what a given property could *potentially* be used for or what could possibly be built there that would be of more value than its current use.

For example, a property on a busy corridor may currently be used for a one-story retail bakery even though its local government could permit a future multi-level residential development to be built there. In this instance, BC Assessment would value the property not just as a small, local bakery, but would take into account the value of the potential redevelopment. Then, the property taxes due would be calculated based on that higher, full-market value. This means the bakery would be taxed substantially more than it would be as just a bakery; the property tax will be calculated based on the value of the future potential development.

An additional problem arises due to the significant difference in the tax rates of business and residential properties in BC cities, where businesses have substantially higher rates. For example, a city may have a

⁶² Residential, Utilities, Supportive Housing, Major Industry, Light Industry, Business Other, Managed Forest Land, and Recreation Property, Non-Profit Organization.



“Business Other” tax rate for that small bakery of 10.6618, whereas the “Residential” tax rate for a residential development might be only 3.169. However, since the bakery’s property in this example will be classified as a business, it will pay the higher *business* tax rate on the *full* value of the property (including the appreciation driven by the residential redevelopment potential).

BC Assessments & Property Taxes



Given the rapid and sustained increases in property values experienced across the province and in particular in population centres, along transit corridors, near popular tourist destinations, or on high streets, this current method of property assessment has created a scenario where BC businesses can be faced with significantly higher, and in some cases unsustainable, property tax bills despite there being no change in the current business use or improvement to the property, based solely on redevelopment potential or speculation.

Unfortunately, in these scenarios, the cash flow of the existing business may simply be insufficient to support the tax bill causing the business to possibly scale back, struggle, or close. It is a system which needs reforms that separate the current-use value from the redevelopment value for the purposes of taxation.

A Provincial Solution

Some limited policy options to mitigate property tax swings do exist at the municipal level, however provincial action is required to develop a solution to properly address this problem. One of those solutions should be the creation of a permanent, new sub-classification for the redevelopment potential of commercial properties.

With this solution, BC Assessment, in determining the value of a property, would differentiate between the value of the current building and usage (classified as Class 6-Other Business) and any additional value based on the unbuilt development potential, which would be classified under a new commercial sub-class.

This new commercial sub-class would enable the separation of “development potential” value from “existing use” value for the purposes of taxation, allowing local governments to then provide a lower tax rate on the “development potential” value portion.

In the above example, under this new model the local bakery would see savings as instead of having the business tax rate applied on the entire \$20 million value of the property, it would only apply on the \$1 million value of its current business use, and then a lower rate – determined by its municipal government – would apply to the portion that is value derived from redevelopment potential.



This solution would provide both a province-wide mechanism for addressing this problem (the new sub-class) and also local control by municipalities in how it is implemented (the mill rate for that new class), which should allow this model to be more successful and widely adopted than mitigation measures thus far, helping to deliver fairer taxation for BC's small business community.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Work with BC Assessment and municipal governments to address soaring, inequitable property taxes on businesses by creating a new commercial sub-classification that would separate a commercial property's current-use value from the value of its redevelopment potential, and empowering municipalities to apply a different, lower mill rate to that redevelopment value for the purposes of levying property taxes.



IMPROVING BUSINESS ENGAGEMENT

The business community, especially small- and medium-sized businesses, seeks additional accessibility and increased transparency in government engagement opportunities to ensure more equitable and inclusive decision making, especially with respect to areas such as taxation, socio-economic impacts, economic development, land, and water management.

Background

In British Columbia, compared to other provinces, there are more small businesses per capita, they employ a larger share of the workforce, and self-employment is more common than in any other province. The vast majority of businesses are small businesses – 98 per cent. In a province with 5.1 million people and 523,600 small businesses, one-in-ten British Columbians are small business entrepreneurs of some kind, from private tutors to professional firms to exporting manufacturers and more.⁶³ They are a critical voice in the economic and social fabric of their communities' and the province as a whole.

Small business owners, industry, First Nations local governments and investors struggle with the current consultation process and feel that their concerns have not been heard or, when they are raised, are not addressed in a genuine manner of collaboration and problem solving.

Engagement is by definition a two-way process, involving interaction and listening for mutual benefit. Public engagement is more of an umbrella term that encompasses numerous methods for bringing people together to address issues of public importance. Despite increasing global interest in and use of public engagement, our knowledge is incomplete, rendering it often difficult to pull together all the pieces needed to fill knowledge gaps and improve practices.⁶⁴

There is also common misconception that there is a particular methodology that can be devised to facilitate all public engagement. Pragmatically ineffective in that effective participation is conducted on assumption that each situation will require different design, using existing and perhaps new combinations of tools, information-sharing, Indigenous and local knowledge as part of an evolving and adaptative decision-making framework.⁶⁵

Moreover, there seems to be growing concerns that governments and decision-makers undertake engagement activities to canvas opinions, while in fact may have a predetermined direction or policy before the consultations began.

Inconsistencies in policy application and processes have created a disenfranchised citizenship who do not feel they have been engaged in meaningful consultation, and yet must involuntarily accept outcomes and new directions that are not supported within their community.

Chambers of Commerce, industry, not for profit organizations and community partners from all sectors, have committed to actively participate in good public engagement led by the government. However, regular staff turn over, Covid-19, and other in-house issues have impaired government in their ability to execute their own expectations and desired outcomes.

⁶³ Small Business Profile 2021, BC Ministry of Jobs, Economic Recovery, and Innovation. In collaboration with BC Stats. Small Business Branch of the Ministry

⁶⁴ Measham, T.G. Brake, C.J. Robinson, S. Larson, S. Richards, T. Smith. 2011. NRM engagement between remote arid communities and government agencies: Success factors from Australia. *Journal of Arid Environments*. 75 (10): 968-973.

⁶⁵ Nabatchi, T., and L. Blomgren Amsler. 2014. Direct public engagement in local government. *The American Review of Public Administration*, published online 12 February 2014. DOI: 10.1177/0275074013519702.



In 2022, each provincial government ministers' mandate letter laid out the expectation that all elected representatives" build *thoughtful and sustained relationships through public and stakeholder engagement plans that connect with people to incorporate their perspectives early in the policy development process. These plans must include measurable outcomes and ensure active dialogue and ongoing outreach in your ministry's actions and priorities.*"⁶⁶

Many British Columbians do not have confidence that the current formula that government uses for consultation is being implemented effectively. A more robust and transparent system of public and stakeholder engagement and consultations is required.

An essential element of any democracy is transparency and accountability. The provincial government has made many commitments to deliver on both and be accountable for the ways in which tax dollars are spent. Accountability and transparency with respect to the development of efficient and effective programs and policies are no less important. This requires clear communication, sufficient time to gather information, data or perspectives and relevant and timely information to those affected, or potentially affected, by a change in policy or direction.

Proper and robust consultation around legislation, policies, programs, and projects creates an eagerness to listen and contribute, support change, while allowing citizens businesses, industries, and local government to manage and mitigate as needed.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Collaborate with stakeholder groups, including private sector businesses, not-for-profit organizations, First Nations, local government, and community partners to provide recommendations on ways to improve the current engagement process, so that all elements of consultation best practices are being implemented and to ensure the expectations of those being consulted are met.
2. That government publicly report their consultation work against the expectations outlined in ministers' mandate letters.
3. Increase transparency and accountability of engagement and ensure any processes supports equality, diversity, and inclusion for all British Columbians.

⁶⁶ Province of British Columbia. 2012. Citizen engagement highlights package: citizen engagement in the government of British Columbia. <https://www2.gov.bc.ca/gov/content/governments/services-for-government/service-experience-digital-delivery/citizen-engagement/ce-highlights>



PAUSE THE IMPLEMENTATION OF THE PROVINCIAL SALES TAX ON FOSSIL FUEL COMBUSTION SYSTEMS AND HEAT PUMPS INITIATIVE

On February 22, 2022, the provincial government in B.C. announced changes to its tax laws with direct effects on the heating and cooling industry.

Effective April 1, 2022, the provincial sales tax (“PST”) rate on the purchase or lease price of fossil fuel combustion systems will increase from 7% to 12%, while heat pumps will be exempt from PST (the “Initiative”)

The government’s intention in implementing the Initiative is to reduce the overall use of fossil fuels and reduce carbon emissions.

Although the Chamber supports green initiatives, this specific Initiative does not consider its drastic impact on businesses operating in the central and northern interior communities in British Columbia. Nor does this policy change consider customers that heat their homes and businesses with zero and low-carbon renewable gases, a key greenhouse gas emissions reduction pathway identified in the CleanBC emissions reduction strategy.

In particular, heat pumps are not always recommended by heating and cooling professionals as a home’s principal source of heat in central and northern communities in light of the extreme climate, not only from an operational standpoint, but taking into consideration the increased cost.

If the climate does not support the use of a heat pump, both individuals and businesses are then faced with this increased tax with no alternative. For instance, the increased cost of both the heat pump compared to an air conditioner and now the installation of a supplemental heat source does not overcome the tax exemption or current rebates on a heat pump.

As such, the tax exemption is only applicable to the lower mainland and island communities, which creates a lot of inequality between geographical areas.

Background

The PST rate increase applies to fossil fuel combustion systems that heat or cool indoor spaces or water including:

- boilers
- central forced air furnaces
- unit heaters
- storage water heaters
- instantaneous water heaters
- air conditioners
- fireplaces

A heat pump is a standalone or two-component appliance that uses refrigeration technology and electricity to provide heating and cooling for homes, businesses and other applications.

In essence, a heat pump uses electricity and refrigerant to move heat from one location to another.

To provide heat, a heat pump works by extracting heat from the air outside of your home and transferring it to refrigeration coolant – the coolant is then compressed, which increases the temperature significantly; the coolant is then moved to the indoor unit of the heat pump, which then passes air over the hot coolant, increasing its temperature to accommodate the thermostatic call for heat inside the home.



When there is a call for heat, the heat pump will extract heat from the air outside of the home. The refrigerant line carries this heat to the indoor unit, which then transfers the heat to the air inside of your home via a fan inside the wall unit. In cooling mode the process is reversed, transferring heat out of your home and returning cool air to the inside.

Because a heat pump only uses electricity for power rather than for the generation of heat, it offers a remarkably high efficiency rate if used in mild temperatures, however they are not recommended for extreme cold climates.

Heat pumps are rated for “output.” For example, if we consider some heat pump products, when it is -1 degree out, a heat pump will easily produce 100% of its output at the highest efficiency. However, as temperatures start dropping, output starts dropping as well – and when output starts dropping, the heat pump will “work harder” to keep your home at temperature.

The Federal Government has provided literature on the use and efficiency of heat pumps and confirm that, “Air-source heat pumps have a minimum outdoor operating temperature, and may lose some of their ability to heat at very cold temperatures. Because of this, most air-source installations require a supplementary heating source to maintain indoor temperatures during the coldest days.”

For instance, with certain heat pumps, the efficiency rating will start to drop as temperatures drop. For example, at -2 degrees, you will get around 87% of the heat pump unit’s output and the efficiency continues to decline from there. Some products suggest a complete stopping point of -18 degrees. There are heat pumps that offer higher efficiency in cooler temperatures, however these are difficult to source and carry a very high price tag.

With the interior of BC’s average low winter temperatures of -13 degrees, and record lows of -37 degrees, the use of a heat pump alone is not recommended. If used, they will require an additional source of heat for cold winter days or long periods of low temperatures, such as a furnace.

The cost of running a heat pump alone is almost double to a furnace in colder temperatures, however a dual-fuel system of using a heat pump and a furnace will increase the energy efficiency over the use of a furnace only.

Heat pumps are much more expensive to install than an air conditioner. This increased cost, coupled with the requirement of a supplementary heat source, reduces the motivation to the homeowner of installing a heat pump system. There are currently rebates on the use of heat pumps. If the government increases these rebates for dual-fuel systems and exempts the PST increase on furnaces as a supplementary heat source, then it is likely that more people would choose to install a heat pump system.

Many BC homes and businesses are already using renewable natural gas (RNG) to heat their homes. Notably, these customers do not pay carbon tax on the energy consumed in their home appliances as the province recognizes that RNG is a carbon neutral energy source.

Recent regulatory amendments have empowered British Columbia’s utilities to expand their investments in low and zero carbon gases. A recent study conducted for the BC Bioenergy Network, FortisBC and the Province of British Columbia examined the role of Renewable and low-carbon gases and their potential to “decarbonise many sectors that are difficult to electrify, create new economic opportunities, and serve as tools to enable the transition towards a resilient, affordable, and low-emission energy system.” The findings of the report show



that the potential of renewable and low carbon gases could roughly double what currently flows through BC's gas infrastructure to British Columbians.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Pause the implementation of the Provincial Sales Tax on Fossil Fuel Combustion Systems and Heat Pumps Initiative (the "Initiative"); and
2. Reconsider and re-assess the Initiative through consultation with local builder associations, HVAC companies, and Chambers within the Central and Interior BC, and consider revising the PST to include the following:
 - a. Exempting central and northern communities from the increased PST on fossil fuel combustion systems;
 - b. Increase utility-provided and CleanBC rebates on dual-fuel heating systems; and
 - c. Remove air conditioners from the list of fossil fuel combustion systems as they use electricity and do not produce carbon emissions or consume fossil fuels; and
3. Seek to align Provincial Sales Tax policy on heating systems with energy policy promoting the development of low and zero carbon gases and ensure customers who heat their homes and business are not unfairly penalized.

Resources:

1. Details on the Initiative can be found in the NOTICE issued by the Provincial Government <https://www2.gov.bc.ca/assets/gov/taxes/sales-taxes/publications/notice-2022-003-provincial-sales-tax-on-fossil-fuel-combustion-systems-and-heat-pumps.pdf> ;
2. Yukon Air Source Heat Pump Pilot Project 2021: http://www.energy.gov.yk.ca/pdf/air_source_heat_pumps_final_may2013_v04.pdf
3. Federal Government of Canada "Heating and Cooling with a Heat Pump" <https://www.nrcan.gc.ca/energy-efficiency/energy-star-canada/about/energy-star-announcements/publications/heating-and-cooling-heat-pump/6817#a2>
4. Province enables increased investments in renewable gas, hydrogen <https://news.gov.bc.ca/releases/2021EMLI0046-001286>
5. New study by BCBN, FortisBC and the Government of British Columbia shows that B.C.'s renewable and low carbon gas supply could be double current gas use by 2050 <https://bcbioenergy.ca/new-study-by-bcbn-fortisbc-and-the-government-of-british-columbia-shows-that-b-c-s-renewable-and-low-carbon-gas-supply-could-be-double-current-gas-use-by-2050/#:~:text=BC%20Bioenergy%20Network%20partnered%20with,renewable%20and%20low%20carbon%20sources>



NORTHWEST BC RESOURCE BENEFITS ALLIANCE

The Northwest economy has traditionally been based on natural resource extraction, which has generated tremendous amounts of wealth for the province. However, the region has a long history of boom and bust, and infrastructure is aging. There are several major industrial projects proposed in the Northwest, and more recently LNG Canada and Coastal Gaslink made a positive Financial Investment Decision to proceed with their respective projects. As development proceeds, the region will not be able to meet the infrastructure and service needs of industry and community. In contrast, other regions with significant resource developments have shared in provincial revenues which have given them the capacity to meet their needs.

Background

The Northwest BC Resource Benefits Alliance (RBA) was formed in 2014 and is an association of all 21 local governments in northwest BC⁶⁷. The RBA was formed to negotiate a new funding agreement with the Provincial Government to ensure Northwest BC can manage the service and infrastructure deficits resulting from the economic development in the region.

Over the past 10 years, more than \$13 billion has been spent on major capital projects in the region, not including the mega LNG Canada project. The provincial government has earned at least \$500 million in revenue associated with these projects and LNG Canada's project will generate an estimated \$24 billion of direct investment in BC in the next 7 years. The project is also expected to generate about \$23 billion in public revenue over 40 years.

Often, very little local revenue is generated by major capital projects because the developments are largely outside of municipalities or outside the boundaries of communities that are adversely affected by such large impacts. Also, large projects drain resources required to review and plan for proposed projects, whether they proceed or not. Northwest BC has a significantly lower level of property assessment per capita than the rest of the province. The result is that many local governments in the Northwest do not have the capacity to fund their share of federal and provincial infrastructure funding programs. Infrastructure maintenance, upgrading, and replacement are often deferred, which means that aging sewer, water, roads, buildings, and other infrastructure used beyond its normal life.

If the physical and social infrastructure of our communities could be improved, we can support existing businesses and new resource development to build sustainable communities, not just work camps. This will allow communities to attract and retain workers and their families so we can grow our service and tourism sectors. Northwest BC needs financial help from the province to build the necessary infrastructure to support resource development and social infrastructure to ensure Northwest communities are places where workers and their families live.

The incremental revenue from new major project activity in the Northwest that goes to the provincial government is more than sufficient to allow the provincial government to support the Northwest in creating sustainable communities, while still making an enormous contribution to BC government general revenue.

The members of the RBA have formed and signed a Memorandum of Understanding (MOA) that their municipalities work together to pursue resource benefit negotiations and the funding be distributed between the Municipalities as they deem necessary.⁶⁸ The purpose of this MOA is to seek a fair revenue sharing solution for the region that is proportionate to the level of activity, provides the capacity to prepare for future

⁶⁷ <https://www.nwresourcebenefits.ca/about-us/>

⁶⁸ <https://www.nwresourcebenefits.ca/wp-content/uploads/2019/11/NWBC-RBA-MOU-Consolidated-Aug2019.pdf>



development and leaves the region, when the boom retreats, with a legacy for the future. At this stage, there is no set amount the RBA is requesting from the Provincial Government, but they are trying to justify how little the northwest communities are receiving back from projects.

Other regions of the province have had longstanding arrangements. These have taken various forms, ranging from the Fair Share arrangement in the Northeast⁶⁹ to the Columbia Basin Trust⁷⁰, to the various other trusts that have been created to promote economic development and share benefits. Northeast BC and Columbia Basin have both had regional funding arrangements with the provincial government for decades, which has helped these regions overcome the economic impacts of development activities. Additional revenue generated through their agreements has enabled them to successfully access cost-shared federal infrastructure funding that is twice what the Northwest has received on a per capita basis.

It is the RBA's goal that when a funding agreement is reached with the province, it would help achieve the objective of creating sustainable communities that will be able to support economic activity in Northwest BC in the future and facilitate the region to plan and actively participate in ongoing federal and provincial infrastructure programs. The RBA intends to negotiate as a single entity for the entire region and be responsible to its members for how the contributions are distributed. \$77.7 million was provided to RBA members in 2019 and a further \$38 million in 2020 by the Provincial Government as they recognized there was a need for community infrastructure projects.⁷¹

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Continue to engage and negotiate with the Resource Benefit Alliance on a new funding agreement that will benefit the Northwest as a whole;
2. Share a portion of revenue from major resource development within the Northwest with the region's municipalities.
3. Allow Resource Benefit Alliance members to distribute the funding according to their respective municipal requirements.

⁶⁹ https://archive.news.gov.bc.ca/releases/news_releases_2017-2021/2018MAH0039-000701.htm

⁷⁰ https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/96053_01

⁷¹ https://drive.google.com/file/d/1Vw_I9tBKYSJPXCSL-PcoZ_mTvdtnTY8/view?usp=sharing



RAISING THE CAP: SUPPORTING B.C. BUSINESS WITH CREDIT UNION CAPITAL

Across the province, credit unions are being forced to turn away loans to small and medium-sized⁷² businesses because they are subject to an onerous regulatory penalty, unique to British Columbia. This regulatory penalty – the “*commercial cap*” – is problematic for two reasons:

- (1) B.C. businesses have fewer options to obtain financing, must pay higher rates, or risk being turned away by non-B.C.-based lenders who may not understand the local business environment; and,
- (2) Credit unions, which provide thousands of quality, head-office jobs in the financial industry across B.C., are not able to effectively compete with banks, which are not subject to this penalty.

Businesses such as wineries, childcare centres, clean-tech, and small-scale housing developers are the lifeblood of the B.C. economy and challenges in efficiently accessing capital results in reduced economic output, ultimately impacting everyday citizens. This *commercial cap* forces credit unions to hold significantly more capital for a business loan over a certain limit⁷³, which makes it uneconomical for them to extend loans to their local businesses.

Background

Putting the cap in place

In the 1980s, when the current *Financial Institutions Act* (the “Act”) was under development, credit unions were less sophisticated financial institutions, and other governments were reeling from the failures of Canadian Commercial (federal) and Northlands Banks (Alberta). The *commercial cap* was put in place at that time, limiting a B.C. credit union to lend only up to 30% of their overall loan portfolio. Credit unions have since grown to be prudently regulated institutions that work together, all while retaining their local roots. Indeed, no credit union member has lost a single dollar of deposits⁷⁴ since the Reserve Board (now the Credit Unions Deposit Insurance Corporation) was created in 1958, even in regions that would traditionally be considered economically dependent on a single industry or resource (e.g. a pulp mill, a fishery).

Modern policy direction

Commercial caps have been replaced by sophisticated risk management practices, and are no longer in place in any other jurisdiction in Canada. In 2015, the Ministry of Finance launched a [public consultation](#) on the review of the Act. In 2017, the newly-elected NDP government made a minor change to the *commercial cap*, reducing the penalty slightly on the portion of the credit union’s loan portfolio between 30%-35% of overall loans⁷⁵. This amounted to taking a speeding ticket down to \$5,000 from \$10,000; the penalty still being so onerous that credit unions were unable to make any changes to their lending practices.

In 2018, the Ministry endorsed the recommendation to remove the commercial capital penalty entirely in the release of their [Policy Proposals](#)⁷⁶. However, due to resource constraints, making further changes has taken a backseat to other government priorities. As such, credit unions have recommended a temporary increase of the cap to 35% while the entire rewrite of the *Act* is delayed. This will allow credit unions to safely increase their lending while wholesale changes are made to the regulatory framework.

⁷² For most credit unions, loans are made to “micro-businesses” – those that employ less than 10 persons.

⁷³ Even if the loan in question entails the same amount of risk.

⁷⁴ McPherson, Ian. *Cooperation, Conflict and Consensus. BC Central Credit Union*, 1995. Annual Reports, Credit Union Deposit Insurance Corporation of B.C. and the Credit Union Central of BC (now Central 1).

⁷⁵ The penalty was reduced so that instead of holding 2 times the amount of capital, a credit union was required to hold 1.5 times the amount of capital between 30-35% of the overall loan portfolio.

⁷⁶ Ministry of Finance. *Policy Proposals*, 2018. Page 20.



Benefits

By raising the cap to 35%, B.C. businesses will have more options to obtain financing at no cost to government. This enhanced competition could lead to lower rates on loans as banks face increased competition. Additionally, because there are many communities in B.C. where a credit union is the only bricks-and mortar financial institution, businesses will have the opportunity to work with a financial institution that has a stronger understanding of local economic conditions, and may provide higher quality advice.

All British Columbians will ultimately benefit from the economic multiplier effect generated by this increased lending. In North Vancouver, the local credit union estimates that by increasing their commercial lending to 35%, they could lend to an additional 271 businesses. If each of these businesses employed 3 people, this could create 813 jobs in the credit union's trading area – which spans from Pemberton to Kerrisdale. These jobs will create more opportunities for individuals to fully participate in B.C.'s economy.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Raise the lending cap from 30% to 35%⁷⁷ in order for credit unions to participate prudently and equitably in business lending. This is a no-cost solution to the government, that will generate increased options for businesses seeking loans, build communities with limited access to capital, and generate regional economic growth.

⁷⁷ Repeal Section 15(3)(a) of the Capital Requirements Regulation of the *Financial Institutions Act* which currently reads “an additional weighting factor of 0.5 shall be applied on the proportion of value exceeding 30% but not exceeding 35%”.



ENSURING OLD GROWTH PROTECTION AND SUSTAINABLE FORESTRY STRATEGIES SUPPORT BC'S REGIONAL ECONOMIES AND BUSINESS COMMUNITIES

The old-growth temperate rainforests of British Columbia have significant economic, social, and environmental value.

Old-growth forests are vital pillars of BC's multi-billion dollar tourism industry, with tourists coming from around the world to visit the province's unique old-growth forests and parks. They also enhance property values due to their scenic, recreation, tourism, and wildlife values and help improve regional quality of life, which in turn attracts a skilled workforce to BC. They store vast amounts of atmospheric carbon, allowing local communities to benefit from rapidly expanding carbon markets; supply clean water for communities and for wild salmon, which in turn supports commercial and recreational fisheries; and are important for non-timber products, such as mushrooms, wild berries, and medicines.

The old growth deferral process implemented by the BC Government has led to regional economic uncertainty, rising prices for timber, and resulted in unforeseen consequences such as increasing cost to do business, build homes, and trade globally. The process used to reach the conclusions of the deferral process was not based on the best science available and lacks adequate focus on regional consultation with First Nations, professional foresters, local governments or the business community.

Background

Studies have shown that keeping old-growth forests standing provides greater net economic benefits than cutting them down when factoring in their value in supporting tourism, recreation, carbon offsets, water conservation and filtration, recreational and commercial fisheries, and non-timber forest products (e.g. wild mushrooms). Local communities across British Columbia stand to benefit from long-term, sustainable revenues and jobs by keeping old-growth forests standing.

Old-growth forests are central to many First Nations cultures, which rely on ancient cedars for building traditional canoes, long houses, totem poles, masks and other items, and on plants, wildlife, and wild salmon for food and medicines. While the protection of old-growth forests in First Nations' territories would support their cultures and help lay the foundation for sustainable economies, many of these communities lack the financial capacity and support needed to diversify their economies so that old-growth forests can be protected rather than logged.

Old-growth forests are scarce in much of BC today. For example, on BC's southern coast, over 79% of original, productive, old-growth has been logged, including well over 90% of the highest productivity, valley-bottom forests where the largest trees grow. Old-growth forests now make up a minority fraction of the productive, forested land base, meaning second-growth forests now dominate most of the productive forest lands in BC.

The BC Government is currently deferring logging activity within 2.6 million hectares of old growth forests within the timber harvest land base. The purpose of this deferral process is to allow the Province, First Nations, and other partners to develop a new approach for old growth forest management.

The deferral process has been implemented based upon an independent review and panel report titled 'A New Future for Old Forests: A Strategic Review of How British Columbia Manages for Old Forests Within its Ancient



Ecosystems⁷⁸. The report was created by consulting with more than 800 people through a survey, written submissions, and emails.

The report had a total of 14 recommendations including on conditions required for change:

1. Engage the full involvement of Indigenous leaders and organizations to review this report and any subsequent policy or strategy development and implementation;
2. Declare conservation of ecosystem health and biodiversity of British Columbia's forests as an overarching priority and enact legislation that legally establishes this priority for all sectors;
3. Adopt a three-zone forest management framework to guide forest planning and decision-making;
4. Adopt a more inclusive and stable governance model that gives local communities and stakeholders a greater role in forest management decisions that affect them; and,
5. Provide the public with timely and objective information about forest conditions and trends.

For immediate response:

6. Until a new strategy is implemented, defer development in old forests where ecosystems are at very high and near-term risk of irreversible biodiversity loss; and,
7. Bring management of old forests into compliance with existing provincial targets and guidelines for maintaining biological diversity.

For improving management:

8. Establish and fund a more robust monitoring and evaluation system for updating management of old forests;
9. Establish a standardized system and guidance that integrates provincial goals and priorities to local objectives and targets;
10. Update the targets for retention and management of old and ancient forest;
11. Improve the mapping and classification of old forests to recognize multiple values; and,
12. Create a silviculture innovation program aimed at developing harvesting alternatives to clearcutting that maintain old forest values.

For orderly transitions:

13. Once developed, implement the new policies and strategies for the management of old forests through mandatory provincial and local transition plans that define, schedule and monitor the process; and,
14. Support forest sector workers and communities as they adapt to changes resulting from a new forest management system.

There are three mechanisms for deferring harvest in old growth forests:

- Voluntary deferrals, where a licensee or tenure holder volunteers to avoid harvesting in areas for a period of time
- Regulation based deferrals including the use of Part 13 of the *Forest Act* to establish a legally enforceable deferral
- Directed deferrals, in the case of the provincial government providing direction to BC Timber Sales

Cam Brown, with support from Jeremy Hachey, authored a paper titled '*Status of BC's Old Forests*⁷⁹', which found that there is a lack of local and regionally specific data, without which assessments of old growth

⁷⁸ <https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/forestry/stewardship/old-growth-forests/strategic-review-20200430.pdf>

⁷⁹ https://www.cofi.org/wp-content/uploads/BC_OldGrowth_2021Status-Report_Oct21-2021.pdf



conditions cannot be labelled as complete, and any policy directives stemming from this incomplete data would be reckless, especially considering the lasting economic impacts it would create.

The uncertainty in forestry has resulted in businesses moving out. Teal Jones, in Surrey for example, has built a new wood manufacturing facility in the United States instead of expanding in BC. Additionally, Canfor announced over \$600M in investments outside of BC in 2021 with \$420M to buy Millar Western Forest Products (Alberta) \$200M in Louisiana, USA to build a new sawmill. West Fraser purchased Norbord (February 2021) for \$4B. Dunkley Lumber announced \$100M expansion plans for Carrot River, Saskatchewan sawmill in February 2021.

Examples such as these are going to become more frequent with the anti-business sentiment that the government is displaying. BC has committed to using mass timber for building⁸⁰, however, there will be no supply since foresters are moving their operations out of province.

The 2022 BC Budget projected that there will be a \$700 million revenue reduction for the government that come from forestry revenues. There will be a 12% drop in annual timber harvest as a direct result of the deferrals. The government also indicated that there would be about 4500 jobs lost. These are well paid and highly skilled jobs.⁸¹ Additionally, due to the decreased production of lumber, there will be a rise in prices, which will only exacerbate the supply chain, and housing crisis everyone is currently enduring.

The Global and Economic Context

When BC indicates that our products, which are highly sought after and harvested with the most environmentally sustainable regulations, are not for sale, global demand does not wait until we have figured out our management practices to resume their operations. Rather, they go to where supply is available. Once we lose these relationships, it is unlikely we will be able to get them back. By implementing this deferral without taking into consideration the global trade ramifications is going to cripple this industry.

It was also found that of the 2.6 million hectares that was deferred, only 1.355 million hectares were actually in the timber harvest land base. Should this deferral become permanent, it could result in a reduction of the annual allowable cut (AAC) by 4 million cubic metres, which could result in as many as 10 sawmills shutting down.⁸²

Our forest resource is vital to the health of our communities and needs to be managed in a responsible manner which considers all the values a healthy forest can provide.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Commit to a fact-based, balanced, and inclusive engagement process that includes a detailed assessment of regional old growth conditions in a regional context with consultation of local experts, industry and First Nations to determine the best way for managing the forests;
2. Commit to educate the public on the current processes of extraction and value of the resource, including old growth
3. Support policies that facilitate a sustainable, value-added, second-growth forest industry in BC, as second-growth forests now constitute the majority of its productive forest lands.

