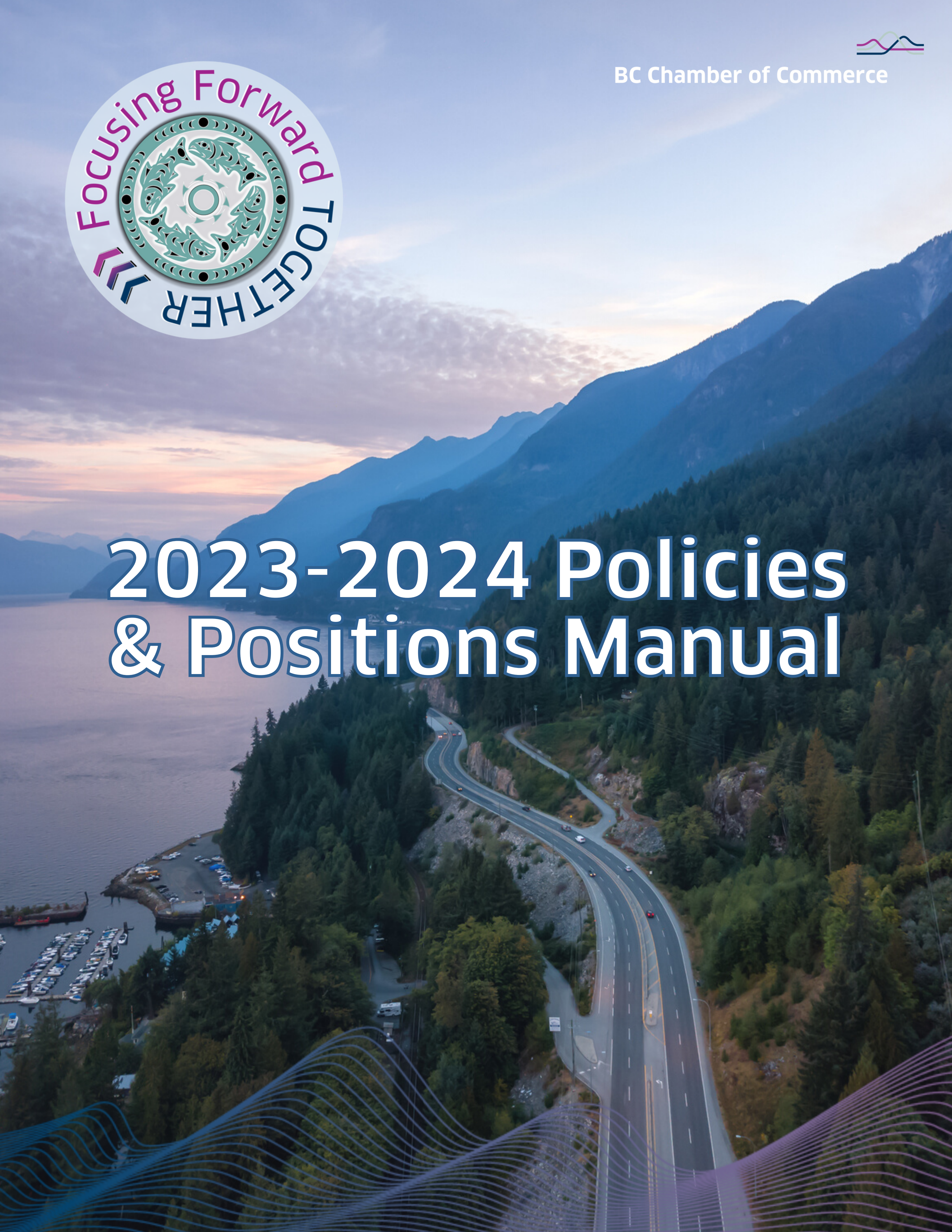
BC Chamber of Commerce

Focusing Forward TOGETHER

# 2023-2024 Policies & Positions Manual



# INTRODUCTION

The BC Chamber of Commerce (BCCC) is the largest and most broadly-based business organization in the province, 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 Policies and Positions Manual contains informed opinions and policy statements adopted by members during the policy sessions at the BCCC's 71st Annual General Meeting and Conference, held on June 1 and 2, 2023, in Whistler and online.

The manual reflects what members view as important issues and forms the foundation – along with the policies of the previous two years – of our advocacy work with all levels of government in the years ahead. It also serves as a working document for the BCCC's staff and Policy Review Committee, as well as local Chambers of Commerce and Boards of Trade, to regularly review and use to assess the timeliness, importance, and scope of the BCCC's positions on issues that impact members.

The BCCC supports the United Nations *Declaration on the Rights of Indigenous Peoples,* the *British Columbia Declaration Act* and its associated action plans, and respects Indigenous Peoples' rights and interests in British Columbia. The resolutions contained in this manual are not intended to, nor should they be interpreted to, be an attempt to insert the BCCC directly into government-to-government discussions between Indigenous nations and the provincial and federal governments.

In some cases, but not all, the policies in this manual have benefited from input from Indigenous Peoples. Unless explicitly stated, policies have not received any endorsement from third party groups, including Indigenous identified and affiliated organizations. The BCCC acknowledges that some recommendations may need to be amended to better reflect Indigenous interests and rights, and the association is committed to improving its policies, and their development process, as it moves forward with its own reconciliation journey.

The BCCC will actively advocate for government policies that address the cost of doing business in British Columbia, so that 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.

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

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## MINISTRY OF AGRICULTURE AND FOOD

**COMMITTING TO VERTICAL GROWTH – THE NEXT PHASE OF AGRICULTURAL PRODUCTION**

**Issue**

Farming is an expensive career path. Youth are finding it increasingly difficult to access funds to pursue farming even when their families have been farming for generations. Fewer farmers contribute to food insecurity and raise the price of food with broader economic implications.

Many regions across B.C. are facing land shortages. This issue is exemplified in the Lower Mainland, but it permeates throughout the entire province. With a growing population, more land is being set aside for housing, limiting agricultural land capacity.

With the increased difficulty in entering the traditional farming sector, and the advent of technological advancements, municipalities across the province need to capitalize on innovative growing practices that are both space-saving and highly productive. One option is vertical growing in light-industrial zones. By utilizing industrial areas as well as traditional agricultural zones, there is opportunity for newer technologies to produce more than what was possible on traditional agricultural land.

**Background**

Cost of Farmland Across B.C.

The price of land has been increasing dramatically across the province. Following a shocking 18.1% average increase in 2021, the average price continued to rise in 2022, on average 8%. In the Kootenay region, farmland values rose by a record 33.6% in 2022, the greatest regional rate of change in Canada.

The South Coast region, which contains Metro Vancouver, holds the record for the highest average farmland values across Canada at $139,000 per acre.1 With farmland near urban centres highly sought after for hobby farmers, rural residents, and investments, the high cost of land makes it difficult for agricultural businesses to turn a profit. New farmers in the region are often leasing land, without the ability to own.

The Cariboo-Chilcotin region saw an 11.1% increase in farmland values between 2021 and 2022, while the Peace Region-Northern B.C. had a 6.6% increase over the same period, with the highest quality land going for a premium. A few years ago, new farmers could reliably relocate north to purchase land and escape Southern B.C. real estate hotspots, they are now finding themselves priced out of the market all across the province.

The Okanagan region, driven by its wine production and orchards, increased a further 14.3% between 2021 and 2022, with a top value per acre of up to $95,800 per acre.

Food Insecurity

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

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

**BRITISH COLUMBIA POPULATION BY DEVELOPMENT REGION**

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

*Source: BC Stats*

Innovation

Food and agriculture innovation have generated remarkable amounts of investor capital in recent years and could become a $700 billion market globally by 2030, according to a Union Bank of Switzerland.[1] One innovative form of (add in 'urban'?) farming includes vertical farming.

Vertical farming is a new form of farming that allows for the production of crops, primarily leafy greens, on minimal land space. This farming method uses the concept of controlled environment agriculture, and stacks production space upon itself like a high-rise building.[2] These buildings may be new, purpose built, or renovation of disused older structures.

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

[1] https://www.ubs.com/global/en/ubs-society/our-stories/2019/future-of-food.html

[2] Birkby, Jeff (January 2016). "Vertical Farming". *ATTRA Sustainable Agriculture Program*. Retrieved October 28, 2019.

other office in the same zone would have to pay if zoned the same. A vertical farm with a yield per hectare factor 50 times larger than a traditional outdoor farm's yield, may take 6-7 years to break even[3].

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

Additional potential benefits of vertical farms include:

- Close integration of agricultural amenities into urban planning with agricultural capacity scalable to urban growth, cycling of organic resources, reduction or elimination of "food deserts", increase in local employment, and revitalization of urban areas in decline[4].

Moving forward

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

Vertical farms can and have happened in major city centres.[5] [6] [7] Municipal governments could move this new discipline forward if they can be encouraged to broaden their land designations/zoning categories. Currently in many municipalities, farming can only occur on designated farming land. This however needs to be amended to allow innovation such as vertical farming to develop.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Work with municipal and federal government to allocate funding for innovative research in vertical farming.
2. Ensure that vertical farming can occur on ALR land without the need for rezoning.

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

[4] Fraser, Bud (2010), Ch. 15 Integrated Infrastructure for Local Food and Agriculture, "Agricultural Urbanism" 1st Ed. HB Lanarc Consultants Ltd.

[5] https://makinglewes.org/category/eco-industrial-parks/

[6] https://www.canadianarchitect.com/centennial-college-and-utsc-are-planning-canadas-first-net-zero-vertical-farm/

[7] https://www.washingtonpost.com/business/2019/11/19/indoor-farming-is-one-decades-hottest-trends-regulations-make-success-elusive/

## SUPPORTING B.C.'S GROWING AGRITECH SECTOR

### Issue

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

Since this policy was first introduced and adopted in 2020, we have seen multiple steps taken by government which address recommendations included in the original version of the policy, including the following:

- Launching a Regenerative Agriculture and Agriculture Network (RANN)[1] to help farmers adopt the latest technology that will increase both profitability and environmental sustainability in-province;
- Developing and implementing an Agritech Concierge program[2] paired with a $7.5 million agritech-specific grant program[3] and Agritech Ramp-Up Pilot Program[4] to support agritech businesses in starting, growing, and diversifying their businesses, and in accessing new markets;
- Updating Agricultural Land Reserve use regulations[5] to support vertical farming;
- Creating the Agriculture Minister's Advisory Group on Regenerative Agriculture and Agritech[6] which includes subject matter experts and business leaders from across the province;
- Signing an agreement between the Province of B.C. and the Netherlands to develop international agritech opportunities between the jurisdictions[7];
- Launching the BC Centre of Agritech Innovation (BCCAI)[8] in Surrey and a federal investment of $10 million into the AFU Agtech Innovation Asandbox (AGIS)[9] program for post-pandemic recovery for SMEs scaling and commercializing agricultural technology in B.C.

B.C. must continue, however, to take the next steps in establishing our province as a global agritech leader that enables and supports the innovation, development, demonstration, and deployment of novel technologies. As B.C. moves forward, strengthening agriculture and agritech education and research to drive excellence in priority areas and deepen the knowledge base and talent pool for the agriculture

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1 https://news.gov.BC.ca/releases/2021AFF0049-001493
2 https://www2.gov.BC.ca/gov/content/industry/agriculture-seafood/programs/agritech-concierge?keyword=agritech&keyword=concierge
3 https://news.gov.BC.ca/releases/2021PREM0022-000556
4 https://iafBC.ca/agritech-ramp-up-program/
5 https://www.abbynews.com/news/province-revises-alr-regulations-to-make-room-for-vertical-farming/
6 https://www.BCpublicsectorboardapplications.gov.BC.ca/s/tribunaldetail?boardNum=A-25409
7 https://news.gov.BC.ca/releases/2022JERI0024-000801
8 https://www.sfu.ca/agritech-innovation/about-us/about-the-centre.html
9 https://www.canada.ca/en/pacific-economic-development/news/2022/03/the-honourable-harjit-s-sajjan-outlines-his-vision-for-pacifican-and-announces-118-million-in-federal-support-for-local-innovators.html

innovation agenda, and with business, government and academia working together, we can ensure that there is a place to grow food and support emerging agritech industries by examining land use policies and other regulatory considerations to make the best decisions which help invest in B.C.'s growing agritech sector.

**Background**

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

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

B.C. also has an opportunity to build on its position as a leader in protecting the environment and mitigating greenhouse gas (GHG) emissions. Our province is already home to more than 150 companies that are active in the agritech sector. We have the advantage of land reserved for agriculture that can help to support the development of new growing strategies and demonstrate the agricultural applications of emerging technologies. To share a future where B.C. is a preferred jurisdiction for farmers, food processors/manufacturers, agritech innovators and investment in agricultural businesses, decisive and coordinated action is needed by industry, academia and government[10].

In 2020, the BC Food Security Task Force made recommendations to support food security and the economic growth of the agricultural sector in British Columbia, focusing on the following three areas:

- Increasing the competitiveness, efficiency and profitability of the agricultural sector of British Columbia, through technology and innovation;
- Growing the agritech industry as a standalone economic sector capable of developing technologies that will be applicable both locally and globally; and
- Supporting the development and application of technologies that can protect the agricultural sector against the effects of climate change and support environmentally sustainable agricultural practices.[11]

Since this policy was adopted in 2020, initiatives such as the provincially and federally funded B.C. Centre for Agritech Innovation have been launched to strengthen our innovation ecosystem across academia, government, and industry, and to position the province as a world leader in agricultural technology.

[10] https://engage.gov.BC.ca/app/uploads/sites/121/2020/01/FSTF-Report-2020-The-Future-of-Food.pdf, page 6
[11] *Ibid*, page 9

Across B.C., innovative companies are using technology to maximize efficiency and profitability while developing environmentally sustainable practices.

For innovators and entrepreneurs to succeed, continued support and investment is needed; both privately and through the government in terms of education, funding, and strategic land use policies which facilitate their work. This includes investments into research & development of agritech incubators and accelerators[12] and the development of a new zoning type for up to 0.25% of Agricultural Land Reserve land (specifically land of low soil quality, ill-suited for farming but with good transportation connectivity)[13] specifically for agricultural-industrial activity to support the growing agritech sector.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Establish B.C. as a global agritech leader by increasing support for the innovation pathway including the development, demonstration, and deployment of novel technologies;
2. Encourage and support collaboration across post-secondary institutions to drive excellence in priority areas and deepen the knowledge base and talent pool for agricultural innovation;
3. Ensure that there is a place to grow food and support emerging agritech industries by examining land use policies and other regulatory considerations; and
4. Establish a Commissioner for Agri-Industrial Lands.
5. Work to create stable, predictable, and hospitable "hosting conditions" for private sector led investments in agritech and the agricultural innovation ecosystem and encourage municipal governments to do the same.

[12] *Ibid*, page 66
[13] *Ibid*, page 7

## MINISTRY OF ATTORNEY GENERAL

### ENSURING EFFECTIVE PAY EQUITY RULES AND REGULATIONS

**Issue**

Wage inequality is a serious issue that should be eliminated. Pay equity is a primary right for all workers in Canada. It is unacceptable for individuals to be paid differently based on their sex, race, religion, or physical abilities. Collecting and publishing pertinent data is a powerful tool to help evaluate the value of a job to a business.

However, the protection of individuals' confidential information, including salary, must be of paramount importance. In addition, keeping confidential information that could negatively impact a company's competitive business position must also be given careful and thoughtful consideration as the regulations are developed and implemented.

While the new requirements will impact the largest private sector employers in 2024 and beyond, the requirements to report are going to add costs and complications to businesses that are adding to the growing costs of doing businesses in the province.

**Background**

In 2021, female employees earned 11.1% less per hour than male employees, with the wage gap little changed compared with 2020.

Among employees aged 25 to 54, the gender wage gap decreased 7.7 percentage points to 11.1% from 1998 to 2021. Wages grew faster for core-aged women than for core-aged men over this period. Specifically, the average hourly wages of female employees increased 28.6%, while male wages increased 17.4%.[1]

The B.C. Government passed Bill 13 –*Pay Transparency Act* in March 2023. One of the goals of this act is to introduce new, and potentially onerous, tools to ensure pay equity in the province, despite the fact that the data proves this gap is narrowing and will continue to narrow. By 2027 all private businesses in the province of British Columbia with more than 50 employees will be required to produce a Pay Transparency Report that will be available publicly.

Though well meaning, this Act could have unintended consequences. Instead of creating wage parity it may undermine private enterprise confidentiality and competitiveness. Depending on the business, individual salaries for employees may be identifiable to a particular worker disrupting workplace cohesion.

Two jobs may have similar titles yet are not 'equal' in terms of value to the company because duties, experience, uniqueness of each individual skill set all determine an employee's value, and therefore, compensation. Though some roles may seem genderized, different roles may seem to exhibit wage

[1] https://www150.statcan.gc.ca/n1/pub/14-28-0001/2020001/article/00003-eng.htm

inequality, but the required skills and attributes of each role are the determinant of the compensation and not the sex of the individual doing that role. Said another way, the value of a role is not simply based on a job title, but on the actual value of the labour to the profitability of the company.

Further, the release of private and confidential business must be protected. Labour is often a significant, if not the single highest costs for a commercial enterprise. Allowing this information to become public, even in aggregate, could negatively impact a business by its competitors. Just as government must withhold confidential business information under the *Freedom of Information and Protection of Privacy Act*, similar protections need to be established for the obligations of government under the *Pay Transparency Act* should not be forced by the government to supply competitive information into the marketplace.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Undertake direct consultations with businesses and industry associations, including the BC Chamber of Commerce, in the development of the regulations and ensure they balance: delivering pay equity, an individual's right to confidentiality, protecting businesses competitive interests, and costs to collect and report data.
2. Ensure any information collected by the government that would harm a business' interests be keep confidential unless the business agrees to its disclosure.
3. Support the development of best practices and tools, such as criteria to measure the value of each role to the profitability of their company, to enable companies to adjust their pay structure to ensure they are not contributing to pay inequality.

## PROVIDING CERTAINTY FOR BUSINESS THROUGH THE TIMELY ADMINISTRATION OF JUSTICE

### Issue

A justice system which resolves disputes in a timely and cost-effective manner is a foundation upon which our civil society is based. When legal disputes are allowed to interrupt lives and business longer than necessary, we all bear the cost. To thrive, business in British Columbia needs a justice system that delivers predictably expeditious resolution of legal matters in accordance with law.

While the pandemic displaced discussion on how things work in B.C.'s justice system, 2023-2025 must see a return to innovation and progress on this issue.

**Background**

Businesses in British Columbia wait too long to get justice in our courts. For claims brought in Provincial court – the court of first resort for business disputes under $35,000 – the wait to get to a trial from when the defendant files its reply is shown in the table below.[1]

Worse, scheduled trials and chambers applications have for years been regularly "bumped" due to overscheduling.[2] Overall, provincial weighted times to trial remained steady (0% difference) between September 2021 and September 2022. Top areas that improved:

- Youth Criminal trials(decreased in time to trial by 11%)
- Small Claims Settlement Conference (decreased in time to trial by 8%) Top categories that saw an increase in Time to Trial:
- Medium Small Claims (2-4 days) trials(increased by 14%, from 5.6months to 6.4months)
- Long Small Claims (over 5 days) trials (increased by 8%, from 6.1 months to 6.6 months)
- Medium Adult Criminal (2-4 days) trials(increased by 8%, from 7.2 months to 7.8 months)

Overall, results varied from 1.4 months below the Provincial Court standard to 1.7 months over the standard, with most measures being over the standard in September 2022.[3]

**Figure 9 - Locations with the Longest Delays to Small Claims Trials**

| <2 Day Trial | | 2-4 Day Trial | | 5+ Day Trial | |
|---|---|---|---|---|---|
| 5 Months Max | | 6 Months Max | | 8 Months Max | |
| Kamloops | 8 | Port Coquitlam | 10 | Kelowna | 10 |
| Penticton | 8 | Kelowna | 10 | Kamloops | 10 |
| Richmond | 7 | Kamloops | 9 | Duncan | 10 |
| North Vancouver | 7 | Penticton | 9 | New Westminster | 9 |
| Chilliwack | 7 | Duncan | 9 | Chilliwack | 9 |
| Prince George | 7 | Victoria | 8 | Western Comm. | 9 |
| Western Comm. | 6 | North Vancouver | 8 | | |
| Duncan | 6 | Chilliwack | 8 | | |
| Courtenay | 6 | Prince George | 8 | | |
| Dawson Creek | 6 | Western Comm. | 8 | | |
| Provincial | 6.1 | | 6.4 | | 6.6 |

This is not a new problem. As the British Columbia Supreme Court's 2021 Annual Report[4] observes:

> "Following trends from 2019, bumping rates remained higher than historical averages for long chambers applications and trials in 2021. A matter is considered "bumped" if its hearing is delayed and cannot be rescheduled within a week of the original date because judicial resources are not available. Bumping causes additional expense and inconvenience to litigants as a result of wasted preparation time and travel costs for

[1] https://www.provincialcourt.BC.ca/downloads/pdf/Time%20to%20Trial%20Update%20(as%20at%20September%2030%202022).pdf
[2] https://www.BCcourts.ca/supreme_court/about_the_supreme_court/annual_reports/2021_SC_Annual_Report.pdf
[3] *Ibid*
[4] *Ibid*

> witnesses and experts. As we have reported for a number of years now, the main cause of bumping at the Supreme Court is the shortage of judges. We do not have enough judges to meet the demand for hearings and trials. For long chambers, bumping rates were higher in 2021 compared to 2020 province-wide, but lower than rates for 2019. Trials saw a decrease in bumping rates for 2021 compared to the previous year, though the percentage of bumped trials in Vancouver remained higher in 2021 than it was in 2019. More than 80 per cent of the bumped trials in 2021 were in the Lower Mainland."

The costs of a trial being "bumped" are significant; businesses pay their lawyers to prepare for the same case two or more times and witnesses travelling from far distances are told to go home and come back months later. The costs to business from these delays can easily be thousands of dollars.

When businesses cannot get access to the justice system in a timely manner, investment decisions are delayed and frustration builds. Businesses that can resolve their disputes quickly and efficiently can spend their time and resources on growing and creating jobs in British Columbia. The undeniable fact is that reducing court backlogs will help business resolve many civil cases thus getting owners and operators back to growing their business and creating jobs for British Columbians.

Two key factors that contribute to delays in our court system are self-represented litigants that overburden our court system; and chronic offenders suffering from untreated or undertreated mental illness and/or drug addiction. To their credit, the provincial government, the courts and others have made a credible commitment to improving efficiency in our justice system. However, these laudable efforts to improve British Columbia's justice system would be enhanced by addressing these two important sources of court delays.

Self-Represented Litigants and Legal Aid

A major source of delays and backlogs in the court system is the number of litigants who do not have the assistance of a lawyer. Past reports from the B.C. Supreme Court identified self--represented litigants as a key driver of an increase in "complex proceedings" although the 2021 report, perhaps because COVID-19 displaced discussion on how things work with the restrictions on in-person representation, did not cite this issue. Previous reports (2018)[5] explained the phenomenon as follows:

> "Litigants who appear in person because they are unable to afford lawyers usually are not well versed in court procedures. This can have the effect of lengthening hearings. Judges must also be vigilant to ensure that self-represented litigants as much as possible enjoy the same legal rights as those who are represented by counsel."

Cases where one or both parties are not represented by lawyers very frequently take much more court time than cases where both parties have lawyers.

Since all parties in the court system draw from the same resources and pool of judges, these delays affect us all. Businesses hoping to resolve their own leasehold, contract or other disputes have their trials "bumped" because a family law dispute goes much longer than necessary.

[5] www.BCcourts.ca/supreme_court/about_the_supreme_court/annual_reports/2018_SC_Annual_Report.pdf

The increase in the number of self-represented litigants over the last 20 years is directly correlated to the massive reduction in provincial funding for legal aid. Between 2002 and 2005 government funding to the Legal Services Society – the provider of legal aid – was cut by 40%, resulting in closure of 85% of the legal aid offices throughout B.C.; and a 75% reduction of staff. In 2022, the B.C. Government committed new funding of $8.2million to expand the legal aid support system[6] of which $7.47 million is an increase to Legal Aid BC.

The failure to adequately fund legal aid is especially objectionable in view of the fact that the government continues to charge a 7% sales tax on legal services generating millions directed into general revenue[7].

Chronic Offenders

A large proportion of offenders in urban centres have a mental illness, a drug addiction, or both, and many are chronic offenders. Incidentally, these same chronic offenders are responsible for a disproportionate share of property crime, which falls heavily on business. The justice system and society at large are challenged to address the risks posed by offenders, while also supporting their health and social needs.

Opened May 6, 2021, the Kelowna Integrated Court[8] is the result of years of work by groups and individuals in Kelowna seeking to reduce crime and improve public safety by integrating health and social services with the justice system to address the root causes of criminal behaviour.

Like Vancouver's Downtown Community Court and the Victoria Integrated Court, the Kelowna Integrated Court focuses primarily on offenders struggling with addiction, living with mental health issues, or experiencing homelessness. The Kelowna Integrated Court is not a trial court but eligible individuals may have bail hearings or plead guilty and be sentenced there.

This initiative should over time help reduce delays in court time while offering more timely access to justice. However, the initiative must be coordinated with providers of wrap-around care and treatment to have a lasting positive effect.

Many traditional Provincial Court of B.C. cases are delayed because:

- The accused has not applied for legal aid
- The defence counsel has not interviewed the accused, or
- There has not been adequate time to discuss the process or the options with the accused

As a result of these delays, it can take from several months to a year for even the most minor cases to be resolved in a traditional court. Some offenders make many court appearances before their cases are addressed. During that time, many fail to show up for subsequent court dates and eventually end up in

6 https://news.gov.BC.ca/releases/2022AG0041-000392#:~:text=Budget%202022%20is%20committing%20%248.19,timely%20legal%20services%20they%20need

7 https://renaudlaw.com/how-BCs-tax-on-legal-services-impairs-access-to-justice/

8 https://www.provincialcourt.BC.ca/about-the-court/specialized-courts#:~:text=About%20Kelowna%20Integrated%20Court&text=Like%20Vancouver's%20Downtown%20Community%20Court,health%20issues%2C%20or%20experiencing%20homelessness

jail. By the time the case is resolved, the process has been the punishment and offenders are sentenced to "time served."

Because the community and/or integrated court has early access to relevant information about the accused, and because there are designated staff resources working together in one location, most community court cases can be resolved within three appearances, minimizing impacts on the victim.

The Provincial government's support for community court initiatives throughout the Province would improve outcomes for chronic offenders while also enhancing access to justice for British Columbia business.

<u>Conclusion</u>

Civil, criminal and family court cases are all handled by the same court system. Any delay in a criminal or family case slows down all cases especially civil cases involving businesses. Providing adequate funding to legal aid and supporting community court initiatives will go a long way to dealing with the delays and backlog, which in the end will support businesses along with the families and communities that depend on those businesses.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Continue efforts to determine and monitor meaningful performance measures for the civil justice system.
2. Provide support to community courts and similar alternatives to traditional adjudication and sentencing models.
3. Allocate 100% of all revenues collected from the tax on legal services to funding legal aid funding in British Columbia.
4. Continue to work with the courts and other justice sector participants to develop efficiencies within the justice system.

That the Federal Government:

5. Commit to appointing the number of judges required for the Supreme Court of British Columbia to have a full complement of judges no later than January 1, 2024.

## DEVELOPING A PATH FORWARD TO SUPPORT NEURODIVERSE CHILDREN AND THEIR FAMILIES IS GOOD FOR BUSINESS

**Issue**

British Columbia is blessed with a diverse, well-educated population that is a draw for businesses looking to create, invest and/or grow their business. That diversity includes many families raising neurodiverse children, which includes autism, Down syndrome, and fetal alcohol syndrome among others. To ensure these children and their families are supported, B.C. has a system of support services from speech pathologists to behavioural therapists that is delivered through the public sector, non-profit organizations, and private small business operators.

It’s important to ensure these children have the help they need for their development into adulthood while relieving some of the pressure these families might feel, which impacts their work/life balance today as parents must juggle work commitments with the added demands of caring for a child with support needs that range from addressing complex health needs to multiple appointments. It’s equally important to ensure the families of neurodiverse children have choice when it comes to who provides the support services whether it’s a non-profit organization or a small business provider.

**Background**

The convergence of business and social issues continues to evolve. In the past 5-10 years, many businesses have embraced the social issues of childcare and diversity, equity and inclusion as key factors to their long-term business success. Childcare, in particular, is multi-faceted as a business/social issue given ongoing labour shortages and the need for childcare to enable more women to remain or re-enter the workforce to meet those shortages. At the same time, childcare delivery has seen many new small businesses start up to help deliver this service. Of course, the delivery of childcare services has been caught in an ideological debate as to whether this service is best provided in the public, private, or non-profit sector with many small business operators finding their business model challenged by government.

In a similar way, the support for neurodiverse children and the delivery of those support services can end up captured in this same debate. Beyond the role that public, private, and non-profit organizations play in service delivery, it important to remember that families must balance their work life with the need to care for the unique needs of their child with a disability. This choice between work and supporting their child, if the appropriate level support isn’t available, impacts businesses because their workers will potentially need to take time off or one of the parents will decide to pull themselves from the workforce to care for their child. In a time of chronic labour shortages, we need to support workers by offering a support for their family’s circumstances in order to keep everyone gainfully employed if that is their choice.

To better understand the scope of the issue when it comes to children with neurodiverse needs, it helps to look at the statistics. Unfortunately, according to a 2020 report by B.C.’s Representative for Children and Youth, current statistics on children and youth with special needs (CYSN) is ‘scarce’ to use the

Representative's word. Based on a disability rate established by Stats Canada in 2006, there were 37,319 B.C. children and youth with disabilities at the time of the 2016 census.[1] The need for better data is critical to understanding the needs for services across the province and the capacity of the system to meet those needs.[2]

Also impacting the support for neurodiverse children is incredibly long wait times for assessment, along with an eligibility process that is a barrier to families with children who clearly needs support, like those with Down syndrome, but are either under-served or not served at all. In their report to a provincial select standing committee on children and youth with neuro-diverse special needs, Inclusion BC consistently recommended the need to eliminate wait times for assessments in order to access children and youth services and eventual support in the K-12 education system.[3] Better assessment will provide a richer understanding of children living with neurodiverse challenge and give government a better understanding of the level of support those families need.

The current system is an individualized funding model where families receive direct support and can tailor the funding to meet the specific needs of their child. For instance, under this current funding model, families with autistic children received $22,000 per year up to the age of 6 and then $6,000 per year between the ages of 6 and 18. This funding has allowed families with autistic children to determine the best treatment for their child whether it's accessing services through public health care, the school system and/or supplementing speech and behavioural therapies through private small business providers. The concern has been that the support for other neurodiverse children hasn't kept pace or is missing entirely for many disabilities when compared to the support for autism.

In October 2021, the B.C. government announced a plan to transition from individualized funding for neurodiverse children and their families to a centralized hub model system to care for their needs regardless of diagnosis.[4] The plan's intention was to deliver more services to a broader group of neurodiverse children, such as children with fetal alcohol syndrome who receive little support, while also providing these services closer to where people live.

The new system was expected to provide help to approximately 8,300 more children and their families, representing a 28% increase in the number of children who will be able to access disability supports and services.[5] The announced changes were met with concern by many in the disability community who felt 'caught off guard'[6] and, while acknowledging autism services account for the biggest share of services, government needs to remember that funding and service delivery is a much broader issue within the disability community. Many small business owners who deliver services, such as speech pathology, also felt some concern they couldn't keep supporting their clients with the change over to hub centres.

Hearing from concerned parents and stakeholder groups, the B.C. government announced a halt to the transition in November 2022. The government also committed to a 'deeper consultation' process.[7] Given the importance of this issue, it is necessary to find the right balance by listening to all stakeholders

[1] CYSN_Report.pdf (rcyBC.ca), page 25
[2] CYSN_Report.pdf (rcyBC.ca), page 25
[3] *EndingTheWait-BriefStandingCommitteeChildrenAndYouth.pdf (inclusionBC.org)
[4] Improved system coming for children and youth with support needs | BC Gov News
[5] *Ibid*
[6] B.C. set to end direct funding for children with autism by 2025, moving to overall hub model | Globalnews.ca
[7] Families express relief as B.C. retracts plan to scrap individualized funding for children with autism (cbc.ca)

involved in the care and treatment of our neurodiverse children. It is encouraging the B.C. government is committed to a more comprehensive and inclusive consultation process, but it's important to see action on this front as quickly as possible while everyone is focused on the challenges at hand.

THE CHAMBER RECOMMENDS

That the Provincial Government:

6. Working with all representative organizations from the public, non-profit and private sectors, broaden their announced comprehensive consultation process to re-consider funding levels and service delivery models to ensure the best possible support for all neurodiverse children and ensure choice for their families.

# Ministry of Citizen Services

**BROADBAND & CONNECTIVITY IN BRITISH COLUMBIA**

**Issue**
Rural and remote communities in British Columbia are impacted by a lack of connectivity both from a broadband and a cellular perspective. The COVID-19 pandemic exposed this significant crack in our economic foundation. At the height of the crisis, many businesses scrambled to move their operations online to stay open. Enabling online business – whether it's employees working from home or setting up online sales cap – was a key strategy for business resiliency, but rural and remote communities throughout B.C. faced the added barrier of not having access to reliable broadband infrastructure and connectivity.

**Background**
Reliable broadband infrastructure, internet and cellular connectivity is the bedrock of ongoing and future economic development and there is clearly a divide within B.C. when it comes to accessing these services in rural B.C.[1]

A 2019 Union of BC Municipalities (UBCM) policy scratched at the surface as to extent of the problem facing rural and remote communities when they noted "nearly 40 per cent of rural residents in North-Central B.C. do not have access to broadband internet service."[2] Cellular services do not exist in most rural and remote areas costing British Columbians to face unique challenges and unequitable costs.

The Northern Development Initiative Trust NDIT (NDIT) released their 2019 B.C. Connectivity Report[3] which states: *"To prevent the digital divide from widening further, it is imperative that rural communities are adequately positioned and enabled (by way of infrastructure investments and digital literacy capacity building) in order to keep pace with imminent, exponential changes on the horizon brought on by connectivity. The time is now for rural communities to leverage broadband-enabled opportunities to bring greater economic diversity, resiliency, and prosperity to their communities*
*"*

The Canadian Radio and Telecommunications Commission (CRTC) declared back on December 21, 2016 "that broadband internet access is a basic service." The provincial government in response to a UBCM resolution said "*The Province recognizes the importance of cellular connectivity along provincial highways and in rural communities, especially for public safety and the role it plays in economic development and tourism."* it is crucial that we get equitable and affordable connectivity to rural British Columbia.

Business, local government, the NDIT, the CRTC and provincial government all recognize the absolute importance of broadband and connectivity to rural and remote communities to sustain and grow their local and regional economies – which in turn grows our provincial economy. Now it is time to set a realistic, achievable timeframe to get affordable broadband into rural and remote B.C.

[1] http://rplc-capr.ca/wp-content/uploads/2020/06/Connecting-Rural-Canada-RPLC-RGN-Policy-Brief-Weeden-31MAY2020-FINAL.pdf
[2] UBCM Policy Positions 2019, *B54 Rural Broadband – Prince George*
[3] https://www.northerndevelopment.BC.ca/wp-content/uploads/2019/12/2019-BC-Connectivity-Report_FINAL_WEB.pdf

As we now move towards the recovery phase from COVID-19 pandemic, the provincial government has an opportunity to focus on efforts that can drive economic growth. As governments did 2008 and 2009 following the Great Recession, the provincial government should prioritize shovel ready projects that enhance communities' ability to better grow and sustain their regional economies and access new markets. These infrastructure projects will enhance economies on our Road to Recovery and there is very few projects than investing in broadband infrastructure that will deliver further economic opportunities within rural B.C.

Of course, cost remains a challenge when it comes to accessing broadband service whether it is a small business owner, or their employee wanting high-speed connectivity at home. As an example of the cost in northern B.C., a Chetwynd resident living outside of the town limits will have a landline (approx. $100), a cell that only works in town (approx. $100) ad satellite service for internet (approx. $200). That is $400 monthly, not including overages. For someone living in a major urban centre, they would pay a fraction of this amount. A tourism business in rural B.C. pays either increased rates or must access satellite services. As a comparison, a hotel on the Alaska Highway in northern B.C. currently pays $2399 per month while a hotel in town only pays $1119 per month for the same broadband access. Even within rural B.C. communities, there is a wide difference in cost, which means for the business operator that is less money to invest back into their business or for the resident who has less disposable income available to spend in town.

The lack of progress of broadband connectivity in rural communities and the high cost of service need to addressed quickly, whether it's rural communities coming together as a region to leverage better rates[4] or some other funding model that gets broadband built in rural and remote communities and keeps the service affordable for residents and business alike

Broadband and cellular services should be considered essential utilities. The COVID-19 crisis has enhanced the need for broadband and cellular availability in rural B.C. and has clearly demonstrated the gaps and issues brought about by a lack of access to equitable and affordable service.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Accelerate the timetable for delivering affordable broadband service in rural areas of British Columbia
2. Prioritize shovel-ready, last-mile projects in rural and remote areas that will improve broadband and cell service for existing residents and provide affordable broadband options to rural residents who don't already have it;
3. Reduce the requirement for matching federal dollars on provincially funded projects (including pilot projects), where appropriate, to create a made-in-B.C. solution; and
4. Work with stakeholders to develop funding models that ensure rural and remote communities are not forced to enter into cost prohibitive ISP agreements

[4] http://rplc-capr.ca/wp-content/uploads/2020/06/Connecting-Rural-Canada-RPLC-RGN-Policy-Brief-Weeden-31MAY2020-FINAL.pdf

## Ministry of Education and Child Care

### A FOCUS ON YOUTH ENTREPRENEURSHIP

**Issue**

Given persistently high rates of youth unemployment in British Columbia—at 8.6%[1], three percent higher than the national average[2] —preparing youth to follow an entrepreneurial path is not only an acceptable choice, but also a strategic decision. There are programs in B.C. and in Canada that introduce youth to career paths, but there is not enough focus on developing practical entrepreneurial skills. It will take the combined support and involvement from all sectors, including businesses, to address the need for more support to develop B.C. and Canada's future business owners.

**Background**

Surrey is a young, rapidly growing city with one third of its population under the age of 19. While this is a source of strength, it creates challenges in key areas such as programs and services, education, health, outreach, housing and the job market. Statistics show that youth unemployment and underemployment is rising, and entry-level wages do not cover the cost of living. The Surrey Board of Trade (SBoT) has a Youth Entrepreneurship and Advocacy Action Plan, which is led by a team of youth and business leaders. The goal of the Action Plan is to combat unemployment, promote entrepreneurship and improve economic prospects for Surrey youth through targeted services, events, programming and mentorship.

A Surrey Vital Signs Report surveyed Surrey youth aged 12 to 24, which showed that older youth overwhelmingly felt they had not received adequate life skills training in their elementary and secondary years and were unsure of their ability to successfully transition out of school into stable fulfilling employment. With this in mind, a key component of the SBoT strategy is to empower local elementary and secondary teachers to effectively teach entrepreneurship. Through a partnership with PowerPlay Strategies, a Surrey-based company that specializes in entrepreneurial education for youth, educators have been provided with turnkey resources and training. The customized solution also includes meaningful mentorship opportunities with the local business community.

PowerPlay Young Entrepreneurs is a curriculum-based program for grades 4-8 classrooms. Each individual student creates a real business by developing a business plan, product and marketing materials. They get loans, make sales and donate a portion of their profits to charity. This authentic, hands-on learning experience has proven to be highly engaging for all types of learners. Students develop practical entrepreneurial skills such as creativity, critical thinking and communications that can support them in all areas of life. They also discover that entrepreneurship is a viable career path.

Surrey Board of Trade also leads a second PowerPlay program called Project Enterprise in secondary school classrooms. Students develop real social enterprises and discover their ability to be change makers. They redefine success in business from an exclusive focus on profits to one that prioritizes people, the planet and profits. Whether coming up with a product that is environmentally friendly or

[1] https://ycharts.com/indicators/british_columbia_youth_unemployment_rate

[2] https://www150.statcan.gc.ca/n1/daily-quotidien/200110/dq200110a-eng.htm

addresses a social issue, students are encouraged to innovate and think outside the box. They conceptualize product ideas, develop prototypes and complete a market test. Again, this real-world approach to learning helps young people develop an entrepreneurial mindset that is needed in a highly competitive marketplace.

Together the Surrey Board of Trade and PowerPlay Strategies have created a model that can be easily adopted in other communities. In fact, the Surrey Board of Trade has been focused on entrepreneurial strategies for youth for the past 10 years.

With half of all owners of small and medium-sized business in Canada retiring in the next decade and youth unemployment more than double the rate of older age groups, entrepreneurship is an opportunity for youth to create jobs for themselves and others, generating tax revenue and producing the products and services that will play a vital role in our economic success. We need more of them. Corporations need to stop simply providing jobs and instead incubate entrepreneurial talent.

On a global scale, there are 21.2% of young people between the ages of 15 and 24 were unemployed in 2018.[3] These are the young people we should be worried about, but they're also the ones entrepreneurship can help save. The time for our governments to invest in creating and supporting youth entrepreneurship programs is now, because as scary as those unemployment figures are, they're only set to climb higher, according to findings from the G20 Youth Entrepreneurs' Alliance.[4]

Giving young people a real opportunity to gain control over the direction of their lives can reduce the malaise anxiety and hopelessness that permeates communities with vast numbers of unemployed youth. With basic business education and access to microloans, the economic ecosystem of whole communities can change drastically: small businesses create local jobs and keep capital circulating in communities.[5]

The United Nations Conference on Trace and Development (UNCTAD) developed a Policy Guide on Youth Entrepreneurship.[6] The report builds on previous work by UNCTAD and recognizes the specific needs of young people. In summary, the five recommendations include:

Optimizing the regulatory environment – Ensuring that regulations do not in themselves present barriers, the recommendations are to balance regulation and standards with development objectives, introduce transparency and ease of access through "one stop shop" bundling of business registration, etc. Overall, the purpose is to simplify regulations where it makes sense.

Enhancing entrepreneurship education and skills development – The recommendation is to begin introducing entrepreneurship awareness from the beginning of the school experience. Similar to the program that SBOT uses, educational programming from kindergarten through to post-secondary, would provide experiential, hands-on training that incorporates external mentors and would include a variety of opportunities including trades, apprenticeships, innovation, and other extra-curricular programs.

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[3] https://www.un.org/development/desa/dpad/publication/world-economic-situation-and-prospects-april-2019-briefing-no-125/

[4] https://www.g20yea.com/

[5] https://www.un.org/development/desa/dpad/publication/world-economic-situation-and-prospects-april-2019-briefing-no-125/

[6] http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=1404

Some of this has been included in the language for the new B.C. K-12 curriculum; however, there is opportunity to expand.

Facilitating technology exchange and innovation – Information and communication technologies (ICT) are critical for any new business venture and is a particular challenge for marginalized young people (socio-economic barriers, remote locations, etc.). Incubators, research and development labs, knowledge hubs, education-industry collaboration and business mentorship are but a few ways that ICT challenges can be overcome. An appropriate policy would also include a mechanism to facilitate youth-led businesses connecting with potential clients/customers.

Improving access to finance – Challenges such as age restrictions and low financial literacy levels can be overcome by developing youth-friendly financial products, including flexible loans or a credit bureau, increasing financial inclusion, and recognizing public-private partnerships as a means of collateral for a start-up. Business mentoring should be seen as an invaluable resource for young entrepreneurs and should be encouraged.

Promoting awareness and networking – The hardest challenge for a young entrepreneur is to overcome negative attitudes and to connect with a supportive environment to foster their development. Businesses, along with governments, can jointly elevate the value of entrepreneurial programs, encourage and support peer networks, utilize media platforms to celebrate success, and to promote investments. Much of this is incorporated in the SBoT programs described above.

The recommendations through the UN report encompass both provincial and federal jurisdictions and will require collaboration between those governments and businesses to ensure that the business owners and employers of tomorrow are given the best tools to succeed. The best time to start is in the primary grades.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Create a comprehensive youth entrepreneurship strategy.
2. Invite the Chamber Network to engage with entrepreneurial business leaders to mentor students in K-12.

# Ministry of Energy, Mines and Low Carbon Innovation

### ACCELERATING CRITICAL MINERALS STRATEGIES FOR BRITISH COLUMBIA

**Issue**

According to the International Energy Agency, up to six times more minerals and metals will be needed by 2040 to accelerate the global energy transitions necessary to meet net zero emission commitments for 2050.

Canada and our allies also recognize that changing geopolitical circumstances including, for example, an increasingly authoritarian posture in China and the Russian invasion of Ukraine, means we will require more domestic critical minerals and metals production. These materials are required to decarbonize further and faster, and to help meet collective defence and security objectives.

The federal government released its Critical Minerals Strategy in late 2022. The BC Ministry of Energy, Mines, and Low Carbon Innovation is developing its own strategy for the province. For both strategies to be successful, B.C. and the federal government must work together for timely and effective execution of near- and medium-term new mines and mine expansions.

**Background**

The federal government has a list of 31 minerals considered to be critical[1] with a special focus on six that are considered essential to electric vehicle and battery sectors.[2] Steel-making coal, which is considered a critical material in the European Union, should be added to Canada's critical minerals list.

B.C. has a generational near-term opportunity as seven new copper, gold and steelmaking coal mines or mine extension projects reach final investment decisions in the next 12-18 months. Together, they represent more than $4 billion in capital expenditures, 6,400 new construction and operating jobs, significant Indigenous partnerships, and a total economic impact of approximately $10 billion.

There are ten other medium-term advanced mine developments which will produce copper, nickel, and other critical minerals. B.C. currently produces about 75 percent of Canada's copper and has substantial opportunities including the world's largest unmined niobium deposit outside of Brazil and two world class nickel deposits. All these opportunities will build on B.C.'s existing portfolio of 17 operating mines and two world-class metallurgical operations at Kitimat and Trail.

Apart from B.C. being Canada's leading producer of copper, less known is the province's long-standing strengths as a producer of zinc, lead, silver, aluminum, germanium, molybdenum, indium, cadmium, antimony, tellurium, and bismuth among other critical minerals.

B.C. has seven metallurgical coal mines and 10 metal mines. With one exception, all of B.C.'s mines are powered by clean hydroelectricity. B.C.'s mining industry represents the second largest industrial

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[1] Canadas Critical Mineral List 2021: https://natural-resources.canada.ca/sites/nrcan/files/mineralsmetals/pdf/Critical_Minerals_List_2021-EN.pdf

[2] Lithium, graphite, nickel, cobalt, copper, and rare earth elements.

electricity load in the province. The industry's demand for electricity is set to grow as mines expand, new mines open and mine operator's switch from diesel haul trucks to electric haul trucks. The expansion of the hydroelectric grid is necessary to increase critical minerals production and ensure B.C.'s mines and smelters continue to have some of the lowest greenhouse gas emissions in the world.

To realize British Columbia's full critical minerals potential to make a meaningful contribution to global climate action, the provincial and federal governments must work together in three key areas:

a) Permitting and authorizations:
B.C. mines and mine developments continue to experience interminable delays with existing approaches to regulatory reviews. The permitting and authorization processes that regulate mining projects are too cumbersome, untimely, and inconsistent with the urgent need to meet the rising demand for B.C.'s minerals and metals.

b) Indigenous economic reconciliation:
With the advent of laws in B.C. and federally implementing the United Nations Declaration on the Rights of Indigenous Peoples, obtaining free prior and informed consent, and facilitating partnership arrangements with Indigenous nations is fundamental to advancing timely development of Canadian critical mineral resources.

c) Enabling conditions to unleash the potential of B.C.'s critical minerals opportunities:
The full potential of B.C.'s mining and smelting industry requites enabling measures to develop the infrastructure necessary to build and operate mines, smelters, and processing facilities in B.C.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Work closely with the federal government to accelerate the permitting and authorization process for new mines and mine extensions.
2. Provide capacity funding and resources to Indigenous communities to support and increase their participation in government-to-government and shared decision-making processes for critical mineral projects.
3. Work with the federal government to create a benefits-sharing framework to enables Indigenous communities to gain equity stakes in major mining and related infrastructure projects.
4. Work closely with the federal government to expand B.C.'s electrical grid infrastructure to support the electrification and decarbonization of B.C.'s new mines and mine extensions.

# MINISTRY OF ENVIRONMENT AND CLIMATE CHANGE STRATEGY

**CONNECTING INCENTIVES TO VEHICLE BATTERY RECYCLING PROGRAMS**

**Issue**

B.C. has made significant commitments to electrification of passenger and some light-industrial vehicles. Canada has also proposed regulations that indicate one-fifth of all passenger cards, SUVs and trucks sold in Canada in 2026 will need to operate on electricity.

Battery lifespans are estimated to last between 10-20 years. Electric vehicles have been on the market for close to 10 years already and some already require battery recycling. The batteries will then need to be recycled. The issue remains that there are limited battery recycling facilities across Canada.[1] As a result, the Provincial and Federal Government should investigate how many more recycling facilities will be needed and determine which communities to target.

**Background**

Canada has proposed one-fifth of all passenger cars, SUVs and trucks sold in Canada in 2026 will need to run on electricity. Under new regulations proposed by Environment Minister Steven Guilbeault, 60 per cent of all vehicle sales will be EVs by 2030 and every passenger vehicle sold in Canada will need to be electric by 2035.[2]

B.C. passed the Zero-Emission Vehicles Act (ZEV Act[3]) on May 30, 2019. The ZEV Act requires automakers to meet an escalating annual percentage of new light-duty ZEV sales and leases, reaching: 10% of light-duty vehicle sales by 2025, 30% by 2030 and 100% by 2040. To increase uptake of electric vehicles, B.C. has also provided other incentives to consumers through the Go Electric Program.[4]

While these investments and targets are heavily debated, it is noted that many people are purchasing electric vehicles since a record 86,032 electric vehicles were registered in Canada in 2021, making up 5.3% of total vehicle registrations for that year. In comparison, there were 56,165 electric vehicles registrations (2.9% of total registrations) in 2019 and 19,696 (1% of total registrations) in 2017.[5]

Over the years, these electric vehicles will undergo wear and tear, and their batteries will need to be recycled. It is estimated that the car battery's life expectancy is 10-20 years.[6]

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[1] https://www.cbc.ca/news/business/electric-vehicle-battery-recycling-1.6695010
[2] https://www.cbc.ca/news/politics/canada-ev-mandates-2026-1.6693967
[3] https://www.BClaws.gov.BC.ca/civix/document/id/complete/statreg/19029
[4] https://www2.gov.BC.ca/gov/content/industry/electricity-alternative-energy/transportation-energies/clean-transportation-policies-programs/clean-energy-vehicle-program
[5] https://www.cer-rec.gc.ca/en/data-analysis/energy-markets/market-snapshots/2022/market-snapshot-record-high-electric-vehicle-sales-canada.html#:~:text=Release%20date%3A%202022%2D10%2D26&text=A%20record%2086%2C032%20electric%20vehicles,of%20total%20registrations)%20in%202017.
[6] https://www.jdpower.com/cars/shopping-guides/how-long-do-electric-car-batteries-last

Recycling is also important since lithium, nickel and cobalt are scarce resources. The lithium, nickel and cobalt can be theoretically recycled limitlessly.

According to market analysts, a combined total of over 180,000 tonnes of lithium, cobalt, nickel and manganese could be recovered by 2030 through Li-ion recycling, a value which is forecast to grow by approximately 10x by 2042 worldwide.[7]

While Canada hasn't pledged federal funding for recycling EV batteries, the U.S. is spending hundreds of millions of dollars on recycling projects. The U.S. Senate also just passed a bill to increase EV battery recycling, which could soon be signed into law.[8]

Canada needs to step up and invest in battery recycling.

THE CHAMBER RECOMMENDS

That the Provincial Government:

3. Commission a study and action plan for the implementation of electric vehicle battery recycling plants we will need, per region.[9]

## TIME TO EXPEDITE THE INCLUSION OF ALL ICI RECYCLABLES INTO THE PROVINCIAL RECYCLING REGULATIONS

### Issue

Does cardboard, plastics and packing materials collected from businesses in rural areas or smaller communities go into landfills or does it get recycled? If a private individual can recycle their cardboard in the Provincial Extended Producer Responsibility (EPR) program, so should a business be able to. In 2011, the province amended the Recycling Regulation to make large businesses supplying packaging and printed paper responsible for collecting and recycling their products. This was done to shift recycling costs from B.C. taxpayers to producers and to give producers more incentive to be environmentally friendly by producing less packaging and waste; however, this regulation has negative effects on businesses in rural areas or smaller communities.

### Background

In 2014, B.C. led the nation by being the first province to make producers fully responsible for managing residential packaging and paper products, admittedly with some push back from the large producers. Today, producers successfully operate an efficient provincewide recycling system that collects and manages over 186,000 tonnes of material each year. Most materials are collected through curbside programs, from multi-family residences, or a network of more than 200 recycling depots across British Columbia. However, packaging and paper products beyond the residential stream are not regulated and

[7] https://www.mining.com/how-much-could-battery-recycling-actually-aid-cobalt-lithium-supply-shortages/#:~:text=According%20to%20the%20market%20analyst,by%20approximately%2010x%20by%202042.

[8] https://www.utilitydive.com/news/ev-battery-recycling-senate-romney-ndaa/639317/

[9] The geographical regions of Canada are groupings of provinces and territories established for the purpose of statistical reporting. The six geographical regions of Canada are: Atlantic, Quebec, Ontario, Prairies, British Columbia, and Territories

are independently managed as waste or through recycling. Collectively, they are referred to as the Industrial, Commercial and Institutional (ICI) sector. Stakeholders and key partners have identified the ICI sector as a large contributor to overall waste in the province and expressed a desire to expand EPR to include ICI-generated waste and recyclables.

For example, Metro Vancouver alone reported 95,000 tonnes of plastic and paper were landfilled in 2020 by commercial and institutional businesses and organizations in the region. Rural communities with limited services and market accessibility report that considerable amounts of packaging from the ICI sector is still landfilled.

Recycle BC has made some advancements and improvements in the program following the development of the BC Extended Producer Responsibility 5-year action plan that was established to be focused on 2021-2026. We acknowledge that the ICI sector is complex and applaud the steps taken for more product inclusion in recent years.

A faster resolution to the sector deficiencies is needed which is becoming exceedingly problematic and cost prohibitive for both business and municipalities in rural or remote communities. There are many factors to consider, such as the accessibility and cost to recycle in rural and remote communities, the types and quantities of recyclable materials being generated and contamination levels of the materials. The Chamber applauds the actions taken to date but feels the need to expedite the inclusion of ICI PPP recyclables into the Recycling Regulations.

ICI material, especially cardboard, is a huge issue financially, environmentally and logistically due to the fact that one needs volume to bale cardboard to make it economical to ship to the end contractor. As businesses cannot dispose of their cardboard at a Recycle BC depot or waste transfer station, the business can either 1) dispose of the cardboard in a landfill site or 2) pay a private hauler to transport their cardboard (baled or unbaled) to a designated industrial or commercial recycling depot. Certain landfill sites have banned cardboard as it is a) an easily recyclable material, b) is a fire hazard, c) takes up space and d) compromises the integrity of the landfill.

Private residents may self-haul recyclable cardboard to a Recycle BC depot or waste transfer station, but businesses are not permitted to put any (zero) cardboard into the self-haul depots at transfer stations. It should be noted that it is not just business, but institutions, organizations and schools fall into the ICI category too and therefore cannot officially drop off recyclables at a Recycle BC depot or transfer station. This is applicable to all B.C. schools due to the provincially regulated EPR program.

Businesses with ICI cardboard are expected to use private haulers to collect and transport cardboard to industrial/commercial recycling facilities; however, these private haulers are challenged in rural areas or smaller communities with extra transport costs, since they must ship the cardboard loose as baling facilities are not available in these communities.

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

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

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Include Industrial Commercial Institutional (ICI) material in the Provincial Extended Producer Responsibility (EPR) program to make it fair and inclusive for retailers, small businesses, offices and schools.

## CLOSING THE GAP BETWEEN BUSINESS AND RESIDENTIAL PROPERTY TAXES

**Issue**

**Without** exception, local municipalities across B.C. set higher mill rates and thus charge greater taxes to business properties than they do residential properties, despite businesses using fewer municipal resources than residents. The gap, or "ratio", between residential and business property taxes should be narrowed to better reflect a user-pay philosophy for services and to better support the competitiveness of our business community.

**Background**

Prior to 1984, the Government of B.C. regulated ratios between residential and other property classes to between 2.6 and 3.5, depending on the class. In 1984, the provincial government granted local government full autonomy in the setting of rates between the various classes. Property classes were then expanded to the current nine classes. This change allowed municipalities the maximum flexibility to allocate tax collection to distinct property types. The *Community Charter,* introduced in 2003, provided local governments extensive control over the taxation levels and methods of tax collection in their jurisdictions.

In B.C. today, municipalities across the province place higher tax burdens on businesses than on residents. In Langley Township, the mill rate is 3.45 times higher for "Business-Other" properties than "Residential," for example. It is 3.2 times in Nanaimo, 3.1 in Surrey, 3.46 in Vancouver, and 4.0 in Prince Rupert.

But why is this?

In a 2019 study by Josef Filipowicz and Steven Globerman which found tax rates for business and industrial properties many times higher than residential rates across Canadian cities, it was argued that the higher tax rate was <u>not</u> a reflection of businesses using more local services, but rather "that non-residential land uses are taxed at higher rates in order to offset lower rates for residential property-owning <u>voters</u> in effect subsidizing the latter's use of local government services"[1] *(emphasis added).*

This reasoning is supported by another report prepared by MMK Consulting for the City of Vancouver, which found that non-residential properties consume fewer municipal services, while paying higher municipal taxes. This report found that "non-residential properties pay approximately $2.42 in property taxes for each dollar of tax-supported services consumed" while residential properties pay approximately $0.56 in property taxes for each dollar of property-tax-supported services consumed."[2]

Businesses should not be taxed at a significantly higher rate than residential properties.

Based on user-pay fairness, businesses should not be paying two, three and four times the property taxes paid by residents as businesses do not use two, three or four times the municipal services. And as

[1] Josef Filipowicz and Steven Globerman (2019). *Who Bears the Burden of Property Taxes* in Canada's Largest Metropolitan Areas? Fraser Institute.

[2] MMK Consulting (2007). City of Vancouver – Consumption of Tax-Supported Municipal Services

businesses are not entitled to vote in municipal elections and therefore do not have a say in the spending priorities of their local politicians, they should not be expected to pay a higher tax rate than residents who directly elect and give mandates to local governments. In addition, there is an economic argument that over-taxing businesses reduces their competitiveness and profitability putting at risk broader economic activity and job creation.

The Government of B.C. needs to ensure property taxes on businesses are fair, transparent, and sustainable.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Provide guidelines and where necessary, regulations, on the level of property taxation levied on “Business Other” properties in relation to the taxation on “Residential” properties, with the goal of reducing the gap between the tax rates on both property classes

## COMPREHENSIVE REPORTING FOR PUBLICLY FUNDED INFRASTRUCUTURE PROJECTS

### Issue

The purpose of this resolution is to improve transparent infrastructure project cost reporting and monitoring, to ensure accountability and effective risk and cost management of publicly funded infrastructure projects.

Once a publicly funded infrastructure project's business case is completed, its budget is approved, and a public announcement regarding that project is made, governments need to publicly report the cumulative costs of the project, consistent with the project's purpose and need statement.[1]

If a future government decides to make changes to the project, they should be required to include all historical costs of any previously approved project scope statement[2], design choice, or location selected to undertake the issue the project is addressing in their public reporting, in a clearly accessible and transparent manner, while still ensuring the project continues to meet its original purpose and need.