⁸⁰ <https://news.gov.bc.ca/releases/2021JERI0025-000646>

⁸¹ <https://vancouversun.com/opinion/columnists/vaughn-palmer-b-c-budget-undercores-job-and-revenue-losses-of-old-growth-logging-deferrals>

⁸² <https://biv.com/article/2022/01/what-exactly-being-deferred-old-growth>



FUTURE OF THE FOREST INDUSTRY

As forest policy modernization, reconciliation efforts and robust climate agendas continue to advance in British Columbia, the forest industry in Canada and in particular the BC forest industry is calling for the creation of policies, pathways and conditions that strengthen B.C.'s leadership potential and help drive investment and innovation across the industry.

Forestry remains foundational to people and communities across BC, supporting over a 100,000 jobs and contributing nearly \$13 billion annually to GDP and \$4 billion in revenues to all levels of government. The future for forestry in BC can be bright, particularly as consumers and jurisdictions turn to sustainably produced carbon-storing forest products as the building and packaging material of choice. The opportunity for BC to be a leader and support an inclusive, sustainable and competitive forest sector and provide good jobs for British Columbia is significant.

To that end, ensuring a policy and regulatory environment that supports the health of the sector through the ups and downs of volatile commodity markets is critical to ensuring BC can maximize opportunities.

Background

Following consultation with 7000 staff in the BC Province's natural resource ministries along with First Nations and industry stakeholders, the government of British Columbia announced that effective April 1, 2022, that the responsibilities of the Minister of Forest Lands Natural Resources and Rural Development (FLNRORD) will be split into:

- The Ministry of Forests (MOF) and
- A new Ministry of Land Water and Resource Stewardship (LWRS)

The new Ministry has a \$100M portfolio, employs over 1200 staff and is responsible for working with First Nations to co-manage land and resources, protecting drinking water and other provincial policy strategies and working with the Federal Minister of Fisheries and Oceans to manage fisheries and provincial species at risk policies.

The provincial Minister of Forests remains responsible for coordination with the Federal Ministry of Natural Resources responsible for national forest policy direction and the modernizing of forest policy. In addition, the ministry also is responsible for maintaining the Market Pricing System (stumpage), enhancing protections for forests and providing yearlong BC Wildfire Service.

The industry remains a cornerstone of the economy, supporting good jobs and a better quality of life for British Columbians and also as Canadian communities.⁸³ With a diversity of interests and perspectives, industry participants are represented by a variety of associations. This includes, but is not limited to, the BC Council of Forest Industries (COFI) which [represents](#) the majority of lumber, pulp and paper, and manufactured wood producers across the province, the Interior Lumber Manufacturer's Association (ILMA) which has over a dozen manufacturers based in the interior of the province as members, the Independent Wood Processors Association (IWPA) which represent many secondary manufacturers, the BC Truck Loggers Association representing contractors and service providers, and BC Wood which represents value-added manufacturers from across the province. Suffice to say, the forest industry has touch points in every single community of British Columbia and diverse interests.

⁸³ <https://www.cofi.org/cofi-joins-coalition-for-a-better-future-and-all-cofi-members-endorse-coalitions-vision-to-build-a-winning-economic-strategy-for-canada/>



These organizations and their members' advocate and work with government, First Nations, communities, labour and other partners to promote a healthy, diversified, and sustainable forest industry that benefits people and families across BC and of course as Canadians.⁸⁴ Looking at COFI's members alone, they support approximately 100,000 jobs and contribute nearly \$13 billion in GDP annually in British Columbia.⁸⁵

Indigenous Peoples are at the heart of the discussion on the future of forestry as rights holders, owners, business and stewardship partners and employees. As the fiscal relationship continues to evolve, and as the Declaration on the Rights of Indigenous Peoples Act and accompanying Action Plan⁸⁶ continues to be implemented in B.C., the BC Chamber of Commerce, along with many of the groups above, have publicly stated they are [committed](#) to playing a positive role in the journey to support reconciliation. For its part, COFI and its member companies have long advocated for increased government revenue sharing with First Nations for forestry activities taking place on their traditional territories.⁸⁷

The Federal Minister of International Trade, Export Promotion, Small Business and Economic Development has been mandated to⁸⁸:

- reinforce economic cooperation including enhanced trade engagement with the Pacific Alliance and pursuing bilateral trade agreements with key partners
- protect Canadian supply chains and ensure that Canada's trading relationships are mutually beneficial economic relationships and;
- Support the Minister of Agriculture and Agri-Food to provide full and fair compensation to supply-managed sectors with respect to the Canada-United States-Mexico Agreement (CUSMA).

Additionally, the Federal Minister of Natural Resources has been mandated to⁸⁹:

- Build off successful investments in Green Construction through Wood and Investments in Forest Industry Transformation programs and;
- Work with the Minister of Environment and Climate Change to help protect old growth forests, notably in British Columbia, by advancing a nature agreement with B.C., establishing a \$50 million B.C. Old Growth Nature Fund, and ensuring First Nations and Métis Peoples, local communities and workers are partners in shaping the path forward on nature protection.

The Federal and BC ministries focuses are important to the forest industry and the communities they support. However, it is equally critical that both levels of government focus on the health of the industry and stem the tide of lost business to more competitive jurisdictions, lest we all experience the degradation of the core economics of the industry and its substantial contribution to the health of so many Canadian and BC communities.

THE CHAMBER RECOMMENDS

That the Provincial Government:

⁸⁴ <https://www.cofi.org/cofi-joins-coalition-for-a-better-future-and-all-cofi-members-endorse-coalitions-vision-to-build-a-winning-economic-strategy-for-canada/>

⁸⁵ <https://www.cofi.org/wp-content/uploads/Economy-Fact-Sheet-Nov-17-2020.pdf>

⁸⁶ <https://declaration.gov.bc.ca/>

⁸⁷ <https://www.cofi.org/cofi-joins-coalition-for-a-better-future-and-all-cofi-members-endorse-coalitions-vision-to-build-a-winning-economic-strategy-for-canada/>

⁸⁸ <https://pm.gc.ca/en/mandate-letters/2021/12/16/minister-international-trade-export-promotion-small-business-and>

⁸⁹ <https://pm.gc.ca/en/mandate-letters/2021/12/16/minister-natural-resources-mandate-letter>



1. Collaborate with the Federal government, Indigenous peoples, communities, industry stakeholders, including the BC Chamber of Commerce and its members, to ensure a strong, sustainable and competitive BC forest sector.
2. Develop and implement a modernization strategy for the BC forest industry that ensures predictable access to fibre at a reasonable cost for existing producers, new entrants and First Nations and includes regional priorities, socio-economic interests of our communities, and the need to retain and grow forestry businesses.
3. Incent innovation in the forestry sector to improve competitiveness and sustainability, fostering value-added production and the development of manufacturing technologies of BC forest products that bring benefits to our local communities.

That the Federal Government:

1. Collaborate with industry stakeholders, Indigenous Peoples and the Provincial government of British Columbia in the development and implementation of a modernization strategy for the BC Forest industry that incents innovation and construction using wood products and invests in forest industry transformation programs to ensure long term supply of wood fibre and products for Canadians.



UNLOCKING THE POTENTIAL OF FOREST RESIDUAL BIOMASS

Currently, B.C.'s forest, climate and energy policies are not unified on maximizing the value of forests for all stakeholders, leaving some gaps in B.C.'s policies and opportunities that will be needed to achieve Canada's climate targets under the Paris Agreement (St-Laurent et al., 2017).

This policy looks to remove operational challenges associated with the availability and accessibility of B.C.'s forest harvesting residues. This will enable better use of our forest resources, help with new job and industry creation, and help Canada take a step towards achieving climate change targets.

Background

Canada's Forest Industry

Forests are a major source of wealth for Canadians, providing a wide range of economic, social, and environmental benefits. Approximately 95 percent of B.C.'s forests are publicly owned, allowing the Province to help determine where, when, and how forest resources can be used for the best long-term benefit of its citizens.

This is achieved through government regulations defined in the Forest Act, which largely govern the actions of private businesses who operate at various stages of the harvesting lifecycle: planning, planting, and forest management; road-building and harvesting; wood product manufacturing (primary and secondary); pulp, paper and bio-refining; and forest product marketing.

These actions benefit Canadians in a number of ways, including direct and indirect economic stimulus. In 2018, total economic output for the sector was \$33 billion; total GDP from the forestry sector was \$12.9 billion.

The forest industry contributed approximately \$1.4 billion (federal), \$2.6 billion (provincial), and \$200 million (municipal) to government revenues. The sector is the primary employer in many parts of the province and approximately 40% of B.C.'s regional economies are dependent on forestry through directly harvesting and/or processing forest products. Forestry-related activities directly support over 7,000 businesses and employ 140,000 British Columbians in 60,000 direct and 81,000 indirect jobs; generated \$8.6 billion in wages to workers.

A study from 2017 confirmed the importance of the industry to BC showing that it generated 1 out of every 17 jobs in the province.

Value also flows back to Canadians through Stumpage. Stumpage is a payment for use of a public natural resource and is not the same as logging tax. The amount of stumpage owed is determined by the province's market pricing system. The money raised by stumpage is used to fund vital social services such as education and health care.⁹⁰

Forest Residuals (fibre)

British Columbia and the rest of Canada's provinces have some of the most comprehensive forest management policies in the world and are globally recognized for producing sustainably derived forest products⁹¹. Typically, these forest products are produced using conventional logging techniques where the

⁹⁰ <https://www2.gov.bc.ca/gov/content/taxes/natural-resource-taxes/forestry/stumpage>

⁹¹ Research Intelligence Group. (2015). Consumer Market Acceptance Research: Forest Products.



tops and branches are removed and discarded and only the trunk (round wood) is removed from the forest as this is usually the most valuable part of the tree.

Forest Residuals or “Residual Fibre” refers to the fibre that is left behind on a site after primary harvesting operations have been completed. This fibre includes smaller and poor-quality logs, pieces of logs, branches and other woody biomass. This waste is most often left in a cut block, piled by machinery in large “slash piles” and burned with the intention to reduce the fire hazard that exists on a site post-harvest.

The volume of this wood fibre material, which is simply burned, instead of being utilized, is substantial. Recent data indicates that approximately 24.23 Green Metric Tonnes of this fibre is produced per hectare of forest which is logged. Logging currently occurs on about 190,000 hectares (470,000 acres) of forest per year in B.C. This means that approximately 4,600,000 Green Metric Tonnes of B.C.’s wood fibre resources are simply burned each year, rather than utilized to support the economy and fund public infrastructure.

Forest residues represent a large, underutilized public resource in Canada. Forest residue is a potential feed stock for biomethane and other biofuels which will provide substantial environmental benefits by displacing fossil fuels, thereby reducing greenhouse gas emissions and helping the province and country meet its climate goals. Other countries around the world (such as the US and Europe)⁴ have identified means to maximize their forest resources through fibre recovery. Canada could do likewise.

Effective Policy Works

Overcoming this challenge has been a topic of discussion for decades in Canada. Increasing the recovery and use of this fibre has recently been identified as a significant priority for the government and forest sector in British Columbia.

B.C. is currently implementing various initiatives to enhance the utilization of residual fibre left on roadsides and landings within cut blocks which would otherwise be burned, but there are still many economic challenges within the current policy framework for these practices to be adopted on a larger scale.

Canada, however, is not the only country with vast forest resources and many lessons can be adopted from other countries in the world who have found effective methods to maximize these public resources. The US and Sweden are both examples of countries with highly efficient forest management which includes residual fibre recovery (maximizing their forest resources).

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Forge strong relationships with Indigenous peoples to increase access to fibre and generate new economic opportunities for Indigenous communities.
2. Reinstate the logging waste recovery economic framework to incent full implementation of our forest resources.
3. Approve 4 trials through-out the Province for commercial thinning (fuel management). This will reduce future wildfire risk, while at the same time help the Province to develop effective future fuel reduction programs.
4. Indicate that the forest industry’s costs to manage non-timber values is adequately recognized and that the forest industry pay to manage other forest resource users and values unless there is a direct cost recognition in the timber pricing system. This could include residual fibre deliveries, Indigenous people’s consultation, and range management costs among others.



WILDFIRE INTERFACE AND PREVENTION

The communities in the Province of British Columbia continue to experience catastrophic wildfire events. Just last summer we witnessed one of the worst wildfires impacts imaginable, the complete devastation of a community in just a few short hours. Lytton wasn't the only catastrophic event, as the summer of 2021 carried on, it became clear to us that the condition of our crown and private forested lands are placing British Columbia communities and citizens (and therefore our economies) at unacceptable levels of risk.

The lifeblood of our Province is its people and our towns, First nation's communities, and villages. The province's forest resource acts as a key economic driver in this province and serves as the boundary to the majority of our province's communities. It is no large leap to recognize that these statements have collided with one another in recent years, and we can confidently say that the management of these forests is putting our homes, businesses, and communities at an unacceptable level of risk.

Background

According to the publication by the Public Safety and Solicitor General in February of 2022, *Protecting people, communities from climate-related disasters*, \$145 million will be allocated over 3 years to strengthening B.C.'s emergency management and wildfire service. The plan includes transforming the BC Wildfire Service into a year-round firefighting and risk mitigation workforce adding equipment and capacity. The province has clearly taken a proactive approach to wildfire response and prevention, adding another \$98 million for wildfire prevention work including maintaining road access to support future wildfire response. In addition to these funds, the provincial budget also outlines an additional \$90 million for community grants to support Firesmart initiatives and fuel management activities.

We are aware that many communities are doing what they can to protect themselves through Firesmart and landscape treatment, there are also several small Wildfire Risk Reduction projects happening with the help of our Ministry staff, and this increased availability of granting for Firesmart initiatives will allow more communities to participate in the program, however without more vigorous and collaborative efforts being led by the province, we will continue to lose ground. Without long term, sustainable for these initiatives, as well as a focus on a collaborative approach between communities, the current scale of support remains inadequate.

One such example of effective collaboration can be found in the Kootenays. During the 2017 wildfire, the collaborative efforts of the Aq'am community on the St Mary's River, the Cranbrook Fire Department, BC Wildfire Service, and the Regional District of East Kootenay, greatly minimized the damaging effects of a wildfire that had moved swiftly through the area which was in close proximity to the international airport. The quick response times and ability of these groups to work together saved a great deal of residential infrastructure and surrounding lands from being devastated, while also preventing the fire from moving towards the airport. Since 2003, communities in the East Kootenays have worked to come together in emergency situations, leveraging strength in numbers. This is a principal that if applied province wide could see much success.

If we are to reduce the risk to an acceptable level, to protect our communities, and prevent interruption to the businesses that the province relies on, we cannot continue to apply the same principle of forest management that led us to our present situation. Although we have a long-standing system of forest tenures in and around communities, the unwillingness to drastically change forest management practices in the interface and intermix zones limits everyone from making meaningful change to the protection of our homes.

When the problems our province faces are on such a scale that entire communities are being lost, we need to start thinking outside the box. We need to see consistent guidance and stronger leadership from our provincial



government on wildfire prevention strategies. Different landscapes will require different approaches, and the scale of treatment must be equal to the scale of the risk. We must accept that the solution is going to span governments, both in jurisdiction and time.

We currently have the research and the expertise to guide more effective wildfire management and prevention, it needs to be scaled up at the provincial level so that we can protect communities at risk

Provincially organized programs such as Firesmart, Wildfire Risk Reduction (WRR), Community Resilience Initiative (CRI) are just three that have the right ideas driving them but are operating at a scale that is ineffectual. More robust funding from the province for these programs would drastically increase their effectiveness. Although more funding has been made available for Firesmart initiatives, increased support for WRR and CRI are still needed.

We understand the mechanisms needed for successful wildfire prevention, however, to achieve success, we need our provincial government to scale up the work and ensure that it is comprehensive in its goal to protect. We have heard a lot about bringing prescribed fire back to the landscape. In conjunction with fuel reduction, fibre utilization initiatives, changes in forest practices in the interface and intermix, and support for industry to transition to value added practices we will see changes in the risk that our communities are facing.

The following two recommendations from the BC Flood and Fire Review, *Addressing the New Normal: 21st Century Disaster Management in British Columbia Report and findings of the BC Flood and Wildfire Review: an independent review examining the 2017 flood and wildfire seasons*, written by George Abbot and Chief Maureen Chapman who were appointed to review BC's response to wildfire and flood disasters in 2017.

Recommendation 18

Develop strategic partnerships and operational agreements with key community members, forest professionals, First Nations, tenure holders (forest, range, guide outfitters and others), as suitable to provide increased response capacity and promote resilience across the land base. As part of this arrangement, BC should consider training and registering partners.

Rationale — The contribution of land-based partners must be formalized, regularized, and enabled by a consistent approach to training and registration so incident management teams and on-the-ground partners understand what each can deliver.

Recommendation 29

BC enhance integration across government and among governments, particularly in the natural resource sector and within Emergency Management BC, to:

- Foster better collaboration among land-based decision makers
- Promote joint forest/grassland management and wildfire preparedness.

Rationale — Enhancing integration between and among government departments and branches could include training, information-sharing, integrated land use management planning and zoning to facilitate fuel management planning.

Based on the information in the Abbot Chapman report and in keeping with its recommendations;

THE CHAMBER RECOMMENDS

That the Provincial Government:



1. Allocate financial resources to BC Wildfire Service for sufficient staffing to create permanent positions that strictly focus on protection of communities through long-term maintenance of interface and intermix forest areas.
2. Immediately scale-up ability to offer long-term support to Wildfire Risk Reduction, prescribed (cultural) burning practices and value-added forest practices aimed at increasing the value of the interface and intermix timber supply.
3. Undertake a review of the effectiveness of the recommendations, and implementation of government responses, of the 2018 Abbot Chapman report.

Resources:

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1. Abbot and Chapman, April 2018. *Addressing the New Normal: 21st Century Disaster Management in British Columbia Report and findings of the BC Flood and Wildfire Review: an independent review examining the 2017 flood and wildfire seasons*
 2. Public Safety and Solicitor General, February 2022. *Protecting people, communities from climate-related disasters*



IMPROVING PRIMARY CARE AND SAVING HEALTHCARE DOLLARS WITH PHYSICIAN EXTENDERS / PHYSICIAN ASSISTANTS

As Canada and the world emerge from two years of restricted health care access due to Covid and its resultant changes in the numbers of available physicians and senior health care workers, the notion of utilizing Physician Assistants/Physician Extenders makes more sense than ever. Physician assistants are educated under the same medical model used to train doctors but through a two-year graduate program. They can conduct patient interviews, provide physical examinations, perform diagnostic and therapeutic interventions, prescribe most medicines, order and read tests, and make referrals under the guidance of a physician.

The Canadian Association of Physician Assistants says a recent survey of its 800 members indicated 15 per cent want to work in BC⁹². It estimates that's enough physician assistants to supply about 90,000 people with a primary care provider.

However, the provincial government says despite the strains on the system, adding the new position isn't part of its plans.⁹³ Why not in BC? There is clear evidence that availability of primary care has significant implications for British Columbia's economy both in terms of overall population health and the impact of employee productivity and absences on business. Though our government has made expanding availability of primary care a key priority, British Columbia suffers from a lack of primary care. In other jurisdictions, the shortage of primary care has been addressed successfully with the introduction of physician extenders, also called physician assistants. The terms are interchangeable. The British Columbia government should embrace the physician extender model so that our economy may reap the benefits of primary care and create new efficiencies in our healthcare system, truly providing universal, accessible health care for all.

Background

Macro level research indicates that health (measured in terms of life expectancy) is positively correlated with economic growth (measured in terms of GDP growth rate)⁹⁴. Statistics show that two key drivers of employee absences:⁹⁵ either due to illness or to caregiving for family members⁹⁶ are health related.

The costs of illness-related impacts on business are immense, as demonstrated by statistics over the past fifteen years, even pre-pandemic:

- Conference Board of Canada: private sector organizations estimate direct cost of employee absences is 2.3% of gross annual payroll⁹⁷

⁹² Canadian Press, February 20, 2022. <https://www.winnipegfreepress.com/arts-and-life/life/health/physician-assistants-could-fill-part-of-bcs-need-for-more-doctors-advocates-576229122.html>

⁹³ "Health Minister Adrian Dix said Sunday that introducing physician assistants would require developing new programs to train them. Instead, he said the government's focus is on doubling the number of nurse practitioners, who work in teams with doctors, dieticians and other care providers. 'We don't exclude the idea of including physician assistants in that but our priority has been to increase the number of nurse practitioners,' he said." *Physician assistants could fill part of B.C.'s need for more doctors: advocates*, Brieanna Charlebois, The Canadian Press <https://vancouverisland.ctvnews.ca/physician-assistants-could-fill-part-of-b-c-s-need-for-more-doctors-advocates-1.5789059>

⁹⁴ D. E. Bloom, D. Canning, and J. Sevilla, "The Effect of Health on Economic Growth: A Production Function Approach," *World Development* 32, no. 1 (2004): 1-13

⁹⁵ Employee absences cost the British Columbia economy more than a billion of dollars annually. Stewart, Nicole, "Missing in Action: Absenteeism Trends in Canadian Organizations," *The Conference Board of Canada*, September 2013 <http://www.conferenceboard.ca/e-library/abstract.aspx?did=5780>

⁹⁶ Dabboussy, Maria and Sharanjit Uppal, "Work absences in 2011," *Statistics Canada*, April 20, 2012 <http://www.statcan.gc.ca/pub/75-001-x/2012002/article/11650-eng.pdf>.

⁹⁷ Stewart, Nicole, "Missing in Action: Absenteeism Trends in Canadian Organizations," *The Conference Board of Canada*, September 2013, <http://www.conferenceboard.ca/e-library/abstract.aspx?did=5780>.



- Statistics Canada: in 2021, total work time missed due to illness or disability mushroomed to levels unseen previously due to the pandemic waves.

Against this backdrop, it is crucial to recognize the role of primary care in improving health outcomes and reducing the impact of employee illness on business.

- It has long been accepted and confirmed that availability of primary care is strongly linked to better health outcomes.^{98 99} In addition, a larger supply of primary care physicians is associated with lower costs of health services^{100 101 102}, and higher quality¹⁰³. A healthier population means fewer employees who must miss work because they are sick or must provide care to a sick family member or friend.
- When employee illness occurs, primary care is in most cases dramatically more efficient than the alternative, a visit to the emergency room. Whereas physician office visits can be booked in advance to minimize work interruption, the emergency room waiting times in British Columbia are now routinely measured in terms of hours.

It is common knowledge that primary care is in short supply in British Columbia.¹⁰⁴ “The stats show that about 750,000 British Columbians do not have a family physician,” said Dr. Toye Oyelese, a West Kelowna family doctor and the current president of BC Family Docs. “We feel that it’s probably a little higher than that given the attrition that we’ve seen lately, and the numbers could be as high as 900,000.” The implications of BC’s primary care shortage for business are not hard to grasp. Less primary care means lower productivity.¹⁰⁵

BC Budget 2019 was a disappointment with respect to healthcare investments. Health care spending for 2019 tops \$21 billion. The Finance Minister said the previous government’s policies “didn’t work” but offered no specifics on the new government’s “team approach.” There was no mention of Physician Extenders. There is currently a call for a new Health Care Plan, whether as a time-limited task force, or one headed by health and finance ministries. The College of Physicians and Surgeons, patient groups and ministries must all get involved.

Can this problem be solved? One important step would be through the recognition of the Physician Extender/Physician Assistant in the Medical Services Plan Billing Scheme

A physician extender is a trained assistant who can perform several tasks that a family doctor normally performs. Physician extenders are able to relieve doctors of many less complicated cases, which frees physicians to handle more patients in general. Crucially, the medical-legal responsibility for the physician

<https://bmcinfectdis.biomedcentral.com/articles/10.1186/1471-2334-11-90> Statistical estimates of absenteeism attributable to seasonal and pandemic influenza from the Canadian Labour Force Survey show the effects in 2022 continue to escalate as thousands leave the workforce and the healthcare system “is on the brink of collapse”

⁹⁸ Starfield B, Shi L, Macinko J. *Contribution of Primary Care to Health Systems and Health*. The Milbank Quarterly. 2005;83(3):457-502. doi:10.1111/j.1468-0009.2005.00409.x.

⁹⁹ Pierard, E. (2009). *The effect of physician supply on health status as measured in the NPHS*. Retrieved February 25, 2012 from <http://www.rdc-cdr.ca/effect-physician-supply-health-statusmeasured-nphs>.

¹⁰⁰ Hollander, M.J., Kadlec, H., Hamdi, R. & Tessaro, A. (2009). *Increasing value for money in the Canadian healthcare system: new findings on the contribution of primary care services*. Healthcare Quarterly, 12(4), 32-44

¹⁰¹ Mark, D.H., Gottlieb, M.S., Zellner, B.B., Chetty, V.K. & Midtling, J.E. (1996). *Medicare costs in urban areas and the supply of primary care physicians*. Journal of Family Practice, 43, 33-9.

¹⁰² Baicker, K. & Chandra, A. (2004). *Medicare spending, the physician workforce, and beneficiaries’ quality of care*. Health Affairs, (Suppl. web exclusive), W4-184-197).

¹⁰³ Baicker, K. & Chandra, A. (2004). *Medicare spending, the physician workforce, and beneficiaries’ quality of care*. Health Affairs, (Suppl. web exclusive), W4-184-197).

¹⁰⁴ “Physician assistants could fill part of B.C.’s need for more doctors: advocates - Pandemic and opioid crisis have highlighted B.C.’s lack of doctors” THE CANADIAN PRESS, Feb. 20, 2022 <https://www.nanaimobulletin.com/news/physician-assistants-could-fill-part-of-b-c-s-need-for-more-doctors-advocates/>

¹⁰⁵ BC Docs Report highlights challenges aspiring B.C. family doctors face – Nov 13, 2021. <https://bcfamilydocs.ca/>



extender rests with a supervising physician, which ensures that physician extenders are delegated functions that are within their scope of practice. Accordingly, under the physician extender model, a physician retains primary responsibility for patient care, which distinguishes the use of physician extenders from other non-physician affiliated primary care models (e.g., independent nurse practitioners).

The United States pioneered the use of physician extenders in the 1960s. Their use of physician extenders has led to dramatic improvements in efficiency and PAs are widely accepted part of the primary care system in the United States.¹⁰⁶ The PEs and PAs profession is regulated in Manitoba, Alberta, Ontario and New Brunswick, according to the Canadian Association of Physician Assistants. Nova Scotia is near the end of a three-year physician assistant pilot project to address wait times. The military has also used physician assistants for over a century, though the term was only adopted in 1984.

In Canada, physician assistants were first introduced into the Canadian Forces to address a shortage of military physicians and remain an integral part of the armed forces healthcare system. Today, more than 800 physician assistants are working in clinics, communities and hospitals in Canada, qualified to do physical examinations, take medical histories, order tests, prescribe certain medications, and assist surgeons before, during and after surgeries.¹⁰⁷ Their taxpayer-funded salaries range from about \$75,000 to \$150,000, comparable to what nurse practitioners earn.¹⁰⁸ BC could expand its care profile, make clinics more profitable, and reduce the associated HR issues detailed earlier in this paper by adopted PAs immediately into the health care system. Issues around financial cost of expanding physical space in clinics can be dealt with through the range of financial models suggested by the Conference Board of Canada.¹⁰⁹ Clinics in Peachland, Kelowna and Cranbrook all are experiencing first-hand not only physician shortages, but inability of physicians to expand their clinics for the potential inclusion of PAs without financial assistance.

The experience in other provinces demonstrates that physician assistants can improve health efficiencies in the Canadian health care setting.¹¹¹ As the use of physician assistants expands, formalized post-secondary education programs for physician assistants have been established at the Universities of Toronto, McMaster University and the University of Manitoba.

The success and promise of physician extenders have not gone unnoticed by business. A report from the Conference Board of Canada¹¹³ found that physician extenders are able to substitute for more than 29 per cent of a physician's time, and that adding them to orthopaedic and emergency room care generates savings when they substitute for specialists' time. The report also concluded that integrating more physician extenders into

¹⁰⁶ See B. Hague, *The Utilization of Physician Assistants in Canada, An Environmental Scan*, Health Canada, April 2005. Available online: https://capa-acam.ca/wp-content/uploads/2012/06/2005_The-Utilization-of-PA-in-Canada-An-Environmental-Scan.pdf

¹⁰⁷ P. Fayerman, "Pressure on government to recognize physician assistants", *The Vancouver Sun*, November 6, 2018. Available online: <https://vancouver.sun.com/news/local-news/pressure-on-government-to-recognize-physician-assistants> and <https://capa-acam.ca/about-pas/pa-fact-sheet> Canadian Association of Physician Assistants February 2022

¹⁰⁸ *Ibid.*

¹⁰⁹ Physician Assistants Are Making Health Care Accessible: Why not in BC? October 10, 2018 A presentation to the Select Standing Committee on Finance and Government Services, BC Patrick Nelson, Executive Director, CAPA-ACAM <https://capa-acam.ca/pa-news/physician-assistants-are-making-health-care-accessible-why-not-in-b-c/>

¹¹⁰ <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8107>; <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8347>; <http://www.conferenceboard.ca/e-library/abstract.aspx?did=9090>

¹¹¹ Decloe, McCready, Downey, Powis *Improving health care efficiency through the integration of a physician assistant into an infectious diseases consulting service at a large urban community hospital*. *Can J Infect Dis Med Microbiol*. 2015 May-Jun;26(3):130-2. <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC26236353/>

¹¹² M. Vanstone, S. Boesveld and K. Burrows, *Introducing Physician Assistants to Ontario*, Health Reform Observer, vol. 2, no. 1 (2014). <https://mulpress.mcmaster.ca/hro-ors/article/view/1187/1226>

¹¹³ The Conference Board of Canada, *Gaining Efficiency: Increasing the Use of Physician Assistants in Canada* (October 2016). https://www.conferenceboard.ca/temp/3099d099-321e-488b-a6f0-3474c43614c6/8347_PhysiciansAssistants_RPT_.pdf



health care teams “can help alleviate the increase in demand, decrease wait times, and alleviate workforce shortages.”