### Background

Two notable examples of the importance related to reporting of all previous infrastructure projects costs include the Site C Dam and the George Massey Tunnel Replacement Project. Both projects were announced, and construction begun under previous governments. When the current government formed, these projects were reassessed with differing decisions on the preferred solutions, and/or with cost overruns.

[1] https://dot.ca.gov/programs/environmental-analysis/environmental-management/purpose-need/purpose-need-why-who-when
[2] https://www.projectmanager.com/blog/project-scope-statement

Site C Dam Project

With BC Hydro's Site C Dam Project, announced in 2010[3], the original budget in the 2014 business case was anticipated to be a project capital cost of $8.335 billion[4], however when a new government was formed in 2017, "the Premier commissioned an extensive review of the project, as mentioned above, that resulted in the Provincial Government approving the continuation of the project in December 2017."[5] The updated Site C Project budget was then established at $10.7 billion, however due to geotechnical issues, COVID-19, and other challenges, in 2021 it was announced that the project would result in a nearly $16 billion price tag and take an additional year to complete, while the alternative of cancelling it would result in "$10.2 billion in sunk costs, contract termination and environmental remediation"[6]alone.

In this example, while the current government did not begin the Project, reporting for the comprehensive costs of the Project are being reported.

George Massey Tunnel Replacement Project

The George Massey Tunnel was originally built in 1959 and a replacement crossing, in the form of a 10-lane toll bridge, was announced by the previous government in 2013 with an approved business case and budget of $3.5 billion and an estimated completion date in 2022.[7] When the new government was formed in 2017, this project was cancelled. The new George Massey Tunnel (aka George Massey Crossing) Project business case includes an approved budget of $4.15 billion[8] for a toll-free 8-lane immersed tube tunnel, in lieu of a tolled 10-lane bridge.

The current project website "Highway 99 Tunnel Program" lists documentation and reflects associated costs only from 2019 onward. None of the documentation for the previous work completed on the project, nor reporting on the funds expended by Province on the replacement of the George Massey Tunnel (under the current or previous title of the project) are included in the current reporting on total costs for the project.

The cancellation of the initial replacement project resulted in $70 million[9] in "engineering and geotechnical work, public consultation, land procurement and site clearing, including preparations for eventual widening of Highway 99" and compensation for companies whose bids were cancelled with the project cancellation. There has been an additional $40 million[10] spent in upgrades to the current tunnel, which will be demolished and removed at completion of the project, which is estimated for to be in 2030.

In this example, while the current government did not begin the project, only the "new" iteration of costs are being reported in the Project Business Case.[11] Additionally, during the 2020 provincial election, the previous government promised that if they were re-elected, they would cancel the new tunnel

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[3] https://www.BChydro.com/news/press_centre/news_releases/2010/province_announces_site_c_clean_energy_project.html
[4] https://www.sitecproject.com/sites/default/files/site-c-business-case-2014.pdf (pg 23)
[5] https://www2.gov.BC.ca/assets/gov/farming-natural-resources-and-industry/electricity-alternative-energy/electricity/milburn_summary_review.pdf (pg 6)
[6] https://www.cbc.ca/news/canada/british-columbia/site-c-announcement-friday-1.5928719
[7] https://www.cbc.ca/news/canada/british-columbia/massey-tunnel-replacement-bridge-1.3367368
[8] https://www.highway99tunnel.ca/app/uploads/sites/748/2022/03/gmc-business-case-redacted.pdf (pg 65)
[9] https://vancouversun.com/news/politics/ndp-cancels-construction-on-george-massey-bridge-project/
[10] https://dailyhive.com/vancouver/40-million-upgrade-of-george-massey-tunnel-underway
[11] https://www.highway99tunnel.ca/app/uploads/sites/748/2022/03/gmc-business-case-redacted.pdf

project and revert back to a bridge project[12], which would again incur further costs towards the cumulative project total.

According to the B.C. Government's Capital Asset Management Framework Guidelines, "project design is a complex process that often requires agencies to make trade-offs between functional elements, building materials, design elements and aesthetics in order to stay within their budgets[13]" and "alternatives are identified and evaluated from the perspectives of cost, reliability, performance and other requirements, and the agency chooses the options that offer the best value for money[14]." As shown in their accompanying diagram (Figure 1) below, once contracts are awarded and construction on a project has begun, the cost to change a project outweighs the potential savings of making that change.

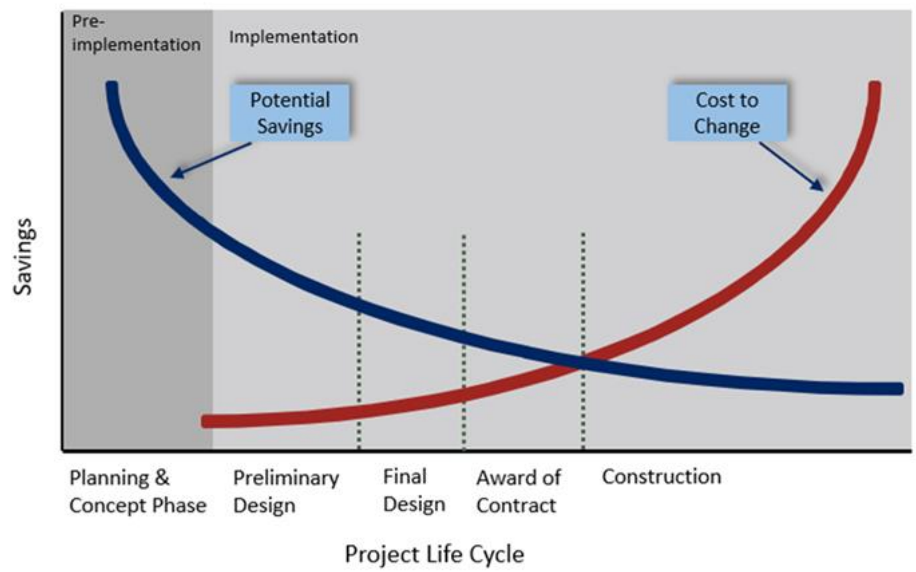


*Figure 1 – Project Value Analysis*

The same Guidelines do go on to explain that government agencies are "free to carry out their capital mandates with minimum intervention from the Province with flexible guidelines to encourage innovation and to accommodate differences in agencies, projects and the factors driving service delivery needs" however they note that "at the same time, agencies must be fully accountable for managing capital assets effectively" and that "reporting and monitoring are essential to accountability as well as to effective risk and cost management."

While recognizing the authority and value of government to manage their portfolios and projects in a manner which reflects their values and ethos; and understanding that this may at times mean changing course or cancelling a project already in motion, cumulative reporting for a project provides a truly comprehensive understanding of the costs associated with that project.

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12 https://www.cbc.ca/news/canada/british-columbia/liberals-election-2020-massey-1.5750748
13 https://www2.gov.BC.ca/gov/content/governments/policies-for-government/capital-asset-management-framework-guidelines/budget-and-cost-management#9.2
14 *Ibid*

This reporting should be done related to the full project scope[15] (i.e., seismic upgrade of a school, build a hospital, replace a tunnel, etc.) as outlined in its purpose and needs statement, and focus on the issue being addressed or problem being solved by the problem, rather than the design-specific solution selected by the government of the day (i.e., replacing tunnel vs "George Massey Tunnel Project" or "Fraser River Tunnel Project"). This transparent and comprehensive manner of reporting provides the opportunity for better decision-making, improved public trust, and more efficient use of public funds.

**Standard Reporting Components**

| Component | Description |
| --- | --- |
| Scope | A succinct but comprehensive description of the project's approved scope, consistent with the scope established in the business case. Details of the project's critical objectives should be provided along with the intended outcome such as a description of the end product or output including quality standards, tasks performed, resources consumed. Identifying the outcomes are important to measure the success of the project. |
| Schedule | Agencies should provide itemized information regarding the project's schedule, with key milestone dates and corresponding project deliverables. |
| Financial | Agencies should provide a breakdown of all the financial parameters for planning, design, construction, acquisitions and operation of the asset or service, including any revenue forecasts. This should include the cost to complete the project and identify any variances (with an explanation) from the original estimates. |
| Other Critical Business Case Elements | Where relevant, agencies should provide information on any issues unique to the project's business case, such as environmental assessments, alternative procurement methods, labour, legal and/or First Nations issues, or performance criteria. |

*Figure 2 - Project Reporting Components: Capital Asset Management Framework Guidelines[16]*

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Report in a transparent way the cumulative costs, including all historical costs of work undertaken for previously approved project scope statements, design choices, or alternative locations, as part of the total costs to complete an infrastructure project.

## DELAY THE ELIMINATION OF INCENTIVES FOR HIGH EFFICIENCY NATURAL GAS EQUIPMENT IN B.C.

### Issue

As part of its CleanBC Roadmap to 2030, the provincial government is currently planning to phase out demand-side incentives for installing high-efficiency gas furnaces, heaters, and boilers as part of their plan to shift to incentivizing heat pumps, building envelope improvements, and other efforts.

Similar to the 2022 BC Chamber of Commerce policy entitled " Pause the Implementation of the Provincial Sales Tax on Fossil Fuel Combustion Systems and Heat Pumps Initiative", this policy is concerned with a specific policy measure which may have unintended consequences that could ultimately undermine our efforts at carbon emission reductions, and negatively impact the HVAC sector

[15] https://www2.gov.BC.ca/gov/content/governments/policies-for-government/capital-asset-management-framework-guidelines/reporting-and-monitoring

[16] *Ibid*

which has oriented itself, its training and its supply chains to serve the current market. While the goal of reducing greenhouse gas emissions and promoting energy efficiency is laudable, this specific policy change moves too fast and should thus be delayed.

**Background**

Currently, various incentives are offered to homeowners and businesses to replace less-efficient natural gas equipment with more efficient models, through utility-funded incentive programs.

For example, currently the provincial government offers, through FortisBC utility-funded incentives, rebates of between $200 and $1,000 for upgrading an older, inefficient water heater to a natural gas ENERGY STAR® model, with the greatest rebate offered for the most efficient models. Similarly, for furnaces upgrades rebates of between $800 and $1,000 are offered for installing high-efficiency natural gas furnaces, and rebates are offered in the amount of $1000 for upgrading boilers and $1500 for a "combi" boiler combining heat and hot water.

This current policy of providing incentives has been successful in promoting energy efficiency and reducing greenhouse gas emissions by incentivizing the adoption of more efficient and less polluting technologies.

Most standard natural gas storage tank water heaters currently in homes today have a Uniform Energy Factor (UEF) of about 0.50 to 0.60, while new models have a minimum UEF of 0.67. In comparison however, condensing tankless models offer UEFs as high as 0.97.

While not as efficient as an electric heat pump, clearly there is significantly increased efficiency achieved in moving a consumer or business from a less-efficient standard model to a high-efficiency natural gas model. It is this efficiency gain we risk undermining if we eliminate the existing rebate programs.

<u>Potentially Undermining Emissions Reductions</u>

The government has outlined a new policy direction in its CleanBC Roadmap to 2030 which includes phasing out incentives for conventional natural gas equipment including residential and commercial furnaces, boilers, tank and tankless water heaters and fireplaces.

This new policy of phasing out these incentives could have unintended consequences. In particular, it risks disincentivizing people from making incremental changes to their heating systems.

A full heat pump system can cost upwards of three or even four times as much as a gas furnace, making the transition from an older, inefficient system to a heat pump system prohibitively expensive for many homeowners and businesses, particularly those with older buildings or limited budgets. In addition, given a consumer's energy use patterns and needs, operating an electric heat pump may as cost as much or more on a month-to-month basis, further impacting the cost-benefit considerations of some consumers.

In comparison, transitioning from an older furnace or water heater to a high-efficiency natural gas model can be much less expensive, allowing for greater adoption. Without the current incentives, instead of upgrading to a higher-efficiency gas furnace or boiler, consumers and businesses may be more likely to stick with their older, less efficient systems, which could ultimately result in greater emissions and energy waste.

Industry and Market Readiness
In response to the current, long-standing incentive program, many HVAC businesses have spent considerable time, labour and expense developing the talent, expertise and capacity to actually provide and install the high-efficiency appliances under the existing incentive program. The speed with which this phase-out has been developed and announced, and the very limited consultation period with the industry on this issue specifically, risks negatively impacting these businesses.

The installation of heat pumps requires a very skilled and experienced journeyperson plumber, gas fitter, or refrigeration technician. The existing roster of qualified tradespeople will not be adequate to meet demand, as this sector struggles with the same labour challenges experienced across the economy. Additional upskilling efforts must exist in all areas of the province to ensure the skilled labour needed to adequately serve business and residents.

In addition, for a heat pump to even be eligible for rebates the product must be installed by a Home Performance Contractor Network (HPCN) member. The HPCN is a list of 'certified' contractors which have completed an application and training process. This process adds a further layer of time, cost and complexity to ensuring industry capacity to serve the new heat pump incentive regime. The HPCN application process involves securing two customer references and one supplier reference, supplying various business, registration and insurance documents, and then completing additional training through courses which can total up to 32 hours of training time. For HVAC companies with staff working on more than one job site at a time, they must ensure enough installers and supervisors complete this training to meet minimum requirements of the program.

Finally, insurance companies in B.C. must also be part of this transition. In the Atlantic provinces, some homeowners have been surprised to learn that their insurer required a backup source of heat when transitioning to a heat pump system , negating some of the environmental benefits and creating barriers and confusion for consumers. The reason insurers may be hesitant to insure is because of the variability in performance between heat pumps. While some (most expensive) options can consistently operate to -40C, many other heat pumps do not meet these performance standards. As the temperatures drop, so too does the operating capacity of the units. This causes risk of pipes freezing in the home and leading to water damage. Delaying this transition will ensure this aspect has been fulsomely considered and accounted for in B.C.

A More Gradual Phase-Out
Instead of prioritizing this phase-out as a "near term" action as is currently the plan in the Roadmap to 2030, we recommend delaying this phase-out to allow for a more gradual transition and to enable the sector more time to prepare for and build the required capacity and supply chains, and to allow more consumers and businesses the opportunity to make the still-valuable efficiency improvements supported with the current incentive program.

However, delaying the phase-out of these existing incentives need not come at the expense of creating new incentive programs as noted in the Roadmap to 2030 as both can and should exist concurrently and be adequately funded and supported.

In summary, while the goal of moving to 100% efficient systems is laudable, the government's plan to phase out incentives for installing higher-efficiency gas furnaces, heaters, and boilers risks disincentivizing people from making incremental changes and could ultimately result in greater emissions and energy waste, and risk negative impacts to the HVAC industry which is a vital partner in our retrofit and efficiency goals. Instead, the planned elimination of the existing incentives should be stopped, and they should be allowed to continue in concert with additional efficiency programs and initiatives.

THE CHAMBER RECOMMENDS

That the provincial government:

1. Delay the planned elimination of the current incentives for installation of high-efficiency natural gas equipment by homeowners and businesses.
2. Ensure adequate funding and administrative support to allow both the current incentives and rebates to continue and new efficiency initiatives to be introduced as part of the Roadmap to 2030
3. Ensure the industry and business associations have adequate time for considered fulsome participation as part of any future consultations on government policy changes.
4. Work with the industry to develop any needed additional upskilling or training supports to ensure industry capacity for heat pump installation, and streamline, where possible, the 'certification' process for trained contractors to then be eligible to participate in the rebate program.

**ENABLING ECONOMIC POTENTIAL THROUGH PROMPT PAYMENT LEGISLATION**

**Issue**

The Province of British Columbia does not have a prompt payment legislation currently in place. This is creating challenges in the construction industry where contractors and vendors are often faced with prolonged payment terms in comparison to other provinces like Ontario, Alberta, and Saskatchewan. In many instances, this means non-payment beyond 180 days after completion of work.

**Background**

The BC Construction Association , and the Vancouver Regional Construction Association, along with more than 30 other associations across the industry in B.C., are advocating for the implementation of prompt payment legislation. This joint advocacy effort for prompt payment legislation has resulted in the endorsement of said legislation by the Select Standing Committee of Finance and Government Services in both their 2022 and 2023 budget consultation reports.[1]

The implementation of prompt payment legislation would vastly improve cash flow, remove non-registered borrowing pressures, and alleviate risks throughout the entire construction ecosystem. The implementation of prompt payment legislation would also serve to remove any opportunity to either intentionally or unintentionally delay payment and thus have spin-off benefits, such as keeping many claims out of the court system, thus saving time and cost to business owners looking to get paid and pay they sub-tradespeople.

[1] Budget-2023-Consultation-Report.pdf (leg.BC.ca), page 58 and 42-2-2_FGS-Report_Budget-2022-Consultation.pdf (leg.BC.ca), page 49

While this legislation would govern payments throughout the construction ecosystem, it would be particularly helpful for ensuring timely payment from the provincial government where organizations, such as the BC Construction Association "stress that a lack of prompt payment costs government in excess of $3 billion per year."[2]

Legislation for prompt payment already exists in other jurisdictions across Canada, such as Alberta (since August 2022), Saskatchewan (since March 2022) and Ontario (since 2019), as well as internationally (e.g., United States and United Kingdom). The advantage of this proposed legislation now is that our province working with all interested industry stakeholders can learn from the successes and failures in competing jurisdictions to address the nuances of our local B.C. market in support of all businesses.

Any potential Prompt Payment legislation introduced in B.C. should look to include several fundamental components using lessons learned from other jurisdictions such as Ontario, Alberta and Saskatchewan for any final legislation:

- **Adjudicating process:** appointment of provincially-designated, independent adjudicators, with an understanding of the construction industry, would be able to make a fair and efficient determination, leading to prompt payment for the contractor for the work completed to the promised quality;
- **Dispute Resolution:** The adjudication is final and binding. However, the adjudicator may refer the dispute to the court, and the adjudicator's decision may be subject to judicial review on grounds specified in the legislation;
- **Invoice requirements:** the legislation would specify the timeline for issuing an invoice and defining a "proper invoice" to a written bill or some other request for payment. The timeline for issuing an invoice, based on provincial comparisons, could be broadly defined as monthly or more specific, such as every 31 days as in Alberta,[3] while a proper invoice would include such things as contractor's name and address, date of services, materials used, name/address of where to send payment, etc.;[4]
- **Payment timelines:** the payment will clearly outline what payment has to be made to the contractor and subsequently when the contractor has to be pay their subcontractors and so on. For comparison, other Canadian jurisdictions have set payment at within 28 days of receiving a proper invoice, unless disputed within 14 days of receipt, with contractors paying their subcontractors within 7 days of receiving payment, and subcontractors paying their sub-subcontractors within 7 days of receiving payment; [5]
- **Penalties:** should late payment penalties become necessary, the legislation should define what those costs should look like be it through the contract itself or a statutory rate such as the Court Order Interest Act.

*Urgency*

The Province of B.C. can quickly address the issue of delayed payments in the construction industry by adopting a similar model of prompt payment legislation proven successful in other provinces. The construction industry, which plays a crucial role in rebuilding the economy post-COVID-19, is unified in its call for prompt payment legislation and the lack of political will is causing setbacks with a majority of stakeholders and in the industry at large. With the support of industry organizations and the proven success of this legislation in other provinces, the adoption of the prompt payment legislation will provide the much-needed framework for sustainability and expansion the construction industry craves in British Columbia.

THE CHAMBER RECOMMENDS

[2] Prompt Payment Included in 'Report on the Budget 2022 Consultation' - B.C. Construction Association (BC.cassn.com)
[3] Prompt Payment Legislation in Canada - Update (ahbl.ca)
[4] Construction Act, R.S.O. 1990, c. C.30 (ontario.ca)
[5] Prompt Payment Legislation in Canada - Update (ahbl.ca)

That the Provincial Government

1. To pursue made in B.C. prompt payment legislation, in collaboration with all impacted construction industry associations and stakeholders to take into account construction best practices and to ensure that legislation is implemented in a way that minimizes negative effects on this sector while still promoting vibrant construction business activity.

## ENCOURAGING AND SUPPORTING MORE DIVERSITY ON CORPORATE BOARDS

### Issue

The business case for ensuring gender diversity and ethnic and cultural diversity, among other diverse groups deserving of representation, on corporate boards is clear and their continued under-representation is costing businesses economically, thus it should be a priority to find ways of encouraging and supporting more diversity to sit on boards. The growing amount of research regarding this topic suggests that companies which have more diverse board directors perform better, with greater diversity on boards being linked to everything from better returns on equity, higher stock prices, and overall better financial returns.[1]

### Background

Women and people with diverse characteristics continue to be underrepresented in leadership and decision-making positions in Canada. Visible minority representation continues to be low, with some studies finding that only 8% of boards identify as visible minorities in B.C. and Canada[2], and just five companies out of 50 (10%) have an Indigenous person in their leadership.[3] Women only account for one in four senior managers in Canada, or about one in five corporate board directors, while they represent almost one in two workers.[4] In B.C., 50% of the most prominent publicly-traded companies either have no female directors or refuse to reveal that information.

While the business case may be clear, many B.C. and Canadian firms have made some progress in welcoming more women, Indigenous peoples and visible minorities into these positions and there are several policy solutions which could help facilitate further change.

Importantly, the B.C. Government itself has been a leader in board gender diversity achieving a laudable 49% overall level of women on government-appointed boards[5]. The B.C. government can build on that leadership by taking several courses of action to help B.C. companies encourage and support more women and other diverse representation to sit and serve on boards.

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[1] Catalyst, *The Bottom Line: Connecting Corporate Performance and Gender Diversity*, (New York: Catalyst, 2004); Credit Suisse Research Institute, *The CS Gender 3000: Women in Senior Management* (Zurich, Switzerland: 2014); Credit Suisse Research Institute, *The CS Gender 3000 in 2021: Broadening the diversity discussion* (Zurich, Switzerland: 2021); McKinsey & Company, *Diversity Matters*, (2014), McKinsey & Company, Diversity Wins: How inclusion m*atters*, (May 2020),

[2] Osler, 2022 Diversity Disclosure Practices (October 2022)

[3] The Minerva Foundation for B.C. Women, *The Face of Leadership – B.C. Scorecard 2019* (June 2019)

[4] Statistics Canada, Diversity Among Board Directors and Officers: Exploratory Estimates on Family, Work and Income (Ottawa, Canada, 2021)

[5] Government of British Columbia, Women now nearly half of public board members in B.C. (May, 2019)

At the same time, the B.C. government can further greater diversity and inclusion by working with the business community through the BC Chamber network on a consultation process that builds on gender diversity and increases ethnic and cultural diversity by identifying, defining and setting clear goals to achieve parity on this front.

Adopt Existing Gender Diversity Comply-or-Explain Regulations at the BC Securities Commission

Back in 2014, securities regulators in seven provinces and all three territories adopted amendments to National Instrument 58-101 *Disclosure of Corporate Governance Practices* that require "reporting non-venture issuers" to disclose annually the number and proportion of women occupying board and senior executive positions, as well as disclose their corporate policies regarding:

- term limits for the directors on its board or other mechanisms of board renewal,
- the identification and nomination of women directors,
- whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board,
- whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments, and
- whether the issuer has adopted a target regarding women on the issuer's board and in executive positions.[6]

Companies which do not have such policies must explain why they have not been adopted, a regulatory model known as "Comply-or-Explain."

Comply-or-Explain regulations are able to shed light on the issue of gender diversity and encourage behavioural change by the business community by prompting discussion and consideration of the issue. One review of the impact of the new comply-or-explain regulations found that more than half of all issuers "have adopted formal policies addressing the representation of women on the board" and that this was "a good example of disclosure rules driving corporate behaviour."[7]

British Columbia was one of three initial hold-out provinces which did not sign on to these regulation amendments.[8] As of December 31st, 2016 the Alberta Securities Commission enacted the regulations in that province following a short consultation process in the fall, leaving B.C. as a laggard among the larger provinces in this important area.

While the government's decision not to adopt comply-or-explain amendments could somehow be connected to B.C. being a party to the *Cooperative Capital Markets Regulatory System*, however, this system does not yet include diversity disclosure regulations. Also, it should be noted, the implementation of the system is delayed due to all participating governments focusing on COVID-19, economic recovery and reforms to provincial securities legislation.[9] Instead of waiting, B.C. can act now

[6] A "reporting issuer" means a company whose securities are publicly-traded and has issued securities/stocks/shares. A "non-venture issuer" is a reporting issuer that has its securities listed/quoted on any of the Toronto Stock Exchanges, a US marketplace or any marketplace outside of Canada/US. In Canada, "venture issuers" tend to be junior companies listed instead on the TSX Venture Exchange or the Canadian Stock Exchange.

[7] Torys LLP, Women in the C-Suite: Can Securities Law Advance Gender Equality? (June 16, 2015)

[8] Holdouts included B.C., Alberta and PEI

[9] About - CCMR (ccmr-ocrmc.ca)

to join the rest of Canada in promoting greater gender diversity on boards by implementing the above comply-or-explain regulation amendments.

Requiring the Consideration of Diversity for Board Vacancies

While comply-or-explain regulations have had some positive impacts and have driven corporate behavior in the right direction, for instance, across all TSX-listed companies, 26% of the board seats are now held by women up significantly from 2015 when women represented only 10% of directors.[10] Of course, the results still leave things short of the overall goal of gender parity and this doesn't take into account where we are at for issues like ethnic and cultural diversity. In fact, across all Canada Business Corporations Act (CBC.A) corporations, just under 10% of board positions are held by directors who are members of visible minorities, Indigenous peoples or persons with a disability.[11]

To shift the drive for diversity into the next gear, the federal government instituted the CBC.A Requirement for greater diversity build on our work for gender diversity to include diversity among people of colour, indigenous peoples and people with disabilities.

Of course, one major reason for the lack of diversity on boards is the recruitment process; male board members and male executives search their often male-dominated networks of compatriots and contacts for potential candidates, thus perpetuating the diversity gap. Mandating that companies actively consider diverse representation for board vacancies would force companies to broaden their search, get creative in their recruitment efforts, and go beyond their traditional networks to find candidates.

Requiring targets for women and people with other diverse characteristics at the consideration and interview stage of the board nomination process would ensure that underrepresented people are being considered fairly while still having the opportunity to demonstrate skill and merit to receive a directorship.

The existing amendments to National Instrument 58-101 *Disclosure of Corporate Governance Practices* include a requirement for disclosure of the representation of women in the director identification and selection process (Item 12 of Form 58-101F1). The CBC.A Requirement expands that disclosure to indigenous people, visible minorities and people with disabilities. However, following the comply-or-explain model, this only requires companies to describe whether they have a policy on women representation on the board or explain why they do not have one. It does not mandate such a policy exist nor does it require the policy to have any specific targets or objectives.

B.C. could implement regulations requiring companies to have a policy regarding the representation of diverse representation in the director identification and selection process, and require such policies mandate that at least one qualified diverse representative is fully considered for all board vacancies. Such consideration should be required to be meaningful, conducted in good faith, and include any requisite interview or assessment process. Regulations such as these would have the benefit of forcing a change in the mindset in Canada's boardrooms and could serve as a catalyst for progressive changes in corporate governance rules and eventually greater diversity outcomes.

[10] Osler, 2022 Diversity Disclosure Practices (October 2022)
[11] *Ibid*

Such a requirement could be enforced through the BC Securities Commission on issuers registered with that agency, and could be adopted more broadly by including such regulations in the *Cooperative Capital Markets Regulatory System* when the governments of British Columbia, New Brunswick, Ontario, Prince Edward Island, Saskatchewan, Yukon and Canada restart the implementation process.

<u>Implementing Goals for Diversity on Boards</u>
If we are to see faster change and overcome the significant headwinds of the status quo, then more aggressive goals for inclusion of women and people with diverse characteristics on boards should be considered.

In an effort to more significantly increase the representation of diverse representatives on corporate boards, many countries have implemented quotas which require a specific percentage or number of board seats be filled by diverse representatives. Imposing quotas, while arguably effective, is seen as a blunt method for encouraging gender diversity.

Similar to the federal government's 50/30 Challenge, which Burnaby Board of Trade and the BC Chamber of Commerce to name a couple in the Chamber, B.C. could instead implement goals for businesses which move us towards gender parity and diverse representation on corporate boards. These goals should be developed in consultation with the business community and should be designed to be both realistic but also aggressive enough to result in meaningful change if achieved.

These goals should be made public to encourage not only greater discussion and awareness of the issue of gender diversity and overall diversity and inclusion, but also to create both peer and public accountability to drive action.

THE CHAMBER RECOMMENDS:

That the provincial government:

1. Adopt, via the BC Securities Commission, the "comply or explain" amendments to NI 58-101 "Disclosure of Corporate Governance Practices" regarding Gender Diversity and Term Limits;
2. Implement, via the BC Securities Commission, regulations that mandate reporting non-venture issuers to have board recruitment policies that require at least one qualified diverse representative is fully considered for all board vacancies, and advocate for the inclusion of similar regulations in the *Cooperative Capital Markets Regulatory System* currently being instituted. Such consideration should be meaningful, conducted in good faith, and include any requisite interview or assessment process; and
3. Commence a consultation with businesses and other stakeholders on implementing in B.C. clear goals for diverse representatives' inclusion on corporate boards which moves them towards parity.

## EXCLUDING INELIGIBLE EMPLOYEES FROM EMPLOYER HEALTH TAX PAYROLL CALCULATIONS

**Issue**

When it was created, the Employer Health Tax (EHT) was framed by the provincial government as a tool for funding the Medical Services Plan (MSP) -- the provincial healthcare system. If we accept this premise, then the tax should not apply to the portion of a business' payroll that is paid to seasonal workers, temporary foreign workers, or others who the government does not make eligible for publicly funded healthcare in British Columbia in the first place.

**Background**

The Employer Health Tax shifted the cost of partially funding the healthcare system from individuals (who had been paying through individual premiums) to businesses. The EHT is a payroll tax charged to employers based on their total payroll in B.C. above a threshold of $500,000. When calculating their EHT obligations, employers must include all remuneration paid to anyone working for the business in B.C., including temporary foreign workers and seasonal workers.

Temporary foreign workers are individuals who come to Canada under one of the streams of the Temporary Foreign Worker (TFW) Program to work for a specific period of time. These workers play an important role in a number of sectors in British Columbia, including agriculture and tourism, where they are often employed seasonally to meet seasonal demands for labour which cannot be filled by Canadians.

Depending on the program stream an individual applies under, TFWs can receive work permits ranging from a few months to up to 3 years to work in Canada. In the agriculture sector, one well-utilized program stream is the Seasonal Agricultural Worker Program (SAWP) which allows employers to hire temporary foreign workers for up to eight months to work on farms and in agricultural settings.

In regard to accessing public healthcare, TFWs are deemed ineligible by the government unless they will be in the country for a certain length of time and have served a waiting period. For a TFW to qualify for coverage with B.C.'s public healthcare system they must have a work permit valid for longer than 6 months. If they meet this criteria, they then still must serve a waiting period during which they are ineligible for MSP coverage for 3 months. Therefore, many seasonal workers under the SAWP may not ever access the B.C. public health care system during their time in Canada due to the short duration of their permits, and won't contribute any costs to the system. Beyond the SAWP, temporary foreign workers who enter Canada through other programs with longer work permit durations will still have 3 months at the beginning during which they are ineligible for B.C.'s MSP.

In fact, in recognition of this ineligibility for public healthcare, the federal government has made a formal requirement of the SAWP that employers provide private health insurance for the temporary workers! By doing this, the immigration program expressly acknowledges that the government does not allow TFWs to access the public healthcare system for a period of time, and instead places this burden on employers.

Therefore, given that these TFWs are not eligible for publicly funded healthcare in B.C. for at least part of their time working, it makes little sense to require their employers to pay the EHT on their payroll during that time to fund the healthcare system.

The EHT places an additional burden on businesses that are already operating in a highly competitive environment and can negatively impact sectors that rely heavily on temporary foreign workers or seasonal workers. By exempting from the employer health tax any payroll paid to temporary foreign workers during any period in which they are ineligible for MSP, the government can help to support these critical industries, reduce their tax burden, and ensure that they can remain competitive in a global marketplace.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Amend the Employer Health Tax and/or related regulations to exempt from total payroll calculations any remuneration paid to a temporary foreign worker during a period in which they are ineligible for the provincial medical services plan healthcare system.

## FINANCIAL SUPPORTS FOR INDIGENOUS INVESTMENTS IN CORE ECONOMIC SECTORS

### Issues

Industry is adapting the way they do business, as Indigenous Nations need to be a part of decision making on future development in their territory. Recent agreements made with Indigenous Nations will bring more predictability for the province and provincial economy, while helping ensure that land management decisions are made in partnership with affected Indigenous nations. These agreements will change how natural resources projects are developed in Canada.

Indigenous participation in resource development will often include equity participation (i.e., ownership stake) opportunities, which is an important step toward achieving economic self-sufficiency. However, barriers, such as credit risk issues, loan guarantee requirements, and inability for Indigenous Nation property to be used as collateral, prevent Indigenous Nations from capitalizing on and fully benefiting from the potential projects.

### Background

The BC Chamber of Commerce and its members are committed to reconciliation with Indigenous Peoples and supporting the fulfillment of the Truth and Reconciliations Calls to Action #92. Under 92 (ii) the corporate sector is called upon to “Ensure that Aboriginal people have equitable access to jobs, training and education opportunities in the corporate sector and that the Aboriginal communities gain long-term sustainable benefits from economic development projects”[1]. Chambers across the province are supporting businesses in determining their role in reconciliation and the specific actions they can take to support this call.

The Yahey Decision of 2021, and the resulting agreements signed between the province and the certain First Nations in B.C. Treaty 8 territory, means developments cannot proceed without the First Nations’ involvement and consent, as they will have a seat at the decision-making table when it comes to projects moving ahead in their traditional lands. While the landmark case is based in Northeastern British Columbia, the impact is pan-provincial and international: domestic and international industry players are watching, as are many of the other over 630 First Nations in Canada.

[1] Truth and Reconciliation Commission of Canada: Calls to Action | Canadian Religious Conference (crc-canada.org)

In March 2022, for example, TC Energy signed an equity option agreement with 16 Indigenous communities across the Coastal GasLink project corridor.

In another example, in September 2022, Enbridge Inc. signed a deal to sell a minority stake in seven pipelines in the Athabasca region of northern Alberta to a group of 23 First Nation and Metis communities for $1.12 billion.

Most currently, Cedar LNG became Canada's first Indigenous majority-owned LNG facility to receive an Environmental Assessment Certificate from the provincial government. There are Indigenous co-ownership opportunities of mining projects that may come to fruition in the future in Southeast British Columbia.

Historic, game-changing opportunities are being presented, but First Nations in B.C. do not have the financial support available to their counterparts in Alberta, Saskatchewan, and Ontario, specifically the provision of loan guarantees for eligible projects.

1. Alberta Indigenous Opportunities Corporation (AIOC).
2. Saskatchewan Indigenous Investment Finance (SIIFC).
3. Ontario Financing Authority Aboriginal Loan Guarantee Program (ALGP).

A First Nation has access to financial instruments that other levels of government in Canada have at their disposal, through the First Nations Finance Authority (FNFA), once they become borrowing members. The steps to becoming a borrowing member, however, complete the process of the First Nations Financial Management Board (FMB) and the First Nations Tax Commission (FNTC) to give members and other stakeholders confidence that the Nation is well-run, transparent and accountable. The process requires significant time and financial resources to complete and there can be significant opportunity costs to the Nation. As of August 2022, there were 145 borrowing members, out of over 630 recognized First Nations governments or bands across Canada. In B.C., there were 57 borrowing members, out of more than 200 distinct First Nations.

The creation of a financing support vehicle that provides a financial mechanism, such as loan guarantees, to eligible Indigenous communities and organizations to support investment in the core economic sectors of British Columbia, will create opportunities in Indigenous communities and across the province, and will further demonstrate governments commitment to economic reconciliation and increasing Indigenous participation in the economy. [2]

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[2] Other Resources:
--Jason Calla, "Improving Access to Capital for Indigenous Groups to Purchase Equity Stakes in Major Resource Projects" at 18, online: *FNMPC* <secureservercdn.net/45.40.145.201/14x.5f4.myftpupload.com/wp-content/uploads/2021/04/FNMPC_Reviewing_Access_final.pdf>
--*Indigenous Ownership of Natural Resource Projects: A Framework for Partnership and Economic Development*, Vivek Warrier, Luke Morrison, Ashley White, and Stephen Buffalo
--National Roundtable on Indigenous Access to Capital in Canada: Roundtable Primer
FNMPC_BCBC._ACCESS_TO_CAPITAL_07192022.pdf (secureserver.net)

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Establish a loan guarantee program, or other financial mechanisms, to facilitate Indigenous investments and ownership in major projects within the core economic sectors of British Columbia.

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

**Issue**

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

Now, five years later, the tax[1] has been fully introduced and is applicable in a widening range of municipalities.[2]. In addition, it has been joined by a new federal tax – lasting for a two-year period – known as the Foreign Buyer Ban which applies to corporations and individuals but has numerous exemptions. Fines in the case of the federal tax are applied to industry players working with foreign buyers. There is also an empty home tax in Vancouver.[3]

Background

Questions around accountability, transparency and effectiveness persist as the tax base widens. As the taxis not equally applied throughout the province, housing markets have been unevenly impacted. There is also no government standard for applying the tax based on rental vacancy rates.

There is also little direct evidence that the tax has created more affordable rental housing or has alleviated the housing crisis in any of the centres noted in the enabling legislation.

An adjustment to tax paid by foreign buyers would have as much impact as the speculation tax, without having to create regulations required with the introduction of a new tax. Province-wide, the tax brought in just over $78 million in 2021. Of that, $44.4 million or nearly 57 per cent, came from foreign owners and “satellite families.”[4]

Revenue is returned to communities subject to the tax in the form of affordable housing. In 2021-2022, the province invested $1.1 billion in the taxed areas, according to the government.[5]

Over 1.6 million homeowners[6] throughout the province have to complete government forms prior to the end of Q1 of each year for consideration of possible exemption. It is increasingly clear that there isn’t a

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

[2] https://www.westerninvestor.com/british-columbia/BC-expands-speculation-and-vacancy-tax-starting-in-2023-6241781#:~:text=The%20BC%20government%20is%20expanding,Cowichan%2C%20Lions%20Bay%20and%20Squamish.

[3] https://vancouver.ca/home-property-development/empty-homes-tax.aspx

[4] https://vancouversun.com/news/local-news/speculation-and-vacancy-tax-generating-millions-is-being-expanded-b-c-government-says

[5] Ibid

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

strong business case for imposing the speculation tax as a means to help alleviate low rental vacancy rates as the province had claimed as the rationale for imposing the tax in a growing number of select cities. The system required to process over a million and a half forms creates a bureaucratic quagmire that likely consumes much of the revenue that tax brings in for the government though what the net impact is, is not readily available because those costs are not tracked and publicly reported.

The tax has created an unlevel playing field among municipalities,[7] where some have a provincially imposed tax while their neighbouring communities do not. It has also created hardships for thousands of long-term B.C. homeowners across a broad diversity of profiles. Pushback against the speculation tax has come from individuals, some local and regional governments, as well as developers and business groups.

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

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

If the intent of the tax policy is to make housing more affordable to average British Columbians, there are better ways to accomplish that goal. Several studies and articles published by the Fraser Institute including Canada's real housing problem is impeded supply, not high demand[8] offer an alternative approach focused on reducing fixed costs related to government regulations and taxes at every level. The Fraser Institute has concluded more housing supply, including faster development approvals by local government and higher density in cities, are needed to target the root cause of housing affordability. The speculation tax does not drive more building/construction to meet demand.

Based on statistics from the Association of Interior Realtors, formerly the Okanagan Mainland Real Estate Board where foreign buyers make up only 1.8% of the purchases,[9] with the majority being from the region followed closely by those from the lower mainland, there is a stronger argument that those relocating from the lower mainland are having a far greater impact on rising house prices than anyone from Alberta or elsewhere in Canada.

Ultimately, the arbitrary implementation of this tax in only some areas of the province is unfair, and problematic. If the government is truly trying to go after speculators who are negatively influencing the housing market, we suggest a simple adjustment of the foreign buyers tax when the property is sold

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

[8] Canada's real housing problem is impeded supply, not high demand https://www.fraserinstitute.org/blogs/canadas-real-housing-problem-is-impeded-supply-not-high-demand

[9] Article – "Foreign transactions made up 1.8 per cent of purchases in the central Okanagan" - https://www.ctvnews.ca/business/expansion-of-b-c-foreign-buyers-tax-to-okanagan-vancouver-island-is-questioned-1.3815515

within a specific time period – as that approach would be more direct and transparent than the current regime.

THE CHAMBER RECOMMENDS

That the Provincial Government:

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

## LAND TRUST INITIATIVE

### Issue

Canada is facing a continued affordable housing crisis, yet effort made by all levels of government have made very little discernable difference to Canadians.

Community Land Trusts already exist across Canada and a proven vehicle to combat the affordable housing crisis in perpetuity, but they are crippled by current Federal tax law in their ability to acquire land donations.

This policy looks to mirror a proven, and robust mechanism which was implemented in Canada in 2006 for ecological land donations, so that it also covers land donations to Community Land Trusts. This will provide a powerful incentive for individuals and corporations to donate land to Community Land Trusts across the nation, enabling them to provide affordable housing solutions in perpetuity, unlike any other models currently in existence in Canada.

### Background

The Housing Gap - One in five Canadian households are at risk of homelessness, meaning that these households spend more than 50% of income on rent. It is estimated that the costs associated with homelessness (i.e., social services, emergency healthcare, shelters, policing) are in excess of $7 billion annually[1].

Household spending rose at a faster pace than inflation from 2017 to 2019 with "Shelter" remaining the largest budget item for households in 2019 up 8.4% from 2017[2].

Because of the severity of the problem, all levels of government are attempting actions to address the near-market gap, but to date these efforts have not materially affected the availability of affordable housing across Canada.

Land (The Key to Housing Affordability) - Recent studies in Canada indicate that land prices now comprise anywhere from 30% to 75% of the total sale price of a dwelling and are a major contributing factor for housing supply and pricing (CMHC, 2018).

As land becomes more valuable, there are increased incentives to build higher density and higher value buildings as well as to demolish older single-storey dwellings to replace them with more expensive homes[3].

This relationship is not new and is also not limited to Canada: many studies have been completed by economists around the world which find this same correlation. For example Knoll et al. (2017) find that land prices accounted for 80 per cent of the rise in global house prices since the Second World War[4].

Although housing affordability dynamics in Canada are complex, data shows that the key to finding a solution to the affordability housing crisis is intrinsically linked to availability and price of land.

Community Land Trusts - A Community Land Trust is a non-profit organization created to acquire and hold land for the benefit of the community. To do so, the trust acquires land and maintains ownership of it permanently. With prospective homeowners, it often enters into a long-term (most frequently, 99 years), renewable lease instead of a traditional sale. When the homeowner sells, the family earns only a portion of the increased property value. The remainder is kept by the trust, preserving the affordability for future low- to moderate-income families.

The first Community Land Trust was established in Canada in the 1970's as a means to preserve the affordability of cooperative housing and to pool resources of isolated co-ops. According to a 2005 research paper, funded by CMHC, community land trusts (CLTs) are "an innovative approach to providing perpetually affordable housing to low- and moderate-income households."[5]

Essentially, these Trusts are a fund designed to exist in perpetuity, managed over time so that cash outflows – used to acquire and hold land and buildings – match inflows such as revenues from lease fees,

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[1] Gaetz, S., Scott, F. & Gulliver, T. (2013). Housing First in Canada: Supporting communities to end homelessness. Toronto, ON: Canadian Homelessness Research Network Press.

[2] Survey of Household Spending, 2019 (Statistics Canada)

[3] Canada Mortgage and Housing Corporation, 2018: "Examining Escalating House Prices in Large Canadian Metropolitan Centres". 02-05-18

[4] Katharina Knoll, Moritz Schularick and Thomas Steger, 2017, "No Price Like Home Global House Prices, 1870-2012", American Economic Review, Vol. 107, No. 2, February, pp. 331-353.

[5] Housing Strategies Inc., Critical Success Factors for Community Land Trusts in Canada, Canada Mortgage and Housing Corporation: External Research Program, January 2005.

rent, donations, bequests, government support, interest and other sources. Donations given for land or purchases of land and buildings generally are not be used for the Trust's operating costs.

By permanently limiting the land costs, Community Land Trusts help to ensure perpetual affordability so that the benefits accrue to each subsequent homeowner and hence guarantee that housing will remain affordable for future generations.

THE ISSUE:
Land Donations to Community Land Trusts
Most Community Land Trusts in Canada have not yet accumulated enough lease income to acquire additional parcels of land. As such, they are beholden to acts of philanthropy (land donations) from individuals, corporations or government bodies.

Many corporations and private landowners currently hold land titles for business operations, as passive income or for future growth. These individuals and corporations have a strong disincentive to donate land to a Community Land Trust because the tax credit or offset generated by the donation will not overcome the tax owing from the capital gain: They will lose the asset AND owe tax for doing so.
The result: parcels of land which are held in perpetuity (undeveloped) or sold. There is a strong tax disincentive to donate the land for affordable housing.

THE SOLUTION:
Ecological Land Reserves – A Precedent
In the 2006 Budget, the federal government proposed to completely eliminate the capital gains tax on certain gifts of publicly listed securities and ecologically sensitive land.

The idea behind these measures was to provide the charitable sector with a "powerful set of tools" for raising funds and encouraging charitable giving. The idea was that donors would not be taxed on any of the capital gain accrued on the donated property and would receive the full benefit of the tax credit on the donation.

On June 6, 2006, the budget was introduced for third reading in the House of Commons and was passed by unanimous consent. From that moment forward donations of "ecologically important land" to registered Canadian charities and other qualified donees is eligible for a charitable donation tax credit (if the donor is an individual) or deduction (if the donor is a corporation) AND are exempt from capital gains tax.

Has this incentive proved successful? Between the inception of the program in 1995 and March 31, 2021, 1610 ecological gifts valued at over $977 million have been donated across Canada using this mechanism.

Implementing this policy could similarly mobilize almost a $1 billion dollars in private wealth for the public good: to provide affordable housing that will last in perpetuity.

Much thought and revisions were required for the Income Tax Act to enact this piece of legislation. Furthermore, additions and revisions have been put in place over the years which has resulted in robust anti-avoidance rules and a proven mechanism to incentivize land donation by individuals and corporations for ecological conservatories. These mechanisms are proven and have stood the test of time.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Make amendments and additions to the Income Tax Act to incentivize the donation of land to Land Trusts, for the purpose of developing affordable housing, by utilizing the same mechanisms as those already provided in the Act for individuals and corporations to make donations to ecological land reserves.
2. These changes will allow for donations of land to Community Land Trusts to be capital gains exempt; in addition a tax credit or deduction can be provided in exchange for the land, based on the fair market value.

## NEW AND INCREASED PROVINCIAL TAXES HURTING BUSINESS AND ECONOMIC GROWTH, INTRODUCTION OF CLEAR TAXATION AND IMPLEMENTATION POLICY

**Issue**
Over the past few years, the provincial government has increased existing taxes, or added new taxes, with little or no notification with the business community, or general public. This is causing serious harm to business competitiveness, as well as reducing economic growth and productivity due to less dollars going back into the economy as opposed to provincial general revenue.

**Background**
At the time of writing, there are 29 new or increased taxes imposed since 2017. (see Table 1 below). The estimated combined cost to the general public, or direct additional cost of doing business, is approximately 18 billion dollars.

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

The concept of random tax implementation or increase tax implementation creates an unmanageable corporate and personal fiscal planning process. More importantly, the idea of uninformed tax increases are similar to undisclosed implementation of fees in business, which in many industries is illegal.

Examples of illegal non-government fee implementation are fees like additional credit card or debit card fees. By law, the merchant has to disclose the additional fees, before a transaction occurs. In many provinces, these fees have actually been illegal. The B.C. government, at this point, does not have to disclose additional fees or taxes prior to a transaction. In fact, the government implementation of taxes cleverly focuses on taxing situations that the consumer, or business, has no option but to pay, collect and submit the new or increased taxes due to normal consumption, and business activity.

Some examples of new and increased taxes that target business and consumers are: Increase of the property Transfer Tax with an increase of 2% on top of the 3% rate, 2.1% increase on Income tax for income over $150,000, Increase of the Corporate Income Tax to 12%, Netflix Tax expected to generate 11M in extra revenue, Fuel Equalization Tax adding an additional $0.25 cents per litre on fuel imported from Alberta, Increase on PST from 7% to 12% on Fossil-fuel home heating fuel, Used car tax paying the greater of sale vs average price, contributing an additional 30 million and the Online Marketplace Tax which will generate an addition 120M in tax revenue.

It is understood that government will do a "consultation" roadshow to receive short, structured, submissions but there is no evidence on how, or if at all, these submissions are considered in creating fiscal policy.

In an effort to properly come to a solution that benefits all, it would make sense to work with professionals, and experts in all sectors, as well as non-profits, like Chambers of Commerce, and NGO's that are immediately impacted by tax change policy. It goes without saying that related government agencies, and experts also be at the table. This advisory group should be of manageable size and selected by a nomination of peers. The concept that is unique to this strategy goes beyond mere consultation. In order to be effective, it must also require agreed upon solutions by all parties to ensure the amendments are fair and equitable.

**Table 1**

New and Increased Taxes Imposed by the B.C. Government since 2017

| # | Tax | Cost | Year | New/ Increase | Notes |
|---|---|---|---|---|---|
| 1 | Employer Health Tax | 2.95% of payroll over $500,000<br>1.95% of all payroll if over $1.5M | 2018 | New | |
| 2 | Victoria Gas Tax | +2 cents per litre | 2018 | Increase | |
| 3 | Vancouver Gas Tax | +1.5 cents per litre | 2019 | Increase | |
| 4 | Airbnb tax | $16M in revenue | 2018 | New | |
| 5 | Luxury Vehicle tax | +5% on vehicles from $125-150k<br>+10% on vehicles over $150 | 2018 | Increase | |
| 6 | Tobacco Tax (3 times), Tobacco PST | +2.8%, +2 cents in 2020<br>PST applies beginning 2022 (+$84M) | 2017, 2018, 2020, 2022 | Increase | 01/01/20 change is 6M '19 then 25M after |
| 7 | PTT Surcharge | 2% on top of the 3% rate | 2018 | Increase | |
| 8 | Foreign Buyers' Tax | +5%, now at 20% | 2018 | Increase | |
| 9 | Additional School Tax | Surtax of .2% over $3M<br>Surtax of .4% over $4M | 2018 | New | |
| 10 | Speculation Tax | 2% for foreigners and for residents with a majority of international income;<br>0.5% for Canadians and B.C. residents with a majority of domestic income. | 2018 | New | |
| 11 | Photo Radar | [unspecified fines] | 2019 | New | |
| 12 | Carbon Tax | $5 per tonne, per year for 4 years | 2018 | Increase | |
| 13.1 | Parking Sales Tax (TransLink) | +3% or 15 cents/hr on $5.00 parking | 2018 | Increase | |
| 13.2 | Development Cost Charges (TransLink) | Single family dwelling unit - $2,100 ($2,975)<br>Duplex/townhouse dwelling unit - $1,900 ($2,470)<br>Apartment dwelling unit - $1,200 ($1,545)<br>Retail/Service - $1.25/sq. ft.<br>Institutional - $0.50/sq. ft.<br>Office - $1.00/sq. ft.<br>Industrial $0.30/sq. ft. | 2018 | Increase | |
| 13.3 | Property Tax (TransLink) | $5.50 annual increase for an average household | 2018 | Increase | |

| | | | | | |
|---|---|---|---|---|---|
| 14 | Cannabis Tax | $50 million projected revenue in 2018/19, much lower in reality | 2018 | New | |
| 15.1 | Income Tax | +2.1 on incomes over $150,000 | 2017 | Increase | |
| 16 | Corporate Tax | Increased to 12% (general) | 2017 | Increase | |
| 17.1 | ICBC. unlisted driver premium | $50 per year after first collision | 2019 | New | |
| 17.2 | ICBC. learner premium | $130-230 per year | 2019 | New | |
| 18 | BC Hydro Crisis Fund | 25 cents per month on hydro bill | 2018 | New | |
| 19 | Per-Trip Rideshare Fees | $0.30 per trip will fund admin costs for PTB and accessible taxis | TBD | New | |
| 20 | Vaping PST | PST raised to 20% | 2020 | Increase | $2.5M in 2019; $10M after |
| 21 | Sugary Drinks tax | PST added to sweetened carbonated drinks | 2020 | New | $27M in 2020 |
| 22 | Netflix tax | PST registration requirement extended to streaming/software services with more than $10,000 in sales | 2020 | New | $11M in 2020 |
| 23 | New income tax bracket | Rate raised to 20.5% on incomes above $220,000 | 2020 | Increase | $216M in 2020 |
| 24 | FOI Fees | $10 per FOI request per organization | 2021 | New | TBA |
| 25 | Fuel Equalization Tax | $0.25 cents per litre penalty on fuel imported from Alberta and other jurisdictions—includes purple fuel | Jan. 2022 | New | TBA |
| 26 | Fossil-fuel home heating equipment | Increasing PST from 7% to 12% | 2022 | Increase | $9M |
| 27 | Used car tax | Pay the greater of sale vs. average price, increases effective tax | 2022 | Increase | $30M |
| 28 | Online marketplace tax | Marketplace facilitators like Facebook must collect PST when they process payments | 2022 | New | $120M |
| **29** | MRDT – Major Events Tax | Enables collection of additional MRDT on short-term rentals during FIFA 2026, but can be used for other major events. | 2022 | New | TBA |

THE CHAMBER RECOMMENDS

That the Provincial Government:

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

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

**Issue**

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

**Background**

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

In fact, in its "2019 Facts of the Property and Casualty Insurance Industry in Canada" report, the Insurance Bureau of Canada notes that the previous year saw the insurance sector face its "largest loss in a decade" as it "paid out more in claims and expenses than it received in premiums."[1] This loss and the ongoing decline in net income in the insurance industry, has led to a "hard market" for insurance, which means customers of insurance, including businesses, will face higher premiums, a lack of insurance options, or even an inability to secure insurance at all.

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

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

[1] Insurance Bureau of Canada, "2019 Facts of the Property and Casualty Insurance Industry in Canada"

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Proactively engage with the insurance industry, the business community, and the BC Chamber of Commerce network to monitor the changing insurance market, with a goal of identifying regulatory changes which can address the “hard market” of rising costs and decreased insurance capacity should intervention be warranted.
2. Ensure it is monitoring the impacts of climate change on the insurance industry and include the effects on insurance as part of the province’s climate preparedness and adaptation strategy.

## TRANSITIONING WORKERS TO FULL EMPLOYMENT

### Issue

In ‘Accessibility 2024’, the provincial government’s goal for B.C. is to have the highest labour participation rate for people with disabilities in Canada by 2024; a laudable and supportable goal; however, there is a sub-set of individuals who receive disability supports that are not well represented in the government literature. These individuals are recovering from a long-term illness and are preparing to re-enter the labour market. To ensure their successful re-integration, they require flexibility in the Disability Assistance Program to help both the employer and employee accommodate the transition from a few hours a week to full-time employment.

### Background

Although this likely affects a small number of employers (numbers not publicly available due to privacy concerns), workers in this sub-group are not covered by insurance or their insurance had time-limits and they are not Workers Compensation Board (WCB) or Insurance Corporation of BC (ICBC.) related and there is no union agreement in place. The challenge requiring time away from employment is usually a major illness or injury of some kind that, at some point, can either go into remission, or the individual is “getting better,” or is in some form able to return to work.

Under ideal circumstances, a worker is covered by their employment insurance benefits, and the accommodations required are agreeable to all parties.[1] Unfortunately, not all employees on long-term leave are covered if their employers were not able to provide an insurance benefit, or the benefit is time-limited. Not all employers are able to accommodate if the accommodation requires “undue hardship.”[2]

Limited by lack of assistance, these individuals end up on disability assistance which provides them and any family members a set income per month, plus the ability to earn up to various amounts (determines by their family income, as it applies) per year, before a dollar-for-dollar deduction or “claw back” is triggered. The exemption limits are:

- $15,000 for a single person with the Persons with Disabilities designation
- $18,000 for a family with two adults where only one person has the Persons with Disabilities designation
- $30,000 for a family where both adults have the Persons with Disabilities designation

[1] https://www.canada.ca/en/employment-social-development/programs/planned-accessibility-legislation/consultation-legislation.html

[2] Canadian Human Rights Commission: http://www.chrc-ccdp.ca/eng/content/guide-managing-return-work

Any money earned over those annual earnings exemption limits will be deducted dollar for dollar from the assistance payments; however, to successfully re-integrate into an employment situation, individuals may find the maximum allowable support to be a barrier as they gradually increase their employment hours but are not experiencing the benefit. Further, the increase in employed hours paid may not be sufficient to replace the disability support, hindering the employee's ability to leave the disability assistance program, particularly if that person has dependents.

The dollar-for-dollar deductions after allowable earnings is a major barrier to a successful return-to-work plan requiring recovering employees to full-time while ensuring sufficient income. If returning too soon, the employee can suffer a medical set back impacting their recovery and the workplace. What is required for these willing workers, is a flexible assistance schedule that allows for increasing hours and commensurate pay, and extra time required to successfully integrate. A temporary transitional interim support of 50% deduction before full dollar to dollar recovery, as part of their plan and with the concurrence of their government case worker, would be of great value to ease and encourage a skilled worker back to full employment.

A safe and timely return to work benefits the patient and their family by enhancing recovery and reducing disability. Through improvement of health outcomes, a safe and timely return to work also preserves a skilled and stable workforce for employers and society and reduces demands on health and social services as well as on disability plans." — "The Physician's Role in Helping Patients Return to Work After Illness or Injury," Canadian Medical Association, 201.[3]

THE CHAMBER RECOMMENDS

That the Provincial Government

1. In their Annual Earnings Exemption table, introduce a transitional Disability Assistance graduated recovery of incomes earned over the allowable income exemption for individuals transitioning to full or near-full employment as part of a gradual return-to-work program.

[3] https://www.canada.ca/en/treasury-board-secretariat/services/values-ethics/diversity-equity/disability-management/fundamentals-return-to-work-plan.html

# Ministry of Health

**A NEW ECONOMIC LENS FOR B.C. HEALTH CARE**

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

Hospitals also remain fundamental to the healthcare system but are not funded to ensure healthcare delivery is equitable.