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Integrate the role of “physician assistants/physician extenders” as an additional solution to the primary care shortage in British Columbia
2. Recognize PEs/PAs in the Medical Services Plan Billing Scheme
3. Provide British Columbia’s family physicians with the ability and incentives to financially integrate physician extenders into their practices
4. Support necessary training and regulation of PAs/PEs to ensure that British Columbians receive the best quality, most cost-efficient care.
5. Call a time-limited task force with representatives from doctors, health and finance ministries, oversight bodies and patient groups to address the systemic issues leading to lack of primary care for British Columbians.



INTRANASAL NALOXONE: ELIMINATING PREVENTABLE BARRIERS FOR USE

THE SAFEST RESPONSE TO TRADE INDUSTRY OVERDOSES IS RIGHT UNDER YOUR NOSE

The toxic drug supply in BC and overdose deaths has impacted lives and livelihoods of many in BC. There are tools available that could combat these preventable deaths; however, barriers exist for individuals to receive life-saving help. Intranasal Naloxone is a tool used that is efficient and easy to use.

Intranasal Naloxone is currently only available to health care professionals and pharmacies. It is not included in the BCCDC Take Home Naloxone kit, which only has the needle option available. The BC Government has a duty to do everything it can to fight the overdose crisis, and that includes providing the intranasal naloxone kit to other organizations that can help.

If administered to businesses that have a disproportionately larger demographic that requires the use of Naloxone, lives could be saved.

Background

According to the 2021 BC Coroner's Report on Illicit Drug Toxicity Deaths in BC, 71% of people who died of illicit drug overdose last year were between the ages of 30 and 59, and nearly eight-in-ten were men. More than half (56%) of people died in private residences.

A 2018 Fraser Health report, based on the more detailed demographics available at that time, noted that of those experiencing overdose "a disproportionate number of men were currently or formerly employed in trade industries."¹¹⁴

As organizations representing industry across British Columbia – including many businesses in the trades – the issue of illicit drug toxicity and opioid overdose is not only a social issue, but a very prescient one for business continuity and productivity. Recruitment and retention of skilled workers, especially in trades and technical fields, is an issue of top concern from a local to an international level.

The Province of British Columbia should use every tool at its disposal in the fight against the opioid overdose crisis. To that end, we strongly urge the government to immediately make nasal naloxone accessible throughout B.C. at no charge.

B.C. has made tangible strides to combat the opioid crisis through community-based grants, increasing support at Overdose Emergency Response Centres, and by supporting mental health and addictions care in British Columbia. However, we know that the province can be doing more to save lives and that includes making intranasal naloxone free of charge at pharmacies and for front line agencies.

Currently, British Columbia makes intramuscular (injection by needle) naloxone available throughout the province through the *Take Home Naloxone* program¹¹⁵. Since that program was launched, intranasal naloxone has become available in Canada. Currently Ontario¹¹⁶ and Quebec¹¹⁷ offer intranasal naloxone as an option along with an intramuscular option. In those provinces, the intranasal naloxone option is overwhelmingly favoured by those who are needle-hesitant, who don't have the training, or who have dexterity issues.

¹¹⁴ [20180122_hidden_epidemic_overdose_emergency.pdf \(fraserhealth.ca\)](#)

¹¹⁵ [Nasal Naloxone Available at No Cost to First Nations in BC | College of Pharmacists of British Columbia \(bcpharmacists.org\)](#)

¹¹⁶ [Funding of Naloxone Nasal Spray Kits through the Ontario Naloxone Program for Pharmacies \(ONPP\) and Updates to the Existing Program \(gov.on.ca\)](#)

¹¹⁷ [Quebec Government makes NARCAN™ Nasal Spray free to anyone 14 years or older through Free naloxone program \(newswire.ca\)](#)



Vial



Ampoule



Nasal Spray



[Naloxone | College of Pharmacists of British Columbia \(bcpharmacists.org\)](http://bcpharmacists.org)

BCCDC Take Home Naloxone kits are not currently available for private businesses, however, both intranasal and injectable formulations and supplies can be purchased from a community pharmacy.¹¹⁸

Usability research has shown that 0% of untrained (and about 60% of trained) users know how to administer a full dose of injectable naloxone, while more than 90% of untrained users were able to administer a full dose of Narcan nasal spray.¹¹⁹

Even for those who are experienced in administering the life-saving medication, it can be difficult to do so properly in that moment; much less for a typical bystander, colleague, friend, or loved one who is not adept at the process. "Having access to the medicine in the form of nasal spray could save more lives than the injectable form, because it requires less training and skill to administer, according to Vera Horsman, a nurse at the Portland Primary Care Clinic. "It's so simple. Even for professionals like myself, you're panicking, it's a high intensity situation, your hands are shaking, it can be very difficult to draw up the dose."¹²⁰

The Province of British Columbia must be doing everything possible to limit the deaths of residents because of toxic drug use. Intranasal naloxone is an efficient and easy to use tool to add to the province's toolbox when it comes to building responses to the opioid epidemic and improving the ability for all British Columbians to help save lives.

Businesses can partner with healthcare and government to develop a collaboration on training and resources for employers to support workers who are struggling with substance use disorder and who may be experiencing overdose.

¹¹⁸ [Naloxone | Toward the Heart](#)

¹¹⁹ [\(PDF\) Comparative Human Factors Evaluation of Two Nasal Naloxone Administration Devices: NARCAN® Nasal Spray and Naloxone Prefilled Syringe with Nasal Atomizer \(researchgate.net\)](#)

¹²⁰ [High price of naloxone nasal spray makes distribution of vital drug difficult | CBC News](#)



THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Make intranasal naloxone available at no cost via BC pharmacies, similar to the Ontario and Quebec models; ensuring its availability to both individuals and businesses,
2. Engage business associations (such as Chambers of Commerce and Boards of Trade) and local Community Action Tables (CATs) in planning effective development and deployment of training and resources to affected businesses in their communities, and
3. Provide annually updated disaggregated reporting on the demographics of those experiencing overdose events in order to ensure that these strategies are effective in reaching their appropriate demographics.



SUPPORT AND COLLABORATION WITH BC WEDDING AND EVENTS INDUSTRY

British Columbia's non-ticketed event industry including but not limited to weddings has shifted and molded to adhere to the everchanging Public Health Orders (PHO's) implemented by the BC Provincial Government throughout the COVID-19 pandemic. All businesses are struggling through the recovery phase of the pandemic; however, the wedding and event industry in BC has yet to see financial support from the Provincial Government to ensure their successful reopening and economic recovery.

The Provincial Government's lack of communication with industry professionals as well as ambiguous definitions and confusing terminology have led the wedding and non-ticketed event industry to suffer. Despite the lack of direction on creating industry specific work safe protocols, industry professionals including but not limited to professional event planners have paid immaculate attention to the ever changing PHOs to keep the public safe.

Background

In 2020, COVID-19 spread round the globe, halting the continued growth of many industries in British Columbia. Throughout the past two years, COVID-19 created an economic crisis that caused and continues to cause many businesses to close or reduce their operations. In example, in the year previous, 2019 saw nearly 24,000 weddings in BC with the average cost of a wedding being \$50,000. This means \$1.2 billion in revenue generated right here in BC.¹ This does not even account for the rest of the provincial event industry.

The everchanging PHOs during the COVID-19 pandemic, lack of communication and specific work safe protocols, have caused the wedding and events industry to lose 70%-90% in revenue.² This is largely due to the unique nature of the industry as negative effects due to cancellations, postponements, etc....are seen six to twelve months after closures as the industry cannot safely reopen spontaneously.

In the COVID-19 pandemic majority of the small businesses in the event sector (excluding live events) did not qualify for any government provided financial aid. As a result, the lack of cash flow has created a significant hardship which further challenges the industry in the successful reopening process.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Include professionals from the *B.C. Wedding and Event Industry Association* to ensure that all changes to weddings and events related policies are consulted by professional members of the industry.
2. Work with professional members of the *B.C. Wedding and Event Industry Association* to ensure that the orders of the Provincial Health Officer are provided in a clear and understandable language pertaining to but not limited to the classification of non-ticketed events.
3. Ensure all businesses of the *B.C. Wedding and Event Industry Association*, regardless of size and seasonality, are able to access future payroll, rent support and recovery programs in order to maintain a sustainable future of the industry in case of potential closures as ordered by the PHO.

Resources

1 'BC Meetings & Events Industry Working Group', *BC Meetings and Events* 2022.

<https://www.bcmeetingsandevents.ca>

2 James Rodriguez, British Columbia: The Wedding Industry Has Lost 158 million \$ In 2020 Due To Covid-19, *Hello Safe*, March 04, 2022. <https://hellosafe.ca/en/newsroom/bc-wedding-industry-2020>



A ROLE FOR BUSINESSES AND INDUSTRY STAKEHOLDERS IN THE IMPLEMENTATION OF THE DECLARATION ON THE RIGHTS OF INDIGENOUS PEOPLES ACT ACTION PLAN

The BC Chamber of Commerce is a long-standing advocate for the implementation of the United Nations Declaration on the Rights of Indigenous Peoples in British Columbia and Canada, and for creating a path forward that respects the rights of Indigenous Peoples and creates transparency and predictability for businesses and industry stakeholders.

With the recent announcement of the Provincial governments Declaration on the Rights of Indigenous Peoples Act Action Plan (DRIPAAP), it is critical that businesses and industry stakeholders continue to be engaged in the discussions that inform decision-making and that have the potential to impact the long-term viability of our businesses and communities.

BACKGROUND

In November 2019, BC became the first jurisdiction in Canada to implement the United Nations Declaration on the Rights of Indigenous Peoples through legislation by passing the *Declaration on the Rights of Indigenous Peoples Act (DRIPA)*.

Following two years of intensive engagement to ensure alignment with the priorities of Indigenous Peoples in BC, on March 30, 2022 the Provincial government released the Declaration on the Rights of Indigenous Peoples Act Action Plan.¹²¹ The plan includes goals, outcomes, and tangible actions needed for meaningful progress in reconciliation.

Under the Action Plan, each ministry in government will work in consultation and cooperation with Indigenous Peoples to deliver on the 89 actions in tangible and measurable ways. To ensure accountability and transparency, the Province will report annually on the progress made on the Action Plan over the next five years and beyond.

The Action Plan is divided into four themes:

- Self-determination and inherent right of self government
- Title and rights of Indigenous Peoples
- Ending Indigenous-specific racism and discrimination and
- Social, cultural and economic well-being

Each theme includes a goal, with outcomes and actions. The goals and outcomes are drawn from the UN Declaration. They describe what the Province is striving for with this action plan and sets forth the vision for achieving the objectives of the UN Declaration.

The actions articulate the specific commitments and steps that the Province will take between 2022 and 2027 to achieve these goals and outcomes.

The Chamber fully supports implementation of the DRIPAPP and acknowledges that there are many opportunities to partner with First Nations, Métis and Inuit Peoples on the path forward to reconciliation.

¹²¹ <https://declaration.gov.bc.ca/>



THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Engage relevant businesses and industry stakeholders to help inform the implementation of the Declaration of the Rights of Indigenous Peoples Act Action Plan
2. Provide funding for training to assist Indigenous and non-Indigenous businesses to engage in and learn how to contribute to positive reconciliation and to identify potential partnerships for delivery in our communities.

That the BC Chamber of Commerce Board of Directors

3. Discuss, consult and implement a collaborative BC Chamber of Commerce policy process with member delegates and Indigenous communities that embraces the principles of DRIPA to address Indigenous interests for meaningful progress in reconciliation.



BUILDING BC'S BIO-MANUFACTURING SUPPLY CHAIN

Throughout the COVID-19 pandemic, both the provincial and federal governments have seen, in real time, the importance of domestic bio-manufacturing capacity to produce tests, vaccines and therapeutics to combat the COVID-19 pandemic and pandemics of the future. However, before a test, vaccine or treatment can ever be manufactured, the constituent parts and ingredients must be secured. Without also investing in a local supply chain that can provide the necessary inputs for bio-manufacturing, BC and Canada risk undercutting our own efforts to bolster our domestic capacity and increase our self-sufficiency.

Background

As Canadians watched the initial uneven distribution of COVID-19 vaccines in late 2020 and early 2021, and British Columbians waited for months in late 2021 and early 2022 for rapid testing kits to arrive, many gained a new appreciation for the value of a domestic bio-manufacturing sector. Without such a capacity, Canada has found itself reliant on foreign suppliers for diagnostic testing supplies, vaccines, and therapeutics.

It is critical that in the pandemic or health crisis of the future that Canada can develop and manufacture our own testing, vaccine, and treatment options for quick deployment domestically, but also as part of efforts to support global health. To accomplish this, we need not only robust investment in advancing life sciences research and increasing bio-manufacturing capacity, we also need investment in building a domestic supply chain that can provide the necessary components needed to produce these medical supplies.

In testimony to the House Standing Committee on Health, the president of Pfizer Canada noted that their vaccine “requires more than 280 components, coming from 86 different suppliers,”¹²² illustrating the importance of the bio-supply chain to vaccine manufacturing. In regards to COVID-19 tests, the chemical reagents needed for the tests to actually function are similarly produced only by select manufacturers and were reported to be in short supply throughout much of the pandemic, delaying access to testing supplies for BC and Canada.

Since the start of the pandemic, the Government of Canada has committed over \$1.6 billion to 30 bio-manufacturing projects¹²³ but with a focus on research and development, and final “fill and finish” manufacturing capacity. In its *StrongerBC Economic Plan* and the 2022 BC Budget, the Government of BC committed to developing a “Life Sciences and Biomanufacturing Strategy” and committed \$195 million to support life sciences and health research. These are wise and needed strategic investments, but should be augmented with distinct support for building out BC’s bio-manufacturing supply chain.

During the COVID-19 pandemic, BC and Canada found ourselves without a domestic ability to produce the medical supplies and materials we needed, and were dependent on international providers. While efforts are underway to support the research and manufacturing capacity needed to correct this, without also investing in a domestic supply of the necessary reagents, components, chemicals, other inputs that bio-manufacturing will need, we may find ourselves facing very similar, but nonetheless grave, challenges in the next pandemic or health crisis despite our efforts.

THE CHAMBER RECOMMENDS:

¹²² House Standing Committee on Health – Number 029 | 2nd Session | 43rd Parliament, *Evidence*, March 08, 2021

¹²³ <https://www.ic.gc.ca/eic/site/151.nsf/eng/00006.html>



That the Provincial Government:, in concert with the Federal Government where appropriate:

1. As part of the Life Sciences and Biomanufacturing Strategy that will be developed, identify specific strategies and actions to support the bio-manufacturing supply chain in BC, through investments in organizations and businesses which can produce the necessary components required for domestic manufacturing of testing supplies, vaccines, and medical therapeutics.



KEEP BC GROWING THROUGH RESPONSIBLE RESOURCE DEVELOPMENT

Resource industries are vital to Canada’s provincial and national economies. After more than two years of the COVID-19 pandemic, the Canadian economy is recovering. Governments have established strong climate action goals, and resource industries are taking significant measures to reduce emissions. Lack of clarity about how governments plan to balance recovery and climate goals is creating uncertainty and is also contributing to inflationary pressures in the economy. Governments must act now to support responsible resource industries by attracting the investment necessary to create family and community supporting jobs for all Canadians and to provide revenue to support social services across the country.

Background

Don Wright, former Deputy Minister to Premier John Horgan, said it best in a 2021 publication: “Natural resource-based industries account for more than half of Canada’s economic base. These industries tend to pay higher-than-average wages and generate higher-than-average direct government revenue per employee.”¹²⁴

Research from the Business Council of British Columbia (BCBC) underscores how important natural resources are for our economic and social well-being. For every hour worked in the natural resource sector in 2018, Canada generated \$304 of real income. That is considerably more than utilities (\$183 per hour), real estate (\$135), information and cultural industries (\$99), finance and insurance (\$76) and manufacturing (\$65). The high levels of income generated from Canada’s most productive sectors create demand for other goods and services across the rest of the economy. Energy – including oil and gas, coal, nuclear fuel, electricity, and refined petroleum products – is easily the largest generator of basic export income. The sector contributes around one-fifth or \$140 billion of Canada’s export earnings, twice as much as the next largest sectors.¹²⁵

Numerous international agencies suggest resource sectors like natural gas and oil are vital to keeping inflation in check.¹²⁶¹²⁷¹²⁸ Yet, recent reports by the Canadian Association of Petroleum Producers (CAPP) found that while investment in British Columbia is up, the ongoing royalty review and the permitting delays stalled investment in 2021. Investment in the province fell approximately \$600 million short of last year’s previous forecast of \$3.9 billion, or \$3.4 billion in 2021. In 2022, upstream investment in B.C. is forecast to grow to \$4.1 billion.¹²⁹ Canada is also continuing to lose market share to other jurisdictions—down to six per cent in 2022 from 10 per cent in 2014, representing over \$21 billion in lost potential investment.

According to BCBC the growth outlook for the province has been downgraded to five per cent from a previous forecast of 5.8 per cent because of lingering COVID-19 related economic headwinds and “mismatches” in labour demand.¹³⁰ The OECD predicts Canada’s productivity – measured as real per capita – will average 0.7 per cent per annum over 2020-2030. This places us dead last among advanced industrialized countries.¹³¹

Other studies indicate the highest paying jobs for Indigenous people are found in the natural resource sector. According to Dale Swampy, president of the National Coalition of Chiefs and a member of the Samson Cree Nation “The extractive sector hires twice as many Indigenous employees and pays on average twice as much in wages as other sectors.” Indigenous people account for 12 per cent of the upstream mining industry’s labour

¹²⁴ <https://ppforum.ca/publications/don-wright-middle-class/>

¹²⁵ <https://bcbc.com/insights-and-opinions/which-industries-pay-canadas-bills>

¹²⁶ <https://www.ft.com/content/80cbd05f-d722-411f-9bbe-155cd8c06f7e>

¹²⁷ <https://financialpost.com/pm/business-pmn/goldman-says-carbon-net-zero-shift-will-likely-boost-inflation>

¹²⁸ <https://www.bloomberg.com/news/articles/2022-01-17/dalio-says-thank-god-oil-is-still-pumping-amid-inflation-scare>

¹²⁹ <https://www.capp.ca/news-releases/capp-projects-investment-in-canadas-natural-gas-and-oil-sector-will-rise-to-32-8-billion-in-2022/>

¹³⁰ <https://biv.com/article/2021/12/floods-sick-pay-labour-issues-dampening-bcs-growth-prospects-business-council>

¹³¹ <https://www.oecd.org/economy/growth/scenarios-for-the-world-economy-to-2060.htm>



force, making it the second-largest private sector employer¹³² while forestry was seven per cent and Natural Gas and Oil contributed six per cent in 2019.¹³³¹³⁴ Advancing economic reconciliation with Indigenous people will only happen close to their communities and responsible resource development will provide employment and contracting opportunities in pursuit of this broad societal objective.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Work with industry, communities, and Indigenous groups to reduce costs imposed by government on industries (e.g. taxation, licenses, royalties and fees) and regulatory burdens to ensure the province is a globally competitive natural resource producer and exporter.
2. Supporting Indigenous communities to advance their participation in responsible resource development.
3. Expand the existing CleanBC Industrial Carbon Incentive to accelerate the adoption of low carbon technologies and private investments in sustainability and help enhance BC based industry's competitiveness.

¹³² <https://www.nrcan.gc.ca/our-natural-resources/minerals-mining/minerals-metals-facts/minerals-and-the-economy/20529>

¹³³ <https://www.nrcan.gc.ca/our-natural-resources/forests/state-canadas-forests-report/how-do-forests-benefit-canadians/indicator-employment/16554>

¹³⁴ <https://www.capp.ca/wp-content/uploads/2021/11/Indigenous-Engagement-and-ESG-Report-397763.pdf>



PROTECTION OF INDUSTRIAL LANDS FOR FUTURE PROSPERITY

With a growing population, and increasing housing demand in Metro Vancouver and other cities around the province, industrial lands have been significantly decreased through both absorption and rezoning over the last 30 years. Much of the land base is lost to market pressure to convert industrial lands to uses such as multi-family residential and commercial developments. The challenge is that valuable, employment-generating industrial lands located near airports, rivers and roadways, are being lost forever and this will stifle our future economic growth.

With forecasts that the Metro Vancouver region, for example, will run out of industrial space within the decade, the provincial government needs to make preserving industrial land a top priority, and work with local and regional governments to protect and increase the supply of industrial land available for future economic activity.

Background

Industrial land use is an important issue across the province as populations continue to grow and there are competing demands on available lands. Vancouver's Lower Mainland is most at risk given its limited size, projected population growth and its strategic border/port location. Various municipalities in the region have rezoned more than 3,000 hectares worth of industrial land to other uses in just the past 30 years.

Industrial land is vitally important to our economic performance and in Metro Vancouver, for example, almost one-quarter of all jobs are housed on industrial lands. However, the supply is quickly running out. A 2015 Site Economics Ltd study which examined the inventory of industrial land reported that based on average annual absorption rates and anticipated demand, the supply of vacant industrial land in the region could be depleted within a decade.¹³⁵ This warning was recently echoed by real estate brokerage CBRE which reported Metro Vancouver's industrial vacancy rate at its lowest level ever¹³⁶, and whose vice chairman has commented that the region could "literally run out of industrial land by the early 2020s."¹³⁷

An additional million people are expected to move into the Metro Vancouver region by 2040. To accommodate this growth, there needs to be a strong local economy, which will require readily available high paying employment generating industrial lands. Lands zoned for industrial use typically generate jobs that pay double the average annual compensation rate per person. Retaining centrally-located industrial land is important for long term sustainability for local communities as it ensures high paying employment within the city core and contributes significantly to municipalities by subsidizing the residential tax base. For every \$1 paid in taxes, industrial lands typically receive on average only \$0.25 in services.

For industrial businesses involved in trade, transportation, e-commerce, warehousing storage, and logistics, proximity to highways, ports, rail yards and airports are of vital importance. However, this location and access to transportation networks also make industrial lands very attractive for other forms of development, increasing the pressure to redevelop them into commercial, retail or residential developments. While this would be a mistake, and would undercut future economic performance, many municipalities are allowing non-industrial uses such as office space, retail malls, and residential developments to creep onto industrial lands.

Metro Vancouver, a corporate entity that delivers regional services on behalf of 24 local municipalities and authorities, tried to protect industrial lands through a land-use plan called the Regional Growth Strategy (RGS)

¹³⁵ The Industrial Land Market and Trade Growth in Metro Vancouver, Site Economics Ltd., October 2015

¹³⁶ CBRE Marketview: Metro Vancouver Industrial Q4 2018, CBRE Group Inc.

¹³⁷ "Vancouver May 'Literally Run Out of Industrial Space' by 2020s," Natalie Wong, Bloomberg, February 26, 2019 Accessed online: <https://www.bloomberg.com/news/articles/2019-02-26/vancouver-may-literally-run-out-of-industrial-space-by-2020s>



which requires that municipalities get approval from the Metro Vancouver Board before rezoning any industrial land. However, approximately 1/3 of the region's remaining industrial land is designated as 'mixed employment lands' which allows rezoning to commercial uses without approval.

In June 2020, Metro Vancouver delivered on their Regional Industrial Lands Strategy,¹³⁸ which help support the management of the supply of industrial land until 2050. This is a promising opportunity to advance the cause of retaining and augmenting industrial lands in the region, and to build on the original intents of the Regional Growth Strategy.

Due to the severe shortage of industrial lands in Metro Vancouver, preservation of the existing stock cannot be accomplished by local governments alone---it will require regional cooperation and provincial leadership. The province can help regional and local governments to prevent further depletion of critical industrial parcels and to ensure the replacement of lost industrial lands and a potential increase in the size of the industrial land base.

While most pressing in Metro Vancouver, this strategy could be adopted where needed across the province in areas that face land use pressure from residential, commercial or infrastructure development.

This is an important investment in the future of the province of British Columbia in order to ensure industrial lands are preserved to accommodate growth without inducing further sprawl, and ensure a balanced, sustainable economy for ongoing local job security and prosperity for future generations. It is important that the Provincial Government maintain preserving and protecting industrial land as a top priority.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Create a BC Industrial Land Reserve (ILR) that protects and preserves existing industrial lands in areas of BC that face land use pressure from residential, commercial or infrastructure development.
2. Identify inventory of critical industrial land and marine trading corridors of regional, provincial or national significance.
3. Work with and support Metro Vancouver and other interested municipal or regional governments to:
 - Complete Regional Industrial Lands strategies
 - Implementing and enforcing an Industrial Land Reserve (ILR)
 - identifying and alleviating:
 - constraints on using industrial lands to their full potential (13% of Metro Vancouver region's industrial lands are vacant or not fully used, for example)
 - limiting factors to industrial land intensification (i.e.: multi story industrial)
 - Preserves the integrity of industrial land in each municipality, including recognition of the associated and supporting light-industrial and commercial employment lands
 - Ensuring zoning proximity of non-industrial development, activities or uses (residential, commercial, entertainment, etc.) does not jeopardize the ability of the industrial land use to be used to its fullest competitive potential in both scope and scale
 - Ensuring industrial land use is reserved for the development, production, or movement of physical goods that demand industrial infrastructure.

¹³⁸ http://www.metrovancouver.org/services/regional-planning/PlanningPublications/Regional_Industrial_Lands_Strategy_Report.pdf



WHEN WE BUILD IT, THEY WILL COME: AN AEROSPACE INNOVATION CLUSTER IN BC OUTSIDE OF THE LOWER MAINLAND WILL BENEFIT NEW BUSINESS IN BC AND CANADA

Aviation and aerospace are highly integrated industries, both with strong roots in the Central Okanagan region. Rapidly recovering from the negative impacts pandemic, these sectors are rebounding, due to the re-emergence of the growing global demand for commercial aircraft¹³⁹. Leveraging regional strengths in these sectors will go a long way to create additional economic activity, diversify the region's industrial base, and build high-quality employment throughout the province.

Background

The Okanagan region has significant assets, in an environment which are favourable to the development of an aerospace and aviation cluster. These include:

1. A critical mass of aerospace and aviation companies of various sizes
2. Kelowna International Airport (YLW) - the 10th largest in the country
3. Major company KF Aero, one of western Canada's largest aerospace firms, including its Centre of Mechanical Engineering. KF Aero is developing a \$25M Centre of Excellence (aviation museum, hangar and conference centre) within YLW's campus
4. Okanagan College's Aerospace Department offers state-of-the art aerospace maintenance training programs as well as a Commercial Aviation pilot-training program in collaboration with Southern Interior Flight Centre
5. UBC Okanagan performs expanding aerospace and defense-related research and development within its laboratories and in its Innovation Precinct development north of campus. This R&D is augmented by collaboration catalyzed by the UBC STAR initiative, plus the growth of advanced composite materials research. All create the conditions for additional collaborative aerospace R&D within the region.
6. These activities are all taking place within one of the country's fastest growing tech sectors

In order to maximize the impact on the Central Okanagan, we must pool human, financial, R&D and knowledge-based resources. This impact will attract new players, spur new collaborative research and innovation and contribute to new solutions to current challenges facing these sectors.

Two challenges worth noting: training of pilots and fully licensed Aircraft Mechanical Engineers (AMEs)¹⁴⁰. Pre-pandemic studies showed that demand in both fields outstripped training pipelines. That trend has re-emerged as both sectors recover from impacts of the pandemic.

¹³⁹ Canadian Council for Aviation & Aerospace 2018 labour market information report states that this number will significantly increase when new flight duty time rules are put into effect by Transport Canada. As noted in the report, half of flight operators state that finding qualified pilots is a significant challenge, with regional airlines reporting flight cancellations due to a lack of flight crew in the busy summer months. Kevin Hillier, Vice-president, Carson Air, has stated: "If and when the proposed Fatigue Management Regulations for pilots come into effect, we estimate that there will be up to 30% more pilots required for the work that we are doing today. This does not take into effect attrition through retirement and airline hiring in the future. This will force operators to reduce service, and potentially create safety issues for operators who have no qualified pilots." April 20, 2018 <https://www.avaerocouncil.ca>; October 18, 2018, Member Motion M-177, Hansard.

¹⁴⁰ Canadian Council for Aviation & Aerospace 2018 labour market information report states that this number will significantly increase when new flight duty time rules are put into effect by Transport Canada. As noted in the report, half of flight operators state that finding qualified pilots is a significant challenge, with regional airlines reporting flight cancellations due to a lack of flight crew in the busy summer months. Kevin Hillier, Vice-president, Carson Air, has stated: "If and when the proposed Fatigue Management Regulations for pilots come into effect, we estimate that there will be up to 30% more pilots required for the work that we are doing today. This does not take into effect attrition through retirement and airline hiring in the future. This will force operators to reduce service, and potentially create safety issues for operators who have no qualified pilots." April 20, 2018 <https://www.avaerocouncil.ca>; October 18, 2018, Member Motion M-177, Hansard.



Pilot shortage

Canada will need 7,000 to 10,000 new pilots by 2025, resulting in a projected shortage of at least 3,000 pilots, given current training rates.¹⁴¹ This problem will worsen significantly in the future, affecting the travelling Canadian public, unless it is addressed soon.

Airlines are now experiencing post-pandemic growth amid the retirement of senior pilots, creating an increase in the rate of “move-up” pilots from regional airlines and small operators. Move-ups affect regional carriers, as they lose pilots to larger carriers, often preferred by pilots on aggressive career paths.

Pilots’ current move-up timeframe is six to 18 months, rather than the historic three years. Type endorsement training costs have traditionally been amortized over the expected retention period of a pilot. With retention periods dropping from three years to six months, economics change dramatically.

Regional airlines report cancellations of flights due to this lack of pilots and/or higher training costs. Flying schools can’t maintain sufficient instructors for chief or senior roles, further reducing training capabilities.

The current pathway to becoming a pilot in Canada involves studying to earn licenses and ratings – this endeavour costs approximately \$75,000, but can climb to twice that, with tuition and other student costs, when combined with post-secondary education. Most student pilots take on substantial debt to cover these expenses. It is common to see high rates of attrition in flight programs due to lost financing.^{142, 143}

AME shortage

Similarly, the CCAA estimated in 2018 that more than 5,300 aircraft maintenance technicians will be needed in Canada by 2025. Of the 600 annual aircraft maintenance graduates, 77 per cent work in the industry. This will leave the industry short of 1,200 technicians by 2025. While the pandemic paused this trend; it is expected to pick up again as the industry recovers and be exacerbated by the retirement of older aerospace workers.¹⁴⁴

These challenges, combined with additional aviation and aerospace service-related hiring requirements, call for immediate action from both the provincial and federal governments.