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

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

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

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

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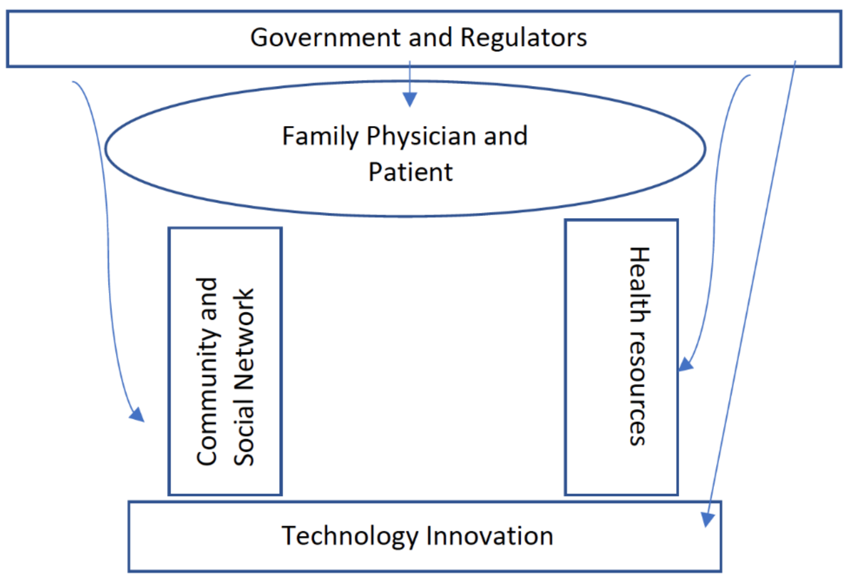
[1] https://www.canada.ca/en/employment-social-development/programs/seniors-action-report.html#tc2a
[2] https://www.canada.ca/en/public-health/services/publications/healthy-living/how-healthy-canadians.html
[3] https://vancouversun.com/news/local-news/number-of-b-c-doctors-growing-but-work-life-balance-means-fewer-patient-visits-worsening-access
[4] https://www.who.int/goe/publications/goe_telemedicine_2010.pdf

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

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

Figure 1 The Hierarchy of Health




<u>Actions We Can Take Now And Why Health Care Matters To Business:</u>
The failure of our system to adapt to the changing needs of British Columbian's has left a very expensive health-care system that delivers mediocre results, as stated by the physicians and healthcare professionals we worked with in developing this policy. COVID-19 has made it evident that healthy communities lead to economic prosperity, and that unhealthy or unwillingness for individuals to adequately take care of themselves creates economic uncertainty. British Columbians should have a health-care system that is truly worthy of their confidence and trust. There are five clear steps that could be taken to achieve this:

*1. Integration and Innovation*
Health-care stakeholders in B.C. still function in silos. Hospitals, primary care, social care, home care and long-term care all function as entities unto themselves. There is poor information sharing and a general failure to serve common patients in a coordinated way. Ensuring that the patient is at the centre — regardless of where or by whom they are being served — will lead to better, safer, more effective and less expensive care. Investments in information systems will be key to the success of these efforts. If

investments in technology and information systems are made this will benefit workers to ensure they have the integrated health care knowledge that they need in an expedient pathway - taking limited time away from the workplace.

*2. Enhanced Accountability*

Those who provide healthcare to British Columbians, there needs to be greater accountability and models focused on outcomes rather than outputs. Quality and effectiveness should be rewarded rather than the amount of service provided. Alignment of professional, patient and system goals would ensure that everyone is pulling their oars in the same direction. Improving accountability would provide better peace of mind for people to return to work and provide business owners peace of mind that their employees are being given outcome orientated treatments.

*3. Broaden the Definition of Comprehensiveness*

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

*4. Bold leadership*

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

*5. Hospital Investments*

The World Health Organization indicates that the minimum hospital beds a geographical area should have is 1 bed per 1000 citizens. Below is a comprising of hospital beds versus population (2021 census data).

There are many hospitals throughout the lower mainland that service the entire Metro Vancouver region.

- SMH 634 beds vs population 568,320
- Abbotsford – 300 beds vs population 153,524
- Royal Columbian Hospital (New Westminster) - 490 beds vs population 78,916
- Langley Memorial - 188 beds vs population 166,356 (City and Township)
- Peace Arch (White Rock) - 146 beds vs population 21,939
- Burnaby Hospital - 314 vs population 249,125
- Vancouver General Hospital and Health Sciences Centre - 1300 acute; 6,700 residential; 80 rehabilitation; 900 assisted living/respite beds
- St. Paul's Hospital, Mount Saint Joseph Hospital - 2,000 acute; 6,700 residential; 270 rehabilitation; 900 assisted living/respite beds

[5] https://theconversation.com/how-healthy-is-the-canadian-health-care-system-82674

The Fraser Health Authority denotes Surrey Memorial Hospital as a regional hospital[6], however, it does not have the facilities required to treat three of the leading causes of sudden death: heart attack; stroke and trauma. Those patients must be transported to Royal Columbian Hospital (RCH). Unfortunately, if there is a natural disaster that prevents access to RCH, there is no hospital south of the Fraser River that can treat heart attacks, strokes, or certain types of trauma.

FHA and therefore Surrey have historically received less per capita than Vancouver for health care. A review of the 2020/21 audited statements of FHA and Vancouver Coastal show that: FHA received $2,229 per person. Vancouver Coastal received $3,033.

B C Ambulance statistics for 2021 show that 1376 patients were transferred from SMH to other cities for care. The top three reasons were heart, stroke, and pediatric specialty care.

The new Surrey hospital is projected to have 168 beds bringing Surrey's total beds up to 802. Although this satisfies the WHO's minimum beds per 1000 persons in a geographical area, it still fails to satisfy the needs of the region.

The new hospital will have: 5 operating rooms; 4 procedure rooms; an emergency room with 55 treatment spaces; virtual care options; 3 CT scanners; 2 MRI machines; a pharmacy; a laboratory, and; academic spaces. All these services with an additional cancer research facility are expected in the $1.72 billion hospital.

As it stands, there is no emergency plan that addresses how residents living south of the Fraser River will access these lifesaving services in the event of an earthquake or natural disaster that affects bridge and tunnel crossings.

The provincial government has made some significant investments in healthcare as it relates to acute care, especially in budget 2023[7]. The federal government has also provided more funding for healthcare[8]. These investments must be made in aspects of healthcare that is being asked for by our medical professionals.

THE CHAMBER RECOMMENDS

That the Provincial and Federal Governments:

1. Invest in greater hospital capacities in the areas that will see high levels of population growth.
2. Develop an emergency plan that addresses how residents will receive care given a large-scale natural disaster.
3. Close the gap in chronic care and empower the patient to manage their health by utilizing self-management, behaviour modification, and lifestyle, which includes: Family Physician, nurses, the patient, community and social support systems, and technologically innovative organizations.

[6] https://www.fraserhealth.ca/Service-Directory/Locations/Surrey/surrey-memorial-hospital#.Y4UO1uzMJKc
[7] https://strongerBCgov.BC.ca/health-care/
[8] https://www.canada.ca/en/health-canada/news/2023/02/the-government-of-canada-and-british-columbia-reach-agreement-in-principle-to-improve-health-services-for-canadians.html

## B.C.'S HEALTH SYSTEM – TIME TO EVALUATE AND REVIVE

### Issue

The medical system in British Columbia and across the country is broken! We are at a crossroads in healthcare where we have to find solutions. The time to point fingers is over. We need to look at the system from the top down and re-connect the community voice with community health.

### Background

In a province as diverse, wealthy and educated as British Columbia there is no excuse that lack of health care impacts quality of life. Provinces are the gatekeepers to health and if the pandemic proved anything it is that the provinces and the federal government can put politics aside. We saw, despite the controversies, that provinces and the federal government can hear the voices, work together and find solutions.

In 1961 Premier Tommy Douglas announced his plan for universal publicly funded medical insurance coverage (Medicare) in Saskatchewan. On July 1st, 1968 the Medical Care Insurance Act came into effect in Canada. By 1971 all provinces had established comprehensive medical insurance plans that met the federal criteria for funding eligibility.

Universal access to medical services is a source of pride for Canadians and yet across the country we daily read about the failures of the system to provide the health care British Columbians and Canadians need.

We need to stop the steady decline of our health system. Solving the crisis requires more than just funding – it requires an in depth evaluation of the organization and systems with the objective of ensuring British Columbians and Canadians have access to truly universal, equitable health care.

We are in a crisis, that has been a very long time in the making. We cannot afford to continue to treat the symptoms while ignoring the disease.

EXHIBIT 1

Health Care System Performance Rankings

| | AUS | CAN | FRA | GER | NETH | NZ | NOR | SWE | SWIZ | UK | US |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **OVERALL RANKING** | **3** | **10** | **8** | **5** | **2** | **6** | **1** | **7** | **9** | **4** | **11** |
| Access to Care | 8 | 9 | 7 | 3 | 1 | 5 | 2 | 6 | 10 | 4 | 11 |
| Care Process | 6 | 4 | 10 | 9 | 3 | 1 | 8 | 11 | 7 | 5 | 2 |
| Administrative Efficiency | 2 | 7 | 6 | 9 | 8 | 3 | 1 | 5 | 10 | 4 | 11 |
| Equity | 1 | 10 | 7 | 2 | 5 | 9 | 8 | 6 | 3 | 4 | 11 |
| Health Care Outcomes | 1 | 10 | 6 | 7 | 4 | 8 | 2 | 5 | 3 | 9 | 11 |

Data: Commonwealth Fund analysis.

Source: Eric C. Schneider et al., *Mirror, Mirror 2021 – Reflecting Poorly: Health Care in the U.S. Compared to Other High-Income Countries* (Commonwealth Fund, Aug. 2021).

The Commonwealth Fund

In the most recent Commonwealth Fund Report 2021[1] Canada ranked #10 out of 11 countries and reports dating back to 2010 have showed a steady decline with Canada in the bottom 2 countries for health care consistently.[2] Scoring in the bottom for Health Care Outcomes, Equity and Access to Care but 4$^{th}$ in the Care Process. Once in care our health care professionals go above and beyond for patients. So how do we ensure that

[1] https://www.commonwealthfund.org/publications/fund-reports/2021/aug/mirror-mirror-2021-reflecting-poorly

[2] https://www.commonwealthfund.org/series/mirror-mirror-comparing-health-systems-across-countries

access to care is universal and equitable? By stepping back and looking at our health care system from 50,000 feet. Not picking at the individual details, not pointing fingers or placing blame. Looking at the countries that are having success and putting best practices into place in British Columbia. It is time for a different tactic. "The definition of insanity is doing the same thing over and over and expecting different results." -Albert Einstein

As more and more British Columbians struggle to access family doctors, diagnostics, home care, and maternity we need government, health authorities, service providers and communities to step back and look at the overall system. CBC.[3] reported that 59% of B.C. respondents to an Angus Reid poll found it difficult to access a family doctor and that 36% do not have a family doctor despite wanting one. This equates to almost a million residents without primary care.

We see rotating and/or permanent closures to hospitals, clinics, maternity, diagnostic services, removal of low acuity procedures in remote communities, lack of access to timely care/procedures and so much more. Health care professionals seek more than just financial incentives – they are seeking quality of life, better working conditions, work life balance and the support to do their jobs. Imagine bringing team based centres/ labs/small surgical centres back to smaller communities providing care and the opportunity for residents of larger centres to travel for quicker service providing those communities with economic opportunities. Turn to communities across B.C. to enhance services, provide more at home/in community care and relieve some of the burden on larger centres while providing health care professionals opportunities for affordable housing in family friendly communities.

The centralization of health care through 6 regional health authorities isn't working, particularly for rural and remote communities. In the Northern Health region Municipalities[4], Chambers[56] and the Resource Municipalities Coalition[7] have all called for audits of the health authority. Centralization isn't working – the voice of the community once represented by a local hospital board with a broad community base has been eliminated and replaced with individual complaint driven processes. Where once communities had a role and partnership with government on healthcare and were resources to identify trends and gaps, they have been effectively silenced with no direct engagement opportunities. This disconnection of the community voice and the increased means (social media) to complain to a wider audience creates extremism and unrest as we have seen throughout the pandemic. Health authorities spend less time on actually finding solutions and providing health services and more time defending their actions or inaction. Health Authorities are in protectionism & survival mode. We need to replace that with growth, efficiency, sustainability and caring for both the patient and the health care provider.

"The best health systems in the world depend on four principal factors: barrier-free universal coverage, significant commitments to primary care, few administrative burdens and an investment in social service – nutrition, education, childcare, housing, transportation, community safety and worker benefits – to help keep people from the system itself." – Kirk LaPointe[8]

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[3] https://www.cbc.ca/news/canada/british-columbia/angus-reid-institute-doctor-access-BC-1.6575386
[4] https://nr.civicweb.net/FileStorage/7DA92255BF774D5E8881095E04566A33-22-01-19%20Letter%20to%20BC%20Auditor%20General%20NH%20Audit%20(1).pdf
[5] https://acrobat.adobe.com/link/track?uri=urn:aaid:scds:US:7c67f427-284f-3de7-8d6e-0f5e199ca0fe
[6] https://acrobat.adobe.com/link/track?uri=urn:aaid:scds:US:d2f025fc-4538-3167-8833-200e6eca0342
[7] https://acrobat.adobe.com/link/track?uri=urn:aaid:scds:US:6015b972-4925-311a-be0a-9e76aab1c135
[8] https://biv.com/article/2023/02/we-have-yet-see-real-remedy-our-broken-health-care-system

We require a high-level holistic overview of the British Columbia health system – what parts of the system work well and where are we broken with a lens on team care in communities that is universal across the province and inclusive of rural and remote communities, indigenous communities and marginalized groups (Seniors, GLBTQ2S, Racial/Cultural Minorities, Persons with Impairments).

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. In partnership with the Federal Government convene an independent panel to review those countries that rank highest in access and health outcomes (Norway, Netherlands, Australia) to apply best practices to B.C. and Provincial Health Systems and make the findings of the panel public.
2. Convene an independent panel to review the Regional Health Authorities structure and effectiveness to ensure they are connected and accountable to the communities they serve.

## INVESTMENT IN SENIOR CARE - THE ECONOMIC IMPACT OF THE SILVER TSUNAMI

**Issue**

Challenges associated with senior care are impacting the business community. The limited availability of appropriate senior care, challenge navigating the options, and the uncertain quality and reliability of some senior care support means that productive employees in our B.C. economy need to leave the workforce to help support and care for their aging parent.

**Background**

Numerous studies over the last few decades have been warning us about this silver tsunami and its impact on the workforce, and yet here we are. Over the next 20 years, Canada's senior population is expected to grow by 68%.

The last several years has been proven to be the most challenging ever for seniors and their adult children in B.C. It has put the lack of resources for seniors and healthcare workers in the spotlight from not only a social issue but an economic one. Many employees are already faced with the reality of balancing their careers with significant family obligations – caring for children, aging parents, or both.

In 2017, the federal government changed the employment insurance (EI) to provide a family caregiver benefit of up to 15 weeks to care for an adult family member whose life is at risk and who has experienced a significant change in their baseline state of health. These were welcome changes in the law that underlined three important realities that will demand a greater role of family members in providing direct care to seniors approaching their final years: financial, demographic, and moral.

Canada will need to nearly double its long-term care by 2035 as baby boomers continue to age and B.C. will need to prepare for that increased demand for aged care services or more citizens will be forced to exit the workplace to care for aging parents. It is understandable that these adult children providing care to aging parents report considerable caregiver stress and poor perceived mental health and ultimately leave the workforce, whether it's a leave of absence, early retirement or simply a termination to focus on the full-time care giving. Almost one-third of family caregivers are in distress; this has increased 3.4% in the last five years. On average, 82% of clients of distressed caregivers receive less than two hours of service per day.

Longevity, technology, and family shifts mean that more people are surviving into lengthy periods of disability, and care is concentrated on fewer people, many of whom must maintain employment and face significant work, health, and financial consequences in order to sustain caregiving[1].

> "*Over two-thirds of all seniors' care in the province is delivered by non-government providers – which includes both private and not-for-profit providers. Many nongovernment providers are funded directly by the regional health authorities to deliver seniors' care services across the province*." – B.C. CARE POLICY 2021

<u>Increase Availability of Senior Care</u>

The last provincial review of seniors' care was conducted in the late 1990s. From 2001 to 2016, access to publicly funded long-term care beds has declined by more than 30 per cent. At the same time, the provincial government introduced an alternative to long-term care, a new housing model called assisted living, called the Community Care and Assisted Living Act. While many seniors welcomed this more home-like model of seniors' residential services, it is important to note that the funding level for this new assisted living model was approximately half of what it was for long-term care.

Low to moderate-income residents and their families, who can barely afford the cost of the basic service package have no better alternative. A recent study highlights significant unmet care and personal needs for these residents—not by choice, but because they can't afford the fee structure in private-pay assisted living residences, where seniors pay more for each additional service provided.

This points to the importance of improved funding and better planning of seniors' services to ensure that there are enough subsidized non-profit assisted living residences and long-term care facilities to meet the needs of B.C.'s aging population. (footnote 104 Longhurst, 2020.)

There is a shortage of the well-trained healthcare workforce capable of caring for a much larger population of older adults. There is also a critical shortage in health care workers and professionals. There are also not enough trained staff to meet the sector's needs, either now or in the foreseeable future when Canada will have many more "older" adults.

There is a need to create more government and private sector long-term care homes in our communities across B.C. In particular, smaller communities across B.C. are impacted. Investment is required to add more senior care homes and expedite approval of construction and development to meet the current and future demand for all B.C.'s seniors.

<u>Stay-at-Home & Long-Term Care</u>

Lack of care options has huge ripple effects on Canada's economic productivity, as people increasingly leave the workforce to support an aging parent. We need more care facilities for seniors who do not find "stay at home" an option that meets their health, safety, family support and financial interests.

Over the past five years, the senior population has grown 22% but the number of home support clients has only increased by 15%. The current B.C. 'Better at Home' initiative supports those who prefer or can

[1] Resource: A Study Paper in February 2010 prepared by The British Columbia Law Institute & The Canadian Centre for Elder Law called 'Care/Work - Law Reform to Support Family Caregivers to Balance Paid Work and Unpaid Caregiving'. - https://www.BCli.org/sites/default/files/FamilyCaregivingReport.pdf

live and be supported at home, but unfortunately, due to the lack of public beds it's a waitlist for a vulnerable senior until a bed comes available. Sadly, when affordable long-term care is required, it is simply not available.

Stay at Home Challenges

Home health care: Home care and home support options enable seniors to get the help they need at home. Services range from publicly subsidized care, which is delivered through the person's health authority, to customized private-pay options, which can include medical care, transportation, companionship, and home making.

The "We Must Do Better: Home Support Services for B.C. Seniors" report by the B.C. Seniors Advocate, finds the province's home support services need fundamental restructuring, as follows:

- Overall, 34% of family caregivers in B.C. are in distress and this rises to 57% when looking at clients who are receiving less than an hour per day of home support.
- Most provinces do not charge for home support services. B.C. does charge and is the most expensive.
- 61% of seniors moving into a long-term care facility had no home support 90 days prior to admission (similar to five years ago).
- B.C.'s rate of newly admitted long-term care residents with low care needs is twice as high as Alberta and Ontario who do not charge for home support and is 34% higher than the national average.

Recruitment and retention of home support is one the greatest challenges. 75% of the health care workforce is part-time or casual. This needs to change if we are to attract the workforce needed to meet demand.

Also, public home support is unaffordable to most seniors. For example, through the regulated daily rate co-payment, a senior with an income of $28,000 is required to pay $8,800 a year for daily home support. British Columbia is one of the few provinces to charge a fee for home support, and among those provinces that do have a fee, B.C. has the highest rate.

Long-term Care Challenges:

Long-term care: Long-term care homes are an option for seniors who need 24-hour professional support and care because of their physical needs, or because they have advanced Alzheimer's disease or another dementia. For many seniors, this is the best option when the person can no longer be cared for in their own home or in an assisted living home.

The demand for long-term care and assisting living is a major challenge and is predicted to grow in the face of the aging demographic. There will be 44% increase of Canadian seniors in care in 2030, compared to 450,000 today, and this does not include the majority who will receive care at home. According to the BC Care Providers Association, it's estimated that a minimum of 5,000 to 7,000 long-term care spaces are needed by the end decade to accommodate demand in our Province.

It is a sad reality that seniors face long waitlists for public care options if they cannot afford private care homes. A historical lack of in-home care support has had a ripple-down effect in B.C. People who could live at home are instead taking up desperately needed beds in residential facilities, where the waiting lists to get in are long. In certain cases, in-home care not only keeps seniors in their homes, but are cheaper for government than building more residential facilities.

IMPACTS: Lack of senior living home & home-care options.

Lack of senior living home & home-care options have an impact on the care givers (often people employable in the workforce) and seniors. The impacts are as follows:

Impacts on Family Caregivers

- Taking employees out of the workforce to help care for an aging parent. Facts prior to the pandemic: There are about one million "informal" caregivers in the province, according to Statistics Canada. They are predominantly family members caring for their mothers, fathers, spouses, or adult children.
- It compounds the gender in-equality issues within the workforce with the burden largely being caried by women. Not only are most informal caregivers female, but women are more often the primary caregiver (67 percent vs. 59 percent of men caregivers), meaning they are the sole caregiver or provide the majority of care along with other unpaid caregivers.
- it has longer-term financial impacts on this group in their retirement, career advancement, and current ability to meet their own financial obligations, let alone their parents.
- According to Carers Canada there are over a million caregivers in British Columbia and in Canada, 25 per cent fill this role. Half of these family caregivers are between the ages of 45 and 65 in their peak earning years.

Impacts on Seniors

- Health: isolation, mental, physical, and spiritual - their overall well-being
- A population of seniors with capital wealth (home ownership) but in many cases not sufficient monthly income to:
    - eat well (leading to malnutrition).
    - get enough personal and medical care at home.
    - adapt their houses appropriately as needed to be safe leading to hospitalizations from falls.
    - afford transportation alternatives to get regular medical check-ups from specialists again leading to further hospitalizations and use of ambulances.

- Family members having to bridge this gap in financing the required care and putting themselves and their families at financial risk.

Results of staying at home in many regions:

- Seniors may be exploited - seniors who don't have sufficient income enter higher interest reverse mortgages rather than spending on their own care
- housing/property shortage for development of multi-purpose senior communities, affordable family townhomes etc. Disproportionate number of large single dwelling homes on large properties owned by seniors (often only one person).

Need for Private In-Home Care Regulation

The most common misconception about the private home care industry in British Columbia is that the industry is government regulated and licensed. There is the assumption private agencies are licensed, must abide by strict hiring policies and carry comprehensive liability insurance coverage.

In fact, the B.C. private home care industry is not government regulated. There are no licensing requirements to operate a private home care agency. Care aides are not required to be certified or criminal background checked. There are no liability insurance requirements.

Any individual, company or franchise can operate a home care agency. It is legal to hire unqualified and uncertified care aides with no criminal background checks required. Unqualified care aides are permitted into private homes to legally administer all forms of critical care. Liability insurance is discretionary. A care aide is often assumed to be an accredited professional.

A care aide is a generic term for one who assists with the care of another individual – it is not a certification. A care aide may or may not be certified.

<u>Service Provider Funding</u>

All service providers, including non-profit, public, and private sectors all play a role in services needs. But the funding model for the important work that non-profits contribute is inefficient and needs improvement.

Non-profits providers spend significant time seeking grants and the funding provided is very often short term. This results in Non-profits provider uncertainty, staff turnover and loss of momentum. It also results in frequent and confusing program changes, and significant administrative time to write grant proposals to seek continuation of the service or program being delivered. It is a problem that is growing and so should be long-term commitments and growth should be consistent with the growth of this population group.

<u>Access & Navigation</u>

Navigating the seniors living and care continuum is challenging. B.C. Senior care options are difficult to navigate; users and seniors find it difficult to learn what care options and support is available, and at what price.

In 2019, EngAge BC, an operating arm of the BC Care Providers Association, launched Route 65. Route 65 is a free, online tool that helps connect seniors and their family members with the services offered by B.C.'s leading operators of independent living, assisted living, long-term care, and home health care.

It could be better advertised or embraced by the health authorities as they assist families in navigating a complicated system of private and public options. Create a platform that provides a "One Stop Shop" to navigate all public/private options for senior care and progressive support. The platform needs to address the sudden nature of the need for support and service - including *Crisis Capability* to respond to immediate needs of seniors and their families in crisis.

Canadians are living longer, and our healthcare system is reeling under the pressure of too many seniors occupying hospital beds due to the lack of care options in their community. It means their family members and loved ones are facing agonizing choices on how to support an aging parent, companion or spouse.

If we do not prepare for the anticipated doubling and tripling of demand for aged care services, our healthcare system could buckle due to overwhelming demand. By investing in recruitment and training to strengthen the healthcare workforce, and ensuring that our infrastructure is the best available, a more positive picture emerges for British Columbia's families.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Increase availability of senior care to all who need it, where they need it.
   a. Expedited approval of construction and development of more private and public senior care facilities across all communities in B.C.
   b. Expand options for care facilities for seniors where "stay at home" is not an option that meets their health, safety, family support and financial interests.
   c. Extend the terms of yearly or multi-year funding/grant models to provide better planning and stability for non-profit organizations providing senior care.

2. Support senior care labour force supply, training, and in-home care standards.

3. Improve access to and navigation of Senior Care Service options.
   a. Study and financially support gaps in service for a clear, equitable service and care pathway for all seniors, of all needs and ability to pay.
   b. Create an integrated, supportive platform that provides a "One Stop Shop" to navigate all public/private options for senior care and progressive support. The platform should be kept current and include Crisis Capability to respond to immediate needs of seniors in crisis.

**MEDIVAC - EQUITABLE CARE FOR BRITISH COLUMBIANS**

**Issue**

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

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

**Background**

All British Columbians should have access to equitable health care. Section 12(a) of the *Canada Health Act* – Accessibility stipulates that the insurance plan *"must provide for insured health services on uniform terms and conditions and on a basis that does not impede or preclude, either directly or indirectly whether by charges made to insured persons or otherwise, reasonable access to those services by insured persons;"*

Currently rural British Columbians are significantly discriminated against in accessing emergency services and basic health and wellness services.

In the event of an emergency or life-threatening condition a patient will be transported, often referred as 'medevac'd' for medical evacuation, to a facility capable of treating the condition. Quite often, this is done by air transportation due to the significant distance required to receive care. Upon release patients are simply discharged with no consideration or assistance to return to their home community. When medevac'd out due to medical emergencies patients have been discharged from hospital with no funds to return home, no clothing and no support, and too often in a condition where they still require assistance. In the words of a patient *"If you can't afford it? You find a way or else you're on the streets. The whole thing is literally a panic inducing nightmare and the hospital LITERALLY says they can't help you and good luck and out the door you go. There really needs to be an advocate for each person to assist."*

In addition, many services are not offered in rural communities such as cancer care, maternity services, diagnostic services, etc. While people and businesses in rural and interior B.C. understand not everything can be offered in every community, it is unequitable that patients in rural, remote areas are expected to cover their own costs. In remote communities, such as Fort Nelson, expectant mothers are required to leave the community 4 - 6 weeks before their due date. This is at an out-of-pocket cost of thousands of dollars, adding stress, taking employees away from work and family, and, if there are other children in the family, additional measures must be considered. There are cases of individuals requiring cancer care choosing no treatment simply because they could not afford the cost related to travelling to another community.

There is a significant burden to business as well as employees are impacted and require more time away including the spouse. It additionally puts an unfair financial burden on families already coping with a stressful situation.

Patients requiring cancer care or other services, even if eligible for the province's Travel Assistance Program (TAP) are still responsible for all incidental costs. TAP Eligibility is cumbersome and the program is ineffective. The TAP website notes that *"The Travel Assistance Program (TAP) helps alleviate some of the transportation costs for eligible B.C. residents who must travel withing the province for non-emergency medical specialist services not available in their own community. TAP does not provide direct financial assistance to patients for travel costs or make travel arrangements for patients. Meals, accommodation, mileage, fuel and local transportation expenses are not included in TAP and are the responsibility of the patient. There is no reimbursement for travel already taken."*

In addition for many rural communities TAP agreements with regional air carriers only offers some discounts and waived flight restrictions. Fares for travel from these destinations are higher and often unaffordable to those who need them the most.

The following is taken from the Province's Medical Services Plan (MSP) guidelines[1] and are services all British Columbians are entitled to. As it stands today these are only equitably provided if you live in an urban centre. The burden of cost particularly when a medivac is necessary should not be borne by the patient.

- *medically required services provided by a physician enrolled with MSP;*
- *maternity care provided by a physician or a midwife;*

[1] https://www2.gov.BC.ca/gov/content/health/health-drug-coverage/msp/BC-residents/benefits/services-covered-by-msp/medical-benefits

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

In addition to the above noted challenges there is a growing concern with the outgoing medivac system as well due to an unwillingness / policy from BC Emergency Health Services (BCEHS) to utilize private carriers. Patients are routinely subjected to long wait times and even when alternate services are available they are transported by ground ambulance over long distances. In Fort Nelson a private air charter business undertook the creation of a detailed business case to acquire the appropriate aircraft in order to offer locally-based emergency air transfers, which included in-depth discussions with BCEHS. In 2021, following a commitment from BCEHS for utilization as an ad hoc service provider, they proceeded with the acquisition of a Beechcraft King Air, undertook the retrofits for medical transfers, obtained Transport Canada approval to operate the aircraft in a medical capacity, executed an agreement with BCEHS, and undertook orientation with all local BCEHS staff to ensure readiness for emergency air transfers. Since that time, not one call for service has been made. Due to these inefficiencies patients may wait days for transport to facilities offering a higher level of care. More times than not, these transfers are made by ground (4 hours one way) when a certified aircraft under contract with the same service provider sits 12 minutes from Fort Nelson General Hospital, to take a 50 minute flight to the same destination.

The issues with equitable access to health care has been recognized in many papers and recommendations for many years including the Forestry Ombudsman HEMS Report in 2017[2] and the Select Standing Committee on Finance and Government Services has repeatedly highlighted the need for equitable access to health care in their reports:

1. Budget 2020 Report Recommendation 59

   Provide equitable access to health services in rural and remote communities, including better addressing travel costs and ensuring access to reliable, timely medivac, air ambulance and emergency services and public transportation[3]

2. Budget 2021 Report Recommendation 84

   In consultation with rural communities, establish and fund rural health councils to act as advisory bodies to engage with rural British Columbians and inform decision making on the provision of health care services to meet the unique needs of rural communities. 85. Improve access to health care services in rural, remote and coastal communities by increasing the provision of specialist services and transportation services, and better coordinating and aligning these services.[4]

3. Budget 2022 Report Recommendation 99 and 100

   Ensure British Columbians who require ambulatory medical services outside of their home communities receive timely and reliable return transportation.