The creation of a Centre for Aviation & Aerospace Innovation based in Kelowna could represent the first step of a concerted action plan leading to the development of such a cluster. The Centre’s activities would focus, among other areas, on leveraging the region’s existing assets to identify creative solutions to existing aviation and aerospace challenges, thereby helping to position sectors to take advantage of future growth opportunities. Such a facility would have a direct positive economic impact on the region with regards to employment, housing, education and taxes.

¹⁴¹ *Ibid.* CCAA

¹⁴² *Ibid* CCAA

¹⁴³ “As an Aviation Council that is focused on ensuring the sustainability of our industry, BCAC fears this pilot shortage will have severe and critical impacts not only on our economy and operators, but on our remote and Indigenous communities. As one of the barriers to increased pilot supply is definitely the financial burden of obtaining the requisite flight time experience, we feel increased financial aid would be a strong indicator that the government is aware of the issue and supporting positive change.” *Heather Bell, Chair, BC Aviation Council, February 7, 2019* <https://www.bcaviationcouncil.org/wp-content/uploads/2019/02/BCAC-Presentation-to-House-of-Commons-Standing-Committee-on-Transport.pdf>

¹⁴⁴ The most pressing problem facing the industry is a severe labour shortage that is predicted to be even worse than that facing the pilot profession. The Canadian Council for Aviation and Aerospace (CCAA) labour market report predicts 5,300 new AMEs will be needed by 2025 to keep up with growth and retirements. *April 20, 2018* <https://www.avaerocouncil.ca>; *BC Aviation Council, February 25, 2019 AMEs unite to create strong national voice*



Such a Centre could leverage related industry segments, including digital technologies, advanced materials, advanced manufacturing, communication systems, and other related support industries, either resident in the Okanagan, in the lower mainland or in other provinces.

Location in the Central Okanagan would mean good access to and from northern communities, including the oilsands. The introduction of state-of-the-art technologies such as flight simulators for both fixed and rotary wing pilot training would act as a national and international draw, further stimulating local economies.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Work with relevant provinces to convince the Federal Government to provide focused financial assistance to British Columbians and Canadians pursuing careers in aviation and aerospace.
2. Support financially the creation of a Centre for Aviation & Aerospace Innovation in the Central Okanagan, to address the aviation and aerospace needs of the Province in conjunction with post-secondary institutions and the private sector.



AMENDING PAID SICK LEAVE IN BC

As of January 1, 2022, BC employers are required to provide at least 5 days of paid illness or injury leave, otherwise known as ‘sick leave’ to all employees. This new employer obligation, while laudable in its aim to support workers and protect workplaces, represents an unnecessary intrusion by the government into the employer-employee relationship, creates a new financial and administrative burden on businesses that are only starting to recover from the pandemic, and has been implemented and interpreted in a very broad way that negatively impacts employers, and in some cases, even workers.

Background

Following a brief consultation period, the provincial government announced on November 24, 2021 that in less than 6 weeks all employers would have to implement a new paid sick leave program for all employees – including part-time, full-time, and casual. As a result of this truncated process, details of the new requirement and interpretations from the Employment Standards Branch only started to be released in the fading days of 2021 and in the first week of the new year. Since then, several flaws and questionable interpretations have emerged which make this law a further burden on employers to implement, administer and afford and require it to be amended.

Allowing a Mechanism for Partial Days

Currently, the Employment Standards Act and this new sick leave requirement contains no provision for partial sick days, applicable when an employee goes home part-way through a shift, for example. The implications of this are that any amount of time an employee takes as off as sick counts as a sick “day” and triggers the payment of one paid sick day, calculated as an ‘average day’s pay’.¹⁴⁵ For the employee, this means if they miss any amount of time due to illness, they use up one of their sick days. For example, an employee leaving two hours early from an 8-hour shift due to illness will use an entire paid sick day for those two hours, leaving them with less coverage for when potentially more serious illness is encountered.

More concerning, for the employer this means they must pay an employee for a full paid sick day no matter how many hours they actually missed due to illness. If an employee misses two hours of an 8-hour shift due to illness, it triggers an obligation to provide a full paid sick day payment. Compounding this, if an employee leaves a shift early due to illness, they also are owed regular wages for whatever time they *did* work prior to leaving, creating duplication of payments in these scenarios.

Another scenario where a partial day mechanism would be beneficial is for when employees work shifts of different lengths. In this scenario, an employee who works a regular 40-hour work week but is scheduled to work an extra 2-hour shift on the weekend would be entitled to eight hours of pay if they miss that weekend shift due to illness, not just the two hours they are actually missing. Even though the employee was only scheduled for two hours, they are entitled to an average day’s pay.

This flaw in the legislation negatively impacts both employers and employees and should be adjusted to provide for partial sick days by creating a mechanism for hours worked in a day to be deducted from the sick pay provided, and for payment of less than an average day’s pay when the hours actually missed are less than that average.

¹⁴⁵ Employees are entitled to an ‘average day’s pay’ for each sick day. An average day’s pay is calculated by dividing the amount paid or payable in the 30 calendar days before the leave by the number of days worked during that 30-day period.



Implementing Further Eligibility Criteria for Casual and Part-Time Employees

The new paid sick leave was extended to include not just full-time employees, but all part-time and casual employees as well, with very little in terms of limitations on their eligibility for the leave. It is important to note that for many businesses, when part-time or casual employees are unable to work, employers must bring in replacement staff to cover that shift, creating a second layer of cost beyond the initial paid sick day.

As government has already included casual and part-time employees in the legislation, implementing further eligibility criteria in the form of a minimum-hours-worked requirement would be beneficial.

Currently, as long as an employee works or earns any amount in the 30 days preceding a sick day, they are eligible for the day to be paid. Instead, to be eligible for paid sick days a part-time employee should be required to have worked a minimum number of hours in the 90 days preceding the day in question, such as 200 hours (or approximately two full shifts a week). This would be similar to the model already used by employers to gauge whether employees are entitled to statutory holiday pay and would limit this new paid obligation to workers with a more consistent tie to the employer.

Additionally, part-time and casual employees are eligible for five paid sick days from all their employers. This could mean a person employed at multiple businesses simultaneously, or if they have multiple seasonal employment positions, is eligible for 10, 15 or 20 sick days, depending on the number of employers. Capping the number of sick days a person can claim in a single year will make the benefit more consistent and reduce the chances of employees abusing or unfairly taking advantage of the benefit.

Reducing the Burden on Employers and Providing for 3 Paid Sick Days

During the development of this sick leave requirement, the government considered three options of either three, five, or 10 days in duration. Of these three options, the three-day model would have the least economic impact on businesses and would have been the most targeted and appropriate allotment.

In the provincial government's own paid sick leave public survey, it was found that 50% of employers thought more than three days of mandated paid sick leave would have a major negative impact on their business, with that increasing to 75% for six-10 days. This compares to only 25% who foresaw problems with providing up to three days, making the three-day model the option with the least negative impact on business.¹⁴⁶

The provincial government's survey also found that more than half of BC workers had paid sick leave already, with 90% of them receiving more than three days. However, the survey also revealed that 70% of those workers did not even use all of those paid sick days they already had. This suggests that providing anything more than three days of paid sick leave would be an over-allotment, would not likely be fully utilized by workers anyways, and thus would be unnecessary.

Further, where government must step into the free market to provide minimum standards, its intervention should seek to do so in as limited a fashion as possible. If the government wished to regulate this area, the focus should have been on establishing a minimum, base standard only, and thus government should have opted for the least prescriptive model of three-days.

As changing the number of days provided would require a revision to regulations only – not fully new legislation – a revision to reduce the provided days to three should be implemented, reducing the burden and cost on employers already struggling with surging wage and materials costs, labour shortages, rising inflation, and increasing business costs.

¹⁴⁶ Summary of Government of BC's engagement efforts:

https://engage.gov.bc.ca/govtogetherbc/impact/permanent_paid_sick_leave_results/



THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Create a mechanism in the Employment Standards Act and Regulations to allow for partial sick days, allowing employers to deduct the wages paid for hours worked during a partial sick day from the amount owed for the “sick day”.
2. Implement a minimum-hours-worked requirement for eligibility for paid sick days
3. Cap the total number of sick days a person is eligible to claim in a year regardless of how many employers they have.
4. Amend the Employment Standards Act Regulations to reduce the number of paid sick days provided to three.



LITERACY LOST – CANADA’S BASIC SKILLS SHORTFALL

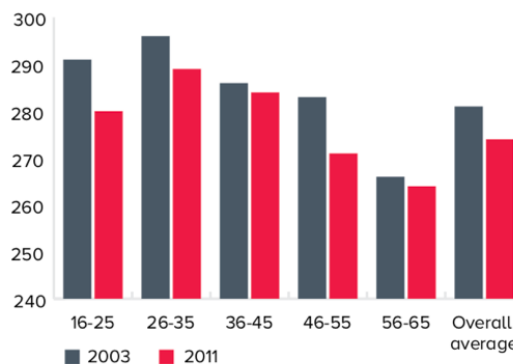
Work is changing due to automation and globalization. Literacy is not just the ability to read, it is the ability to read and understand well and then apply what has been read to a range of problems. According to international literacy assessments, more than 40% of Canada’s workforce do not have adequate levels of the literacy skills needed to learn efficiently and be highly productive in most jobs. Without this ability, many Canadians will not be able to keep their jobs – or find new ones – and a growing number of employers will not be able to find workers with the skills they need. This issue will create a skills gap as employers cannot find workers, and employees will be unable to find jobs. In fact, the current COVID-19 pandemic of the last two years has inordinately impacted lower-skilled and lower-education workers and reinforces the need for action on addressing the literacy shortfall.

Background

Literacy levels of younger generations are declining overall, and skills become rusty with age through lack of use. The lack of available training tied to industry needs for adult workers compounds the problem. The problem is getting worse. Increasing the literacy skills in the workforce by an average of 1% would over time lead to a 3% increase in GDP or \$54 billion per year, every year and a 5% increase in productivity.¹⁴⁷ Literacy scores and the level of skills for young people have been visibly on the decline.

Figure 1 illustrates the decline in literacy scores by age group over the years. There is a need for greater investment in literacy and numeracy at all age levels beginning with the 16-25 age demographics. Therefore, public schools and post secondary institutions must have adequate funding to test and improve literacy and numeracy scores. Skill loss occurs at a higher rate later in life per Figure 2. Ensuring that regional public and post-secondary institutions allow for adults to upgrade their skills would be instrumental in preserving skills and reducing the skill gap shortage.

Figure 1: Decline in literacy scores by age group comparing 2003 and 2011¹⁴⁸



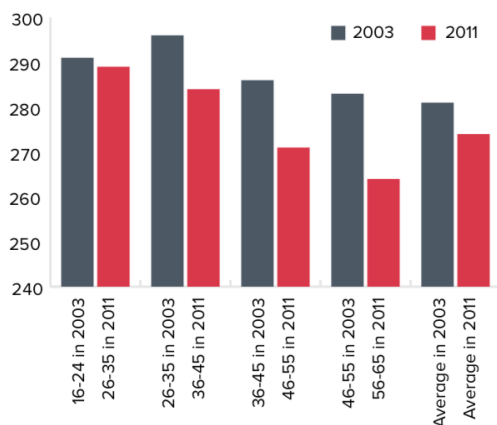
Source: IALS, PIACC (Standardized to the PIAAC composition for comparison)

¹⁴⁷ https://cwf.ca/wp-content/uploads/2018/12/2018-12-CWF_LiteracyLost_Report_WEB-1.pdf

¹⁴⁸ The International Adult Literacy Survey (IALS) has not been completed since 2011 so this is the latest data available



Figure 2: Skill loss by age group comparing 2003 and 2011¹⁴⁹



Source: IALS and PIACC

Ryerson University, the Conference Board of Canada and Blueprint ADE are working together to operate Canada's [Future Skills Centre](#) at arm's length from the Government of Canada. Located on Ryerson University's campus, the Future Skills Centre supports community-based projects across Canada, in all provinces and territories, and is responsive to regional differences. There has been an access issue for in-demand skills and training for service providers, employers, governments, and community groups – the Future Skills Centre fills this gap.

The Centre is partnering with and funding projects that are led by groups such as provincial and territorial governments, Indigenous governments, for-profit organizations, and not-for-profit organizations to:

- help Canadians make informed training decisions by identifying emerging in-demand skills required now and in years to come;
- help Canadians gain the skills they need to adapt and succeed in the workforce by increasing access to quality training; and,
- share results and best practices across all sectors and with Canadians to support investment in the skills needed to be resilient in the face of change now and into the future.¹⁵⁰

Jobs in the changing economy demand even higher levels of literacy

Technology is taking over many routine tasks leaving higher-level, more complex, interactive tasks to humans. While specific technical skills are a requisite to being hired for existing and newly created jobs, the capacity to adapt to and use changing technology and processes is also necessary. Employers are increasing the skill level demanded by their jobs to maintain competitiveness in the global economy. Manufacturing, for example, is becoming much more skill intensive, for technical and cognitive skills.

The pace of change that the industry is experiencing, combined with global competitive pressures, means that manufacturers will continue to expect more from their employees. Essentially, manufacturers need skilled workers who can master new, advanced technologies, work in highly collaborative team environments, use critical thinking and problem-solving skills, adapt to ever changing environments, and embrace an attitude of never-ending learning.

¹⁴⁹ The International Adult Literacy Survey (IALS) has not been completed since 2011 so this is the latest data available

¹⁵⁰ <https://www.canada.ca/en/employment-social-development/programs/future-skills/centre.html>



Statistics Canada published a study on the risk of automation-related job transformation. It was found that 10.6% of Canadian workers were at high risk (probability of 70% or higher) of automation-related job transformation in 2016, while 29.1% were at moderate risk (probability of between 50% and 70%).¹⁵¹

Several groups had a relatively higher share of workers who were at high risk, including those who were older (55 or above), had no postsecondary credentials or postsecondary credentials in certain fields, had low literacy or numeracy proficiency, had low employment income, or were employed part time, in small firms, in certain occupations (e.g. Office support occupations), or in the manufacturing sector. One specific finding of interest is that Business, management and public administration and Health and related fields graduates faced the highest automation-related job transformation risks among postsecondary certificate and diploma holders, but they were among the groups facing the lowest risks when looking at postsecondary degree holders.

The BC Government currently publishes a publication on labour market¹⁵². The report is released every five years and gives a 10 year outlook. Businesses rely on this report to see where the market is going, and what investments to make and expect. The labour market is shifting every day with automation and changes in global labour mobility and geopolitical issues i.e., the Ukrainian war, and the Taliban takeover of Afghanistan. Due to unexpected and rapid changes in the labour market, business needs the labour market publication to be released earlier.

THE CHAMBER RECOMMENDS

That the Provincial Government, in coordination with the Federal Government:

1. Work with the Forum of Labour Market Ministers to create a report on jobs at risk of automation with actionable recommendations to protect, upskill, reskill those affected by automation for different industries through training programs;
2. Release the BC Labour Market publications every two years instead of every five years; and,
3. Commit to providing long term, stable funding for community literacy programs to provide more and flexible options for learners, working learners, and parents.
4. To ask the federal government to re-issue the Adult Literacy Survey

¹⁵¹ <https://www150.statcan.gc.ca/n1/pub/11f0019m/11f0019m2020011-eng.htm>

¹⁵² <https://www.workbc.ca/labour-market-industry/labour-market-outlook.aspx>



MAXIMIZING TAXPAYER DOLLARS ON PUBLIC INFRASTRUCTURE PROJECTS AND DEFENDING THE RIGHTS OF BC COMPANIES AND WORKERS

To maximize the benefits of taxpayer dollars spent on public infrastructure projects and ensure that all qualified BC companies and employees can work on and benefit from these projects, an open and fair tendering must be the process by which governments implement public projects.

Background

In July 2018, the BC Government announced a new approach to “Community Benefit Agreements” (CBA) that employ prescriptive approaches to public infrastructure projects. This CBA approach unfairly restricts BC companies and employees from competing for and working on public infrastructure. Commercial agreements that deliver community benefits are the norm in the industry, but they should be constructed in ways that are inclusive and competitive rather than exclusive and anticompetitive. The current CBA approach that BC has taken has been demonstrated to drive up costs of public infrastructure, burdening taxpayers.

There is significant evidence demonstrating that restrictive tendering, such as those Project Labour Agreements (PLAs) and CBAs that have been adopted in BC, can result in a 20% to 30% cost increase for bids on public infrastructure projects.¹⁵³ These agreements are now in place for major construction projects, including the Pattullo Bridge replacement, the Massey Tunnel replacement, and the Broadway Subway line. By implementing these agreements, the BC government prevented most construction industry workers from participating in these projects while driving up the costs to taxpayers. For example, in 2019 the government admitted that the projected costs for the Kicking Horse Canyon Project had increased by over \$150 million dollars, and a significant portion of this overrun is due to the attached CBA.¹⁵⁴

An important element is understanding how restrictive PLAs/CBAs force businesses to adopt foreign business models, decreasing efficiencies and stifling innovation. The most recent example, and one that has been used a model for future projects in BC, is the Vancouver Island Highway Project (VIHP). The VIHP used restrictive PLAs. Two separate government crown corporations were set up to manage the project: (1) VIHP would manage and the contracts for engineering, procurement, and construction of the project, while (2) Highways Contractors Ltd (HCL) was created to be the ‘employer’ of the workers and would supply all contracts with their labour. HCL entered into a collective agreement with British Columbia Highway and related Construction Council – essentially the unions who were part of the BTU. Anyone who wanted to work on the VIHP would have to join the BTUs and would be allocated by HCL. Any companies who bid for work on VIHP would have to accept BTU terms and work arrangements.

For instance, in the BTU model, each ‘craft’ (electrician, plumber, etc.) is a separate jurisdiction with exclusive right to perform various tasks, i.e. only pipefitters can carry pipe. These jurisdictional barriers create significant inefficiencies. Moreover, many companies work in ‘wall-to-wall’ or ‘all employee’ bargaining arrangements that do not have these artificial boundaries and only restrict what tasks and worker can do based on safety. So, electricians in wall-to-wall companies don’t have to wait for a labourer to move that lumber on the floor before they can start work. This is one of many innovations non-BTU companies have been able to adopt that increase efficiencies, productivity and make them more competitive. By forcing these companies to work under BTU arrangements, they are forced to not use their existing business model. To say that ‘all companies

¹⁵³ <https://www.cardus.ca/research/workandeconomics/publications/4290/hiding-in-plain-sight-evaluating-closed-tendering-in-construction-markets/>

¹⁵⁴ <https://vancouver.sun.com/opinion/columnists/vaughn-palmer-fudging-highway-cost-overruns-by-applying-curious-math-to-cbas-impact>



can bid on these projects, but they cannot bring their business model' is to essentially restrict them from bidding in the first place.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Maintain or reinstate a fair and open tendering process for all Public Infrastructure projects.



WORKSAFE BC – REFUND OVERFUNDED SURPLUS TO EMPLOYERS

On its smoothed accounting basis¹⁵⁵, the BC WorkSafe Board of Directors has set the target funding level of assets over liabilities at no less than 130 percent. As set out in the WorkSafeBC December 2020 Annual Report, this indicator was 153 percent (2019: 152 percent). The current policy lacks an upper limit rule.

The WorkSafeBC overfunding amount was \$1.2 Billion at December 2016. It rose to \$4.2 Billion at December 2020.

This large overfunding position should be reduced by returning through a material reduction in annual employer assessment rates, or a direct refund to employers, or a combination of the two alternatives over the next few years.

Background

WorkSafe BC is a provincial agency entirely funded through mandatory employer premiums and investment earnings.

The insurance fund was established to financially support workers' recovery from injury and restore them to safe and productive employment and/or access to equitable compensation. The employers provide the funding based on a fee levied on their payroll. Revenues are also earned from a diversified investment portfolio held to meet future obligations on existing claims.

According to the 2020 Association of Worker's Compensation Boards of Canada (AWCBC) Report – KSM Statistics, the WorkSafe BC 2020 funding ratio is approximately 161 percent of assets over liabilities.¹⁵⁶ In 2017, this excess of assets over liabilities was 153%. It should be noted that the AWCBC calculation is different from the WorkSafeBC calculation. The AWCBC method is done consistently to compare results to the other eleven WCBs across Canada. Other than PEI WCB in 2017 and Manitoba WCB and PEI WCB in 2016, WorkSafeBC has had the largest percentage ratio of assets over liabilities over the five years – 2016 to 2020.

Funding ratio % - WorkSafeBC Report

2016	2017	2018	2019	2020
137	147	155	152	163

The majority of the 12 other provincial/territorial boards in Canada have rebate policies in place triggering either, or a combination of, a reduction in annual assessment rates or direct refunds to employers when a certain threshold in funding is reached.

Saskatchewan's WCB has a targeted range between 105% and 120%. When the range is above 122%, the Board of Directors, at its discretion, will distribute surplus funds to employers in the year following the fiscal year.

For the past six years, PEI's WCB, with annual premium revenue of \$34 Million, has experienced a funding ratio of over 140%. During the six years leading to 2020, their Board of Directors approved rate reductions amounting to \$8.7 Million and direct distribution to employers of \$76 Million.

¹⁵⁵ Income smoothing is the act of using accounting methods to level out fluctuations in net income from different reporting periods. The process of income smoothing involves moving revenues and expenses from one accounting period to another.

¹⁵⁶ 2020, Financial Measures http://awcbc.org/?page_id=9759



In 2019, Manitoba’s WCB, with annual revenues of \$240 Million, has a targeted funding ratio of 131%. The 2019 surplus balance was 149%. Their Board of Directors approved a refund of \$72 Million in 2019 and a program to refund another \$181 Million between 2020 and 2024.

In 2019 and 2020, Alberta’s WCB, with annual revenues of \$1.1 Million, was hammered on its assessment income due to economic troubles but maintained a reasonable investment income in each year, where they ended up with operating surpluses in each year. Despite the province’s economic difficulties, the ABWCB was able to stay within its funding ratio range established years ago between 115% and 128%.

In 2021, arising from 2020 recommendations from a Report, Ontario provincial government proposed to table legislation for its Workplace Safety and Insurance Board (WSIB) that would set a targeted range between 115% and 125%, and further prescribe parameters for surplus distribution to employers. On September 30, 2021, its 2021 Q3 funding ratio was 120%. On February 16, 2022, the WSIB announced that they will give back \$1.5B in surplus premiums to the safe employers who paid them¹⁵⁷.

WorkSafeBC has proven to be a well-managed agency, with solid satisfaction expressed by injured employees and employers. Years ago, this was not the case.

From WorkSafeBC audited Financial Statements the following is a summary of the financial result for the five years 2016 to 2020:

	5 Years 2016 to 2020 (\$Billions)
Premium Revenues	\$ 7.8
Investment Income	<u>7.3</u>
	<u>15.1</u>
Claim Costs	8.5
All other Costs	<u>2.9</u>
	<u>11.4</u>
Total Annual Surpluses	<u><u>\$ 3.7</u></u>

According to the Business Council of British Columbia WorkSafeBC Management has overseen a decade of declining accident rates.¹⁵⁸ As set out in its statement, the reduction partly reflects the provinces shifting industrial base, but it’s also evidence that WorkSafeBC prevention and safety programs have been effective in reducing injuries. It has improved its service delivery over the years and provides reasonable benefits to most injured workers in a timely manner.

The British Columbia Investment Management Corporation manages the WorkSafeBC investment portfolio. The year-end portfolio balances were:

- December 2020 - \$ 21.0 Billion
- December 2016 - \$16.0 Billion
- December 2011 - \$11.9 Billion
- Ten-year change - \$9.1 Billion

¹⁵⁷ <https://www.cfib-fcei.ca/en/media/news-releases/cfib-statement-return-15b-wsib-overpayments-employers>

¹⁵⁸ <https://biv.com/article/2021/10/worksafebc-overhaul-could-have-huge-employer-cost-implications>



Between December 2016 and December 2020, the WorkSafeBC Claim Liabilities grew by \$2.0 Billion to \$13.0 Billion from \$11.4 Billion. In 2011 its claim liabilities were \$9.6 Billion. The ten-year liabilities change was \$3.4 Billion.

In August 2020, legislative changes came into effect that will increase the long-term liabilities (“LTD”) in the future. No doubt, the Board of Directors and Management will carefully consider the impact of these legislative changes as part of any revision to its current open-ended funding ratio policy. Note: in December 2020, the LTD claim liabilities were \$7.3 Billion (56%) of the total claim liabilities of \$13 Billion.

WorkSafeBC Board of Directors and management have a responsibility to the employers to revise its current funding ratio policy. What is required is an upper limit value. WorkSafeBC should determine a funding ratio program that continues to insulate the system from premium fluctuations, changes in claim benefit programs and changes in the economic climate while continuing to ensure sound management of its finances. Once a new funding ratio limit is set, a rebate policy should be included in the policy that allows the Board of Directors, at its discretion, to make direct payments to employers when that ratio limit is exceeded.

If WorkSafeBC Board of Directors, with support by the Provincial Government, had earlier set a very conservative Maximum Targeted Ratio of 130% - the following table sets out the overfunding position of its assets against its liabilities at the five December fiscal year ends. The table below also sets out the annual premium revenues for the year and compares the excess funding amount against the annual premium revenues for the fiscal year – representing the number of years the ‘excess amount’ is to the annual premium revenues.

Excess Funding Over the Maximum Target of 130% (\$Billions)

Year	2016	2017	2018	2019	2020
Excess Funding over 130%	1.2	3.1	2.4	3.1	4.2
Annual Premium Revenues	1.5	1.5	1.6	1.7	1.6
Excess Compared to Premium Income	0.8	2.0	1.5	1.9	2.6

The WorkSafeBC Board of Directors and Management is best positioned to determine what an updated, reasoned Funding Ratio or Funding Ratio Range program should be.

If due to the recognition of its large excess of Funds, WorkSafeBC made direct payments to employers, these funds could put to productive use, including investing in new and safer equipment, growing their business, and creating jobs.

THE CHAMBER RECOMMENDS

That the Provincial Government, work with the WorkSafeBC Board of Directors to:

1. Create a reasonable Funded Ratio or Funded Ratio Target Range, and;
2. Create a policy that triggers automatic reductions in annual assessment rates and, where appropriate, makes direct payments to employers when WorkSafeBC surplus exceeds a policy range limit.



HELP B.C. EMPLOYERS SURVIVE THE LABOUR CRISIS: BC PNP IMPROVEMENTS

British Columbia's economic growth depends on having enough skilled and qualified people to meet labour market needs. The B.C. Provincial Nominee Program (B.C. PNP) supports B.C. employers to attract and retain needed talent. It acts as a critical tool to meet B.C.'s labour market and economic development needs and priorities.

Background

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

B.C. is expected to have 861,000 job openings between 2019 to 2029. This includes the creation of over 200,000 new jobs due to economic growth and the need to replace approximately 600,000 workers who will permanently leave the workforce due to retirements.¹⁵⁹

In contrast, the number of people available for work is growing more slowly, as population growth decreases and the gap between births and deaths narrows. Having enough trained workers to meet future needs will be a challenge. The Hon. Melanie Mark, then Minister of Advanced Education, Skills and Training, has acknowledged this challenge will be addressed, in part, by immigration. It is expected that immigrants will fill about 27% of forecasted job openings between now and 2029, with in-migrants and people entering the labour market for the first time accounting for another fifty-eight percent of new workers. The remaining 15% of job opportunities remain vacant throughout B.C. during this period.¹⁶⁰

Labour crisis:

- 25% of manufacturing workers are due to retire by 2030 and there is no clear group to fill the shortage (individuals under the age of 25 comprise only 6 percent of the sector's workforce, there are not enough Canadian youth to fill the labour shortage expected in this industry¹⁶¹)
- The construction industry is anticipated to be short 82,000 tradespeople by 2029¹⁶²
- Worker shortages will continue to challenge Canada's post-pandemic labour market as the baby-boom generation continues to move into retirement age. Roughly 23% of the working age population is expected to be 65 years or older by 2024¹⁶³.
- Shortages won't be limited to the industrial sector. Shifts in labour markets during the pandemic mean there won't be enough unemployed workers to fill in gaps in other industries, particularly hospitality¹⁶⁴
- Higher wages, investments in technology and machinery to improve efficiency, will not be enough to fill the current and projected labour shortage. Immigration is needed to fill the gap¹⁶⁵.

¹⁵⁹ <https://www.workbc.ca/Labour-Market-Industry/Labour-Market-Outlook.aspx>

¹⁶⁰ https://www.workbc.ca/getmedia/1dce90f9-f2f9-4eca-b9e5-c19de9598f32/BC_Labour_Market_Outlook_2018_English.pdf.aspx

¹⁶¹ <https://financialpost.com/fp-work/labour-hungry-manufacturing-sector-has-a-message-for-young-people-think-sci-fi-not-smokestacks>

¹⁶² <https://www.theglobeandmail.com/business/industry-news/property-report/article-construction-industry-fears-a-skilled-trades-shortage/>

¹⁶³ <https://thoughtleadership.rbc.com/squeeze-play-higher-wages-alone-wont-solve-canadas-labour-shortage-problem/>

¹⁶⁴ [Ibid](#)

¹⁶⁵ [Ibid](#)



The B.C. Provincial Nominee Program currently falls short of helping employers survive the current labour crisis. Current issues include:

User-interface

- The current user interface does not effectively filter candidates who are eligible to apply. Candidates are only screened after they submit a completed application and pay the government processing fee of \$1150 CDN. If an applicant was erroneously awarded points for a typing error or misunderstanding in their profile and their registration score would have not been above the invitation threshold in their round of invitations to apply, their application is refused and the government processing fee is not refunded. This creates a waste of resources for the BC PNP as officers are spending time evaluating applications which should not have been invited to apply from the beginning. This is also wasteful for the foreign national as they lose their time, energy, and government processing fee, instead of working towards meeting the program criteria correctly. Foreign nationals cannot be expected to have a comprehensive understanding of the entire program policy and process.
- If a candidate who has an active BC PNP profile in a pool needs to make a change to their profile there is no edit option. The only option available to the candidate is to withdraw their entire profile and create and submit a brand new profile from scratch.

Policy

- The current B.C. Provincial Nominee Program groups all skilled workers together and scores them using the same points system. This means skilled trades, who predominantly have a lower level of education and lower language test scores, are competing with senior executives and managers. Skilled trades, while in incredibly high demand, are unable to secure an invitation to apply to the BC PNP as other skilled workers in roles that traditionally have higher education requirements and higher salaries, are inflating the points threshold to be invited to apply.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Encourage the Government of Canada to expand the Provincial Nominee Program and increase total number of available nominations to help employers attract and retain employees with the skills, experience and qualifications required to fill current and future job openings in their provinces.
2. As part of its *Future Ready: Skills for Jobs of Tomorrow* plan, develop more targeted programs for skilled trades people to fill the current and ongoing labour shortage in these industries.
3. Advanced screening of provincial nominees to ensure their points and eligibility are determined at the profile stage.



PROTECTING OUR INFRASTRUCTURE – ASSET MANAGEMENT

Canadian families and businesses rely on municipalities to manage and provide transportation networks including road maintenance and public transit, policing and public safety measures, social services and housing, water and wastewater services, waste management and recycling, climate action, GHG reductions and resiliency, parks, recreation, libraries and culture, and public health including community vaccinations.

Asset Management is an integrated process, bringing together skills, expertise and activities of people; with information about a community’s physical assets; and finances; so that informed decisions can be made supporting sustainable service delivery¹⁶⁶.



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Municipalities manage some 60 percent of the public infrastructure, deliver vital services and help achieve federal social, economic and environmental objectives. Yet, they continue to confront 21st century challenges with 19th century fiscal tools: user fees, property taxes and other land-based tools^{168,169}. In recent years, all orders of government in Canada have increased their investments in infrastructure.

The growing responsibility for core infrastructure needs places significant strains on local governments in Canada, which do not have the same revenue-raising capacity as their Federal and Provincial Peers¹⁷⁰. In turn, this places greater financial pressure on businesses in our communities, by way of increased taxes because municipalities are limited in their means to raise revenues.

There are 196 municipal governments and 198 First Nations communities in British Columbia. Our communities, industry and businesses rely on our utilities, transportation and power system to sustain our business. Business interruptions due to broken water mains, poor roads, inadequate transit and other disruption causes economic loss to businesses and limits our ability to attract new businesses to our

¹⁶⁶ Asset Management BC, Asset Management for Sustainable Service Delivery A BC Framework 2019, page 1

¹⁶⁷ Asset Management BC, Asset Management for Sustainable Service Delivery A BC Framework 2019, page 1

¹⁶⁸ Federation of Canadian Municipalities, Partners for Canada’s Recovery 2021 Report, page 35

¹⁶⁹ Federation of Canadian Municipalities, Partners for Canada’s Recovery 2021 Report, page 7

¹⁷⁰ Federation of Canadian Municipalities, The Case for Growing the Gas Tax Fund 2019 Report, page 11



communities. Our communities also face financial challenges from increasing standards and regulations without adequate financial mechanisms to pay for them. The primary resources at the municipal level are property tax. Our businesses pay a much higher tax rate than our residential taxpayers. Significant increases in property taxes are not affordable either for our businesses or for many of our residents.

Our built environment or infrastructure is critical to the economic capacity and livability of our communities and the viability of our businesses within them. Many communities are struggling with competing financial pressures and aging, failing infrastructure. Municipal budgeting processes currently fail to require accounting for future demands for infrastructure upgrades and replacement. Government support at all levels is required to renew our infrastructure as well as assist with paying for new and increased regulations and standards ¹⁷¹.

Local leaders are making the most of these outdated tools. But to renew and increase the resiliency of the infrastructure in our communities that supports the economy and our quality of life, it is time to modernize the tool box ¹⁷².

The Canada Community-Building Fund (formerly Gas Tax Fund) is the federal funding tool that empowers municipalities of all sizes to renew core infrastructure. Federal Budgets 2019 and 2021 doubled the transfer for those two years ¹⁷³.

The Federal government should expand the existing infrastructure renewal tools by increasing the annual transfer to the Canada Community-Building Fund in 2022-2023 to \$4.6 billion, and boosting its annual growth index from 2.0 to 3.5 percent to reflect construction realities without passing the cost along to businesses ¹⁷⁴.

Through the Investing in Canada Pan Infrastructure Program, the Government of Canada has committed over \$180 billion over 12 years for infrastructure that benefits Canadians. To date, the plan has invested over \$118 billion in over 78,000 projects, 98% of them completed or underway ¹⁷⁵.

Infrastructure plays a key role in Canada and the Province of British Columbia's future. In 2018, Canada and British Columbia signed the Integrated Bilateral agreement for the Investing in Canada Infrastructure Program (ICIP)¹⁷⁶.

The program invests in infrastructure that:

- Creates economic growth;
- Sustains well-paying jobs;
- Builds inclusive communities; and
- Supports a low-carbon, green economy.

For BC as the nation's Pacific Gateway, the Provincial government must actively formulate an overarching strategy to prioritize investment and attract federal funds. As communities in every Province compete for funding, it is important that a consolidated provincial strategy is in place to ensure that attention is paid to the needs of British Columbia communities.

¹⁷¹ Federation of Canadian Municipalities (2016) Informing the Future: Canadian Infrastructure Report Card, page 6

¹⁷² Federation of Canadian Municipalities, The Case for Growing the Gas Tax Fund 2019 Report, page 21

¹⁷³ Federation of Canadian Municipalities, Partners for Canada's Recovery 2021 Report, page 21

¹⁷⁴ Federation of Canadian Municipalities, Partners for Canada's Recovery 2021 Report, page 21

¹⁷⁵ <https://www.infrastructure.gc.ca/plan/about-invest-apropos-eng.html>

¹⁷⁶ www2.gov.bc.ca/gov/content/transportation/funding-engagement-permits/funding-grants/investing-in-canada-infrastructure-program



THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Develop a long-term Infrastructure Strategy for British Columbia which is coordinated with the long-term strategic planning processes of the Province's Regional Districts and includes funding incentives for municipalities that are tracking and reporting asset management.
2. Amend the mandatory municipal budgeting process to require identification of future infrastructure needs and direct a portion of the Canada Community-Building Fund dollars to municipalities that have adequately assessed their need asset management needs.

That the Provincial and Federal Governments:

3. Execute as quickly as possible upon notice of Federal funding, the necessary Provincial-Federal agreements to ensure funding continues in a sustainable consistent manner that accrues to our communities for infrastructure improvements and upgrades, especially smaller communities for existing infrastructure, and required upgrades resulting from new regulations and standards.
4. Clarify their readiness to continue a dialogue about a modernized fiscal relationship that empowers municipalities with tools to tackle a broad range of locally-defined priorities—efficiently, cost effectively and with robust planning horizons.

That the Federal Government:

5. Expand the Canada Community-Building Fund by increasing the transfer in 2022-2023 to \$4.6 billion, and boosting the annual growth index from 2.0 to 3.5% to reflect construction realities without passing on the additional costs to businesses.



SUPPORT FOR BC'S PUBLIC LIBRARIES

There are currently 71 public libraries across BC, serving rural communities as small as 400 and urban communities with 600,000+ people. Provincial funding for public library service funding has been frozen since 2010 (\$14M). Alarming, BC libraries have not been eligible for federal pandemic support such as those provided by programs like CEWS, CERS, or CEBA. Additionally, BC public libraries face increasing and ongoing costs related to new safety measures and health compliance requirements.

The Chamber believes that as low-barrier social infrastructure, libraries promote belonging, inclusion, equity, and equality for those they serve. Libraries support traditional and technological literacy, and they represent a public face for continuous learning and continuing education. Public libraries are community partners in supporting economic development. Libraries are essential service providers, and often considered the 'heart of their community'. Public libraries provide well-trained and compassionate staff, offering connection to essential social and government services in a safe, culturally appropriate environment without stigma. Built on a history of collaboration in BC communities, libraries advance collective progress on communications and connectivity, increase sectoral action on the climate crisis and accessibility, and promote meaningful reconciliation through information, cross-cultural learning, and social opportunities.

Government investment in public libraries is an investment in British Columbians. Increased funding, intended to help libraries successfully navigate pandemic recovery, serve their communities, and advance BC Government's priorities in making British Columbians' lives better, safer, and more affordable, will lead to long term social and economic benefit for BC's rural and urban centers.

Background

Serving over 29 million people every year and employing over 2260 FTE staff, British Columbia libraries are essential to their local communities and economies. Among the most compelling rationales for modern Public Libraries is the broad range of services they offer for all ages, supporting the needs of individuals, families, businesses, Indigenous peoples, newcomers, seniors, students, job seekers, small business owners, foreign workers and, indeed, those most vulnerable individuals living without housing and without sufficient means. Libraries deeply impact the entire population of BC.

Libraries play a pivotal role in supporting local businesses and communities

- Libraries are customers of local businesses, purchasing materials and services – everything from catering for events to office supplies, from facility cleaning to equipment and building repairs, and much more
- Libraries provide resources often used by businesses, particularly those that are small or starting up – everything from computer and Internet access, to space, to access to information and resources
- Libraries provide resources to support the continuing education and certification needs of community members, helping to create a qualified workforce for a variety of businesses
- Libraries partner with local businesses, service clubs and community groups to offer programs, raising their profile in the community and enhancing community collaboration
- Libraries provide opportunities for training and skill enhancement for employees. Particularly in the realm of technology, where it's challenging (and often expensive) to keep up with how to use the latest software, etc., libraries provide accessible resources to enable up-skilling at reduced cost to business owners.

In a survey conducted by the Association of the British Columbia Public Library Directors (ABCPLD), a head librarian commented, "During Covid we have seen an upswing in the need for support accessing government services. For example, border staff and other government agencies often direct people to the public library to



help them with vaccine passports, arriveCAN, and other applications and forms. Provincial agency offices are often not located in rural communities, so residents often rely on the public library for assistance with provincial online services. With fewer staff and hours, we can't keep up."

Libraries foster reconciliation, accessibility, inclusion, and community building

The reality of COVID-19 has highlighted existing inequities in our communities among Indigenous, Black, and other racialized peoples, along with the disabled population and those already marginalized through economic or social circumstance. have been dis-proportionately affected. As spaces that are open to all and serve everyone, public libraries can exercise a leadership role in addressing systemic discrimination, particularly if library funding is sufficient to enable public libraries to train staff, buy collections and create programs that represent the true diversity of our communities.

Government's espoused goal of ensuring library facilities are welcoming and accessible to all British Columbians aligns with their cross-Ministry priorities of Putting people first, Lasting and meaningful reconciliation and Equity & anti-racism.

In the same ABCPLD survey, a head librarian commented, "There is a growing need to provide better services to people with mental health and addiction issues. During the pandemic, this need became even more urgent. As some of the few reliably open public spaces during the pandemic, libraries serve and connect at-risk populations to information and services. To support these community members, we started a pilot project with a local university and a housing agency, where social work practicum students serve alongside outreach workers at the library to connect patrons with the support they need. After just a few sessions, staff already see the immense value this service is providing for some of our most vulnerable patrons. If the pilot project continues to be successful, we will need to source funding to make this type of service sustainable in the long-term and to expand to other locations."

Libraries provide access to technology and work on closing the digital gap

Government reports demonstrate that the need of British Columbians to access digital information has skyrocketed since 2020. Existing library hardware in so many locations is aging, and digital collections cost 3-5 times that of print. Digital resources often come with time-limited access, requiring continued investment for ongoing access. With increased costs and demand, libraries struggle to keep up with community needs. With the increased use of digital materials, of course, there is a concomitant need for the services of technically competent information technology personnel. Increased funding is required, therefore, to enable libraries to purchase and maintain hardware and digital collections to ensure that all British Columbians can learn and succeed in the digital economy. These outcomes would be a good example of how the provincial government can demonstrate two important principles they have champions – 'putting people first' and creating a 'strong & sustainable economy that works for everyone.'

Other impactful quotes from librarians, "Small rural libraries like mine rely on volunteers to fill service gaps that have grown wider as funding has not increased. Most of our volunteers are retirees who dedicate their time and energy to staffing the library and supporting their communities. With Covid being more dangerous to seniors, libraries have been forced to reduce service hours to avoid putting volunteers at risk." And, "Now more than ever, having reliable IT support is critical to library operations. A local resident volunteers to keep our Library's IT system functioning; they have recently retired from their paying job and may be leaving their volunteer position at the library soon. This role should be a paid position, and it will be virtually impossible to replace the volunteer when they leave. Without additional funding to support the position we don't know where we will find the funds."

Libraries ensure access to safe, healthy public spaces



The COVID-19 pandemic may be with us for some time, and with this reality, the requirements to ensure safe public spaces have changed. To support compliance with existing public health recommendations and better prepare for future emergencies, libraries need to adapt physical spaces to create safe, welcoming places for British Columbians. Increased funding will enable libraries to create or improve existing library spaces for programming use, transition from temporary to permanent barriers, and invest in furnishings that are easier to clean and sanitize. In addition, the pandemic has highlighted the need for ongoing, science-based health literacy work that supports government efforts to enhance health outcomes in a number of areas. Increased funding would enable libraries to hire additional staff to ensure safe, compliant, healthy libraries.

A final quote from the survey conducted by ABCPLD, “Before 2020 closures, we made do with three days of janitorial work per week. When we reopened in May 2020, we moved to daily cleaning (five days / week). With the additional costs of cleaning, Plexiglas, masks, sanitizer, we had to lay off a staff position in 2021 and have not been able to add this position back. Losing this position has meant that we have had to cut most public programming and reduce hours, translating to over 150 fewer service hours per year.”

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Immediately increases funding to BC’s public libraries in the current fiscal year, particularly in recognition of the significant shortfalls experienced by BC public libraries with the 10-year freeze in library funding by the provincial government; and
2. Consistently allocate additional funds to BC’s public libraries in future provincial budgets, to ensure they are able to adapt to the changing needs of the public and how the costs of providing them have evolved over time.



FLOODS – AN EMERGING ECONOMIC THREAT REQUIRING ACTION

British Columbia has several thousand kilometres of coastline along which communities are located. Likewise, Fraser River and other rivers flow through BC communities that are vulnerable to flooding. Floods from rivers and oceans could destroy or affect residential, commercial, industrial, and agricultural properties as well as affect transportation means (roads, highways, bridges) and cause widespread disruption to day-to-day living requiring significant expenditure to restore areas back to pre-flood conditions. The damage to the economy and businesses due to floods are significant, in the hundreds of million dollars. Flood protection structures, measures such as dikes and associated infrastructure (pump stations, flood boxes, rip rap and relief wells) throughout BC need to be upgraded to combat the threat of sea level rise of up to 1 m by 2,100. Significant timebound expenditure is needed to upgrade flood protection infrastructure throughout BC.¹⁷⁷

Background

Climate change leading to melting ice caps in the north and south poles is causing sea level rise. The BC Ministry of Environment and Climate Change Strategy has directed cities to prepare for a 1m rise in sea levels by 2100. Extreme weather events such as atmospheric rivers causing significant rainfall/snowfall and river levels rising beyond diking or natural levels are being seen in BC communities. Forest fires and heat domes as experienced in BC in the summer of 2021 further challenge the environment and pre-dispose land to flooding by destroying trees and vegetation that normally play a water absorption role. This can cause significant flooding of rivers flowing through BC. Flooding poses catastrophic risks to BC's economic vitality, safety, environment, property owners and communities.

Although, cities have been directed to prepare for sea level rise and river body risks, there remains the need for significant dollars (running into billions) to upgrade dikes and associated infrastructure over the coming years to prepare adequately for such flooding events. There is a 0.5% chance of an extreme flood today while there is a 50% chance of an extreme flood by 2,100 AD¹⁷⁸. Complete restoration of coastal and river boundary communities and infrastructure following a major flood event could take several years causing severe disruption to the economy resulting in losses of several hundreds of million dollars. To help prevent damage and losses, dikes across BC must be upgraded in a timely manner and in a priority sequence.

As part of its long-term flood adaptation strategy, the City of Surrey has embarked upon a full review of existing dike infrastructure throughout the City limits and has identified priority areas around rivers (Nickomekl, Serpentine) and the coastline (boundary bay) requiring significant investment for upgrades over the next several years for which both provincial and federal funding will be required in addition to city funding.¹⁷⁹

The City of Abbotsford has long been advocating for upgrades to diking and drainage infrastructure and more predictable funding arrangements with the province and federal government given historical flooding vulnerability from the Nooksack and major flooding events; more recently in 1990 and with the 2021 disaster. The City of Abbotsford's key focus in the months ahead is to ensure federal and provincial support is provided to upgrade the Sumas and Matsqui dikes as well as the required infrastructure upgrades at the Barrowtown pumpstation.

¹⁷⁷ 2019, Surrey Coastal Flood Adaptation Strategy – Presentation to the Surrey Board of Trade Environment Team by the City of Surrey Environment and Drainage Manager <https://businessinsurrey.com/wp-content/uploads/2019/02/CFAS-Surrey-BOT-Feb-14-2019-compressed.pdf>

¹⁷⁸ <https://www.ducks.ca/stories/conservator/rising-sea-levels-on-canadas-coasts/>

¹⁷⁹ Serpentine and Nikomekl Lowlands – City of Surrey <https://www.surrey.ca/city-services/3654.aspx>



In order to effectively manage future flooding, current drainage infrastructure needs to be upgraded. The effectiveness of drainage depends on to direct water out of the farmland, and out of the region. Drainage requires regional efforts, and so it requires the Province to approach upgrading in a regional aspect by working with municipalities.

If the province values food security and the protection of food sources, it must rethink infrastructure investments and prevent a greater disaster that may be just around the corner. Abbotsford is the top agriculture producing jurisdiction in the country on a per-hectare basis will sales of \$1 billion per year according to the 2016 census and it also produces 50% of all the milk, chicken, turkey and eggs consumed in the province. The Abbotsford case illustrates the importance of protecting our food supply and of natural disaster preparedness in the interests of the entire province and country.

Abbotsford Mayor Henry Braun warns the disaster with Sumas Prairie will pale in comparison if the Matsqui dike breaches. The Fraser River is 10 times larger and more powerful river than the Nooksack River and will wreak havoc on our economy and infrastructure if it overtops those substandard dikes.¹⁸⁰ The BC Chamber of Commerce estimates that the economic impact of a Fraser River flood event on Matsqui Prairie to be approximately \$30 billion.

Local governments simply cannot afford to fund what is needed to upgrade such critical infrastructure. For example, \$1 Billion is needed to rebuild both dikes to today's standard in Abbotsford. Similar upgrade requirements and high costs have been identified in municipalities from Richmond to Chilliwack. It is understood that dike inventory maps, designs etc. have been prepared by the Provincial Government and that funding for upgrades from both the federal and provincial government have arrived in pockets over the years since at least 2014. Currently, the federal government is undertaking a more comprehensive analysis and mapping of flood risk areas across Canada to support emergency preparedness and in coordination with the provincial government.

However, as stated previously, long-term funding certainty is required and significant and strategic funding and planning to study flooding patterns of rivers, understand climate change implications with respect to sea level rise especially time sensitivities, as well as improve and upgrade flood protection measures throughout BC.¹⁸¹ A report (2015) released by the BC Ministry of Forests, Lands and Natural Resources found that 71% of lower mainland dikes were vulnerable to failure by overtopping, where floodwaters breach the top of the dike resulting in a flood Only 4% of dikes in BC met provincial standards.¹⁸²

There is also a significant risk associated with "orphaned" infrastructure. Flood infrastructure currently built and relied upon that has no jurisdiction responsible for maintenance or upgrade. A lot of infrastructure built in past flooding emergencies has no "owner" and is still critical to providing flood protection on the Fraser River (and tributaries) any effective Provincial dyking program must address the challenge of orphaned infrastructure.

Natural disasters such as floods pose a huge economic risk when key supply chain and transportation routes are impacted. It is of paramount importance to protect our trade enabling infrastructure as well as the connectivity of people and goods in BC and Canada. The impact of the flooding in Abbotsford, the epicenter of the recent flood disaster in BC is a critical example of how as a result BC and regions within the province were disconnected from each other, to agri-foods and the rest of the lower mainland due to the floods. This

¹⁸⁰ <https://globalnews.ca/news/8441820/abbotsford-bc-flood-update-dec-10/>

¹⁸¹ Flood protection structures in BC <https://www2.gov.bc.ca/gov/content/environment/air-land-water/water/drought-flooding-dikes-dams/integrated-flood-hazard-management/dike-management/flood-protection-structures>

¹⁸² <https://vancouversun.com/news/province-was-studying-dike-integrity-but-data-not-to-be-available-until-next-month>



impacted food security, trade and connectivity among people. With the lower mainland being the Asia Pacific Gateway the consequences of poor infrastructure and emergency preparedness comes at high economic and human cost. The Port of Vancouver trades approximately \$200 billion in goods with more than 170 trading economies.¹⁸³ The Port of Metro Vancouver is the #1 in Canada and #2 in terms of total foreign exports.¹⁸⁴

Overall, we found the B.C. government is not adequately managing the current and future risks posed by climate change to invest in necessary infrastructure and sustainability. It is very likely that B.C. will not meet its 2020 emissions reduction target of 33% below the 2007 levels, models also suggest the province is not on track to meet the 2050 target.¹⁸⁵ Government has work underway to adapt to climate change, but more needs to be done. Actions are taking place at the ministry level—notably to build a strong foundation of knowledge and develop tools—but adaptation needs to be better integrated into policies and decision-making processes.¹⁸⁶ Key climate-driven risk areas, like flooding and wildfires, require additional attention. We found that government may not be able to manage flood risks, given that roles and responsibilities are spread across many agencies and levels of government, and these organizations may not have adequate staffing or technical capacity. Government’s current activities to prevent wildfires are not sufficient, as a substantial number of hectares of forest require fuel treatments. Treatments have not been occurring in a coordinated manner, nor have they been targeting areas of highest risk. Adaptation is not just a provincial government issue. Local governments are on the front lines, but we heard that they are challenged to effectively take action. This includes a lack of financial support, reliable data and knowledge, and policies at the provincial level. Furthermore, the provincial government has not yet significantly involved First Nations in provincial action.

The 2021 Context

BC experienced severe weather patterns in 2021 that resulted in devastating flooding across the province. Vital road, rail, and port links were severed for weeks, and farms, homes and businesses were destroyed. It is estimated that 15,000 people were forced to evacuate their homes, countless crops were lost, and over 600,000 farm animals perished. In addition, the Trans Mountain pipeline was shut down, resulting in a fuel shortage in the Lower Mainland. Sections of highway #1 and other parts across the province were closed to traffic, supplies and people. Ken Peacock, Senior Vice-President and Chief Economist at the Business Council of B.C., estimates the weather disaster will result both in lost economic output for the province ranging from \$250 million to \$400 million, and an impact on growth results for 2021.

In the recent BC flooding disaster of November 2021 across the province impacting communities the City of Abbotsford’s Sumas Prairie was hardest hit with the impact of a record-breaking atmospheric river that fell on the southern part of BC and caused Washington State’s neighboring Nooksack River to flow across the border into the Sumas Prairie.

The economic toll of the major flooding events is still being totaled, and we will likely not know the extent of the cost until late 2022. Preliminary data collected from the Abbotsford flooding disaster from impacted farmers and businesses reveals millions of dollars in damages and long-term recovery estimates particularly in the organics and berry sectors.

There was little in the way of a coordinated approach to minimize the damage of the floods. The weaknesses of the flood mitigation strategies were exposed, and it was evident that when a disaster occurs, a federal-provincial-municipal response is needed.

¹⁸³ [Reporting, statistics and resources | Port of Vancouver \(portvancouver.com\)](#)

¹⁸⁴ [2020 Key facts brochure letter 05 \(portvancouver.com\)](#)

¹⁸⁵ <http://www.bcrea.bc.ca/government-relations/flood-protection>

¹⁸⁶2018, https://www.bcauditor.com/sites/default/files/publications/reports/Climate_Change_FINAL_0.pdf



THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Enhance provincial funding contribution in partnership with the federal government and BC municipalities taking into account municipal, and Indigenous communities feedback to determine guaranteed provincial funding through a strategic plan over 5 years to ensure upgrades to flood mitigation infrastructure and related transportation investments;
2. Partner with the Federal government to establish an enhanced and current emergency flood mitigation program with the advice of municipal governments; and,
3. Participate as a leader with the Federal government on international discussions with the United States on cross border flood risk mitigation;
4. Engage in direct discussions and planning with Washington State on issues of mutual interest regarding flooding risks, mitigation and responsibilities; and,
5. Work with the federal government to establish private insurance options and the Canadian banking sectors to plan for future natural disaster emergencies for better access to emergency coverage and mechanisms during crisis situations.



COST OF PROLIFIC OFFENDERS ON THE LOCAL ECONOMY

The economic development of any community relies upon its reputation as a safe, viable region in which to locate and do business with supporting infrastructure, community assets, and most importantly, customers willing to walk in the door. However, if customers feel unsafe, they won't come. If the reputation of a region is suspect, businesses won't come. If the media targets a community as one in which prolific offenders reside, its economy suffers.

Media reports often highlight threats to communities when an individual is released from incarceration and has not completed mental health or drug treatment programs. News reports headline those who re-offend shortly after their release. While the public does have the right to know, the impact of such media upon business decision-makers as to where they will house their companies and staff cannot be ignored. The media is not the problem. The concern is the profligacy of offenders and their return to the same community time and again. A recent incident in Downtown Kamloops has led the locally operated McDonald's to close down.¹⁸⁷

Solutions to the problems of prolific offenders are widely known and supported amongst the criminal justice community; however, federal and provincial budget decisions leading to program cuts can lead to the unsuccessful reintegration of some offenders. For example, reductions in federal funding for psychiatric services for offenders while incarcerated and post release can set up an offender for failure and increase community risk.

The Province of British Columbia released a report in December of 2014 entitled *Getting Serious about Crime Reduction*, which is one very good example of best practises across Canada to end the cycle. The six recommendations are listed below:

1. Manage prolific and priority offenders more effectively.
2. Make quality mental health and addiction services more accessible.
3. Make greater use of restorative justice.
4. Support an increased emphasis on designing out crime.
5. Strengthen inter-agency collaboration.
6. Re-examine funding approaches to provide better outcomes.

The current initiatives undertaken by the BC Government in relation to the previous Blue Ribbon Panel's recommendations include:

- Consideration of a regional, integrated community safety partnership pilot project that would bring together local, relevant government and non-government agencies in identifying and prioritizing community safety goals, focusing resource allocations and programs accordingly, and measuring and evaluating the outcomes.
- Collaboration between BC Corrections and provincial post-secondary institutions to expand job-training options for offenders and thereby better support their re-integration into society.

Since the release of the Blue Ribbon Panel in December 2014, the Provincial government has not provided much public commentary on their efforts to enable the recommendations. Certain initiatives, such as the Integrated Court Services model recently approved in Surrey, British Columbia, do incorporate aspects of the recommendations in their development.

Provincial and federal resources contributed to the success of Community Courts and Integrated Services Programs. Senior B.C. Corrections staff led the development of the Mental Health Strategy for Corrections in

¹⁸⁷ <https://www.cbc.ca/news/canada/british-columbia/downtown-kamloops-mcdonalds-closes-1.6406181>



Canada. The strategy seeks to ensure mentally ill offenders receive progressive and consistent care in custody and after release.¹⁸⁸

To date, BC Housing, and social assistance providers are the only points of access for released inmates to receive assistance in finding housing. Without adequate housing and jobs, re-offence becomes a higher risk. The current plan to move rehabilitated individuals into half-way homes then allowing them to reside in their choice of communities puts these communities at risk if stable jobs and housing assistance is not provided by governments.

The BC Government announced in May that they will be launching a plan to understand the current system and services available to prolific offenders through two experts. These experts will then provide a report on the situation and offer recommendations to the Provincial Government and BC's Urban Mayors' Caucus (BCUMC). The Provincial Government already has a report on hand that contains potential pilot projects and recommendations on how to deal with prolific offenders, but many of these have not been implemented. While this new investigation may provide an updated picture, we have yet to see the Blue Ribbon Report recommendations implemented.

Communities throughout BC benefit when stakeholders, service providers, police and justice agencies, under the leadership of the Province, work together to provide offenders with the best opportunities for re-integration and minimizing criminal behaviour. Services including housing, drug and alcohol rehabilitation programs, life skills, employment, literacy and essential skills training, and counselling are key to decrease prolific offences occurring in any community. Less crime leads to greater economic prosperity as businesses and customers come to a safe, viable community.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Work in coordination with the Federal Government to expand programs that support offenders to receive treatment while incarcerated and thereafter, and for post-release housing and programming of prolific offenders to ensure successful societal reintegration and safer communities;
2. Combine resources with the Federal Government to ensure the efficacy of programs such as the Integrated Court Services Plan and the successful implementation of measures such as the previous Blue Ribbon Panel recommendations.

¹⁸⁸ <http://www.csc-scc.gc.ca/health/092/MH-strategy-eng.pdf>



EMERGENCY MANAGEMENT: ENHANCING PREPAREDNESS & PREVENTION

British Columbia's framework for disaster management has been severely tested in recent years. The effects of climate change and extreme weather events have had profound impact on our province, and it has become apparent that we collectively must adjust to a new normal of prevention and preparedness to mitigate impacts to the safety, health, and livelihoods of our people and communities.

Background

The wildfires and flood events of 2017 through 2021 were absolutely devastating, and impacted communities like rarely seen before. Spring flooding in 2017 resulted in the evacuation of 2,500 people, mostly in the Okanagan, followed by a damaging flood event in 2018 that forced over 5,000 individuals from their homes in Grand Forks and other small, rural communities. The impact of the wildfire seasons in these same years will be felt for many years to come. Over the course of Summer 2017, over 65,000 people were evacuated from communities, mostly in the Cariboo as a record 1.2 million hectares of our forests were burned. This record of total hectares burned would be surpassed in 2018 with 1.3 million hectares burned. The City of Prince George hosted more evacuees than any other community in British Columbia during this time. The cost of wildfire suppression alone in these years was \$568 million and \$350 million respectively and resulted in provincial states of emergency to be called. These catastrophic events have disproportionately impacted small, rural and Indigenous communities through traumatic evacuation experiences and longer-term impact to their forest and resource sector economies. Further to this, British Columbians have dealt with the health consequences of severely negative air quality, and the wellbeing of family, friends, and loved ones.

The wildfire events of 2021 were absolutely devastating, and impacted communities like rarely seen before. The Summer wildfires in 2021 resulted in 1600 fires burning nearly 8700 square kilometres, and was the third worst on record in terms of area burned. One of the most notable and devastating fires was the Lytton Creek wildfire. Public Safety Minister Mike Farnworth declared a state of emergency, which came weeks after municipal leaders asked for one. There was \$565 million spent on fighting the wildfires. There were 181 evacuation orders and 304 evacuation alerts. Although this was a devastating incident, it did not surpass the 2017 fire season.