[2] https://www2.BCforestsafe.org/files/HEMS_Report_jan31.pdf

[3] https://www.leg.BC.ca/content/CommitteeDocuments/41st-parliament/4th-session/fgs/reports/FGS_41-2-2_Budget-2020-Consultation-Report_2019-08-07.pdf

[4] https://www.leg.BC.ca/content/CommitteeDocuments/41st-parliament/5th-session/fgs/Reports/Budget%202021%20Consultation%20Report_Volume%20I.pdf

Explore innovative ways to expand health services in communities and through technology to rural, remote, and underserved areas of the province. [See also Recommendation 6 in Equity and Inclusion][5]

4. Budget 2023 Report Recommendation 137
   Improve access to health care in rural and remote communities, including by funding digital health care, exploring the use of physician assistants to extend hospital hours, increasing access to midwives, providing incentives to attract health care practitioners to these communities, and increasing seats and loan forgiveness for students.[6]

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Improve medivac services to:
   a. Ensure timely access to care through improved BCEHS services and utilization of contract services.
   b. Ensure British Columbians who require ambulatory medical services outside of their home communities receive timely and reliable return transportation;
2. Improve financial assistance for out-of-community services by;
   a. Providing for at-home maternity care or financial/living assistance if expectant parents have to leave community.
   b. Improving the Travel Assistance Program to provide reasonable expenses for patients who must travel for medical services not provided within their community.
   c. Revise the Travel Assistance Program to allow expenses incurred for travel already taken when emergency medivac takes place.

[5] https://www.leg.BC.ca/content/CommitteeDocuments/42nd-parliament/2nd-session/fgs/budget-consultation/42-2-2_FGS-Report_Budget-2022-Consultation.pdf
[6] https://www.leg.BC.ca/content/CommitteeDocuments/42nd-parliament/3rd-session/fgs/budget-consultation/Budget-2023-Consultation-Report.pdf

## ACCELERATING DEVELOPMENT BY ALLOWING FOR OPTIMUM TIMING OF PAYMENT OF DEVELOPMENT COST CHARGES

**Issue**

In the Local Government Act under section 559 (4), local governments may, by bylaw, impose development cost charges ("DCC") upon approval of subdivision, or a building permit. Specially the act states:

> ***559*** *(1) A local government may, by bylaw, for the purpose described in subsection (2) or (3), impose development cost charges on every person who obtains approval of a subdivision, or a building permit authorizing the construction, alteration or extension of a building or structure. Development cost charges may be imposed under subsection (1) for the purpose of providing funds to assist the local government to pay the capital costs of providing, constructing, altering or expanding sewage, water, drainage and highway facilities, other than off-street parking facilities, and providing and improving park land to service, directly or indirectly, the development for which the charge is being imposed. Development cost charges may be imposed under subsection (1) in a resort region for the purpose of providing funds to assist the local government to pay the capital costs of providing, constructing, altering or expanding employee housing to service, directly or indirectly, the operation of resort activities in the resort region in which the charge is being imposed. Subject to subsection (5), a development cost charge that is payable under a bylaw under this section must be paid at the time of the approval of the subdivision or the issue of the building permit.*

For a single detached building permit, the DCC, depending on the municipality, is typically between $15,000 and $30,000. The requirement for payment of the DCC at subdivision or building permit stage, well in advance of closing of the sale and occupancy, results in a significant demand on cash flow, particularly for smaller construction/development companies.

**Background**

Under the Local Government Act, local governments may, by bylaw, impose development cost charges ("DCC") upon approval of subdivision, or a building permit authorizing the construction, alteration or extensions of a building or structure. The DCC is to assist the local government to pay the capital costs of providing, constructing, altering or expanding sewage, water, drainage and highway facilities, other than off-street parking facilities, sidewalk curb and gutter and providing and improving park land to service, directly or indirectly, the development for which the charge is being imposed.

Under section 559 (4) of the Local Government Act, the DCC must be paid at the time of the approval of the subdivision or the issue of the building permit. The time between the payment of the DCC and closing of the sale and occupancy can be many months, with the cost of carrying the early payment of the DCC being borne by the builder/developer.

In order to better align the timing and payment of the DCC with cash flow, amendments to the Act are sought requiring payment at a later stage in construction, for example at insulation inspection or issuance of an occupancy permit.

As most newly built homes are insured, requiring an occupancy permit for their insurance, the DCC payments could be tied to the occupancy permit. Another possible option would be to allow the payment through installments at certain points of inspection (i.e. at insulation).

Under 559 (5) of the Local Government Act, the Minister may authorize the payment of DCC in installments. Under current legislation, BC Reg. 166/84, a developer may elect to pay DCC in installments for amounts $50,000 or greater, and by local government bylaw on amounts less than $50,000. Payment must be not less than 1/3 of the DCC at the time of approval of the subdivision or granting of the permit, 1/2 of the balance within one year after approval and the remaining balance within 2 years after the date of approval.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Consult with local government and builders/developers to explore the preferred and optimum timing of payment of DCC, such as at occupancy permit stage, in better alignment with the cash flow needs of industry;
2. Amend the Local Government Act to reflect agreed upon changes regarding the timing of payment of DCC; and
3. Consider the timing of payment as a potential incentive tool for affordable or rental housing.

## DEVELOPMENT PERMIT TIMELINES

**Background**

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

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

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

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

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

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Amend the Community Charter & Local Government Act to:
    a. Establish reasonable timelines and focused guidelines for the approval of development permits by local governments;
    b. Provide standard requirements for the submission of development permits to local government such as specific drawing requirements, traffic survey, etc.;
    c. Provide standard criteria for local governments on which to approve development permit applications;
    d. Specify all costs which a local government may specifically attribute to a project;
2. Apply at top priority to:
    a. Development permit timelines; and
    b. Provide an appeal process for the applicant, should a local government fail to meet the requirements as specified in the Act.

**GUIDELINES FOR ENFORCING RESIDENTIAL RENTAL TENURE ZONING**

**Issue**
In the next 25 years, B.C. will be home to several of the fastest growing census metropolitan areas (CMAs) in the country, including Kelowna and Surrey, with over one million new residents moving to Metro Vancouver. More housing choices are required in British Columbia in order to be economically competitive by attracting and keeping skilled workers. Housing choices that meet various income levels and are located within a reasonable distance from employers are most desirable. In 2018, the Provincial Government legislated the Residential Rental Tenure Zoning (RRTZ) tool to protect rental units, increase housing choices, and improve affordability; it fell short due to flawed implementation.

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

The search for solutions has resulted in new taxes, financial reforms and policy measures that have had various levels of effectiveness.

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

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

RRTZ has the capability of devaluing properties when rezoning is not combined with density increases. Furthermore, some municipalities have elected to rezone areas without appropriate consultation of the landowners. Property devaluation, a lack of consultation, and a climate of uncertainty will lead to builders to choose other types of projects over rental home construction.

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

The Urban Development Institute supports the development of stakeholder consultation and active monitoring of results to achieve increased rental supply of housing as British Columbia's population continues its rapid expansion.

THE CHAMBER RECOMMENDS

That the Provincial Government:

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

## REMOVING UNCERTAINTY FROM COMMUNITY AMENITY CONTRIBUTIONS

### Issue

Community amenity contributions (CACs) are becoming a feature of development in many parts of British Columbia. Municipalities negotiate CACs from those seeking a change in zoning, in order to capture some of the boost in land values that results from a change in use or an increase in density. This practice has grown immensely in recent years and seems poised to continue. Additionally, the amount of CACs taken by the municipal sector can be high. In summary, the CACs system remains fragmented and unstandardized across the province, which puts transparency and predictability at risk.

### Background

CACs can cause a number of issues:

- Impacts affordability by significantly increasing costs and reducing the land available for sale;
- Creates barriers to entry for small builders who don't have the capacity to amortize these costs and manage the process, and in doing so, reduce the diversity of development projects;
- Causes proliferation of red tape, as every municipality takes a unique approach to CACs;

- Many local governments rely on negotiations to obtain CACs which are inherently not transparent, fair or predictable for builders;
- Hinders an industry which provides significant employment and leads to more efficient use of land, thus an increased tax base;
- Not a reliable or consistent revenue source for local governments as it relies on the state of an ever-changing market and,
- At times CACs are even applied to rental properties and commercial projects, further impacting the ability to deliver new job space and affordable housing.

Both affordability and economic development are impacted by CACs. In terms of affordability, the Province notes that when large CACs are extracted, builders are forced to lower their bids for land. Many land vendors will not accept lower prices and will effectively remove their land from the market. This shrinks the supply of available developable land and the number of units that can be built, which is particularly worrisome in a province that already has the most unaffordable housing in Canada.[1]

There is also concern about the economic impacts of affordability as attracting and retaining workers is an important determinant of future growth and prosperity for our region. Housing affordability remains one of Greater Vancouver's most pressing challenges, with the median household price being 12.6 times higher than gross yearly household income; a ratio above 5 is considered unaffordable.[2] A recent survey of businesses in Greater Vancouver found one-in-three (36 per cent) have considered relocating away from the region due to affordability concerns.[3] CACs can delay the construction of new projects and jobs. MNP Consulting, in 2016, outlined the economic impacts that the development industry has in B.C.[4] Table 1-1 summarizes the economic impacts as a whole.

Table 1-1: B.C. Property Development Industry - Total Economic Impacts (2016)

| | **Output** ($ millions) | **GDP** ($ millions) | **Employment** (FTEs) | **Federal Tax** ($ millions) | **Provincial Tax** ($ millions) | **Municipal Tax** ($ millions) |
|---|---|---|---|---|---|---|
| **Direct** | 27,305 | 12,172 | 123,247 | 639 | 670 | 634 |
| **Indirect and Induced** | 19,135 | 10,680 | 110,366 | 1,344 | 978 | 300 |
| **Total** | **46,440** | **22,852** | **233,613** | **2,972** | **2,193** | **1,388** |
| **Percent Change from 2012** | 32.4% | 34.6% | 5.4% | | | |

[1] https://www150.statcan.gc.ca/n1/daily-quotidien/220921/dq220921b-eng.htm
[2] https://www.boardoftrade.com/scorecard2018/assets/pdf/full-report.pdf
[3] https://www.boardoftrade.com/news/55-news/2022/2266-affordable-housing-transportation-and-crime-are-top-issues-for-metro-vancouver-voters
[4] https://udi.BC.ca/wp-content/uploads/2018/02/MNP-Economic-Impact-Report-201618.pdf

Because this tax is paid by a very small constituency, it is effectively hidden from the public and has mostly indirect effects, the risk of exploitation is high and the need for careful implementation is clear.

Why CACs

Distinct from Development Costs Charges (DCCs), CACs are attached to re-zoning applications. Local governments negotiate CACs from those seeking a change in zoning to help fund a range of amenities or facilities that are excluded from consideration in DCCs, including new parks, community facilities, public art, affordable housing, daycare, etc. CACs mean these are paid for by development, not by the tax base. They are, in many cases, explicitly a way for the municipality to extract some or all of the value created by up-zoning of property.

DCC by-laws must be approved by the Province and are allowed only to cover specific costs, namely, water, sewer, drainage and roads and park land. There is a detailed provincial *Development Cost Charge Best Practices Guide*[5] for municipalities and the industry that is over 100 pages.

CACs arise through municipal discretionary powers in re-zonings. Councils have the right to review the impacts of projects when assessing them and what builders offer to mitigate those impacts. This discretionary power has evolved into CACs. There is no specific legislation dictating CAC implementation. The Province has only created a short best practices guide for CACs that is neither detailed nor enforced, resulting in a variety of municipal approaches and policies. They are set on a fixed rate, or negotiated individually.

Calculating CACs

The methodology for establishing CACs varies. The development industry supports needs based assessment:

- The impacts of growth are identified;
- The community infrastructure (beyond DCCs) needed to mitigate those impacts is determined;
- The costs of this community infrastructure is estimated; and
- Costs per unit, or per square foot for builders is established.

More problematic are revenue-based approaches: “land value increase” and “land lift”. The land value increase approach is determined by the per square foot value of land in an area and the project is charged a percentage (e.g. 35%, 50%, 65%, 75%, or 100%) of that value for the additional density allowed. The land lift approach uses the increase in land value from a re-zoning. Again, the municipality takes a percentage of the increase in value. The land lift calculation is particularly difficult to assess and negotiate, as builder pro formas can be several pages long with dozens of line items, each one debatable in terms of its value. In many instances, the builder and/or the land vendor is not allowed any share of the benefits of a re-zoning. Neither approach links development impacts with the fees charged.

Negotiated CACs vs. Target CACs

CACs that have targeted rates are preferred for their transparency and timeliness. Additionally, builders are better informed about the significant costs when purchasing land. Whereas the negotiated approaches can be significantly problematic because of the unpredictability of the process as well as the

[5] https://www2.gov.BC.ca/assets/gov/british-columbians-our-governments/local-governments/finance/dcc_best_practice_guide_2005.pdf

risk, time, and cost they add to a project. It has been reported that some projects have taken multiple years of negotiations with municipal staff to determine the suitable zoning and on/offsite amenity contributions. Negotiations for small projects have also been difficult due to lengthy negotiations with municipalities on CACs. This is exacerbated because there currently is no dispute resolution process in place for any municipality for addressing protracted and stalled negotiation processes.

The negotiations are often highly subjective and inconsistent on a square footage basis. In some municipalities, a comparison of major projects has resulted in negotiated CAC's ranging from $6 to $38 per square foot, without reasonable explanation for the differences. Due to the opaque nature of negotiations, public trust in the development review process can be undermined and eroded – fostering NIMBY reactions to projects.

Additionally, due to a lack of standards, there have been municipal council decisions on CACs that are not necessarily in the best interest of the community and its amenity needs.

<u>Province's Guide on CACs</u>
In March 2014, the Province released a high-level guideline called *Community Amenity Contributions: Balancing Community Planning, Public Benefits and Housing Affordability*.[6] It addresses the legality of CACs and their impacts on housing affordability. The guide also includes recommended best practices.

The Province is concerned about the legality of some municipal CAC approaches, as there is no clear legislated authority to charge CACs. In addition, section 931 of the *Loca*l Government Act "*includes a number of restrictions on fees, charges and taxes that can be imposed on development applications. One provision of particular importance to rezoning applications is subsection (6).*"[7]

*"(6) A local government, the City of Vancouver or an approving officer must not*
> *(a) impose a fee, charge or tax, or*
> *(b) require a work or service be provided unless authorized by this Act, by another Act or by a bylaw made under the authority of this Act or another Act*."[8]

The guide recommends that local governments pre-zone areas with density bonusing. Under Section 904 of the *Local Government Act*, municipalities are allowed to do this to fund growth related amenities. With density bonusing, zoning bylaws are written to allow "*… a developer to build either to the "base" density or to a higher level of density, if they provide certain amenities or affordable housing, or meet other specified conditions*."[9] Some local governments are wary of using this power because it limits the flexibility they enjoy through the rezoning process.

The Province's Guide directs local governments to ensure that their density bonusing and CAC policies:
- Are a planning tool, not a revenue tool, and that CACs be *modest*;

[6] https://www2.gov.BC.ca/assets/gov/british-columbians-our-governments/local-governments/planning-land-use/community_amenity_contributions_guide.pdf
[7] https://www2.gov.BC.ca/assets/gov/british-columbians-our-governments/local-governments/planning-land-use/community_amenity_contributions_guide.pdf
[8] https://www.BClaws.gov.BC.ca/civix/document/id/consol21/consol21/96323_30
[9] https://www2.gov.BC.ca/assets/gov/british-columbians-our-governments/local-governments/planning-land-use/community_amenity_contributions_guide.pdf

- Follow the principles of the Development Cost Charge approach, in which growth impacts, and amenities/capital infrastructure to mitigate those impacts are determined and cost out, so clearer financial targets for projects can be determined; and
- Not base CACs on 'land lift'.

The development industry and business groups generally support the targeted density bonusing/CAC approach in the Province's Guide. Nevertheless, there is no assurance that the guide will be followed, or little assurance regarding how the Province will monitor if local governments are following the guide[10].

All of the above point to the need for a complete overhaul of the CAC rules and the need for provincial government intervention to create a province-wide development contribution system with certainty, predictability, and transparency.

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Develop with stakeholders a detailed Best Practices Guide for CACs and density bonusing similar to the *Provincial Development Cost Charge Best Practices Guide* that would support the below legislative framework;
2. Introduce a robust ongoing monitoring program to ensure that the above best practices guide and the *Community Amenity Contributions: Balancing Community Planning, Public Benefits and Housing Affordability Guide* are being followed; and report its findings every year;
3. To the extent that non-compliance is identified, create – in consultation with stakeholders – legislation on CACs and similar mechanisms that ensure;
    - compliance with the Guide in implementation including transparency and mechanism will be adhered to;
    - minimal effect on affordability/viability for all redevelopment sites;
    - provincial laws are complied with (as with Development Cost Charges); and
4. Work with municipalities and stakeholders to determine an effective third-party escalation mechanism to help ensure timely decisions pertaining to the negotiated CACs process are made.

[10] According to the City of Vancouver, CACs can range anywhere from $11.49/sq. ft to $122.32/sq. ft depending on factors like location. In December 2022, the Vancouver City Council approved the motion titled "Establishing Fixed-Rate Community Amenity Contributions (CACs) for Low-Rise and Medium-Rise Projects City Wide", signalling a reform to CACs in Vancouver. While this is a positive step towards the removal of risk and cost uncertainties for housing providers in Vancouver, the new fixed-rated system would be subject to area-specific rates and inflation rate adjustment. The approach to CACs remains fragmented in the province, where builders continue to face complex and uncertain CAC systems that complicate the delivery of urgently needed housing projects across B.C.

## RESIDENTIAL TENANCY ACT REFORM

### Issue

Many of our members own and/or operate residential property and this policy is responding to an abundance of complaints regarding the *Residential Tenancy Act* ("RTA") and its enforcement by the Residential Tenancy Branch ("RTB")

There is a significant imbalance in favour of the tenant which is impacting the already challenging housing market in both the non-profit and for-profit sectors. For instance, the unreasonable restrictions on a landlord's ability to evict destructive and non-paying tenants are not only reducing the pool of available housing units, but is causing financial hardship and impacting staff morale for non-profit organizations that operate in this environment.

The *Residential Tenancy Act* should be revised to strike a greater balance between protecting the rights of a landlord and protecting those of tenants which will encourage landlords to maintain long-term tenants and ensure the protection and maintenance of residential property throughout B.C.

### Background

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

Prior to May 17, 2018, the *Residential Tenancy Act* was already weighted heavily towards the tenant, often causing serious negative impact on the landlord. For instance, even when a tenant regularly paid rent late (or did not pay rent at all) or, more seriously, vandalized or destroyed the landlord's property, it was a very challenging and lengthy process to have the tenant evicted. Such delay often resulted in the landlord losing significant money including lost rental income and costs associated with repairing the property. Even if a decision was made for the tenant to vacate the property and/or pay the landlord a sum of money for damages or unpaid rent, collecting on such a debt was often unlikely. It was also a further step to have the tenant evicted even when an Order for Possession was granted.

Since May 17, 2018, these issues remain, but the provincial government has revised the *Residential Tenancy Act* [1] to include further protections for tenants.

Effective December 11, 2017:

1. Fixed term tenancy agreements can no longer include a vacate clause requiring a tenant to move out at the end of the term unless:
    a. The tenancy agreement is a sublease agreement; or
    b. The tenancy is a fixed term tenancy in circumstances prescribed in section 13.1 of the Residential Tenancy Regulation. This Regulation specifies situations where a landlord or landlord's close family member plans in good faith to occupy the rental unit

[1] Residential Tenancy Act, SBC 2002 Chapter 78: [Residential Tenancy Act (gov.BC.ca)](Residential Tenancy Act (gov.BC.ca))

2. A rent increase for a tenant remaining in a rental unit is limited to the maximum annual allowable amount and can only be increased once every 12 months. Rent can no longer be increased above that amount between tenancy agreements with the same tenant.
3. Landlords are no longer able to apply for an additional rent increase on the basis that the rent is significantly lower than other similar rental units in the same geographic area.

Effective May 17, 2018:

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

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

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

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

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

Dispute Resolution

Where a landlord gives notice under sections 46, 47, 48, 49 and 49.1, and a tenant files a dispute notice within the allotted time, the matter goes to a hearing in front of the Residential Tenancy Branch.

Unfortunately, this process can take months all while a tenant is not paying rent or, worse, destroying property.

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

Rent

For 2023, the rental increase is capped at 2%. This limitation greatly affects the general maintenance and upkeep of residential buildings, many of which are much older and in dire need of repair. A landlord cannot afford these significant capital costs if they cannot bring in the funds to support them. This leaves residential buildings falling into disrepair, which can be devastating for the tenant as well as the landlord.

For instance, this cap is not adequate to cover even the known increase such as inflation.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Make it a requirement for the Residential Tenancy Board to end a residential tenancy and grant an Order for Possession in the following circumstances:
    a. Unpaid rent for two (2) months or more;
    b. Late rent for three (3) months, consecutive or not;
    c. For cause, as set out in section 47 of the Act;
    d. If tenant ceases to qualify for rental unit; or
    e. If tenant fails to file an Application for Dispute Resolution within the allotted time in the Act after a Notice to End Tenancy is served;
2. Once an Application for Dispute Resolution is submitted, the RTB must hear the case within two (2) months;
3. Permit Orders for Possession to be enforceable through a Court Bailiff, RCMP, or other government appointed body without the need to enforce them through the Supreme Court of British Columbia; and
4. Create an exception to the rent increase cap under circumstances including, but not limited to, significant capital costs to the landlord for the maintenance and upkeep of rental units/ buildings and insurance costs;
5. Allow rent increases to either the Consumer Price Index or 4%, whichever is higher.

**STRATA INSURANCE PREMIUM CRISIS**

**Issue**
With insurance rates for condos and townhouses climbing 50 to 300 percent – and in one case nearly 800 percent – condo and townhouse owners in B.C. are worried they will not be able to continue to own their dwellings. This rate increase could impact up to 10,000 associations in the province, according to the Condominium Homeowners Association of BC. Some condo owners in Abbotsford saw their rates jump of 780 percent in one year to their strata or condominium insurance premiums, going from $66,000 in 2019 to $588,000 in 2020. 1

While this issue affects homeowners, it is important to business, too. A recent Toronto-based report titled "Housing a Generation of Workers" looked at the urgent challenges associated with finding affordable housing. "When a city becomes unaffordable, it forces out key industry workers (or "key workers"), such as cooks, social workers, nurses, tradespeople, childcare workers, and teachers. Without people to fill these jobs, businesses suffer and the city becomes less livable for everyone." 2

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

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

Strata buildings are insured with a commercial property insurance policy, which is typically used for businesses but modified for strata property because of the ownership structure of the stratas and their commercial-grade systems. Individual unit owners purchase "condo" homeowners' policy to insure their contents plus any upgrades. Two important coverages are included in these policies: 1) coverage for a portion of the strata building's deductible in the event of a major claim and 2) liability insurance to cover damages from losses that originate in the unit and extend to the common area or other units. 3

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

Many homeowners and stratas have been refused insurance all together because the market has become so tight, and those who are able to get insurance face massive premium increases they can't afford. When buildings are unable to get insurance, this leaves the strata and individual condo owners

[1] Experts react to sky-rocketing condo insurance rates | Insurance Business Canada (insurancebusinessmag.com)
[2] Housing Report | Toronto Region Board of Trade + WoodGreen — Introduction (trbot.ca)
[3] Insurance for strata corporations and insurance for strata owners and renters - Province of British Columbia (gov.BC.ca)

unprotected and at risk of losing their financing. Real estate deals are falling apart because financial institutions won't touch uninsured buildings.

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

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Continues working with the BC Chamber network, insurance industry and strata associations to find options to the insurance premium crisis that are available to be able to ease the current pressure that many strata property owners are feeling across the province.

## MINISTRY OF JOBS, ECONOMIC DEVELOPMENT AND INNOVATION

**BETTER PROTECTIONS FOR B.C. BUSINESSES THROUGH THE NAME APPROVAL SYSTEM**

**Issue**
Most entrepreneurs in British Columbia are required to have their business name approved by the BC Registry Services. This is an essential step in their business registration. However, B.C. business names are not cross referenced against the federal Nuans database of corporations and trademarks, leaving these entrepreneurs vulnerable to legal disputes, difficulties operating in other provinces and necessitating expensive rebranding, putting them at a disadvantage to corporations in other provinces.

**Background**
In 2021, BC Registries and Online Services modernized the digital experience for starting a business in B.C. [1]This leap represents an investment in the many entrepreneurs who utilize the service to start their business in B.C. each year.

When a business wishes to operate in B.C., the first step is typically to have its name approved by BC Registry Services. The Business Registry manages the creation (incorporation and registration) and listing of businesses and organizations in British Columbia.

An entrepreneur will submit a list of three name choices, each containing a distinctive, as well descriptive element. Examiners will then determine whether the selected names conflict with any existing corporate names, within the same industry, registered within B.C. (For instance, an entrepreneur may not be able to register the sole proprietorship Poppy's Flower Shop if Papi's Florist Ltd. already exists.) Moreover, the examiners will evaluate whether the nature of the business requires approval from any other regulatory body. (For instance, Dr. Poppy's Dental Clinic Ltd. would require consent from the BC College of Oral Health Professionals[2].)

Business name registry services help to protect the names of businesses incorporated in our province. They also create consumer confidence. British Columbians can be relatively certain that a business marketing themselves as a dentist or lawyer must possess the relevant training and credentials.

However, B.C.'s name request system leaves many entrepreneurs exposed to significant risk, because unlike other Canadian business name request services, it does *not* cross-reference the business name against existing Canadian trademarks.

The Nuans database is the government of Canada's *combined* search tool of business names and trademarks. [3]Nuans provides name search reports for Federally incorporated businesses and is also used as the framework for name approvals in Alberta, Ontario, New Brunswick, Nova Scotia, and Prince Edward Island. Entrepreneurs registering federally, or within these five provinces will have the assurance that no existing trademarks will create legal problems for them or that their chosen business name is not in use in the provinces relying on the Nuans database.

[1] https://news.gov.BC.ca/releases/2022CITZ0071-001777
[2] https://www.BCregistry.ca/namerequest
[3] https://ised-isde.canada.ca/site/nuans-corporate-name-trademark-reports/en

In B.C., entrepreneurs do not have these assurances. A Nuans report may be performed separately for a small fee ($13.80 as of January 5, 2023[4]). Many sophisticated entrepreneurs will perform one themselves, or have a legal representative perform one on their behalf. This is not the case for many entrepreneurs who are newcomers to Canada, or may be reasonably unfamiliar with the nuances of Canadian business regulation.

An entrepreneur who believes they have done everything correctly may find themselves served with a cease-and-desist letter only a few months after establishing their business. Then, in those precarious first years of business, need to undertake the expensive and laborious task of an official renaming and rebranding.

Furthermore, the B.C. name request service is experiencing major delays. This is not the case in jurisdictions which are built upon the Nuans system. (*Table 1*) Entrepreneurs wishing to expedite the process in B.C. (currently to 48 hours), must pay a comparatively high Priority Request fee of an additional $100.

Table 1

| Jurisdiction | Wait times advertised[5] |
|---|---|
| British Columbia | 25 Days |
| Canada (Federal Registry) | Immediate |
| Ontario | Immediate |
| Prince Edward Island | 5 Business Days |
| Alberta | Immediate |

Efforts already made by BC Registry Services to modernize and digitize service show a genuine effort to support British Columbian entrepreneurs incorporate. We believe that the logical next step is to use an existing Canadian-made tool, Nuans, to streamline the name approval process, and give B.C. entrepreneurs the certainty they deserve.

**THE CHAMBER RECOMMENDS**

That the Provincial Government:

2. Integrate or replace the existing BC Registry Services Name Request system with the Federal Nuans (Newly Upgraded Automated Name Search) system to:
    a. Reduce the risk of litigation to B.C. entrepreneurs; and
    b. Reduce Name Request application processing times to less than one week.

**BLOCKCHAIN TECHNOLOGY STRATEGY**

[4] https://ised-isde.canada.ca/site/nuans-corporate-name-trademark-reports/en
[5] Wait times for business name request results advertised as of March 10, 2023.
British Columbia: https://www.BCregistry.ca/namerequest
Canada: https://ised-isde.canada.ca/site/nuans-corporate-name-trademark-reports/en
Ontario: https://web.archive.org/web/20230306224748/https://www.ontario.ca/page/business/start/register-your-business-online
Prince Edward Island: https://www.princeedwardisland.ca/en/information/justice-and-public-safety/guide-to-corporate-and-business-name-rules
Alberta: https://www.alberta.ca/register-business-name.aspx

**Issue**
The Internet's second blockchain era will produce even more upheaval than the Internet's first information era. It is an unstoppable force that will make itself felt in almost every facet of our lives. Canada has a head start on becoming the second era's global hub or, at least, one of a handful of such hubs. We need a tech corridor in British Columbia to connect with the Digital Technology Supercluster in Ontario. The Greater Toronto region is already a world leader in quantum physics and artificial intelligence. Blockchain is ideally placed to be the third leg of the Tech North stool.

Still, Canada needs to overcome significant obstacles if it is to cement a leadership role in blockchain technology. A key handicap is the absence of a clearly defined strategy for governments and other stakeholders to exploit blockchain technology. For example, governments focus on investing in related technologies such as artificial intelligence and quantum computing while missing the critical underlying blockchain infrastructure.

**Background**
Blockchain is a distributed ledger in which anything of value can be stored, ranging from money, stocks, bonds and intellectual property, to votes, art, music, loyalty points, carbon credits, health-care records and student accomplishments. Even our identities can be stored, transacted, communicated and managed securely and privately. [1]

The First Industrial Revolution occurred in Europa and the US where a transition to new manufacturing processes occurred between 1760-1840. The traditional hand-processing methods were coopted using machines, chemical, steam, and water.

The Second Industrial Revolution, known as the Technological Revolution, was a phase of rapid industrialization between the late 19th century and early 20th century. Advancements in manufacturing and production technology were the staple of the Second Industrial Revolution, and the invention of things such as the telegraph, railroad network, gas and water supply, and sewage systems.

The Third Industrial Revolution involved the utilization of new energy with communication technologies, mainly renewable electricity. This third phase of the industrial revolution includes the sharing economy and details the interconnection of the world's economies.

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

The uses of blockchain technology, which is a primary facet of cloud computing and the internet of things, is a relatively new way of exchanging information and services but is already revolutionizing global trade.[2]

[1] https://www.theglobeandmail.com/report-on-business/rob-commentary/how-canada-can-be-a-global-leader-in-blockchain-technology/article34259697/

[2] Norberg, Hanna C., "Unblocking the Bottlenecks and Making the Global Supply Chain Transparent: How blockchain technology can update global trade." *Canadian Global Affairs Institute and the School*, 2019.

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

A trade chain can be seen as a long and complicated series of transactions. Time is critical for much trade, including agricultural trade across the country and across international borders. As agricultural items are perishable, time is crucial for trade. Delays in terms of information sharing are detrimental to the goods, and therefore, the economy on both the importer and exporter's side. Utilizing blockchain will speed up the transaction speed and thus limit the number of spoiled items. In a society that is trying to reduce waste, blockchain technology is one way to accomplish this goal.

Canadian entrepreneurs and companies are on the leading edge of blockchain innovation. Ethereum, viewed by some as the most important blockchain company in the world, recently surpassed $228.45 billion (U.S.)[3] in value. Consensus Systems is building decentralized applications that could transform several industries, including financial services, professional services, manufacturing, telecommunications, music and film. Many of the bitcoin core developers are Canadian and work in the start-up community. A growing constellation of entrepreneurs and technologists (e.g., Paycase, Protocol Fund, Tendermint, Nuco, Smartwallet, BlockStream, etc.) are trying to build the future with companies in Toronto, Surrey, Vancouver, Montreal and elsewhere.

To cement Canada's position as a global leader in blockchain technology, the following steps need to be taken:

Stimulating Research And Development (R&D) Through Blockchain-Based Flow-Through Shares
The report explains how the flow-through shares model that has been effective in Canada's mining, oil and gas industries could be applied to technology. The key is to use blockchain to track all investments, real-time in R&D to ensure all tax benefits go directly into innovation. This would offer Canada a double-barrelled opportunity: a massive new source of funds to spur research and development in the technology sector, and a highly visible, real-time demonstration of blockchain's capabilities and benefits.

Create a Blockchain Research Institute & Centre of Excellence
It's time to conduct deep research into killer applications – identifying the most important opportunities for blockchain in business and government and drawing the road map for how to get there. Canada needs a Blockchain Research Institute, to unlock the potential of blockchain across industries and also within the functions of organizations. The institute could operate as a research centre for projects that potentially benefit a wide range of players, and where competitive issues are not a concern.

Round-table participants and others expressed strong support for a Blockchain Centre of Excellence. The centre would not be dissimilar to those that have helped propel many other emerging technologies; however, new thinking is required. For example, it would be the focal point for a cluster of a set of blockchain-related businesses, encouraging them to feed off each other.

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https://www.cgai.ca/unblocking_the_bottlenecks_and_making_the_global_supply_chain_transparent_how_blockchain_technology_can_update_global_trade?utm_campaign=norberg_spp_blockchain&utm_medium=email&utm_source=cdfai

[3] https://ycharts.com/indicators/ethereum_market_cap

A Centre of Excellence exists in Eastern Canada, but the findings and utilization ends there. The Western provinces and territories do not participate in a meaningful way in this Centre. That is why the West needs to create a centre itself. One founded in B.C. would be most effective since the Government of B.C. already utilizes blockchain through the Verified Organization Network (VON)[4]

Government As A Model User

One of the most important steps government can take is to adopt the technology to transform its own operations – federal, provincial and local. This stimulates innovation, creates a stronger domestic market for entrepreneurs and among other things could dramatically improve the performance of government.

Multiple levels of government have moved toward using blockchain for permits, including the Government of Ontario, the City of Toronto and the Government of British Columbia[5]. In 2018, Innovation, Science and Economic Development Canada; the Treasury Board of Canada Secretariat; and the National Research Council Canada (NRCC) all utilized blockchain for one reason or another as an experiment. While the experiment is not ongoing, this work has provided "constructive insight into the potential for this technology and how it may be used for more open and transparent operations for public programs".[6]

British Columbia has been investing in this expedition through DigiBC.[7] They have used Verifiable Credentials for People by utilizing Hyperledger INDY and ARIES. This has resulted in three project demonstrations: Safe Entry BC[8]; Conference Book[9]; and Chat Server[10]. Although the results are important, we need to enhance this through partnerships with the private sector and encourage its application across all businesses.

Expand Access To The United States And Our Other Trading Partners

Building an innovation economy in Canada does not mean isolating ourselves from the rest of the world. Indeed, with calls for protectionism growing louder in countries such as the United States and Britain, we must build bridges and strengthen ties to key markets, expand our trading partners and work constructively with foreign governments.

Given Canada's relatively small domestic market, it is vital for the blockchain community to expand access to the United States. The U.S. is by far the largest source of financing for blockchain start-ups, the biggest market for their products and, outside Canada, the biggest supplier of talent for blockchain and other fintech ventures.

Education And Cultural Change

[4] https://decentralized-id.com/government/canada/BCgov/von/hgf-2018-production-government-deployment-hyperledger-indy/

[5] Urban, M. C. a https://decentralized-id.com/government/canada/BCgov/von/hgf-2018-production-government-deployment-hyperledger-indy/nd Pineda, D. (2018). *Inside the black blocks: A policymaker's introduction to blockchain, distributed ledger technology and the "internet of value."* Mowat Centre for Policy Innovation, University of Toronto. https://tspace.library.utoronto.ca/handle/1807/99417

[6] National Research Council Canada. (2018). Exploring blockchain for better business. Government of Canada. https://nrc.canada.ca/en/stories/exploring-blockchain-better-business

[7] https://digital.gov.BC.ca/digital-trust/

[8] https://digital.gov.BC.ca/digital-trust/projects-and-initiatives/safe-entry-BC-demo/

[9] https://digital.gov.BC.ca/digital-trust/projects-and-initiatives/conference-book-demo/

[10] https://digital.gov.BC.ca/digital-trust/projects-and-initiatives/chat-server-demo/

Revolutionary products and services often run into early skepticism, even mockery and hostility. Entrenched interests resist change and established leaders are often the last to embrace the new, if they ever do. Blockchain is no exception. It has already brought dislocation, conflict, confusion and uncertainty, and is sure to bring more. This is especially true in Canada, where regulators and policy makers have tended to favour stability over innovation. [11]

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Create a Blockchain Centre of Excellence and Research Institute in B.C. where blockchain-related businesses can cluster and innovate.

That the Federal Government:

2. Stimulating R&D through blockchain-based flow-through shares that would track all investments in real-time in R&D to ensure all tax benefits go directly into innovation.
3. Incorporating best practices conducive to establishing innovation in this growing field.

## NORTHERN BRITISH COLUMBIA EXPORT STRATEGY

### Issue

The Northern British Columbia (B.C.) economy heavily relies on the natural resources sector to produce and export goods to domestic and international markets. However, the ongoing supply chain disruptions due to climate events, the COVID-19 pandemic and labour shortages have highlighted the negative impact on communities when production and exporting are inconsistent and unreliable. This creates a concern about the sustainability of the Northern B.C. economy for future generations.

### Background

The Northern B.C. region houses most of the province's forestry product processing facilities, all of the province's petrochemical reserves, significant deposits of coal, precious metals, and base metals, and is also an important source of agricultural and seafood products. In 2019, the production of values for forestry, petrochemicals, mining and agricultural sectors was approximately $17.0 billion. The  BC Business Council noted that these sectors play a vital role as the backbone of the provincial economy.[1] However, to ensure the future of Northern B.C.'s economy, collaborative economic development initiatives are necessary to provide safe, reliable, and sustainable natural resources and gateway industries.

The Prince Rupert Port Authority and Northern BC Development Trust have taken the first step in providing general awareness and education about the Northern B.C. economy through the creation of the Northern BC Export Profile. However, the development of a Northern BC Export Strategy is essential

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[11] https://www.theglobeandmail.com/report-on-business/rob-commentary/how-canada-can-be-a-global-leader-in-blockchain-technology/article34259697/

[1] https://BCBC.com/insights-and-opinions/which-industries-pay-the-bills-for-british-columbia-an-update

to identify gaps and initiatives that foster export growth from the region and help build resilient and sustainable industries that benefit all Northern B.C. communities.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Invests alongside not-for-profits, local governments, Indigenous and industry partners to develop a Northern British Columbia Export Strategy.
2. Direct resources to support the inclusion of Indigenous Communities in development of the strategy.
3. Ensures the strategy provides the ability to continue to grow exports, expand infrastructure, ensure supply-chain resiliency, and incentivize supply chain partners.
4. Works collaboratively with Northern B.C. communities to maintain and create job opportunities that lead to longevity for the region.

## REVITALIZING THE FRASER RIVER – UNLOCKING ITS TRUE POTENTIAL

**Issue**

The Fraser River is one of the most important water systems in British Columbia. It is currently being underutilized due to the lack of development of port cities along the banks of the Fraser River. There are many cities across Canada that have successfully revitalized their waterfront areas along major waterway systems such as Toronto[1] and around the world[2]. The Board of Trade/Chamber network has an obligation to contribute to regional development and important projects that enhance livability. The revitalization of waterfront areas along the Fraser River will enhance tourism, can provide innovative transportation solutions, and increase housing supply and commercial space.

**Background**

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

With changing priorities and economic opportunities, well-established practices need to adjust. In the following sections, the benefits that can be harnessed with the revitalization of the Fraser River are explained. These benefits include increased housing supply, innovative commercial spaces, tourism enhancement mechanisms, innovative transportation solutions, and real and perceived economic benefits.

<u>Need for Workforce Housing</u>

[1] https://www.waterfrontoronto.ca/our-projects
[2] https://www.waterfrontoronto.ca/about-us/who-we-are

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

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

Tourism Enhancements

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

Innovative Transportation Solutions – Quay to Quay ferry in New Westminster

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

Figure 1

**BRITISH COLUMBIA POPULATION BY DEVELOPMENT REGION**

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

*Source: BC Stats*

While expanding roadways are a potential solution, it is not a green solution. Ensuring any transportation solution is both environmentally friendly and cost-effective is a priority for residents and government in British Columbia. Transporting employees and tourists to their destination on a ferry that operates on cleaner fuel is a possible solution for improved transportation along the Fraser River. There are also ferries available that are electric hybrids, which align with Government's goals under the CleanBC climate plan to increase the electrification of transportation.

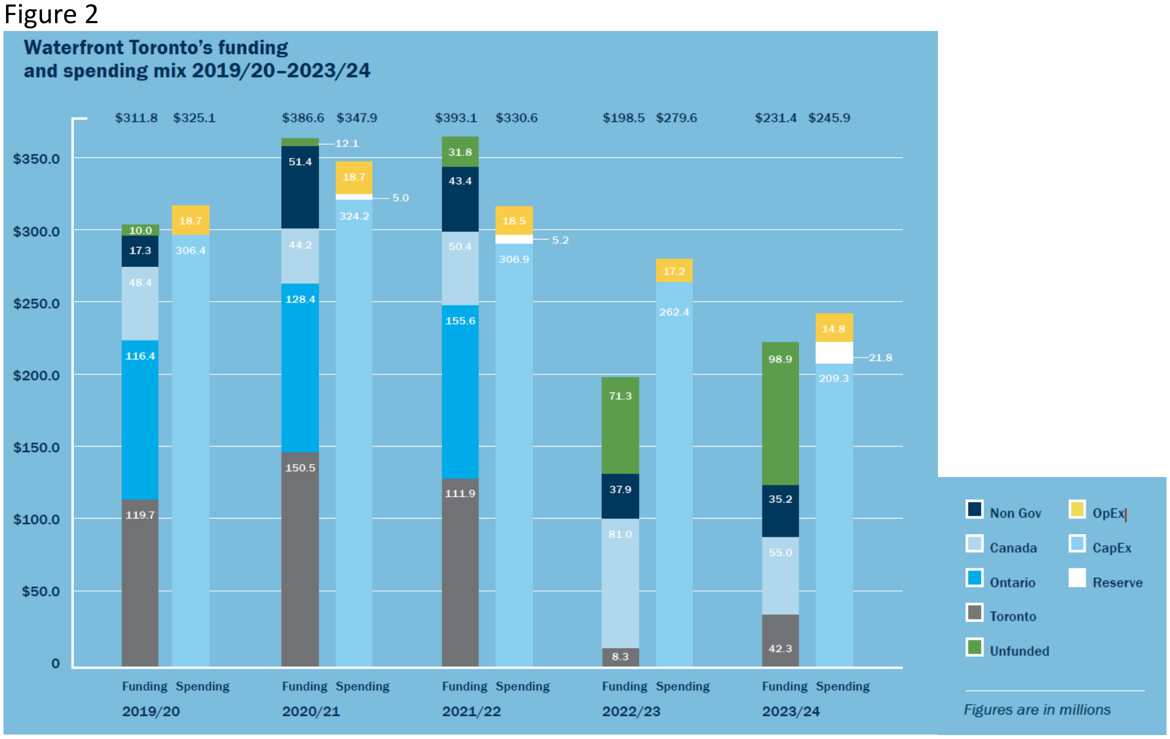
Potential Earning/Economic Development – The Business Case

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

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

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

Figure 2




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

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

THE CHAMBER RECOMMENDS

That the Provincial Government:

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

# MINISTRY OF LABOUR

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

**Issue**
Pay gaps between four designated groups (women, people with disabilities, Indigenous peoples, and visible minorities) and men remains a consistent problem for the Canadian economy and impacted individuals. One reason attributed to this gap is that fewer individuals in designated groups are employed in high-paying occupations, which are dominated by men[1]. Ensuring that there is training, hiring, and education of the designated groups will lead to a larger number of employable individuals in the workforce, which can reduce the shortage of workers experienced by all industries.

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

Based on the National Occupational Classification (NOC) system, the wage gap between men and women has been shrinking since 1988 (18.8%) compared to 2018 (13.3%)[2]. Women earn $.88 for every dollar a man earns when examining both full and part time employees in 2022, which is a decrease from 2020 and 2021.[3] Visible minority men were seen to be making 8% less than white men when examining 2015 data.[4] White women, working full-time, earned roughly 30% less than white men.[5] Indigenous women earned 44% less than white men, and Indigenous men earned 18% less than white men.[6] These trends are consistent throughout Canada and need to be rectified.

Federally regulated firms are already required to engage in proactive employment practices to increase the representation of four designated groups: women, people with disabilities, Indigenous peoples, and visible minorities under the Employment Equity Act of Canada[7]. These firms include banks, broadcasters, telecommunication companies, railroads, airlines, private businesses necessary to the operation of a federal act, maritime transportation companies, other inter-provincial transportation companies, uranium-related organizations, federal crown corporations, and corporations controlled by two or more provincial governments. This legislation covers approximately 10% of the Canadian workforce[8].

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[1] Schirle, Tammy, and Moyosoreoluwa Sogaolu, "A Work in Progress: Measuring Wage Gaps for Women and Minorities in the Canadian Labour Market," Commentary No. 561. C.D. Howe Institute. https://www.cdhowe.org/sites/default/files/attachments/research_papers/mixed/Commentary_561.pdf
[2] https://www150.statcan.gc.ca/n1/pub/75-004-m/75-004-m2019004-eng.htm
[3] https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410034002
[4] https://www150.statcan.gc.ca/n1/daily-quotidien/220126/dq220126a-eng.htm
[5] https://www150.statcan.gc.ca/n1/pub/75-004-m/75-004-m2019004-eng.htm
[6] https://www150.statcan.gc.ca/n1/pub/75-004-m/75-004-m2019004-eng.htm
[7] https://laws-lois.justice.gc.ca/eng/acts/e-5.401/page-1.html#h-215166
[8] Human Resources and Social Development Canada. "Employment Equity Act Review". Archived from the original on 17 March 2012.

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

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

An expansion of the current Employment Equity Act to include more private sector areas such as the oil and gas industry, technology industry, and other high-paying occupations will improve access for skilled workers to find employment, as has been the case for federally regulated occupations. Additionally, there will be funds available to the newly added private-sector occupations[9].

THE CHAMBER RECOMMENDS

That the Provincial Government collaborate with the Federal Government to:

1. Improve training and education opportunities in industries in which women, Indigenous, people with disabilities and minorities are underrepresented.

## MINIMUM WAGE TIED TO CPI

### Issue
Over the years, depending on the government of the day, the minimum wage has either stagnated in comparison to the cost of living or increased very rapidly via legislation. These swings left workers either falling behind economically; or business owners, particularly those in the service industry, suddenly finding themselves facing large, unanticipated payroll increases. Indexing future minimum wage increases to the Consumer Price Index via legislation will provide stability and certainty for the business community and investors.

### Background
The BC Fair Wages Commission (FWC) Report[1] was released in January 2018. The 3-panel commission recommended that the basic minimum wage be increased to $15 by 2021. The following increases have occurred since the report's release with the minimum wage reaching $15.20 by 2021.[2]

[9] https://www.canada.ca/en/employment-social-development/services/labour-standards/reports/employment-equity-2018.html#h2.05

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

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

| Year | Increase ($) | Minimum Wage | % Increase |
|---|---|---|---|
| June 2018 | 1.30 | $12.65 | 11.5 |
| June 2019 | 1.20 | $13.85 | 9.5 |
| June 2020 | 0.75 | $14.60 | 5.4 |
| June 2021 | 0.60 | $15.20[3] | 4.1 |

Over this 4-year period, the first two years of increases to minimum wage far outpaced inflation, but the rationale for this rate of increase was to take advantage of the relatively good economic climate. The increases in 2020 and 2021 were right in the middle of the COVID-19 pandemic and economic conditions were at their worst, but at least this schedule of increases was known ahead of time even if they were still difficult to absorb by businesses. Since the COVID-19 pandemic, we have seen a business climate that is no longer viable for arbitrary increases. We have seen our economy shut down, businesses close, many people out of work who have been slowly returning, and now we're in a state of persistently high inflation. The FWC found that "minimum wage increases have little or no effect on the over-all employment levels when economic conditions are good" (p.xiii).[4]

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

*Striking a Balance*

The members of the BC Chamber of Commerce have in previous policies, called for stability of minimum wage (2020-2021) and minimum wage increases to reach wages indicated by the living wage by indexing to the Consumer Price Index (CPI) (2021-present). The CPI is a Statistics Canada measurement that is an "indicator of the changes in consumer prices … of a fixed basket of commodities purchased by Canadian consumers in a particular year."[5] The collective difference from one year to the next is the rate indicating an increase in the cost of living.

The CPI is used to adjust pensions, child support payments, and any number of social, welfare or other payment that over time will need to be adjusted to take into account the increase of the cost of living. As it is a statistical measurement, it is a neutral (non-political) tool to ensure increases are no more / no less than that required to cover the averaged increases experienced by Canadians from year to year. For 2020, the CPI (percentage change) for each Canadian Province was:[6]

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

The obvious benefit of indexing the minimum wage to CPI is it protects workers from increases in the cost of living and prevents erosion in real dollar value compared to inflation.[7] Freezing wages for any length of

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

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

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

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

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

time, although it might be politically expedient, is not only harmful to workers, who are able to afford less over time, but is harmful to business, particularly retail and food service industries. Such industries find themselves responding to ad hoc jumps in pay roll costs as governments respond to public pressure and jump wages forward in unrealistic and unsustainable amounts. The CPI as noted above, is different for each province, reflecting the real cost impact of living within that province, therefore a very useful tool for determining raises.

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

Accordingly, several provinces have indexed their minimum wages to the CPI. According to Retail Council of Canada[8] and several other sources, the minimum wages across Canada are:

| | **Alta**** | **B.C.** | **Man** | **NB** | **NFL** | **NWT** | **NS** | **Nun[9]** | **Ont[10]** | **PEI** | **Que[11]** | **Sask** | **Yuk** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | IR[12] | CPI | CPI | CPI | CPI | | CPI | | | CPI | CPI |
| **2018** | 15.00 | 12.65 | | 11.25 | | 13.46 | 11.00 | | 14.00 | 11.55 | | | |
| **2019** | | 13.85 | | | | | | | | | | | |
| **2020** | 15.00 | 14.60 | 11.90 | 11.70 | 12.15[13] | | 12.55 | 16.00 | 14.25 | 12.85 | 13.10 | 11.45 | 13.71 |
| **2021** | | 15.20 | | | | 15.20 | 13.10 | | | | | | |
| **2022** | | 15.65 | | | | | | | 15.50 | | | 13.00 | |
| **2023** | | 16.75 | 14.15 | 14.75 | 14.50 | | 14.50 | | 16.55 | 14.50 | 15.25 | | 16.77 |

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

However, their data reflect sporadic increases of 0% from 2002 to 2011, and increases ranging from as low as 1.95% in 2015, (p.8) to the recommended high of 11.5% this year. While the cost of living in B.C. is acknowledged to be a challenge for low-income earners, the instability created by "playing catch-up" is unfairly carried by mostly small business operators. Consistent raises based on a statistical index, such as the CPI, are required to develop stability for businesses and their employees. And while legislating increases to a predictable economic indicator provides certainty to businesses, it's also important to provide an adequate amount of lead time for those businesses to incorporate the increased wages. In Ontario, the government announces their new minimum wage in April with the new wage taking effect in October. That is a six-month lead time which is a good best practice for the B.C. government to follow.

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

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

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

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

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

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

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

In any year that the CPI decreases below zero – as is the case in New Brunswick and Nova Scotia –our expectation is that the current base wage would be retained and there would be no downward adjustment based. The base wage would then increase again as the CPI exceeded the past high-water mark. And while it should never be expected to roll back minimum wage should CPI be negative; it should be equally so that businesses don't bare the brunt of minimum wage that far exceed the 2% target set by the Bank of Canada. In this unusual situation, as we experienced in the past 2 years where CPI exceeded the Bank of Canada's target by more than double, the provincial government should provide a relief mechanism that allows businesses, in particular small businesses, an ability to absorb that unexpected cost of doing business.

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

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Introduce legislation to index future minimum wage increases to the Consumer Price Index (CPI), unless CPI decreases below zero, that incorporate the following parameters:
    a. any minimum wage increases be tied to the CPI level indicated in the month before it is announced;
    b. any minimum wage increases need to be announced with at least 6 months lead time before it goes into effect, like the Province of Ontario; and

**REDUCING PROCESSING DELAYS FOR THE TEMPORARY FOREIGN WORKER PROGRAM**

**Issue**

Acute skills and talent shortages in B.C. have shown the pressing need for new sources of labour supply. Given the high level of job vacancies in the economy, there can be a need to bring in workers from outside Canada. When there are no Canadians or permanent residents available to do the job, some businesses seek to hire foreign workers under the Temporary Foreign Workers Program of the federal government to fill current job needs. Prior to accessing the federal program, businesses are required to register with the provincial government. However, the B.C. government's public registry has not kept up with the surge in applications, leading to costly delays in the process impacting businesses' ability to quickly hire the talent their business requires. While the current labour shortages are multifaceted and complex, improving processing times to be a registered employer would support businesses that meet all the criteria and are struggling without the staff they need to operate their businesses.

**Background**

Given the current tight labour market, businesses seeking to fill short-term labour and skills shortages that cannot be met by local talent are increasingly reliant on temporary foreign workers (TFWs). According to the rules introduced by the provincial government in 2020, employers who are interested in hiring TFWs are required to first register with the province's Employment Standards Branch. Only after receiving a certificate of registration, employers can proceed with the following steps and apply for a Labour Market Impact Assessment (LMIA) from the federal government.

The wait time to get the provincial registration approved is increasing and not comparable to other provinces, including Manitoba and Alberta. In over one year, the number of applications received by the B.C. Employment Standards Branch substantially increased from 2,955 in 2021 to 12,300 in 2022. However, the surge in applications has caused delays in processing times, with a wait time of up to 7 weeks as of March 2023. Some members have stated that their processing times are between 8 to 10 weeks. In neighbouring Alberta, there is no similar process, while in Manitoba it is claimed that they can process applications in less than 1 day. The bottleneck in the provincial registration process is in turn extending the entire process of hiring TFWs, as employers cannot move to the next stage until a certificate is processed and granted.

TFWs contribute to B.C.'s economic growth and development by filling labour gaps and bringing the skills needed in various sectors such as agriculture, hospitality and construction in B.C. Playing a critical role in the agriculture sector, TWFs contributes massively to the local food supply chain, supporting essential seasonal jobs in domestic food production. For sectors with demonstrated labour shortages especially in a post-pandemic context, such as Accommodation and Food Services, TFWs are also an important source of labour to meet the needs of seasonal job demand in areas such as winter sports (i.e., ski resorts in towns and cities across B.C.) and major events. British Columbians and visitors to B.C. greatly rely on the labour provided by TFWs, from the food they buy at the grocery store to taking part in sporting and tourism activities across B.C.

To ensure businesses in British Columbia remain open and competitive, the provincial government should reduce any administrative delays in the TFWs program and ensure businesses who meet the criteria of not being able to hire Canadians, can access staff.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Reduce processing delays in B.C. for employer registration for a Temporary Foreign Worker to be completed within a maximum of three business days.

## REINSTATEMENT OF THE BUSINESS VOTE IN B.C.

### Issue

In B.C., businesses pay a significant portion of municipal property taxes through their lease payments; however, businesses do not have the right to vote in the municipal election process. Businesses have become the silent taxpayers – essentially taxation without representation. This has led to a scenario where B.C.'s business community has little actual recourse when faced with unfair tax burdens, undue regulation, or discouraging zoning and bylaw decisions by local governments.

### Background

Today, the B.C. government permits in municipal elections voting by non-resident property owners. When a person lives in one jurisdiction and owns property in one or more other jurisdictions, they may vote once in each of the other jurisdictions where they own property. However, this regulation explicitly prohibits voting on behalf of a corporation which owns property, and does not include leased properties, in which many businesses in a community are located.

If the government can recognize the validity of non-resident residential property owners having a vote in municipal elections which impact their property values, property taxes, and property uses, surely a similar rationale exists for businesses which pay those same taxes via their leases.

Until 1993, a corporate vote existed in British Columbia municipal elections, outside of the City of Vancouver. Under this regime, a corporation could either own or lease property in a jurisdiction order to be eligible to vote there. Restrictions were in place that limited a person to only registering one corporation to vote in a municipality, regardless of how many corporations that person controlled, and the person controlling a corporation could not register it to vote if the individual was already eligible to vote themselves as a local resident. In effect, this allowed sole proprietorships and small businesses to have a say in their local elections, if the owner did not live there.

Until 1993, this provided some mechanism for local businesses -- which contribute so much to the economic and social strength of our communities – to be included in the decision-making in their own community.

Decisions by local governments have significant impacts on businesses. From zoning and land use decisions determining where businesses can operate, to tax policy dictating the taxes businesses must pay, businesses are directly impacted by their local governments. Without any actual vote in the process, local politicians can afford to ignore the needs and wishes of businesses in favour of satisfying the needs of (and currying favour) with residents – the only voters. A business vote would at least incent local governments to fully consider and better reflect the voice of business in their community.

Business owners invest significantly in our communities – acquiring or leasing real property, employing our residents, supporting social causes, and making significant contributions to their communities. It is critical they have the right to vote in the municipalities in which they make significant investments. Without a voice for business at the ballot box, business is at risk of unfriendly regulations, restrictive zoning and land use policies, and higher tax burdens placed on them as opposed to residents.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Develop and implement a mechanism to permit business voting in municipal elections for businesses which operate and pay property taxes in a municipality where the business owner does not reside as a resident.

## MINISTRY OF POST SECONDARY AND FUTURE SKILLS

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

**Issue**

B.C. is expected to have over a million (1,017,000) job openings between 2022 and 2032[1] and the government continues to recognize that this cannot be filled with local, domestic labour. Immigration is and will continue to be a major source of our workforce in B.C. However, we are selling our businesses, our newcomers, and our economy short if we continue to allow foreign credentials to be devalued and under-recognized.

**Background**

The B.C. business community continues to face a labour shortage and the number of job vacancies is only expected to rise. Back in 2018, the BC Chamber of Commerce's BCMindReader Report – Labour Market Issues in British Columbia indicated that "2/3 of B.C. businesses report having had positions that were difficult-to-fill in the past year" and "employers in most regions and industries of the province are challenged with recruiting."[2] Recovering from the COVID-19 pandemic has only exacerbated this labour shortage. According to the RB.C., in June 2022, businesses posted 70% more job than before the pandemic, but these companies are competing for 13% fewer unemployed workers being available.[3]

To fill this labour gap, B.C. will have to rely on newcomers to our province as immigrants are expected to fill nearly 38% of future job openings.[4] However, many of these newcomers attracted to our province still find the recognition and appropriate valuation of their foreign professional credentials a problem that is undermining their economic success and holding back our local business communities.

In B.C., over 200 occupations are regulated professions, from dentists to nurses to architects.[5] Employees in these professions must be licensed, certified, and/or registered by the appropriate regulatory body to practice their profession in the province. However, the time, effort and expense it takes some newcomers to have their foreign professional credentials recognized in some fields is leading them to take positions more junior than they are qualified for, or to seek work in unrelated fields or in sustenance positions. While the B.C. government does see immigrants taking junior positions in their field as a "good option",[6] ultimately, this undercuts their own personal economic potential and leaves our business community without the skilled workers needed for key positions.