The 2021 floods were even more unprecedented with the closures of all major highways in and out of the lower mainland (highways 1, 3, 5 and 7), closure of a significant number of arterial roads along with parts of highways 8 and 13. Rebuilding of this infrastructure is still taking place and is expected to take years to completely rebuild to a higher standard. The flooding caused catastrophic damage to the Cities of Abbotsford and Chilliwack and in particular the Sumas Prairie and to the Towns of Merritt and Princeton. The cost of the damages for these floods is still unknown.

Managing such disasters is understandably an incredibly complex operation. Emergency Management British Columbia (EMBC) provides leadership in emergency management on behalf of the Province, and aims to work directly with local governments, Indigenous communities, provincial ministries, other jurisdictions and volunteers in a coordinated effort to prepare for, respond to and recover from emergencies. Disaster events are incredibly challenging to plan for between all of these parties, but the response and recovery efforts rely on this preparation. It is important that the lessons learned in 2017, 2018 and 2021 be incorporated into the emergency management framework for the province.

As a response to the 2017 disaster events, the Province commissioned an independent review lead by George Abbott and Chief Maureen Chapman, resulting in the May 2018 report, *Addressing the New Normal: 21st Century Disaster Management in British Columbia*. The report contains 108 recommendations with key themes of partnerships & participation, knowledge & tools, communication & awareness, and investment. An



overarching theme of collaboration, planning, and prevention is also prevalent as a strategic shift from the often-reactionary response within emergency management. As referenced in the report:

“It is imperative that we move to a multi-year, multi-pronged approach to community safety — one that involves concerted, proactive investment before emergencies happen.”

Such planning and prevention involve many stakeholders, most notably First Nations communities, local governments, Federal departments, and Provincial ministries. It also includes private sector expertise, forest licensees, tenure holders, and private landowners.

Many recommendations of the Abbot/Chapman report were implemented, however, it is clear that the response to disasters still requires enhancements in certain areas. The businesses community needs to understand what recommendations were implemented, what worked, and what didn't work and why. A full audit is required to assess the failures and successes of the implementation of the Abbot/Chapman recommendations.

The provincial government has a role in relieving supply chain pressures by supporting the private sector. Through industry engagement, the provincial government can learn where supply chains became vulnerable during disasters, and how to strengthen them.

The business community plays a vital role in the response and recovery efforts through on-demand and expert support to execute operations including feeding and supporting firefighters, volunteers, and evacuees alike. The same businesses may also employ and could potentially be run by community members affected in areas where wildfires, floods, and other disasters may occur. Local businesses could also play an expanded role in providing food and beverage, lodging and other needed support streams to evacuees. Forest licensees and forest professionals are often the placed to support the planning and execution of interface fire protection and overall fuel management objectives. The Province could also create efficiencies by opening up processes to new innovative tools from BC businesses. For example, the Emergency Social Services (ESS) registration process for evacuees is paper-based and inefficient and would benefit from technological solutions. By bringing the BC private sector, including tenure holders, professionals, and the businesses community into the preparation and prevention process, it will not only build British Columbia's capacity to prepare for, or even prevent disasters, but the following benefits can be achieved:

- Better awareness, coordination, and formal linkages to technical expertise and operational capabilities;
- Coordinated area-based planning and land use objectives, including fuel management;
- Local knowledge, relationships, and experience from BC-based contractors, both from technical experts and employees, during emergency operations compared to contractors from other jurisdictions;
- An understanding of supply chain assets;
- Potential technological improvements compared to stale and inefficient practices and systems in place.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Assess the success of the abbot/chapman report to determine its effectiveness;
2. Develop a long-term vision and action plan to move towards disaster prevention, including strategic flood mitigation, and interface wildfire prevention;



3. Develop partnerships with forest licensees, tenure holders, professionals and the business community to form operational agreements and new prevention initiatives;
4. Develop a priority policy for BC based companies, contractors, and consultants for emergency planning, and for emergency operations;
5. Seek technological solutions to support the Province's Emergency Management system, and particularly those that benefit front-line workers;
6. Recognize the critical support that local community-based businesses provide to emergency response efforts, and ensure that voucher programs, accommodations, and other support programs are opened up to the broader business community; and
7. Engage stakeholders, including logistics providers, to enhance the supply chain issues exposed through on-going emergencies and that this engagement result in a proposal on how BC can ensure secure supply chains to all corners of the province.
8. Encourage communities to develop business-based asset/suppliers lists of available equipment and resources that can be accessed during an emergency.



REVAMPING THE PROVINCIAL DISASTER FINANCIAL ASSISTANCE PROGRAM TO ADDRESS THE REALITIES OF CLIMATE CHANGE

The purpose of Disaster Financial Assistance (DFA) is to provide assistance to individuals who are unable to purchase insurance coverage. Unfortunately, the program has remained largely unchanged over the last 50 years and it is failing to fulfill its intended purpose in a world experiencing the destructive impacts of climate change.

There is a desperate need to update the DFA program to address these new challenges, fill gaps and ensure that it is able to fulfill its intended purpose of providing a safety net for those unable to purchase insurance coverage.

Background

Overview of The Disaster Financial Assistance Program

The purpose of Disaster Financial Assistance (DFA) is to provide assistance to individuals for their principal residence and to help small business/farm owners when their livelihood is at risk. The DFA program may also reimburse local governments for damaged infrastructure.

Disaster Financial Assistance is a provincial program, administered in British Columbia by Emergency Management BC (EMBC), to help individuals and local governments recover from **uninsurable** disasters. The DFA program operates under the *Emergency Program Act* and the ensuing *Compensation and Disaster Financial Assistance Regulation* and is obliged to provide compensation in compliance with this legislation. The provinces have the responsibility to provide disaster financial assistance, but the federal government heavily subsidizes their DFA programs through its Disaster Financial Assistance Arrangements (DFAA) which were put in place in 1970.

When is DFA available?

DFA is available in the event of a disaster in respect of which the minister, or designate, has determined that disaster financial assistance may be provided.

When this determination is made, EMBC defines the eligible dates and geographic locations, notifies affected local governments, posts this information on its website, publishes information in local papers, and if requested attends community meetings.

Who is eligible for DFA?

Local Governments and individuals in the following categories may be eligible: Homeowner, Residential Tenant, Small Business Owner. Farmer and Charitable Organization.

What is eligible for DFA?

- DFA can compensate for 80% of eligible claims, after the first \$1,000 to a maximum claim of \$300,000. There is no maximum for a local government claim.
- DFA is only for **uninsurable losses** and for losses where there is no other program offered by local, provincial, federal or international governments or agencies.
- DFA is available for **essential items only**. It provides or reinstates the necessities of life, including help to repair and restore damaged homes and to re-establish or maintain the viability of small businesses and working farms.

The Issues:



The DFA program existed largely unchanged for 45 years, until 2015. At that time a few changes took place, most notably: The federal government tripled the damage thresholds that determine whether, and how much, assistance will be provided to the provinces through the DFAA. These thresholds, formerly unchanging over time in nominal terms, are now fixed in real terms.

Unfortunately, these changes have little impact for business and homeowners who struggle to access the DFA program. In addition, the DFA program is in desperate need of updating to address emerging issues:

1. The claim process is complex, requiring multiple documents depending on the stream, yet the eligible expense coverage is very prescriptive – this process could be simplified.
2. DFA only provides coverage for damage for which private insurance is “reasonably and readily” available. Note that “reasonable” does not mean “affordable”.
3. DFA can compensate for 80% of eligible claims, after the first \$1,000 to a maximum claim of \$300,000. (Insurance Bureau of Canada, 2019, Appendix VIII). With record inflation and sky-rocketing real-estate prices this value does not reflect the cost of doing business in today's dollars.
4. DFA is only available in the event of a disaster in respect of which the minister, or designate, has determined that disaster financial assistance may be provided. This is not reflective of micro-pockets where insurance is not available – which needs to be considered.
5. The current application deadline is 90 days from the date DFA was authorized. Individuals are overwhelmed with immediate high priority tasks during and following a disaster event. Often times this time period elapses without individuals realizing that a deadline to respond even existed.
6. The applicant is allowed 60 days from the date of receipt of the initial determination to deliver to the Director of PEP, a written notice of appeal, otherwise the determination is final and may not be appealed. Many applications are rejected, not on the basis of the claim, but rather for incomplete applications.
7. DFA will not be provided for costs in relation to any contents located in basements, crawl spaces or similar low-lying storage areas, unless these areas are being used as essential living areas for homeowners. This exclusion is a throwback to the original primary purpose of DFA which was to cover uninsurable losses, which historically was only flooding.
8. Specifically for the **Small Business Owner Stream**:
 - a. To qualify as an eligible small business the business must have gross sales of less than \$1 million per year. In 2007, North American businesses with five to nine employees averaged \$1,080,000 in gross sales and businesses with 10 to 19 employees averaged \$2,164,000 in gross sales¹⁸⁹ – meaning back in 2007 the average business in Canada with more than 4 employees would exceed the DFA eligibility threshold for gross sales.
 - b. The business must be managed by the owner on a day-to-day basis and the business must be the owner's major source of income. This means that any businesses which generate passive income – such as leasing a commercial building, would likely not be eligible for DFA. This would have direct implications for businesses who lease these buildings as they require the space to operate, and they cannot make a claim on the building if they are a tenant.
 - c. The income from the business is required to be the major source of income for ALL owners of the business. Businesses with multiple owners or minority position investors are most likely excluded from accessing DFA with this criteria.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Update the DFA Program, in consultation with stakeholders, Indigenous communities and industry experts, to address climate change and to make the DFA program more user friendly.

¹⁸⁹ <https://www.forbes.com/sites/elainepofeldt/2019/06/27/million-dollar-one-person-business-revolution-accelerates/#7abf78c64526>



ACCELERATING TRANSPORTATION INFRASTRUCTURE TO SERVE ONE OF THE FASTEST GROWING REGIONAL ECONOMIES IN CANADA

Efficiently moving people and goods is essential for economic growth and for building a prosperous future for the province, its communities and its citizens. The economies of the Okanagan Valley and the southern Interior are inextricably linked to that of BC, Canada, and to our trading partners in the United States. The severing of highway connections in November 2021 between the Okanagan and the coast; and between the coast and much of the rest of Canada due to severe flooding proved the importance of the interconnectivity and goods and people transfer. Additionally, the current transportation infrastructure connecting Washington State through to the TransCanada Highway in the interior of BC is not keeping pace with the population and economic growth of the region.

The Okanagan Valley is one of the fastest growing regions¹⁹⁰ not just in the province but in the entire country, according to Statistics Canada February 2022 reports. A failure to address significant stress points along the valley corridor in a timely manner will limit that growth, minimize prosperity, create inter-community transportation challenges and consequently limit the region's contribution to the provincial economy.

Traffic in the region has grown along with the population and while individual mobility gets much of the attention from local governments, movement of goods, products and service vehicles gets very little attention. Given that transportation is a significant economic driver for BC and its efficiency impacts indirectly all other aspects of our economy, the establishment of a long-term integrated transportation strategy that considers business and industry needs is essential in ensuring BC's economic success.

Background

According to the most recent census, Kelowna is the fastest growing Census Metropolitan Area in Canada, according to the latest data from Statistics Canada.

The Census, which was released by Statistics Canada February 9, 2022, shows that Kelowna's population grew to 222,162 in 2021. That's an increase of 14 per cent from 2016. In the 2016 census the population of the Kelowna CMA, which spans from Peachland to Lake Country, was 194,892, while in 2011 it was 179,839.

Within the Central Okanagan, the District of Lake Country has seen the highest percentage growth, according to Statistics Canada. Listed among 25 municipalities with the highest rate of population growth, Lake Country had 22.4 per cent growth since 2016, raising its population to 15,817.¹⁹¹

Population is projected to continue to grow rapidly through the Okanagan Valley, which will lead to further diversification of the economy through expansion in retail trade, construction, tourism and

¹⁹⁰ <https://www12.statcan.gc.ca/census-recensement/2021/as-sa/98-200-x/2021001/98-200-x2021001-eng.cfm>

¹⁹¹ Global News: <https://globalnews.ca/news/8606476/kelowna-fastest-growing-city-census/>



service industries. This growth is placing increasing traffic demands on Highway 97, Highway 97A and 97B.¹⁹²

Significant provincial investment in transportation infrastructure improvements is needed to ensure the safe and efficient movement of people and goods, and reflect the objectives identified by communities as part of the 2011 Okanagan Valley Traffic Symposium.¹⁹³

A recent Ministry of Transportation and Infrastructure study¹⁹⁴ of the Central Okanagan identified a number of concerns and noted that by 2040, the WR Bennett Bridge linking Kelowna to West Kelowna and spanning Okanagan Lake will reach capacity in its current configuration. The approaches on both sides will reach capacity before then. Counterflow lanes and pedestrian/bicycle lane removal are now being considered for retrofits to improve traffic flow. The study also noted that by 2040 all signalized intersections within developed areas in the study will experience significant congestion and delay.

Transportation improvements in the interior of British Columbia by both the Province and local governments over the past few decades have been positive but despite those improvements and because of the region's rapid growth, congestion and lack of infrastructure are creating significant challenges. As an example, the lack of a bypass or secondary routes around the urban centres; the continual risk of landslides along highway 97 and highway 97A connecting the central valley cities to the south and the US border; numerous other safety concerns; and congestion throughout the region all are threatening to hamper growth and constrain the economy. Notably, Highway 3 is a vital corridor for the transportation of both commercial goods and the traveling public between Vancouver and the Alberta border. At present, this route is one of the ten least safe roads in the province due to its narrow twists and turns. Realignment to improve the highway by widening and straightening will improve the flow of commerce and travel in southern British Columbia for the benefit of the entire province.¹⁹⁵

Some studies and plans have been completed by various authorities. Although it has been some time since the Province fully engaged the business community and industrial stakeholders who rely heavily on the trucking industry to move more and more products to and from customers within, and throughout the region, 2022 sees a new Commercial Goods Study¹⁹⁶, called by an agreement between the Province and the City of Kelowna, at the urging of the Kelowna Chamber of Commerce.

¹⁹³ City of Kelowna, Transportation Master Plan 2040 <https://www.kelowna.ca/our-community/planning-projects/2040-transportation-master-plan>

¹⁹⁴ Okanagan Lake Second Crossing Project – Consultation Companion Report, Min. of Transportation, spring 2017. Summary of Key Findings

¹⁹⁵ <https://globalnews.ca/news/1819213/british-columbias-12-deadliest-highways/>

¹⁹⁶ Central Okanagan Regional Goods Movement Study. MOTI/CPCS/City of Kelowna. Significance of Goods Movement As the Central Okanagan region grows it will be important to guide the sustainable and efficient movement of goods. A proactive approach will help support the regional economy and preserve and enhance community livability for area residents. Efficient, reliable, and competitive transportation networks and logistics are key to supporting goods movement. In addition, goods movement must be responsive to changing urban environments, technology advancements, and economic forces that are changing how people and goods move around the region. In the Central Okanagan, there are several industries that rely on truck access to the roadway network and the airport to deliver and receive goods to and from markets. The regional transportation network includes Highway 97 as the primary goods movement route in the region supported by the municipal truck route networks in the region's five main communities. There is limited goods movement in the Central Okanagan region via other modes.



This study has commenced with stakeholder engagement in February 2022; includes focus groups; big data collection on truck movement into, within, and through the region (Lake Country to Peachland). Results are expected at the end of 2022.

Reduction in freight rail service over the last decade has led to a dramatic increase in industrial traffic which has only added to the problem. This increased truck traffic, fueled primarily by diesel fuel, has led to a rise in GHG emissions which of course has a negative impact on the region's air quality, especially when traffic jams are factored in.

Unfortunately, responsibility for transportation is highly fractured; all levels of government retain some responsibility over the transportation system and as such all must recognize the absolute necessity of integrated long-term planning that addresses both the movement of people and products. This fragmented approach to planning may be one of the factors fueling the stalled discussions around a second crossing of Okanagan Lake and bypass routes around major metropolitan areas. Regardless of the causes of the delayed discussions, those in the trucking industry and commuters themselves are increasingly concerned and frustrated by the clogging of the transportation arteries that are the lifeblood of the economy.

It is also important to note that numerous surveys conducted by various Chambers in the interior have flagged transportation as the number one issue for businesses and industry. The Mayor of Kelowna said in a public speech in April of 2019 that transportation is the "number one most important issue raised by residents of Kelowna, year over year."

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Establish a long-term vision for the Okanagan's transportation network that builds on the vision of the Highway 97 Connector and commits to the action of a multi-lane highway that spans the entire region;
2. Re-engage the business community and industry leaders in the Okanagan in identifying and implementing strategic regional investments in the transportation network including but not limited to accelerating the planning and implementation of:
 - a. The second crossing of Okanagan Lake to better serve the rapidly growing cities of Kelowna, West Kelowna, Peachland and Lake Country.
 - b. Highway bypass routes near Peachland, Kelowna, and Vernon.
 - c. Grade separated interchanges along highway 97 near high population areas that accommodate higher vehicular capacity and reduce the negative impacts of stop and go industrial traffic at controlled intersections.
 - d. Realign Hwy 3 to improve the highway by widening and straightening to improve the flow of commerce and travel in southern British Columbia for the benefit of the entire province.
3. Initiate a discussion with regional local government leaders, local Indigenous leaders, along with industry and business leaders in evaluating the potential of creating a regional governance model to plan, implement, and operate a regional transportation system, along



with implementing policies to educate the public on the value of transportation infrastructure in the Okanagan.

4. Engage in discussions with transportation authorities in Washington State in identifying opportunities to enhance the inland transportation corridor for business and industrial traffic.
5. Work with the Federal Government to enhance the capacity and operation of the US border crossings in the interior of BC as a means of strengthening economic activity and providing a viable alternative to ever-increasing traffic gridlock along the US I-5 corridor.



BUILDING AND INVESTING IN NORTHERN HIGHWAY INFRASTRUCTURE – ENSURING SAFE ROADWAYS FOR ALL BRITISH COLUMBIANS

Northern British Columbia plays an integral role in the overall economy of British Columbia. Northern exports per capita are 50% above the provincial per capita export amount. The ongoing growth of exports leaving Canada via the Port of Prince Rupert, and other northwestern ports, to key Asian markets continues to validate the importance of safe and efficient highway infrastructure throughout Northern B.C. in order for the province to fully realize its economic potential.

Background

While the Province has made minor investments and improvements to the highways in the north over the past 18 years, further and rapid investment continues to be required to enhance the safety and efficiency of these critical components in a supply chain which is driving growth in the economy of British Columbia. With historic private investments in liquefied natural gas (LNG) projects in Northern British Columbia ongoing, the corridors have seen increased commercial and passenger vehicle traffic during critical travel periods. A large majority of the highway infrastructure along these routes remain single lane. This creates significant safety and efficiency issues as growing levels of both passenger and commercial traffic share space within dangerously restricted laneways. Higher clearances are also required in most areas of the highway corridor to enable direct and less expensive transport of large equipment within The North. Finally, substantial rerouting of some portions of the inter-provincial highway system needs to be undertaken to remove commercial traffic and dangerous goods from downtown urban areas.

Northern British Columbia highways have seen substantial increases in traffic even over the past two years of the pandemic. As an example, pipeline projects may be between 600 and 900 kilometers long. With commercial vehicles carrying two to three 50-foot sections at a time, a single pipeline installation has generated 15,000 or more additional truckloads on the roadways during construction, simply to transport the sections of pipe required, let alone transportation of other components, equipment and personnel.

Through Budget 2022, specific funds were allocated to the lower mainland including planning for the widening of Highway 1 through the Fraser Valley, Skytrain extension from Surrey to Langley and other significant projects, however no mention of any highways projects in Northern BC were included. The Chamber would like to see the Ministry of Transportation and Infrastructure's long term capital plan include specific priorities for Northern British Columbia approved and receive the necessary allocation of funds.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Undertake rerouting of Highway 16 to the south of Prince George City proper so that this heavily travelled commercial and dangerous goods route no longer bisects the downtown of a major city, and provide the same improvements to safety and congestion in Prince George as are being developed in Cache Creek and Quesnel;
2. Initiate planning for future projects on the Cariboo Connector after completion of the remaining projects, determine a timeline and commit budget for the four-lane expansion of the Connector by 2028;
3. Embark on technical and safety improvements to Highway 97 from Quesnel to Dawson Creek which will enable 5.3 metre (18 foot) high clearances for transporting large manufactured equipment between Central and Northeast BC to upgrade and replace structures, such as bridges and overpasses, to accommodate industry needs;



4. Fasttrack the Taylor Bridge Replacement Project by moving the project out of the 10-year capital plan and expediting the replacement to happen by 2026;
5. Conduct a needs assessment of the Cariboo Connector and Highway 16 to identify high-priority areas for the installation or alteration of median, guardrail, and wildlife barriers to improve highway safety and access for emergency vehicles; and
6. Work with Chambers of Commerce, municipalities, regional districts, and destination marketing organizations along Northern British Columbia highways to ensure proper engagement is performed with user groups at all levels.



AN INNOVATIVE APPROACH TO TRANSPORTATION FOR AN INCREASINGLY URBAN PROVINCE

Urban productivity, livability, and local community investment depends on the efficient and smooth movement of people, goods, and services. As urban areas continue to grow, new infrastructure, demand management tools, and innovative solutions will be required to maintain an efficient flow of people, goods, and services.

Background

Canada, and B.C., are becoming highly urbanized. Urban population (% of total) in Canada was last measured at 82 % in 2020, according to the World Bank.¹⁹⁷ B.C.'s largest urban areas are at tidewater where a considerable number of our transportation bottlenecks are located.¹⁹⁸ This affects transportation movements originating from outside these regions (goods moving from the remainder of B.C. Western Canada, and U.S. to the ports and border crossings); trade from other nations (such as imports from Asia to B.C., Canada, and the U.S.), and economic activity generated within the metro Vancouver region.

B.C. is Canada's gateway to the Asia Pacific and ideally situated to benefit from the huge increase in trade traffic from the fastest growing economic region in the world.¹⁹⁹ Increasing trade volumes and populations place a noteworthy strain on our entire transportation system.

Funding for several major projects that expand the primary transportation infrastructure across the province has been secured²⁰⁰, such as the Pattullo Bridge Replacement²⁰¹, the Broadway Millennium Line SkyTrain Extension project²⁰² and the SkyTrain extension from Surrey City Centre to Langley City.²⁰³

The province has also committed funds to widening Highway 1 as far east as 264 Street.²⁰⁴ These projects are key drivers of growth for the province. However, many areas of the province still experience significant congestion, which results in lost productivity, increased costs, and harmful effects on the environment. B.C. needs to address these issues in order to remain prosperous.²⁰⁵

Our economic success in B.C. and Canada depends on our competitiveness on the world stage. We can't attract shippers to the ports in Vancouver if the goods will then be stuck on trucks in congestion getting to markets. We can't sell our natural resources on the world markets if the congestion delays absorb all profits or negatively impact the quality of agriculture products.

The Chamber understands the challenge governments face to fund the existing and future transportation needs in the province. However, stalling decisions and funds aimed at developing the transportation system in

¹⁹⁷ World Bank. Urban population (% of total). United Nations Population Division. World Urbanization Prospects: 2018 revision, updated with 2020 figures. <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=CA>

¹⁹⁸ Gateway Transportation Collaboration Forum. Greater Vancouver Gateway 2030. <http://vancouvergateway.ca/>

¹⁹⁹ Greater Vancouver Board of Trade. Economic Scorecard 2016 www.boardoftrade.com/scorecard2016/files/Full%20Report%20-%20Greater%20Vancouver%20Economic%20Scorecard%202016.pdf

²⁰⁰ Government of Canada. Projects funded by the National Trade Corridors Fund. www.tc.gc.ca/en/-/programs-policies/programs/projects.html

²⁰¹ Government of British Columbia. Pattullo Bridge Replacement. engage.gov.bc.ca/pattullobridge/

²⁰² Translink Broadway Subway Project. <https://www.translink.ca/Plans-and-Projects/Rapid-Transit-Projects/Broadway-Subway-Project.aspx>

²⁰³ www2.gov.bc.ca/gov/content/transportation-projects/surrey-langley-skytrain

²⁰⁴ <https://www2.gov.bc.ca/gov/content/transportation-projects/fraser-valley-highway1>

²⁰⁵ Gateway Transportation Collaboration Forum. Greater Vancouver Gateway 2030 <http://vancouvergateway.ca/>



the Lower Mainland, and the Fraser Valley where a significant portion of the future provincial growth and development is predicted to occur²⁰⁶, present a critical threat on the local, provincial, and national economies. As noted above, the Lower Mainland and Fraser Valley are critical components of B.C.'s Asia Pacific gateway, which depends heavily on an efficient and effective transportation system. Bottlenecks that arise due to the lack of funding, infrastructure, or stalled decision-making directly impact businesses across B.C. and Canada²⁰⁷. Furthermore, as urbanization increases throughout the province, similar bottlenecks will grow within our other major centres.

The Chamber understands that there is significant public resistance to additional taxation. Metro Vancouver residents are paying property taxes, gas taxes, parking sales taxes, and transit fees to support the transportation system. It is important to highlight that gas taxes are a key funding component of the current system. The gas tax is not an ideal funding source due to volatility in commodity prices. Additionally, as hybrid and electric vehicles become increasingly prevalent, the gas tax will become less effective at raising revenue²⁰⁸. In other words, as we effectively reduce the use of single occupancy vehicles and move towards more fuel-efficient vehicles, the funding source for further investments in public transit declines.

TransLink recently released an ambitious 10-year priority plan²⁰⁹ to begin implementation of Transport 2050, its 30-year regional transportation strategy. The strategy has been approved by both the TransLink board and the Mayors' Council on Regional Transportation, as well as the Metro Vancouver board.

While the plan goes into detail about both the transportation priorities and some of the means for paying for them, it is noticeably silent on the gas tax. The gas tax is one of three major sources of ongoing funding for TransLink operations, with the other two being transit fares and property tax. This omission is concerning and makes it even more critical that other options to replace the gas tax be examined.

The TransLink gas tax on both gasoline and diesel fuel within Metro Vancouver is 18.5 cents per litre. In Greater Victoria, 5.5 cents per litre is charged for gasoline and diesel to fund BC Transit operations in the capital region. There is no transit-related fuel tax in other parts of the province. The total amount of tax on fuel in B.C. is 55 cents per litre in Metro Vancouver, 48 cents per litre in Metro Victoria and 42 cents per litre in other parts of the province.²¹⁰

Policy makers should look to viable and equitable strategies for managing demand and congestion and for ensuring a sustainable funding source for current and future transportation infrastructure in light of a diminishing gas tax, rapid regional expansion, and steady population growth. The Provincial Government should consider all relevant funding options to replace the gas tax and secure funding for the growth of the region. Determining a solution that works will require the Provincial Government to learn from other jurisdictions and global best practices while considering the unique elements of Metro Vancouver's geographical location and role as Canada's Asia Pacific gateway.

²⁰⁶ Statistics Canada. Table 17-10-0135-01 Population estimates, July 1, by census metropolitan area and census agglomeration, 2016 boundaries

²⁰⁷ Gateway Transportation Collaboration Forum. Greater Vancouver Gateway 2030. <http://vancouvergateway.ca/>

²⁰⁸ The Economist. How and why road-pricing will happen. <https://www.economist.com/international/2017/08/03/-how-and-why-road-pricing-will-happen>

²⁰⁹ <https://www.translink.ca/news/2022/april/translink%20unveils%20first%2010%20years%20of%20transport%202050%20priorities>)

²¹⁰ <https://www.taxpayer.com/media/CTF%20-%20GTHD%202021%20Report%20-V5%20-%20May%2018,%202021.pdf> 14. Since that report release, the carbon tax in B.C. has been boosted by one cent per litre, on Apr. 1, 2022



Transit investments become more effective at reducing congestion if they are a critical component of a comprehensive strategy that includes mechanisms such as: complementary mobility pricing, mobility management strategies, and smart growth land use policies²¹¹.

If implemented in tandem with public transit improvements, mobility pricing is one of the policy levers that has been implemented in other jurisdictions to effectively manage demand on the transportation system, curb congestion, and provide stable funding for current and future transportation infrastructure²¹². The economic benefits of investing in transportation depend on good traffic speed, and to achieve this in the long term, is to ensure that appropriate price signals are placed on the use of the transportation network (roads and bridges) across the region. This is resulting in the global trend towards accepting mobility pricing as the optimal way to fund transportation improvements. Jurisdictions around the world are recognizing that to be sustainable, funding mechanisms should combine sustainability with the principle of user pay while managing traffic demand; one option to achieve this is a well-designed mobility pricing system. In circumstances where mobility pricing is approved, a comprehensive traffic demand strategy should be created to ensure that transportation solutions are integrated.

Mobility pricing is a means to directly charge levies for the use of roads, including road tolls, distance or time-based fees, congestion charges. Such charges are designed to provide funding, but more importantly influence congestion by discouraging driving on certain routes, discouraging travel at peak times, and encouraging the use of transit options²¹³. A mobility pricing model provides incentives that can be effectively utilized to manage demand. In the absence of effective price signals and capacity there will be an increase in single-passenger vehicles and use, which then leads to increased congestion and bottlenecks.

There is an opportunity for the Provincial Government to strengthen B.C.'s transportation system by investing in transportation infrastructure and providing efficient, accessible, and reliable public transit service covering the entire region, which, in addition to Metro Vancouver, includes both the Fraser Valley Regional District and the Sea-To-Sky Corridor. Innovative mechanisms to manage current and future demand, provide the necessary funding to support current and future investments in transportation system, and ensure the efficient movement of people, goods, and services, are needed.

Investing in new capacity will not solve the cycle of congestion. A coordinated approach involving elements such as mobility pricing²¹⁴, infrastructure investments, and transit investments should be implemented. The Chamber has been consistent in its support for projects such as the Lower Mainland Gateway Strategy and the need for transportation infrastructure investments in other regions of the province. Underpinning this is a firm belief these projects can only be successful if the associated transportation networks receive related improvements to improve the flow of goods both now and in the future.

THE CHAMBER RECOMMENDS

That the Provincial Government:

²¹¹ Mayor's Council on Regional Transportation. Regional Transportation Investments: A Vision for Metro Vancouver. https://www.translink.ca/-/media/Documents/about_translink/governance_and_board/-mayors_vision/mayors_council_vision_mar_2015.pdf

²¹² SFU. Moving in Metro: A discussion on mobility pricing for roads in Metro Vancouver. [http://www.sfu.ca/content/dam/sfu/centre-for-dialogue/MovingMetro/pdf/gional%20Dialogue%20Discussion%20Guide%20\(web\).pdf](http://www.sfu.ca/content/dam/sfu/centre-for-dialogue/MovingMetro/pdf/gional%20Dialogue%20Discussion%20Guide%20(web).pdf)

²¹³ Mobility Pricing Independent Commission. It's Time. Phase 1 Project Update Full Report. (Jan 2018). https://www.itstimemv.ca/uploads/1/0/6/9/106921821/its_time_-_phase_1_full_report_-_final_-_digital_version.pdf

²¹⁴ Mobility Pricing Independent Commission. It's Time. Phase 1 Project Update Full Report. (Jan 2018). https://www.itstimemv.ca/uploads/1/0/6/9/106921821/its_time_-_phase_1_full_report_-_final_-_digital_version.pdf



1. Commit to funding transportation infrastructure investment and implementing policies that are equitable, efficient, and contain basic traffic demand management principles in order to ensure the efficient and smooth movement of people, goods, and services throughout B.C., in particular in increasingly urban areas of the province;
2. Make as a prerequisite of these visions the need for investment in public transit to provide viable alternatives to single passenger vehicle travel; and
3. Review the financial impacts of the loss of revenue from diminishing gas tax and determine the most economically efficient policy for replacing the revenue, such as mobility pricing, that gains public support while securing sustainable transportation funding.



RIDESHARING NEEDS TO BE EXPANDED TO ALL OF BC

Ridesharing is a key sector in the sharing economy. Among other criteria, drivers have been through appropriate criminal record and driver safety screening to be able to use their personal vehicle to connect with a rider via a smartphone. Ridesharing is currently available in hundreds of cities around the world, providing a new transportation option and flexible income opportunities for those wanting to drive. Regulations are required to provide the needed support for innovative transportation provision and reassure the public that the service is safe.

Ridesharing exists in Metro Vancouver but needs to be expanded and available immediately to all of BC. Most recently, the Passenger Transportation Board denied ridesharing service from operating outside of Metro Vancouver²¹⁵, citing that expansion would harm taxi companies who have been unduly impacted by COVID-19. The Passenger Transportation Board cited that there was less demand for ridesharing and taxi services because of the pandemic. Ridesharing is needed. Nanaimo, for example, is soon going to see Foot Passenger Ferry Service from downtown Vancouver to their cruise terminal. Passenger capacity is 300. While most will have ground transportation to their destination, or rental cars, car share or other transportation, Nanaimo has nowhere near the taxi capacity that they need to serve visitors and business travelers. The reduction in taxi usage on Vancouver Island of more than 30% during the pandemic can be traced directly to the elimination of cruise visitors and other vessel visitors in Victoria. When cruise ship visits return, the demand for ride sharing will be significant.

Background

The sharing economy is providing new economic opportunities for individuals and small businesses to increase the utilization of their assets by connecting with new customers via technology. PWC estimated recently that the sharing economy generated \$15B in annual revenue compared to \$240B in the traditional rental sector. By 2025, it estimates that both sectors will grow to reach \$335B for combined revenue of \$670B.

BC residents are looking for more transportation options and ways to increase the affordability in communities across BC. Ridesharing provides a key opportunity. It has been shown to:

1. Grow the number of rides in a city, e.g., Portland, Denver
2. Decrease impaired driving e.g., MADD, Temple University
3. Complement existing public transit, e.g., Lyft, Uber
4. Reduce car ownership, e.g., LA Times, IPSOS
5. Encourage passengers to share rides & reduce congestion

Over 70 jurisdictions have adopted regulations that embrace ridesharing. Edmonton was the first Canadian jurisdiction to adopt such rules, and Toronto, Ottawa, Hamilton, Calgary, the province of Quebec, and many other Canadian jurisdictions have brought forward regulations. The Competition Bureau of Canada has encouraged regulators to support competitive markets by regulating ridesharing and reducing unnecessary red tape on traditional transportation providers.

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

1. Ridesharing companies must obtain a provincial license and pay fees.
2. Any driver who meets the criteria should be allowed to participate. There should not be fleet size restrictions or area of operation boundaries which increase deadheading and decrease affordability

²¹⁵ <https://www.cbc.ca/news/canada/british-columbia/uber-expansion-denied-1.6289377>



3. Ridesharing drivers must have a valid, standard driver's license issued by Province.
4. To be allowed on the platform, ridesharing drivers must:
 - Pass a federal criminal background check;
 - Pass an annual vehicle inspection by a certified mechanic;
 - Have valid insurance that meets the requirements established by the Province, and;
 - Have a safe driving record.
5. Ridesharing drivers can only provide service through the use of an app, and the app must provide the customer with the name and photo of the driver, make and model of the vehicle, and license plate number prior to the trip commencing. This means that no ride is anonymous and provides assurance to the rider that the driver has been authorized to be on the digital platform.
6. The app must provide GPS tracking and allow the rider to share their ride in real time with friends and loved ones, meaning that every trip is tracked.
7. Ridesharing companies are permitted to set prices based upon market principles and competition to best serve customers
8. Riders must be provided the fare rate in the app, have the ability to estimate the cost of their fare, and only make payment for the trip electronically through the smartphone app.
This also helps reduce the chance of the driver becoming a target for theft.
9. The rider must have the ability to rate every ride through the app to help ensure high quality and safe service.
10. Ridesharing companies must have 24/7 customer service to respond in a timely manner to complaints.
11. Ridesharing drivers would not be permitted to hail, accept cash or use telephone dispatch services, leaving this market to the exclusive domain of taxi companies.

Rideshare and taxi drivers all require a valid Class 1, 2, or 4 license to provide rides. This is a burden that is not consistent across Canada. Ontario, Manitoba, and Saskatchewan do not have this requirement. BC should amend its regulations to be consistent with other jurisdictions.

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

TransLink, the Canadian Competition Bureau and the government's own expert, Dr. Dan Hara, have all called for true ridesharing to be permitted in BC. According to Public First's analysis of 2020, Uber unlocked \$6.5B in economic value for the Canadian economy. 89% of drivers and delivery people said that schedule flexibility is important to them when looking to work, and this increased flexibility is worth \$323 million to drivers and delivery people. Uber also saved riders over 13 million hours a year, and Uber Eats drove an additional \$570 million to restaurants in Canada, creating \$2.3 billion in gross economic value²¹⁶.

The provincial government has established the Passenger Transportation Act, ICBC, Motor Vehicle Act and it can provide a province-wide safety standard for ridesharing.

The Passenger Transportation Board's denial was a due to the drop in taxi cab usage, which was a result of covid 19 restrictions. As these restrictions lift, borders open, visitors from the United States return to vacation spots in the interior of BC, cruise ships resume docking in cities such as Nanaimo and Victoria, and demand for

²¹⁶ <https://ubercanada.publicfirst.co/>



transportation increases, these cities will require more transportation options as the current available options will be at capacity. Victoria, in a regular year, would be looking at 1.1 million visiting passengers and crew members make a huge difference in visitor numbers.

As we move towards a stable economy with life returning to somewhat normal as public health measures and restrictions ease²¹⁷, we need to ensure that our workforce, the public, and our businesses have alternative modes of transportation available. These alternative modes of transportation includes ride-hailing services being implemented pan-provincially.

Many not-for-profit and for-profit organizations, governments, Indigenous groups, and citizens are advocating for ridesharing. These groups are calling on government to allow ridesharing in all BC jurisdictions as quickly as possible to ensure that equitable and affordable transportation options are available.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Implement ridesharing and allow for ridesharing companies to enter and operate in the BC market without restrictions or having to apply to service specific jurisdictions; and,
2. Allow for market-based pricing to ensure consumer choice, convenience and innovation.

²¹⁷ <https://bc.ctvnews.ca/we-cannot-eliminate-all-risk-b-c-starting-to-manage-covid-19-more-like-common-cold-officials-say-1.5749895>



THE IMPORTANCE OF BC PORTS AND TRANSPORTATION CORRIDORS TO THE PROVINCIAL AND NATIONAL ECONOMY

Climate change and major weather events such as those experienced across British Columbia in the summer and fall of 2021 turned a spotlight on supply chain vulnerabilities and the devastating economic impacts of temporary closures of critical transportation routes to the provincial and national economy. The need to implement solutions for the safe and timely movement of goods and people is critical for businesses, communities, and citizens across Canada.

Background

In 2021, significant extreme weather events including flooding and fires significantly impacted the province's trade corridors with the rest of Canada and North America, and exposed supply chain vulnerabilities and caused disruptions for many businesses. These issues compounded the supply chain challenges the province and country were already experiencing as a result of the pandemic. Combined these events brought into sharp focus the vulnerability of our supply chains.

As a vital link in our trade infrastructure, BC's ports must have the capacity and resiliency to support our businesses in the future. They have long been recognized for the importance they have in the overall health of the economy.

There are four Canadian port authorities (CPA) located in BC: the Vancouver Fraser Port Authority (Port of Vancouver), the Prince Rupert Port Authority, the Nanaimo Port Authority and the Port Alberni Port Authority.

Accountable to the federal Minister of Transport, CPAs are mandated under the *Canada Marine Act* to enable Canada's trade, while protecting the environment and considering local communities. Port authorities manage federal lands and waters in support of national trade objectives that benefit Canadians. This is accomplished by leasing federal lands to independent terminal operators who handle trade and by providing marine, road and other infrastructure to support growth and maintain Canada's supply chains.²¹⁸

CPA operations are not financed by tax dollars. Instead, Ports receive revenues from terminal and tenant leases as well as harbour dues and fees charged to shipping companies that call the Port.

The industrial marine sector in BC directly contributes about \$6.8 billion annually to BC's economy and employs approximately 22,000 people.²¹⁹

CPA themselves are major employers. Approximately 7,000 Canadians are directly employed by ongoing day-to-day activities as terminal operators and longshoremen, as well as in operations related to tugging, shipping, rail transportation, trucking, and freight forwarding.²²⁰ CPAs also generate additional employment along the supply chain, with 90,000 jobs in industries that supply port operations and another 53,000 in induced employment created by port employees' spending in the economy.²²¹ Canadian ports generate \$53 billion in economic output, \$25 billion in GDP and \$2 billion in taxes annually.²²² In addition, our ports facilitate the trade of billions more dollars across multiple sectors who employ 100,000s of workers across the nation.

²¹⁸ <https://www.portvancouver.com/about-us/>

²¹⁹ <https://news.gov.bc.ca/releases/2021JERI0058-001833>

²²⁰ <https://acpa-aapc.ca/our-impact/economy/>

²²¹ <https://acpa-aapc.ca/our-impact/economy/>

²²² <https://acpa-aapc.ca/our-impact/economy/>



Several critical port authority led infrastructure projects have been proposed in BC that will make Canada's west coast more resilient to future supply chain challenges such as the disruptions, congestion and major highway closures experienced in BC in November 2021.

The need for strategic investments in the growth and expansion of BC's Ports is critical to our ability to meet the demands of an increasing population, meet the expectations of our trading partners who purchase our goods and natural resources, and ensure we reduce congestion on our roadways and eliminate unnecessary greenhouse gas emissions.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Invest in and support critical infrastructure supply chain projects that will mitigate congestion, reduce bottlenecks and decrease GHG emissions at BC Ports.
2. Work with the BC port authorities, industry stakeholders and Indigenous Peoples to research and fund feasibility studies to address future port capacity needs.
3. Work with the federal government to identify more efficient regulatory processes for future port expansion projects to be considered to reduce the time, investment and costs required to move a project through from concept to completion.

That the Federal Government:

1. Invest in green infrastructure Port and Rail projects that aim to address future supply chain demands with dedicated supply chain corridors, and assist Canadian Port Authorities with mitigating challenges such as access to land and capital borrowing.



SECTION II: POSITIONS ON SELECT FEDERAL ISSUES

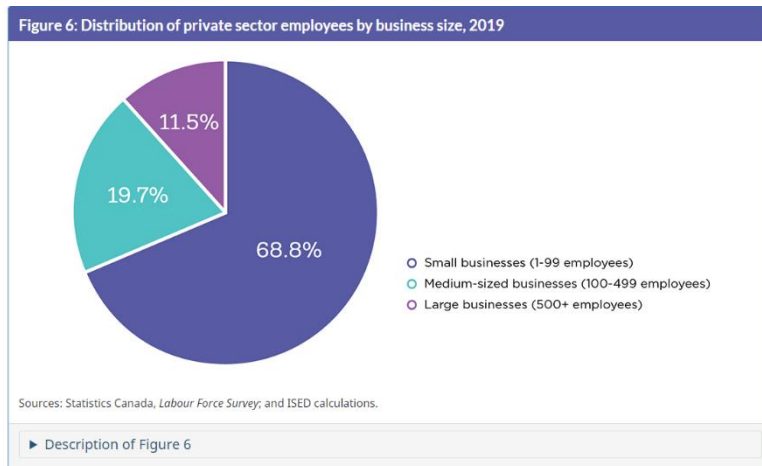




ADDRESSING BARRIERS TO SUCCESSION PLANNING FOR SMALL TO MEDIUM ENTERPRISES

Innovation, Science and Economic Development Canada defines an SME when a business employs anywhere from 1 to 499 employees, which includes Micro-enterprises employing 1 to 4 individuals.

In Canada, as of 2019, small businesses employed 8.4 million individuals, or 68.8 percent of the total private labour force. By comparison, medium-sized businesses employed 2.4 million individuals (19.7 percent of the private labour force) and large businesses employed 1.4 million individuals (11.5 percent of the private labour force). Between 2014 and 2019, small businesses were responsible for 35.8 percent of the net employment growth in the private sector, which increased by approximately 772,200 jobs. Medium-sized businesses contributed 25.4 percent of this net employment growth and large businesses contributed 38.8 percent ²²³.



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The importance of small and medium sized enterprises to the national economy and the need for succession planning and the creation of a business exit strategy should not be underestimated.

Background

From 2021 to 2031, the BC Labour Market Outlook analysts project over 1 million job openings in British Columbia ²²⁵. In addition to the pressures of transitioning our businesses to the next generation, the population and the labour force will continue to age, and employers will need to replace retiring workers at an increasing rate.

Anticipating the generational shift, [succession planning](#) is key—but only 34% of Canadian family businesses have a robust, documented and communicated succession plan in place. SME businesses need professional support and moderation to address them properly ²²⁶.

To ensure business owners successfully accomplish the transition of their business, it is essential to have the necessary tools and resources at their disposal.

²²³ Key Small Business Statistics, Innovation Science and Economic Development Canada 2020 Report, page 17

²²⁴ Key Small Business Statistics, Innovation Science and Economic Development Canada 2020 Report, page 17

²²⁵ BC Labour Market Outlook 2021-2031 Forecast 2021 Edition, page 5

²²⁶ <https://www.pwc.com/ca/en/private-company/family-business-survey-canadian-insights-2021.html>



A succession plan helps a business owner deal with complex topics such as:

- tax issues;
- required qualifications and skills of successors;
- legal issues;
- how the successor will be trained/prepared for the role; and
- mechanics for the purchase or transfer.

Some of the top barriers to succession planning include but are not limited to:

- finding a suitable successor;
- valuing a business;
- financing for the successor; and
- access to cost effective professional advice.

British Columbia's *Venture Connect* program offered through Community Futures prepares businesses for a sale so they can be transferred to a new owner – keeping businesses in our communities. *Venture Connect* began as a project created in response to the challenge that over the next 20 years, there will be unparalleled shortfalls of both business owners and employees resulting in potential closure of large numbers of small businesses throughout the province. Even with resources such as *Venture Connect*, SMEs have historically been, and continue to be, vulnerable with respect to receiving approval for financing from lending institutions. This not only includes entrepreneurs starting a brand-new business, but also those looking to purchase an existing business, as in the case of succession.

Under the direct investment model, a small business in BC can register as an eligible business corporation (EBC). EBCs can accept equity capital directly from investors without having to set up a venture capital corporation (VCC). This investment structure is intended to assist investors planning to be actively involved in the growth of a small business²²⁷. However, the current program is not inclusive towards small and medium size businesses involved in a succession transaction.

Continued government funding towards existing, revised and new programs that support business owners transitioning their businesses, is imperative to maintaining a healthy economy.

On June 29, 2021, the Senate approved Bill C-208, which attempts to correct “unfair” income tax impacts that can arise when shares of private businesses are transferred to family members. Prior to Bill C-208, individuals were generally financially incentivized to sell the shares of their business to an arm’s length party rather than to the next generation²²⁸.

Bill C-208 facilitates intergenerational transfers by excluding the application of the punitive deemed dividend rules on transfers of a qualified small business, family farm or fishing corporation to a related party, provided that the purchasing corporation is controlled by one or more children or grandchildren over the age of 18, and the purchasing corporation does not dispose of the acquired corporation within 60 months of the transfer²²⁹.

On July 19, 2021 the Federal Department of Finance announced that it proposes to introduce additional amendments to Bill C-208 due to concerns that it may inappropriately facilitate tax-motivated business

²²⁷ <https://www2.gov.bc.ca/gov/content/employment-business/investment-capital/venture-capital-programs/eligible-business-corporation>

²²⁸ <https://www.richardsonwealth.com/news/intergenerational-business-transfers>

²²⁹ <https://www.richardsonwealth.com/news/intergenerational-business-transfers>



transfers within families, where there is no intention of having the business carried on by the next generation such as:

- the requirement to transfer legal and factual control of the corporation from the parent to the children or grandchildren;
- the level of ownership in the corporation that the parent can maintain after the transfer; and
- the requirements and timeline of the transition of the business of the corporation from the parent to the children and grandchildren, and the level of involvement of such children or grandchildren in the business after the transfer.

While these are significant advances in reducing the burden on businesses looking to transfer their business to the next generation, more needs to be done to support business owners with the appropriate tools and legislative reform to keep the doors of our businesses open.

Since 2013, several tax measures have been introduced to assist Canadian business owners with the transition of their businesses. The Lifetime Capital Gains Exemption (LCGE) is one very important tax measure because for many business owners, the sale of their business is their retirement income.

The Lifetime Capital Gains Exemption (LCGE) is a federal tax deduction that can be claimed against taxable capital gains on the disposal by an individual of:

- qualified small business corporation (SBC) shares;
- qualified farm property; and
- for dispositions for qualified fishing property.

The LCGE is indexed to inflation. LCGE for qualified farm or fishing property dispositions is the greater of:

- \$1 Million; and
- the indexed Lifetime Capital Gains Exemption applicable to capital gains realized on the
- disposition of qualified small business corporation shares.

Amending the LCGE to include all SMEs attempting to legitimately and lawfully transition their businesses to the next generation will help to counterbalance the forecasted labour shortages, increasing retirement levels and assist with keep our businesses open and our communities strong during these challenging times.

It would be prudent for government to focus on stimulus for succession planning for small business that addresses the various business structures while keeping in mind that vendor's general desire to use the Federal Tax Act provisions to minimize tax on the transition.

Overall, there is a continued need for awareness to the issue of succession planning for SMEs as well as additional changes to existing government resources, programs and legislation to provide sellers and potential purchasers the incentives to conduct succession planning and transition their businesses effectively.

THE CHAMBER RECOMMENDS

That the Provincial Government, and, where applicable, the Federal Government:

1. Review the current "qualifying activities" in the existing Eligible Business Corporation (EBC) program and:
 - a. Include a clause which allows the program to be more inclusive towards small to medium sized businesses in a succession transaction;



- b. Include a vendor financed arrangement as a qualifying activity, whereby the vendor will receive the same 30% tax credit for financing the business succession transaction, thereby reducing the vendor's risk.
2. Expand the scope of existing small business financing programs to incorporate succession planning as a legitimate reason for small business financing.
3. Allow small corporations to defer the tax on the capital gains from the transfer of a business to the owner's children.
4. Increase the Lifetime Capital Gains Exemption amount to \$1 million for all SMEs.
5. Ensure that future amendments to the *Income Tax Act* do not impede legitimate and lawful intergenerational transfers of small businesses to family members and are considered with terms that are, at minimum, equitable with those when transferred to any third party.



FAIR TAXABLE BENEFIT EXEMPTIONS FOR EMPLOYEE GIFT CARDS

Background

Food and fellowship at work are often connected. After all, what's a staff meeting without coffee and donuts? (Indeed, to some, they're the only reason to show up.) Food provided by employers can be a vital part of important team-building exercises, a way to show management's appreciation for a job well done or to celebrate an accomplishment.²³⁰

The COVID-19 pandemic has greatly increased the prevalence of remote work – in many cases, employers continue to offer remote work opportunities and have made some jobs permanently remote in nature. This has a knock-on negative effect on businesses in central business areas built around servicing other businesses.

In order to try to facilitate some of that in-person interaction or celebration over food in a remote work environment, and in order to spur local economic development, many employers have increased the use of gift cards in small amounts for staff – but in doing so, they run into challenges when it comes to recording taxable benefits for the receiving employees.

Under current Canada Revenue Agency rules, employers are allowed to provide non-cash gifts and awards to employees up to a combined total fair market value of \$500 per year in recognition of service without being counted as a taxable benefit, while “items of small or trivial value” such as coffee or tea, employer logo wear, mugs, plaques or trophies are not required to be calculated in that total.²³¹

However, CRA rules specify that near-cash gifts or awards, such as gift certificates or gift cards, are always a taxable benefit for the employee.²³² The fact that employees now work remotely turns those items of small or trivial value, which did not even need to be accounted for in the \$500 exemption for non-cash gifts and awards, directly into taxable benefits which must be recorded by employers and the taxable value deducted from employee pay statements, resulting in administrative burdens and negative effects for employee morale.

The purpose of the CRA policy on near-cash gifts and awards - to ensure employee compensation is properly accounted for by both employee and employer – is beyond question. The challenge in this new era of remote work is ensuring its fair application without creating unreasonable burdens.

Tax authorities in other jurisdictions, such as the Internal Revenue Service in the United States and the government of India, have previously recognized de minimis levels of fringe benefits.²³³ In Quebec, gift cards or gift certificates may be given to employees as non-taxable gifts or awards up to \$500 as long as a merchant identified on card (i.e.. no prepaid Visas).²³⁴ The United Kingdom allows non-refundable store vouchers of up to £50 to be given to employees without being labeled as taxable benefits.²³⁵

THE CHAMBER RECOMMENDS:

That the federal government

²³⁰ <https://www.waiter.com/blog/employee-relations/eat-together-succeed-together-sharing-office-meals-can-improve-teamwork>

²³¹ <https://www.canada.ca/en/revenue-agency/services/tax/business-topics/payroll/benefits-allowances/gifts-awards-social-events/gifts-awards-long-service-awards.html>

²³² https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/t4130/employers-guide-taxable-benefits-allowances.html#P1321_9745

²³³ <https://www.irs.gov/government-entities/federal-state-local-governments/de-minimis-fringe-benefits> and <https://timesofindia.indiatimes.com/business/wealth/tax-planning/your-diwali-bonus-is-not-tax-free/articleshow/87149272.cms>

²³⁴ <https://www.payroll.ca/FAQ-en?searchtext=&searchmode=anyword&filterbykeyword=&smartsearchfiltercategories=7%3b>

²³⁵ https://www.gcva.co.uk/downloads/factsheets/fs_tax.pdf

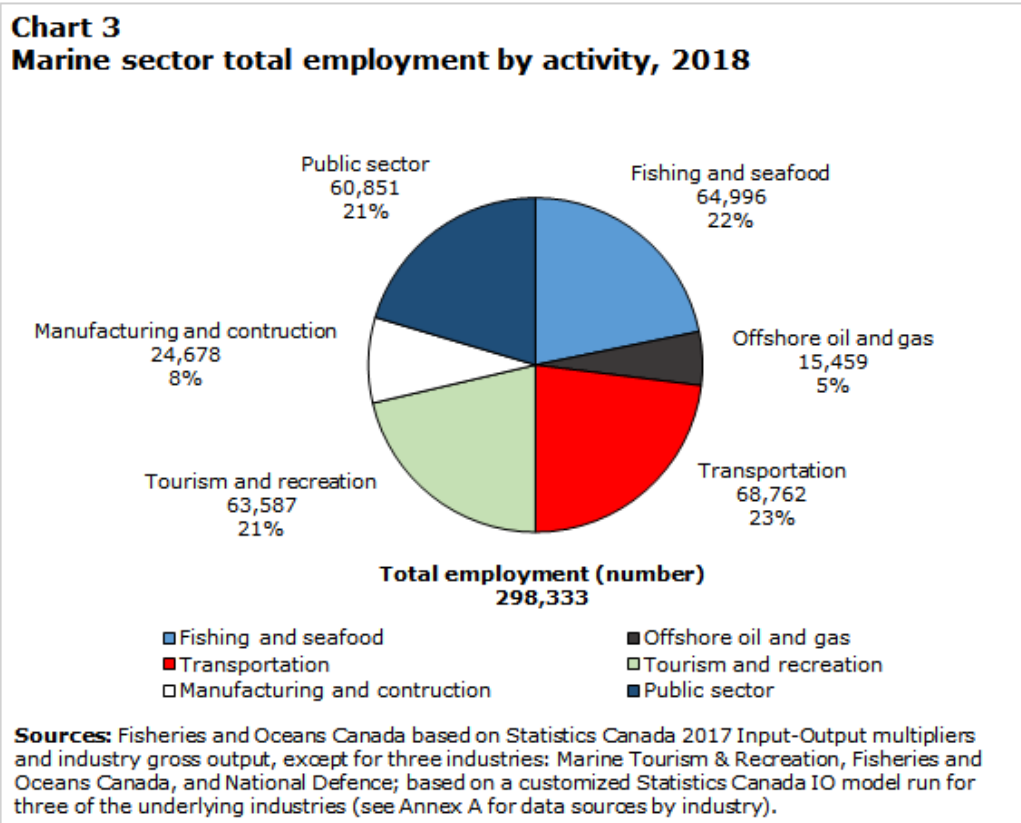


1. Amend CRA policy to allow employers to provide gift cards from recognized merchants (not prepaid Visas) of up to a total value of \$500 in a calendar year for any employee, without said amount being declared as a taxable benefit to the employee;
2. For the gift cards with a total value of more than \$500, for the amount above \$500, that the CRA permit an arrangement for near-cash gifts given to employees where CRA will forgive 50% of the taxable benefit if the company charges back 50% of the value, similar to the charge back on insurance premiums.



AQUACULTURE OPPORTUNITIES FOR CANADIAN SEAFOOD PRODUCERS

The fish and seafood sector is important to our national food security, and the jobs and livelihoods of hundreds of coastal, rural and Indigenous communities in Canada, directly employing approximately 65,000 people as well as indirectly employing thousands more in manufacturing and tourism and recreation related sectors ²³⁶.



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According to the Canadian Aquaculture Industry Alliance (CAIA), Canada’s aquaculture sector generates \$5.2 Billion in economic activity in Canada, contributes \$2.1 Billion in GDP, and is responsible for exporting \$1 Billion in exports ²³⁸.

British Columbia, which is helped by its diverse climate and geography, is one of the most diverse agriculture and fishing industries in Canada. The province currently produces over 100 different seafood species ²³⁹. In terms of aquaculture production value by Province, British Columbia is the leader in production value.

²³⁶ <https://www150.statcan.gc.ca/n1/pub/16-002-x/2021001/article/00001-eng.htm>

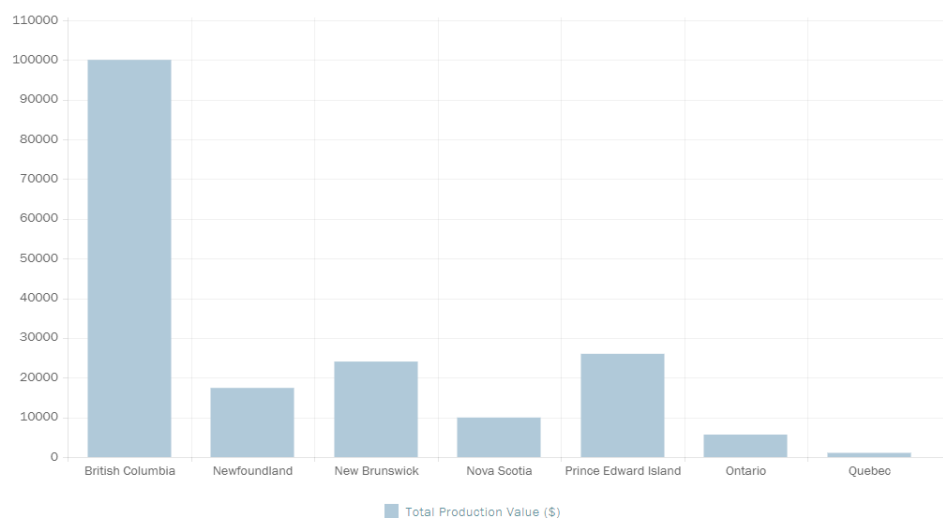
²³⁷ <https://www150.statcan.gc.ca/n1/pub/16-002-x/2021001/article/00001-eng.htm>

²³⁸ <https://www.aquaculture.ca/industry-by-the-numbers-index> (CAIA website)

²³⁹ <https://www.workbc.ca/labour-market-information/industry-information/industry-profiles/agriculture-and-fishing>



Production Value by Province



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A significant portion of BC's production value comes from shellfish products such as oysters, mussels, clams, geo ducks and scallops as well as a promising emerging market in mariculture (seaweed production). As the Canadian aquaculture sector continues to grow, the need for a coordinated national aquaculture strategy remains critical.

A \$42.8 million Canadian Fish and Seafood Opportunities Fund (CFSO) was launched in 2018. The fund is cost-shared (70% federal and 30% provincial/territorial). Investments focus on the fish and seafood sector with the aim of promoting market access and development for the fish and seafood industry, thereby increasing fish and seafood exports, creating jobs, and supporting coastal, rural and Indigenous communities in Canada ²⁴¹.

In 2019, the Federal government announced the British Columbia Salmon Restoration and Innovation Fund. The fund provides an investment of up to \$142.85 million over 5 years (i.e. until March 31, 2024) to support BC's fish and seafood sector, and to ensure the sustainability of wild Pacific salmon and other BC fish stocks. The fund supports protection and restoration activities for priority wild fish stocks, including salmon, as well as projects that will ensure the fish and seafood sector in BC is positioned for long-term environmental and economic sustainability (70% federal and 30% provincial/territorial).²⁴².

In June 2020, the Federal government introduced the Canadian Seafood Stabilization Fund providing \$62.5 million in new temporary funding to the fish and seafood processing sector. These investments help applicants:

- increase storage to deal with excess inventory
- ensure the health and safety of workers and of the local food supply
- adopt advanced manufacturing technologies
- adapt to changing requirements and demand

²⁴⁰ <https://www.aquaculture.ca/products-regions-index>

²⁴¹ Canadian Fish and Seafood Opportunities Fund www.dfo-mpo.gc.ca/fm-gp/initiatives/opportunities 2018

²⁴² <https://www.dfo-mpo.gc.ca/fisheries-peches/initiatives/fish-fund-bc-fonds-peche-cb/index-eng.html>



However, the aquaculture industry is only eligible to apply for support if they are processing businesses. The fund cannot be used to aid in the farming of aquaculture products. Unfair funding opportunities for aquaculture producers and an abysmal track record for meaningful consultation with industry prior to regulatory changes and closures has been devastating to multiple businesses.

In addition to improving industry consultation, identifying focus areas in collaboration with Indigenous peoples on the west coast of Canada remains as a critical step in achieving greater certainty for the industry.

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 CAIA states that the introduction of a new Federal Aquaculture Act will set clear, consistent standards for aquaculture farming across the country, and allow for greater federal-provincial coordination in how the industry is managed.²⁴³:

- Foster a healthy, responsible and sustainable seafood sector in Canada
- Ensure a science-based, accountable and transparent management approach
- Revitalize hard hit coastal communities including Indigenous communities with sustainable high value jobs
- Enable greater federal/provincial co-operation and 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 the 150 year old Fisheries Act, the Aquaculture Act would recognize aquaculture as a farming activity consistent with the approach of other leading jurisdictions around the world ²⁴⁴.

THE CHAMBER RECOMMENDS

That the Federal and Provincial Governments:

1. Make greater efforts for meaningful consultation with industry and indigenous peoples prior to announcing regulatory changes and closures.

That the Federal Government:

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

That the Provincial Government:

3. Continue cooperative partnerships with Indigenous, local, federal and international governments in the delivery of funding programs that assist Canadian seafood producers with getting product to market that include the aquaculture industry.

²⁴³ <https://www.aquaculture.ca/industry-by-the-numbers-index> (CAIA website)

²⁴⁴ <https://www.aquaculture.ca/industry-by-the-numbers-index> (CAIA website)



THRIVING ORCAS, THRIVING COMMUNITIES - PROTECTING CANADA'S SOCIAL AND ECONOMIC VALUES ASSOCIATED TO THE TIDAL RECREATIONAL FISHERY ON THE WEST COAST OF BRITISH COLUMBIA

Canada's public fishery sector contributes at least \$8.3 billion annually to local economies. In British Columbia the tidal and freshwater public fisheries account for nearly half of all the fisheries revenues but harvest only 15% of halibut, 10% of salmon and even smaller proportions of other marine species.²⁴⁵ The recreational fishery on British Columbia's west coast tidal waters has been subject to significant area closures to protect populations of iconic Southern Resident Killer Whales (SRKW). BC's many coastal communities have strong economic reliance upon the recreational fishery and tourism. These values are potentially threatened by fishery closures.

Background:

Populations of SRKW have historically fluctuated over the 60 years they have been systematically studied. The population during that period has never exceeded 98, it has fluctuated over time, and has been as low as 66. The current population is 74.

Southern and Northern Resident Killer Whales (NRKW) share the same diet which is almost exclusively salmon. Recent comparative population trends demonstrate significantly different trends:

- NRKW – increased from 265 in 2011, to 281 in 2017 and has recently decreased to 205 in 2020
- SRKW – decreased from 87 in 2011 to 74 in 2020

Vessel presence (physical & acoustic noise) has been cited as a significant factor, which impedes whales' ability to hunt using echolocation. SRKW are largely urban animals, exposed to much greater vessel disturbance than their NRKW cousins. Differential exposure to vessel disturbances may explain population performance results. Experts agree that the foundation of a good recovery strategy is to increase prey (salmon) abundance and SRKW accessibility to successfully forage to acquire salmon that are present using the following recovery strategies:

1. Increase abundance of Chinook coast-wide by reducing removals by fisheries.
2. Increase abundance of Chinook in specific areas and times by adjusting removals by fisheries.
3. Increase accessibility of Chinook by decreasing acoustic and physical disturbances.²⁴⁶

The scientific technical workshop engaging international experts considered the efficacy of prey availability strategy options noted above, and determined that the most effective recovery strategy to improve availability of prey was to address physical and acoustic vessel disturbance to improve whales ability to forage successfully to acquire or access their prey. Fishery closures and reducing removals were judged against their scientific justifiability and determined to have unknown, low or medium benefit.

Early data collected from the Salish Sea Survival Project exploring hatchery release strategies shows improvement in the marine survival rates and distribution of hatchery coho and chinook salmon, as well as reducing competition in the early marine environment between hatchery and wild salmon.²⁴⁷

Recreational fisheries are most attractive to potential participants if there is both "opportunity" and "expectation" of catch. Without these, people who might become engaged in the fishery will simply not pay

²⁴⁵ <https://sportfishing.bc.ca/a-vision-for-public-fisheries-in-british-columbia/>

²⁴⁶ Trites & Rosen 2018 – Availability of Prey For Southern Resident Killer Whales –

²⁴⁷ Salish Sea Marine Survival Project https://marinesurvivalproject.com/research_activity/list/hatchery-wild-interactions/



the economic cost to travel and participate in a fishery where their access or opportunity has been impacted by fishery closures or reductions in fishing opportunity or catch limits.

The associated economic impacts to small coastal communities to fishery closures or restrictions are significant. The attached table summarizes the historic growth in economic contribution associated with recreational sport fishing.²⁴⁸

- Real GDP associated with sport fishing activities increased for a fifth straight year, rising 5.8% to \$389.8 million in 2016.
- Sport fishing was the largest industry in the fisheries and aquaculture sector, accounting for 39% of the sector’s total GDP, and employing 60% of the workers in this sector.
- An estimated 9,000 people were employed by the sport fishing industry in 2016, slightly less (-1.1%) than in the previous year.
- Wages and salaries earned by employees in the sport fishing industry rose 5.8% to \$236.5 million in 2016.
- Sport fishing revenues were estimated at \$1.1 billion in 2016, up 6.7% over the 2015 value.

Sport Fishing

Text Table 5: Key Indicators for Sport Fishing

	Sport Fishing							
	1990	2000	2010	2016	% change, 2015-2016	% change since 1990	% change since 2000	% of sector total in 2016
GDP (\$million)	236.4	220.8	313.7	422.8	6.6	78.8	91.5	34.9
% change from previous period		-6.6	42.1	34.6				
GDP (\$million, chained 2007 dollars)	376.0	257.1	313.9	389.8	5.8	3.7	51.6	38.5
% change from previous period		-31.6	22.1	24.2				
Revenue (\$million)	575.0	606.7	896.9	1,110.0	6.7	93.0	83.0	33.6
% change from previous period		5.5	47.8	23.8				
Employment	9,663	6,100	7,500	9,000	-1.1	-6.9	47.5	60.0
% change from previous period		-36.9	23.0	20.0				
Wages (\$million)	164.2	119.6	187.1	236.5	5.8	44.0	97.7	50.9
% change from previous period		-27.2	56.4	26.4				

Data Source: BC Stats

These are very significant inputs generating far reaching economic spin offs all along the value chain and across many communities. Those are particularly experienced in small coastal communities that are reliant upon tourism and support to the recreational fishery.

THE CHAMBER RECOMMENDS

That the Federal Government:

1. Adopt a Mobile Avoidance Sanctuary approach to manage recreational fisheries, rather than static sanctuaries. And recommends:
 - a) Vessel operators whom inadvertently find themselves within the Mobile Avoidance Sanctuary are required to turn off sounding devices and slowly exit the zone at under 7 knots speed
 - b) Applies in all areas SRKW roam including those outside designated Critical Habitat Areas
2. Ensure fixed sanctuaries, where implemented, be small scale and located in key forage areas that are scientifically established based on frequent SRKW use

²⁴⁸ BC Stats report on BC’s Fisheries and Aquaculture Sectors (Nov 2018)



3. Remove recreational fin-fish closures implemented in 2018 within Critical Habitat Areas, except in areas established as fixed sanctuaries
4. Ensures fishing closures to support SRKW prey accessibility, must be scientifically validated to achieve materially significant benefit to achieve SRKW recovery
5. Invest significant long-term financial resources to dramatically increase hatchery production, release times and habitat improvement on chinook stocks that materially contribute to SKRW diet
6. Invest in programs to make prey species that form the diet of chinook throughout their life cycle more abundant to help promote chinook rebuilding
7. Consider the relative proportion of catch by commercial and recreational fisheries and remove restrictions on recreational fisheries where the relative catch is a small proportion of the population.



POST-GRADUATE WORK PERMIT

The labour shortage in Canada is an economic crisis. Private institutions have the capacity to upskill and reskill international students, however, they are not a designated learning institutions under the Post-Graduation Work Permit Program (PGWPP) except for those that operate in Quebec. As a result, international students would not be eligible for the Post-Graduation Work Permit Program, which would fast track their permanent residence, and allow them to gain valuable work experience. Additionally, part time students are excluded from this program. This leads many international students to move to large cities with public post-secondary institutions that offer degrees, such as an associate, bachelor's, master's or doctoral degree authorized by a province. These public institutions are unable to meet industry needs by creating programs quickly as they require provincial approval that can take many years.

The current Post-Graduation Work Permit Program is excluding institutions and individuals from gaining valuable skills to access today's labour market. This exclusion is further exacerbating the labour shortage crisis.

Background

The Post-Graduation Work Permit Program (PGWPP) allows students who have graduated from eligible Canadian designated learning institutions (DLIs) to obtain an open work permit to gain valuable Canadian work experience. Skilled Canadian work experience in National Occupational Classification (NOC) skill type 0 or skill level A or B that is gained through the PGWPP helps graduates qualify for permanent residence in Canada through the Canadian experience class within Express Entry.

Post-graduation work permit eligibility requirements

To obtain a post-graduation work permit, the applicant must currently hold valid temporary status or have left Canada. They must have graduated from an eligible designated learning institution (DLI). They must also submit clear evidence that they meet all the following criteria:

- They have completed an academic, vocational, or professional training program at an eligible institution in Canada that is at least 8 months in duration leading to a degree, diploma or certificate.
- They have maintained full-time student status in Canada during each academic session of the program or programs of study they have completed and submitted as part of their post-graduation work permit application.
- They have received a transcript and an official letter from the eligible DLI confirming that they have met the requirements to complete their program of study.

Eligible institutions

The applicant must provide evidence that the program or programs of study were taken in Canada at one of the following eligible Canadian designated learning institutions (DLIs):

- a public post-secondary institution, such as
 - a college
 - a trade or technical school
 - a university
 - CEGEP (in Quebec)
- a private post-secondary institution that operates under the same rules and regulations as public institutions in Quebec
- a private or public secondary or post-secondary institution in Quebec offering qualifying programs of 900 hours or longer leading to
 - a diploma of vocational studies (DVS)



- an attestation of vocational specialization (AVS)
- a Canadian, private institution authorized by provincial statute to confer degrees, such as an associate, bachelor's, master's or doctoral degree, but only if the student is enrolled in a program of study leading to a degree, as authorized by the province, which may not include all programs of study offered by the private institution

Tying Industry Needs to Education

International students are needed to fill the workforce shortage many industries are facing today but international students are currently excluded from being able to access the PGWPP. Part time students are also excluded, which is large group of people that are currently working but require upskilling or reskilling to compete and engage in today's labour market.

The training that industry requires can be filled by public and private²⁴⁹ post-secondary institutions, but there are limitations. BC public post-secondary institutions require their curriculum to be approved by the BC Government, which could take many years. Private institutions can create programs that satisfy industry needs much quicker.

Rural areas in Canada do not have the same public post-secondary institutional investments as urban cities. In these rural areas, private institutions can fill that gap, and offer training and programs that will help build and expand the rural economy. International students need incentive to go and living in rural areas. While programs exist it incentivize immigrants to make rural parts of Canada their home, the lack of educational access and programs that support that access deter people from settling in those areas.

THE CHAMBER RECOMMENDS

That the Federal Government:

1. Expand the Post Graduate Work Permit Program eligibility to part-time students; and,
2. Expand the Post Graduate Work Permit Program to include accredited private post-secondary institutions as Designated Learning Institutions across Canada.

²⁴⁹ Private post-secondary institutions in Quebec qualify as a DLI



CANADIAN ENERGY INNOVATION & SUSTAINABLE FINANCE

Canada is a leader in environmental, social, and governance (ESG) performance and needs to play a larger role as a leader in providing decarbonized and innovative resources and energy to the world. British Columbia has abundant natural resources and the ability to export those resources to a world that needs them. There are large geopolitical forces at play in global markets and countries are making challenging choices.

These include the Russian invasion of the Ukraine, China's growing demand for all sources of energy and Japan shifting back to coal as a reliable and cheaper option^{250, 251} A real energy transition must move forward and requires lower emission bridge fuels like Canadian natural gas.

Background

The government of Canada and provincial governments are developing a "Transition Finance Taxonomy" as part of a National Standard of Canada for Transition Finance. This work was initiated based on the recommendations put forward in the Government of Canada's Expert Panel on Sustainable Finance Final Report dated June 2019.²⁵² It is vital that these definitions reflect the importance of bridge fuels and Canada's low emissions advantage.

Canada will play a global leadership role in providing low emissions energy to the world. The BC Chamber of Commerce has already supported policy to export LNG as part of the policy *Supporting a Globally Competitive LNG Industry in BC (2021)*.²⁵³ This is further evidence that the world needs clean, affordable energy that can be provided by Canada. Canada is already building projects like the LNG Canada in Kitimat, which when built, will provide the lowest emissions LNG in the world.²⁵⁴ Renewable LNG sourced from landfills also provides a low emissions option.²⁵⁵

The need for affordable and available energy has become clear in 2022. With the invasion of the Ukraine by Russia and the introduction of sanctions energy and commodity prices have risen drastically. European nations have realized that energy security is vital and have begun developing LNG import terminals and work on plans to import from allies.²⁵⁶ Along with being a low emissions energy producer Canada can provide energy security for our NATO allies.

In 2022 the governing body of the European Union, the European Commission, put forward a piece of legislation called the Taxonomy Complementary Climate Delegated Act on climate change mitigation and adaptation, covering certain natural gas and nuclear activities.²⁵⁷ The legislation which was adopted by the EU on February 9th provides criteria for the specific gas and nuclear activities are in line with EU climate and environmental objectives and will help accelerating the shift from fuels like coal, by utilizing natural gas and nuclear energy. The legislation is an example of government prioritizing low emissions fossil fuels as a bridge fuel that can provide energy security against growing geopolitical insecurity and commodity price increases.

²⁵⁰ <https://www.bnnbloomberg.ca/europe-faces-harsh-reality-of-finding-russian-gas-irreplaceable-1.1717080>

²⁵¹ <https://www.nytimes.com/2020/02/03/climate/japan-coal-fukushima.html>

²⁵² <https://www.csagroup.org/news/defining-transition-finance-in-canada/>

²⁵³ <https://bcchamber.org/policy/supporting-a-globally-competitive-lng-industry-in-bc-2021/>

²⁵⁴ [https://www.lngcanada.ca/news/living-up-to-climate-](https://www.lngcanada.ca/news/living-up-to-climate-promises/#:~:text=GHG%20emissions%20from%20LNG%20Canada's,than%20the%20global%20weighted%20average)

[promises/#:~:text=GHG%20emissions%20from%20LNG%20Canada's,than%20the%20global%20weighted%20average](https://www.fortisbc.com/services/sustainable-energy-options/renewable-natural-gas)

²⁵⁵ <https://www.fortisbc.com/services/sustainable-energy-options/renewable-natural-gas>

²⁵⁶ <https://www.reuters.com/business/energy/germany-joins-lng-import-race-long-crowded-track-awaits-2022-04-19/>

²⁵⁷ https://ec.europa.eu/commission/presscorner/detail/en/ip_22_711



B.C. also has a large technology sector that is leading the way on technologies to reduce emissions. With the right supports this sector can continue to boom while creating well-paying green jobs. Any taxonomy should seek to grow sustainable financing for carbon capture, storage, and storage, and other investments in emissions reductions technologies.

THE CHAMBER RECOMMENDS:

That the provincial and federal governments:

1. Ensure that new oil and gas projects with world class carbon intensities are not omitted from sustainable finance taxonomies currently being developed and contemplated in Canada, recognizing that sustainable finance is a strong incentive for emissions reductions across industries in Canada.



CRITICAL MINERALS – CRITICAL FOR EVERYTHING FROM CLIMATE TO NATIONAL SECURITY

Supply chain resilience is a lesson that we learned because of the pandemic. As countries weathered wave after wave of infections owing to the pandemic, resources were stretched thin, and industries were halted due to government-mandated shutdowns. One commodity's supply chain has been neglected in the discussion of supply chain resilience, and that is the supply chain of sustainable and trusted critical minerals, or Rare Earth Elements (REE). Canada urgently needs a trade and economic strategy for our own critical mineral deposits. Building our domestic production capacity is essential to reduce our vulnerability to supply shortages in times of crises.

Background

Critical minerals are the building blocks for the clean and digitized economy. Critical minerals include:

- Aluminum
- Antimony
- Bismuth
- Cesium
- Chromium
- Cobalt
- Copper
- Fluorspar
- Gallium
- Germanium
- Graphite
- Helium
- Indium
- Lithium
- Magnesium
- Manganese
- Molybdenum
- Nickel
- Niobium
- Platinum group metals
- Potash
- Rare earth elements
- Scandium
- Tantalum
- Tellurium
- Tin
- Titanium
- Tungsten
- Uranium
- Vanadium
- Zinc

Canada's critical minerals are:

- Essential to Canada's economic security
- Required for Canada's transition to a low-carbon economy
- A sustainable source of critical minerals for our partners



They are essential for everything from sensors, fuel cells, electric vehicles, microwaves and magnets to smart missiles and air pollution controls. The uses of critical minerals are limitless and as we develop more sophisticated technology, they will become more essential to everyday life.

From the 1960s until around 1985, the United States was the world’s largest producer of REE, with all production originating from the Mountain Pass mine in California. Starting in the mid 1980s, China began REE mining and extraction operations and became the largest contributor to global REE production. By the 2010s, China was producing nearly 85% of the world’s supply of REE and supplying 95% of processed REE.²⁵⁸

There were 10 active REE mining operations in 2017 (table 1).

Table 1. Active REE Mines in 2017

Deposit Name	Location	Resource (Mt)	Grade (REO, %)
Mount Weld	Australia	23.9	7.9
Buena Norte	Brazil	na	na
Bayan Obo	China	800	6
Daluxiang (Dalucuo)	China	15.2	5
Maoniuping	China	50.2	2.89
South China clay deposits	China	na	0.05 – 0.4
Weishan	China	na	na
Karnasurt Mountain	Russia	na	na
Mountain Pass	United States	16.7	7.98
Dong Pao	Vietnam	na	na

Source: Bradley S. Van Gosen, Philip L. Verplanck, Robert R. Seal II, Keith R. Long, and Joseph Gambogi, *Critical Mineral Resources of the United States—Economic and Environmental Geology and Prospects for Future Supply*, ed. Klaus J. Schulz, John H. DeYoung, Jr., Robert R. Seal II, Dwight C. Bradley (Reston, VA: U.S. Geological Survey, 2017), Table O3, p. O12, <https://doi.org/10.3133/pp1802O>.

On July 31, 2021, a US working group discussed the implementation of President Biden and Prime Minister Trudeau’s commitment to strengthen cooperation on critical minerals supply chains²⁵⁹. To further North American relations, incentives on purchasing critical minerals from Canada must be in place.

While a joint action plan is important because of the level 52% of Canada’s mineral and metal exports are to the United States²⁶⁰, Canada must strengthen its own supply chain and ensure that it remains competitive with other nations, especially as minerals can be used as leverage in trade disputes²⁶¹.

Climate change policy impacts off-grid mines in a substantial way. These off-grid mines currently use diesel power because they cannot easily access or implement net-zero technology to meet significant climate targets set by various governments. The majority of Canadian nickel and cobalt is currently extracted at off-grid mines. These mines are hit first and hardest with carbon caps. Carbon caps will negatively impact these mines making them uncompetitive in the global sector. If the off-grid mines are unable to compete, then we may lose out on the ability to mine the critical minerals necessary to meet our global climate change targets.

²⁵⁸ Bradley S. Van Gosen, Philip L. Verplanck, and Poul Emsbo, Rare Earth Element Mineral Deposits in the United States, U.S. Geological Survey, Circular 1454, 2019, p. 4, <https://doi.org/10.3133/cir1454>.

²⁵⁹ <https://www.state.gov/united-states-and-canada-forge-ahead-on-critical-minerals-cooperation/>

²⁶⁰ https://www.wilsoncenter.org/sites/default/files/media/documents/article/our_growing_dependence_on_critical_minerals2.pdf

²⁶¹ <https://www.cbc.ca/news/business/china-us-rare-earths-1.5154338>



These mines are essential for downstream nickel manufacturing industry. They are unable to implement green technology due to financial and logistical constraints. These mines will not be able to operate or expand if they are restricted by climate change policy.

To compete globally on mineral and metal exports, the regulatory and tax environment must be competitive. As such, the red tape and burden placed on businesses to begin the extraction process must be reduced.

THE CHAMBER RECOMMENDS

That the Federal Government:

1. Working with the provinces and territories, develop a strategy to enable the development of critical mineral extraction projects, including permitting and regulatory measures to support the development of this sector.
2. Use government procurement contracts to create incentives for North American sourced critical minerals;
3. Explore with the United States the possibility for joint purchasing and stockpiling of critical minerals; and
4. Create a level playing field for mines that cannot access electricity grids and create different climate change targets.



SHARE A HANDSHAKE: MOVE PEOPLE AND CARGO ACROSS BORDERS AND REDUCE REDUNDANT PAPERWORK

Canada and the United States share a long history of border innovation and excellence. Four major bi-national efforts since the 1995 Shared Border Accord created our current framework for cooperation, culminating in the 2011 Beyond the Border Action Plan. The 2015 Land, Rail, Marine and Air Transport Preclearance Agreement (LRMA)²⁶² also promises to generate incremental benefits in the coming years.

Much work remains, however, to address a range of processing and policy issues to fully coordinate efforts between governments and between the private and public sectors. The consultations leading up to these new action plans revealed a strong desire to create predictability in border and security processing. More importantly, the border was seen as a place that goods and people flow, not as a single line or step. A shared vision was developed encapsulating a future for the United States and Canada. The bigger picture thinking here is: do we move to a new Open Skies agreement between Canada and the US that opens the entire market to all air carriers (US and Canadian)? We do need to open the door.

Background

The new vision is based on eight major challenges within travel and trade sectors and the services that enable border and security clearances:

1. Pandemic resilience and international traffic recovery

Traffic volumes will continue to recover as airlines gear up again. There is an opportunity to get into underserved markets that have been vacated by legacy airlines during the pandemic. We will return to 2019 growth projections nearly doubling across all modes in the next 20 years, with the aviation sector reaching almost 2.5 times more traffic by 2038. The concern is whether our systems will be able to keep up with growth or be limited by insufficient resources, leading to long queues.

2. Wasted resources from duplication

Significant progress has been made in the last 25 years to remove a large portion of paper-based processes, from multiple data-entry to duplicated application forms. More work remains to simplify programs, many of which are separate, requiring almost the same information and are aimed at similar objectives.

3. Privacy issues must be addressed up front

With the proliferation of information sources tied to personal identity or commercial confidentiality, there is the need to improve the performance of the entire system to better manage privacy. Privacy by Design and its seven principles identify best practices that augment existing public agency requirements to conduct privacy impact assessments and do so early in the process.

4. Ensuring ideas are future proof

Scalability and systems that cannot be linked together are examples of problems still faced as border process requirements evolve. Standalone systems may be desirable for speed of implementation but there is the need to ensure connectivity with future changes to systems.

²⁶² . The Beyond Preclearance Coalition now renamed The Future Borders Coalition - was formed to develop a long-term vision for trade and travel, especially CUSMA – the Canada US Mexico Agreement, now in effect. The Beyond Preclearance Coalition of 41 bi-national organizations is outlined in the Beyond Preclearance White Paper, and now, has 80 members. In May of 2022, a renewed and updated White Paper will take some of the ideas in this policy and build them out.



5. Resilience to evolving threats

Dynamic and asymmetric threats are problems faced by public and private sector stakeholders. The resilience of the system to accommodate future shocks through risk-based approaches also further reinforces the need to develop as much efficiency in the system today as possible.

6. Lack of sustainable private-public partnerships

From user fees to investments in facilities and requirements, there is a perception of an unsustainable model for funding future changes. The private sector presents strengths in investment, acquisition, technology deployment and research. These may also represent the opportunities to sustain future cooperation.

7. Underuse or overuse of technology

In the past two years, there have been focused efforts towards product-based pilot projects. “The blockchain pilot” or the “biometric pilot” are important because they are emerging technologies with benefits. The use case however needs to balance the process, staffing envelope and risk model to ensure the success for new technology adoption.

8. Global competition

Finally, the challenge collectively is not the debate over whether Canada or the US stands to gain from future improvements. The economies are intricately linked, as are the cycles of innovation in border and security excellence. The competition is how Canada and the United States, as a joint US \$100-trillion economy by 2038, will remain competitive in the world market. Movement of people and goods include land,²⁶³ sea,²⁶⁴ air²⁶⁵ and rail²⁶⁶.

A number of key initiatives are already in research or about to begin.²⁶⁷

²⁶³ Land borders require careful co-ordination of lanes and infrastructure at border plazas. Preclearance offers more flexibility to locate activities away from the physical border. More efforts are needed to ensure traffic can be streamed through the introduction of biometrics to confirm identities, by using mobile technologies to ensure trucks and cars are ready to proceed and by limiting the amount of stops at the physical border in favor of activities before departure, enroute or at a controlled destination upon arrival.

²⁶⁴ Maritime Container, break-bulk and other commodities shipped to the United States and Canada have experienced significant changes since 2001. Pushing the borders out is largely a success, especially for container movements. More work remains to incorporate clearances for US Customs and Border Protection (CBP) and Canada Border Services Agency (CBSA), and across all government agencies. This will enable intermodal transfers to trucking and rail to move more efficiently from one country to the other.

²⁶⁵ Cruise passengers are largely air transfers and for certain markets (e.g., Alaska or Caribbean cruises) there is the opportunity to further leverage biometrics further to enhance processing. Same-day entry and exit between countries could be greatly facilitated. Six cruise lines have already started to generate pilot projects on biometrics with CBP and this can be further integrated with air transfers and CBSA processes. A robust system exists for in-bond air cargo, but similar to the maritime mode, more is needed than just approvals from a customs agency. A government approach is needed to deal with different commodities – specifically agricultural products. Consequently, a future view towards testing out full in-bond air-air and air-truck is needed, as well as advancing air cargo preclearance. Air passengers have several important dynamics due to the rapid growth of traffic, and the large number of biometrics implementations.

²⁶⁶ Rail is the second largest mode after trucking, moving some 15% of US-Canada trade. One of the major sources of demand for rail movements is shipments moved to rail cars from ports. At the same time, there is US and Canadian-origin traffic from North American-based factories, lumber yards, etc. The principle is the same: clear before departure and minimize the activity needed at the border itself. Remote screening and enroute clearance processes could significantly reduce the burden on rail lines at the border to de-stuff containers or rail cars for inspection. Similar to air and cruise ship processing, the model for preclearing passenger trains or clearing upon arrival would greatly benefit from the biometric model of processing.

²⁶⁷ Key initiatives include: (a) Further integration of passenger vetting and biometrics to ensure that Canada and the United States are not at a competitive disadvantage versus Europe in attracting foreign tourists. (b) Early results demonstrate upwards of 50% throughput benefits compared with the current generation of automated passport control. A unified approach is needed in the preclearance environment. (c) Create a streamlined connections environment. Canada has made major improvements at airports in recent years. Biometrics may provide the ability to better manage connections at US facilities. Further co-operation can be advanced by leveraging excess capacity at new US preclearance sites for Canadian-bound traffic. Joint preclearance could be a stepping stone for full



Updated projects in 2022 (from the initial 16 pilot projects with five major themes) are:

1. Adopt a Remote Clearance Approach based on machine learning/AI
2. Screen Once, Accept Multiple Times
3. Employ risk-based model for our shared borders
4. Move Away from Fixed Checkpoints to Clearing Flows
5. Greening the Border.

Net Benefits to 2038

- Co-economy Canada & US: \$100 trillion; 460 million residents
- Cargo growth: 2-2.5x
- Travel growth: 1.7-2x
- Border: predictable, secure, integrated
- 38,000 fewer new officers needed
- New Model: joint governance, tech accelerated

Net Results – More competitive Canada & US

- \$13 billion/year travel/supply chain benefits
- Reduced/deferred facility costs
- Potential savings to incremental hires
- 2x – 4x return on investment

Why It Matters to BC²⁶⁸

1. Three of the top 11 busiest airports in Canada are Vancouver, Kelowna and Victoria
2. Common two-hour line-ups at truck crossings
3. Exports of mining, wood, coal, propane, oil, LNG/mixed goods imports internationally
4. Annual container volume Vancouver ports: 3 million TEU from 27 major marine terminals
5. Cargo value \$200 billion Canadian
6. 898,473 cruise ship passengers in 256 sailings

THE CHAMBER RECOMMENDS

That the Provincial Government's work with the Federal Government:

1. To support the contributions of the Future Borders Coalition of 80 bi-national organizations including the Canadian Chamber of Commerce, specifically:
 - a. To expedite the implementation of the six Beyond the Border II Initiatives:
 - i. US-Canada Facial Recognition Pilot Project
 - ii. Single Window eTA/ESTA²⁶⁹
 - iii. Remote screening of goods and co-location of facilities in the US
 - iv. Trusted traveler program integration
 - v. Rescreening elimination

global preclearance starting with allied countries such as the United Kingdom, Australia and New Zealand and potentially be integrated with exit control facilities and systems.

²⁶⁸ <https://www.beyondpreclearance.org/the-white-paper> *Beyond Preclearance: The White Paper October 5, 2018* *ibid.*

²⁶⁹ eTA – Canada: electronic Travel Authorization; ESTA – US: Electronic System for Travel Authorization, an automated system that determines the eligibility of visitors to travel to the United States under the Visa Waiver Program (VWP). Consultation with Sam Samaddar, North American chairperson for Airports Council International (ACI), a large organization that represents the interests of many airports around the world. [According to ACI, the organization has more than 700 members and operates in 1,933 airports in 183 countries. <https://www.beyondpreclearance.org/the-white-paper> *Beyond Preclearance: The White Paper October 5, 2018.* Note the paper will be updated as of May 2022.