According to a Vancity and Angus Reid Global survey of 400 new Canadians in B.C., more than 2/3 of newcomers say that their international work experience and professional qualifications are "less

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[1] B.C. Labour Market Outlook 2022, LMO-2022-Report.pdf (workBC.ca)
[2] BC Chamber of Commerce Mindreader Report – Labour Market Issues in British Columbia, The British Columbia Chamber of Commerce, 2018. Accessed online: Final MindReader Labour Market Report 08.21.2018.pdf (BCchamber.org)
[3] Proof Point: Canada's labour shortages will outlive a recession (rbc.com)
[4] B.C. Labour Market Outlook
[5] Trade Investment and Labour Mobility Agreement, List of British Columbia Regulatory Authorities. Accessed online: http://www.tilma.ca/pdf/BCregulatoryauthorities.pdf
[6] WelcomeBC. / Getting Certified to Work in B.C.

respected than the Canadian equivalents, leading to economic difficulties and employment exclusion."[7] In this same survey, "among those who have sought employment in their chosen field in B.C., only half (49%) say they were able to find jobs at levels that match their workplace credentials. The rest say they took work in junior positions (27%) or found work in different fields (24%)."[8]

This difficulty facing newcomers is not just an irritant or obstacle for them personally—it has significant macro-economic impacts undermining our productivity and economic growth especially in a post-pandemic world. To highlight the extent of the problem, the Conference Board of Canada reported in 2015 that 844,000 Canadians were unemployed or underemployed because of their credentials not being adequately recognized, a job shortfall worth as much as $17 billion annually in lost earnings.[9] And in B.C., newcomers with similar credentials and language skills as native-born Canadians earn 9% less in wages, which represents $4.8 billion in forgone income and $1.3 billion in income tax to government.[10]

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

Currently, there are programs and supports for newcomers to have their credentials assessed and evaluated. However, they are complex, costly, and time-consuming. The B.C. government's website for newcomers lays out the daunting task of getting professional credentials recognized. They outline six steps, including: finding and contacting the right regulatory body for the more than 200 applicable professions; completing application processes and providing transcripts from educational programs and schools, references, employment history and resumes; paying for your educational credentials to be evaluated; taking exams and performing interviews with the regulatory authorities; and paying fees, dues and other costs to the regulatory bodies and others.[11]

While the B.C. government has recognized the need to speed up the credential recognition process in high in-demand physician and nursing occupations in recent months,[12] the provincial government must work with all the professional regulatory bodies, each of which is created through provincial legislation and within provincial jurisdiction, to expedite and ease the recognition of foreign professional credentials to help fulfill the promise of our newcomers and help satisfy the needs of our business community.

Expediting the process to recognize foreign credentials will go a long way to opening up a whole new pool of human talent for B.C. businesses. It will also ensure recent immigrants to B.C. can maximize their economic potential thus supporting themselves and their families along the province as whole through a net increase in tax revenue from their higher wages. However, we will still need to attract these immigrants to B.C. One key tool to accomplish this goal is to ensure B.C. has great access to the Provincial Nominee Program (PNP). The PNP allow the provincial government to attract and retain

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[7] Vancity Savings Credit Union, Recognizing the Problem: Workplace credentials and the newcomer experience in B.C. (vancity.com), June 2019

[8] Vancity, Recognizing the Problem

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

[10] Vancity, Recognizing the Problem

[11] 7 Government of British Columbia, WelcomeBC website Accessed online: https://www.welcomeBC.ca/Work-or-Study-in-B-C/Work-in-B-C/Foreign-Qualifications-Recognition-(FQR)

[12] B.C. rolls out more supports to recruit foreign-trained nurses - The Globe and Mail

employees for in-demand occupations for B.C. business as identified by resources such as the Labour Market Outlook.

As immigration continues to be a focus of the federal government, it will be important for the B.C. government, in partnership with B.C. businesses, to advocate for a high portion of the economic immigration targets as a direct means to help B.C. employers attract and retain employees with the skills, experience and qualifications required to fill current and future job openings.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Create, in consultation with regulatory bodies, an expedited process to become registered by increasing efficiency, reducing costs and focusing on the most important elements that will allow an individual to demonstrate their ability to practice their profession.
2. 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 the province, including transparency around the regional points allocation covered under the SIRS scoring system and make adjustments to ensure it accounts for:
   a. Regional unemployment rates; and
   b. Priority to sectors of the economy as identified by the federal and provincial governments.
3. Negotiate a higher allocation of nominations from the Government of Canada in line with the increases in the Federal Government's economic immigration targets to help B.C. employers attract and retain employees with the skills, experience and qualifications required to fill current and future job openings that are expected to continue increasing.

## MANUFACTURING – A SKILLED WORKFORCE

### Issue

In the Canadian Manufacturers & Exporters (CME) Industry 2030 report, 35% respondents to a Management Issues Survey indicated that attracting or retaining skilled labour was one of their three most pressing challenges[1] and topped the list of possible responses. Further, the CME reported that close to 60% of businesses anticipate skilled labour shortages in 5 years. There are multiple strategies to attract youth to trade programs and to attract skilled immigrants. A third approach may be required to meet the growing skills gap: a flexible, easily accessible incentive program for employers to upgrade the skills of existing employees and potential hires to meet their specific skill requirements.

### Background

Employers publicly denounce the lack of available skilled labour, which leaves positions unfilled. Unemployed or underemployed university graduates decry the lack of opportunities in their fields. Industry associations, such as CME, advocate for developing a stronger skilled workforce in Canada as part of their Industry 2030 reports.[2]

[1] Industrie 2030, Manufacturing Growth, Innovation and Prosperity for Canada, CME, CMC. 2016. P.15. www.industrie2030.ca
[2] Industrie 2030, Manufacturing Growth, Innovation and Prosperity for Canada. CME, CMC. 2016. P.20. http://www.industrie2030.ca/

Policy solutions like expanding immigration and loosening temporary foreign worker regulations to assist employer access to skilled labour or introducing the trade careers earlier in the education stream to foster a change of perceptions regarding employment prospects are often proposed. One concept that has yet to be brought forward in any substantive form is the use of tax credits to provide incentives for personal or in-house training.

Despite a variety of programs, grants and tax incentives there is no over-arching, flexible opportunity to encourage employers and employees to work together to fill any skills gap. There is currently no updated data on how much employers spend on training for new and existing staff that reflects the current climate, which should be addressed with a Canada-wide labour market report.

There are a number of programs that provide some incentives through grants and other tax credits; however, they are limited in various ways to specific demographics and defined circumstances. The Canada – B.C. Employer Training Grant provides up to $10,000 to employers per employee[3].There are tax credits available through WorkBC for very specific industries and activities[4] and a federal wage subsidy program for youth only, which has expired.[5] For older workers there is an employment assistance program for re-training – but only if the worker is unemployed, in a community experiencing high unemployment or economic downturn and has also expired.[6] The best program by far is the Training Tax Credit for apprenticeships through the Industry Training Authority.[7]

The targeted nature of grants and credits are very helpful to employers to onboard minorities and the sometimes hard to employ; however, if an employer requires a very specialized skill set and has an employee who, with training, could fill the gap, there is little to support either party, particularly for small to medium sized entities.

Employees, whether full or part-time, in their chosen career or underemployed based on their degree attainment bear some responsibility for their own training, but many are caught with student debt and minimum wage positions. Workers cannot gain experience because employers are reluctant to take on those who may require additional skills mentoring. Full time workers with families are unable to shoulder the high cost of tuition that is required for them to keep up with the changing nature of their employment. This is particularly true for positions that are becoming more vulnerable with the rapid advances in technology.[8] Further, employees and/or students are eligible for a small tax deduction for tuition fees,[9] but effective January 1, 2017, related education and textbooks deductions were eliminated.[10] Additionally, the federal government has waived interest on Canada Student Loans until March 2023 but it also announced plans to scrap student loan interest for all new and existing federal

[3] https://www.workBC.ca/find-loans-and-grants/industry-and-employers/BC-employer-training-grant

[4] Training Tax Credit https://www.workBC.ca/Employer-Resources/Funding-and-Programs/Incentives-and-Tax-Credits.aspx

[5] "https://www.canada.ca/en/employment-social-development/services/funding/youth-employment-skills-strategy-program.html

[6] Funding for Employment Assistance for Older Workers https://www.canada.ca/en/employment-social-development/programs/training-agreements/older-workers.html

[7] http://www2.gov.BC.ca/gov/content/taxes/income-taxes/corporate/credits/training/employer

[8] Hennessy, Angela. "As well or better than humans": Automation set for big promotions in white-collar job market. http://www.cbc.ca/news/business/automation-jobs-canada-computers-white-collar-1.3982466. February 28, 2017.

[9] Eligible tuition fees: http://www.cra-arc.gc.ca/tx/ndvdls/tpcs/ncm-tx/rtrn/cmpltng/ddctns/lns300-350/323/lgbl-eng.html

[10] Effective January 1, 2017, the federal education (a $ amount x #of months) and textbook tax credits will be eliminated. http://www.cra-arc.gc.ca/tx/ndvdls/tpcs/ncm-tx/rtrn/cmpltng/ddctns/lns300-350/323/menu-eng.html

student and apprentice loans. If this change is approved, the forgiveness of student loan interest would come into effect on April 1, 2023.[11]

Employers no longer have the luxury of hiring a made-to-order employee as the nature of the labour force has changed and, employees no longer have job security as the nature of their work is rapidly changing due to advances in technology.[12] An over-arching strategy of incentives for skills-upgrading on the job would encourage employers and employees to fill their own gaps with their own resources, particularly when employees have the opportunity to tailor their skill sets to the need at hand.[13,14]

THE CHAMBER RECOMMENDS

That the Provincial and Federal Governments:

1. Develop an easily accessible and understood portal to the tax credits and grants currently available for individually funded and employer-sponsored education expenditures;
2. Expand tax credits and grants and be more flexible in assisting businesses in filling diverse and specific skills gaps as they emerge especially for youth and elderly individuals; and,
3. Work with the federal government to commission a study through a chamber of commerce or board of trade to understand how much money employers are spending on employee training and upskilling.

[11] https://www.narcity.com/federal-government-changes-student-loans

[12] Hennessy, Angela. "As well or better than humans": Automation set for big promotions in white-collar job market. http://www.cbc.ca/news/business/automation-jobs-canada-computers-white-collar-1.3982466. February 28, 2017.

[13] Cappelli, Peter. Skill Gaps, Skill Shortages and Skill Mismatches: Evidence for the US. The National Bureau of Economic Research. August 2014. http://www.nber.org/papers/w20382

[14] Burleton, Derek et al. Jobs in Canada: Where, What and For Whom? Executive Summary. TD Economics. October 2013.

## ADDRESSING THE COSTS BUSINESSES FACE DUE TO CRIME AND THE CONSEQUENCES OF ILLICIT DRUG DECRIMINALIZATION

**Issue**
Municipalities across B.C. share common issues impacting businesses' ability to operate in a safe environment for their staff, their physical assets, and their customers. Loss of a sense of safety, break-ins, harassment (real or perceived) of customers, parking issues and the increased cost of doing business in unsafe environments have seen businesses close, reduce open hours, and/or cancel plans for growth. When the decriminalization of possessing illicit drugs in B.C. was legislated (through an exemption by the federal government in November of 2022, with the pilot running until 2026) the issue ignited an ongoing firestorm of controversy in municipalities across the province.

**Background**
The Provincial Government in the first few months of 2023 has directed funds at mental health and addiction issues which may, in time, alleviate some of the current issues experienced by businesses dealing with the downstream effects of homelessness, including individuals who are unable to find addiction treatment, or stable living environments. Announcements around this subject continue to be made in Victoria. While waiting for changes, and for proposed funding to take effect, businesses need better tools now to assist in keeping their doors open and customers coming in.

Harm Reduction
The funding announced is for more recovery options, which is positive, but it will not positively affect everyone. The understanding of a harm reduction approach to addiction is that some people will always use drugs. In the simplest terms, recovery is not an option or desired for some. Thus, harm reduction aims to reduce the harm of drug use on the individual through making the supply safe and letting them use while supervised so that someone can help them if they overdose.

The newest concern is that the three-year pilot project to allow 2.5 grams of illegal drugs to be purchased and consumed without legal ramifications will lead to drug consumption in public areas to a greater degree than experienced at present, impacting staff's and customers' sense of safety when coming to businesses in effected areas.

Shelter space and safe drug testing and consumption sites are inadequate to meet demand.

Meanwhile municipalities and regional districts throughout B.C. have addressed the issue through a mix of proposed bylaw changes; an increase in coercive care; more mental health services to counteract the alarming rise in random acts of violence (not limited to B.C., but evident across the country in nearly every province); and by a new focus on the bail restrictions imposed on repeat offenders.

Very little has changed in actual numbers of treatment facilities, and support; but falling back on mental illness as a catch-all for violence is creating its own new stigma of mental health diagnosis and care.

What can businesses do to mitigate their rising costs of building and facility repair (broken glass, graffiti, vehicle and building/product damage, and loss of customers and customers? Some have moved, only to find the problems they tried to leave behind are spreading throughout urban areas. Most have pumped up their insurance coverage, their surveillance systems, and in many cases, their outlays on security products and services. Continued escalation of these costs makes some business unsustainable over the mid- and long-term.

The B.C. Government has made “significant strides” on some recommendations according to one criminologist, whose report into repeat offenders made 28 recommendations, among which was civilian-led mental-health crisis teams. However, she says, there needs to be more movement in areas directly curbing the issue of violence.

In Kelowna, the Mayor has struck a task force to examine and report on crime in the city. A poll taken on April 26 asked “Do you believe drug users would abide by a provincial law banning drugs in parks or playgrounds? While 1,330 said yes, 9,565 said no, indicating a major disparity in perception of what is working and what isn’t working currently.

As policymakers are considering restricting public substance use, authorities are supporting widening the establishment of designated areas where individuals can use drugs safely and without fear of legal repercussions as noted above. These areas, commonly referred to as "safe consumption sites," have been shown to reduce the negative consequences associated with drug use, such as overdose deaths, and could help mitigate the impact of public substance use on communities.

Another approach could be to enforce existing public health laws, such as those related to smoking, to restrict public substance use. This could include fines or other penalties for individuals who are found using drugs in public areas. This is an avenue municipalities are actively pursuing at present.

However, it's important to recognize that criminalizing drug use has not been effective in addressing drug addiction or reducing drug-related harm. Instead, policies that focus on harm reduction and providing individuals with the support they need to overcome addiction and lead healthy, productive lives may be more effective. B.C. has to date been sorely lacking in that ongoing support and separation of individuals into ‘wet’ and ‘dry’ facilities.

Coercive care is recognized as no cure-all. Involuntary hospitalization and treatment have never really stopped in Canada; in fact, involuntary hospitalization of British Columbians older than 15 increased 6.7 per cent in the last ten years, with police apprehensions increasing 128.7 per cent. In Ontario, the rise is similar: a 55 per cent increase of people placed on a 72-hour hold over the past ten years, and people hospitalized against their will for two weeks increasing 71 per cent.

Sadly, a Canadian with a severe mental illness can access care while incarcerated but is often discharged into a treatment abyss “sick enough to warrant coercion but not sick enough to warrant continuing care.”

Ultimately, any policy restricting public substance use should be developed in consultation with communities, including individuals who use drugs, to ensure it is fair, effective, and respectful of the rights and dignity of all members of society. The goal should be to balance the needs of individuals who use drugs with the needs of the broader community, including businesses and residents, to create safe and healthy communities for all.

Meanwhile, government owes it to business to double down on help: not just helping the individuals who are causing the mayhem and increased business costs, but to directly mitigate the costs businesses are facing. This could take several forms: repeated break-ins, building damage, and measurable losses (often reported in propinquity to safe consumption sites) would generate financial relief from government, whether in the form of property tax reductions, or direct payments.

Since businesses are suffering on their bottom lines, government has a responsibility to listen to their issues, and partner in solutions that mitigate loss and support sustainable solutions for future economic stability.

THE CHAMBER RECOMMENDS

That the Provincial Government, through the Local Government Act:

1. Work with local governments and affected businesses in identified high-impact/high-crime areas to ensure those businesses are not unfairly taxed or financially impacted because of increased costs associated with crime and public safety linked to illicit drug use.
2. Ensure legislative revisions decriminalizing illicit drugs do not sanction public consumption of legally obtained drugs and such consumption of these substances be limited to private homes and overdose prevention sites.

## AUTHORIZING THE USE OF PEACE OFFICERS TO COMPLEMENT THE WORK OF POLICE AS PART OF A TIERED RESPONSE

**Issue**

Understaffed Police Service detachments and growing street safety issues focused on mental health issues, public drug use and homelessness has meant a growing reliance on Bylaw Enforcement Officers (BEOs) throughout British Columbia. In B.C., it is well established that bylaw officers are peace officers as defined in section 2 of the Criminal Code of Canada when acting in the course of their duties , and has been confirmed and upheld in multiple court decisions. Public safety challenges have grown as local governments across the province utilize a blend of business improvement associations, BEOs, police, and municipality-specific mental health practitioners. The nature of some of the issues and calls for enforcement fall short of requiring police services yet are currently beyond a BEOs authority to resolve until such time as the British Columbia Police Act is amended to provide BEOs with Special Constable status which would allow local governments the ability to provide more immediate, affordable, and effective ways to improve community safety while simultaneously limiting local governments' exposure to civil liability.

**Background**

In B.C., BEOs are recognized as peace officers (technically, so are mayors and aircraft pilots). However, different local governments may place different restrictions and parameters on BEOs' day-to-day jobs. Alberta developed a model which has been examined and recommended for adoption across several western provinces, including Saskatchewan and B.C.

In B.C., LIBOA – The Licence Inspectors' and Bylaw Officers' Association – has called for changes to the Police Act. The recommended changes, if implemented, would bring B.C. into alignment with Alberta and other province's tiered policing models. These models allow for an alternative public safety service deliveries that addresses efficiency, effectiveness, and costs, while enhancing livability and the quality of life of British Columbians. Peace officers add an option to law enforcement in Alberta by providing a continuum of personnel with varied levels of training and authority.

There is concern that the three-year federal pilot project commenced in 2023 decriminalizing the possession and consumption of small amounts of hard drugs will lead to both sale and consumption 'on the street' rather than in private settings. Under this project, public consumption is now permitted unless a local government passes a bylaw restricting consumption in public spaces, and for those local governments who enact a bylaw, it is anticipated that BEOs will be faced with handling this issue without adequate tools to deal with non-compliance.

Implementation of a tiered law enforcement model would allow for the utilization of appropriately trained local government staff to enforce municipal bylaws and select provincial legislation. Doing so recognizes that many enforcement roles, such as regulatory compliance, do not require highly trained police officers. The use of Special Constables for these roles enables police officers to remain focused on more complex and serious criminal enforcement activities. Furthermore, their duties could vary in nature and scope depending on the unique needs and priorities of the communities they serve.

In Saskatchewan, the Community Safety Officer (CSO) program has helped meet their public safety needs including traffic and liquor enforcement, bylaw enforcement, and serve as crime prevention community liaisons. CSOs free up the RCMP and municipal police services to focus on higher impact needs in participating communities, significantly benefitting the public safety of their communities. And in Manitoba, implementing crime prevention strategies and initiatives, connecting social service providers with persons in need, and maintaining a visible presence within the community, are seen as key to better utilization of BEOs .

Behind the drive for change is local government; pressured by the public to increase public safety and enforce regulations but unable to expand local spending on increased police services. The inability by local governments and their BEOs to address public safety issues places a significant and ongoing strain on police resources. At the same time, police are being tasked to do more with less and are facing overtime costs due to call volume amid chronic staffing shortages.

In Canada, the cost of policing has risen faster than the rate of inflation for the past 20 years, even as the crime rate has dropped significantly. There is a broad consensus emerging among all levels of government that police services are pricing themselves out of business.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Improve public safety response time to emergency calls and reduce policing operating costs by broadening the responsibilities and authority of BEOs – Bylaw Enforcement Officers – in local governments throughout B.C. by adopting a supplementary law enforcement model similar to Alberta's.
2. Create a law enforcement program of standards, qualifications, accountability, and compliance for officers employed for the provincial government and local governments.
3. Align the police response model in B.C. with Alberta, Saskatchewan and Manitoba in order to provide local governments with a cost-efficient alternative to police officers to deal with low-risk issues.

4. Amend provincial legislation to allow local governments the ability to designate some or all of their BEO's as "Special Constables" provided they have received the appropriate training and qualifications to satisfy the responsibilities of such a designation.

## AUTO COLLISION REPAIR INDUSTRY – ICBC PRICING MODEL COMPETITIVENESS

### Issue

B.C.'s collision industry is the lowest paid of the Western Crown insured provinces B.C.'s collision repair providers post the lowest earnings. In comparison, Saskatchewan providers report nearly double the earnings of providers in B.C. This is a situation created by ICBC. using a pricing model which is not at all competitive with other sectors of the auto industry, nor competitive with other regions in the country.

To create an environment where the collision repair industry is financially viable and comparable to its Canadian industry peers, the pricing model must be revisited.

### Background

The collision repair industry in B.C. is currently in a state of financial decline. The industry is dependent on ICBC. for the bulk of their financial compensation as the large majority of their work is derived from insurance claims. After its most recent increase, ICBC. currently pay a shop rate of $82.68 per hour to collision repair providers. This represents an increase of only 18% (not factoring in CPI) since 2010, when the approved shop rate was $70.00 per hour. The consumer price index has risen by 29% over that same period of time, representing a net decline in the actual rate paid of 11%.

Comparatively, the current rate for mechanical repair is between $115 and $130 per hour, with some dealerships charging as much as $155 per hour. This is a disparate difference and one that is sensitive for collision repair providers. The inability to be compensated similarly to mechanical repair providers severely impacts profitability.

ICBC. requires all accredited collision repair centres to keep up to date with proper facilities, bylaws, building codes and Provincial and Federal Legislation. Additionally, all repair technicians must stay current with all equipment and technique advances. Technicians must be adequately trained and educated, an ongoing process. Costs keep rising, but rates continue to lag behind.

Other increasing costs include: property tax increases, shop insurance increases, rising property values resulting in higher lease costs, utility cost increases, wage increases, technology software and hardware cost increases.

Industry recommendations include:

1. Implement a plan to adjust the door rate to $130 per hour over a 3-year period. Year one = $100. Year two = $117. Year three = $130.
2. Set a base time allowance for researching and writing all estimates at 2.5 hours.
3. Adjust the time allowance to pre-scan to .7 hours (in line with Saskatchewan Government Insurance.
4. Set a service time plan allowance of .8 hours for all body repair claims (OEM research).

Year after year, ICBC. reports record profits , going so far as to issue rebates to their customers. The fact that ICBC. consistently reports surplus, demonstrates the flexibility to increase shop rates for collision repair providers.

In order for B.C.'s collision repair industry to be sustainable, to provide jobs and support their communities, the pricing model must be competitive.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Review the ICBC. pricing model paid to B.C. auto collision repair, auto glass and towing industry to ensure it is competitive.
2. Seek input from the auto collision repair, auto glass and towing industry in undertaking this review.

## COUNTERING COSTLY CYBERCRIMES

**Issue**

The cost of cybercrime perpetrated on businesses is rising. However, there is insufficient data to determine accurately what those costs are. When asked at a recent cybercrime dialogue if the attendants knew where to report a cybercrime, most did not. Canada does have websites where business can report a breach of their data, however, it is not well known. Businesses need to report cybercrime and provide the data that the federal agencies require to accurately measure the costs and develop strong countermeasures. Conversely, the federal agencies could and should do more to engage businesses as part of their planning and outreach strategies and promote their webpage for reporting cybercrime through education and awareness campaigns.

**Background**

The fact that cybercrime is on the increase is indisputable. What becomes challenging is measuring the impact on Canada's economy. In 2021, just under one-fifth (18%) of Canadian businesses were impacted by cyber security incidents, compared with 21% of Canadian businesses in both 2019 and 2017 that were impacted. This varied significantly by business size, with 16% of small businesses (10 to 49 employees), 25% of medium businesses (50 to 249 employees), and 37% of large businesses (250 or more employees) reporting being impacted by cyber security incidents in 2021.

The most common types of cyber security incidents identified by business in 2021 were incidents to steal money or demand ransom payments (7%) and incidents to steal personal or financial data (6%). More than one-third (39%) of Canadian businesses impacted by cyber security incidents indicated that there was no clear motive.

While most impacted businesses identified external parties (61%) as the perpetrator of cyber security incidents, 38% of impacted businesses could not identify the perpetrator. Other perpetrators identified were internal parties (5%) and known third parties (6%), like a supplier or customer.

The percentage of businesses that reported spending some money to detect or prevent cyber security incidents remained relatively the same in 2021 (61%) compared with 2019 (62%). However, the amount of money Canadian businesses spent to detect or prevent cyber security incidents increased by roughly

$2.8 billion in 2021 to $9.7 billion when compared with 2019. Large businesses contributed to just under half of the total ($4.4 billion), followed by small businesses ($2.9 billion) and medium businesses ($2.4 billion).

An October 2021 survey of Canadian and worldwide tech and security executives found that 36 percent of Canadian organizations had fully implemented a combined strategy for data management, cyber, privacy, and other governance functions, while 32 percent of worldwide organizations had these practices. In the attempt for better data protection, 42 percent of Canadian organizations had implemented the ability to share data securely with third parties, business partners, and suppliers and to potentially "audit" their compliance to terms.

The same survey of Canadian tech and security executives found that 23 percent of organizations anticipate a significant year-over-year increase in ransomware attacks in 2022. Furthermore, malware attacks were projected to grow by 43 percent in 2022 compared to 2021.

THE CHAMBER RECOMMENDS

That the Provincial Government and Federal Government work collaboratively with stakeholders and business to:

1. Increase integration amongst governments and policing agencies and cyber crime prevention professionals to effectively catch and prosecute cyber criminals.
2. Promote digital literacy for businesses by establishing best practices for cyber resilience, including education on more sophisticated and specialized crime.
3. Invest additional financial and skilled human resources to a national cyber-security centre set up by government, industry and policing agencies to help investigate and warn the public about new and emerging cyber-threats.

## ENABLING B.C.'S CANNABIS ECONOMY

### Issue

The legal recreational cannabis market opened many aspects of the supply chain to the private sector to fill the need for the responsible production and sale of cannabis products in Canada.

It is estimated that 2022 sales of cannabis is expected to reach or exceed $4.5 billion.[1] Early market projections for the recreational cannabis market continue to fall short due to:.

- Jurisdictional issues between the provincial and municipal governments
- A complex supply chain
- The cost of legal cannabis relative to the illicit market
- Packaging restrictions

Although not a primary consideration for the government, in order to achieve its stated policy objectives, the private sector must be able to operate in the recreational cannabis market in a sustainable manner.

[1] https://www.cannabisbenchmarks.com/canada-reports/canada-cannabis-spot-index-january-20-2023/

**Background**

Increased Enforcement

The two biggest challenges to the development of the nascent regulated cannabis industry are entrenched illicit market competition and inefficient and costly regulation. The continued operation of illegal cannabis retailers, dispensaries and dealers today is a failure of a key goal of legalization: eliminating the illicit market. As they do not operate within the legal and regulatory framework, they are able to forgo many of the associated costs which legal companies must incur – both regulatory charges and fees, and mark-up paid on wholesale orders from the Liquor Distribution Branch. They also do not pay taxes as business entities, nor do they collect sales or other taxes which contribute to government revenue. As a result of these forgone costs, these illegal operations are able to undercut legal cannabis businesses on price, siphoning customers away and putting the legal industry at risk.

The illicit market in British Columbia is active in three interconnected areas: unregulated production, unlicensed retail stores, and illicit e-commerce sales. There is limited enforcement against illicit operators The independent expert panel established by the Government of Canada[2] in 2022 will take an extended period to research and report current issues. The report will clarify provincial expenditures around compliance and enforcement against future expected transfers from the Federal Government to B.C. from the province's share of the excise duty.

Financial Services

Despite cannabis businesses and products being legalized for years now, many private operators have reported being excluded from key financial services and products because of their chosen industry. These businesses can experience refusal of service by financial institutions where they are unable to open bank accounts or access key services such as credit cards or investment vehicles. If this industry is legal, the financial services sector should be required to service and support it like any other legal industry. Provincial and federal governments and regulators should work with the financial sector to identify and overcome challenges with serving this industry to allow these businesses fair access to financial services.

Zoning

Several B.C. municipalities have made it nearly impossible for legal cannabis businesses to establish in their communities. Some local governments have simply refused to entertain legal cannabis applications and have not established zoning policies or bylaws to allow these businesses. Some other governments allow cannabis businesses, but their zoning is so restrictive as to only allow government-run B.C. Cannabis Stores to operate, or they create such strict location restrictions that they de facto prohibit these operations.

To ensure these legal businesses can operate in communities across B.C., the provincial government should create province-wide allowable zoning rules for cannabis retail which should be implemented in those communities which have failed to enact their own policies. In those communities with cannabis zoning policies, the provincial government should instead require that these policies permit private cannabis retail subject to *reasonable* guidelines and requirements.

In all cases, rules applying to legal cannabis distribution must include First Nations and Indigenous participation.

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[2] https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/laws-regulations/cannabis-act-legislative-review/expert-panel.html

Excise Tax Changes

Cannabis producers are required to remit significant excise taxes to the CRA as part of the legal cannabis regime. Currently, the excise tax is $1 per gram of dried cannabis flower. During the lead up to legalization, a common projection was that cannabis would retail for $10/gram, and the $1/gram tax was communicated in this context. However, the post-legalization market realities are quite different. As of February 8, 2023, the Canada Cannabis Spot Price Index pegged the market price at $5.03/gram, just over half of the commonly projected $10/gram price. Therefore, the excise tax represents nearly 20% of the market price, instead of the 10% it was originally presented as. This presents a financial challenge for cannabis producers, and further erodes the competitiveness of the legal market vis a vis the illicit market.

The current requirement for a provincial/territorial specific stamp increases the cost and complexity of the manufacturing process (adding cost to the final product that is passed on to consumers), and restricts producers to respond to rapidly changing supply and demand conditions in a nascent industry.

Vaping

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

Taken together, these policies, bylaws and regulations greatly increase the costs of operating a regulated cannabis business in B.C. The corporate infrastructure required to support a chain of legal cannabis retail stores will likely exceed the profits that will be generated. The findings of the Cannabis Act legislative review are expected to address this issue with stakeholder input recommendations creating a more robust bottom line for legal operators

The issues noted above present an important observation – some regulatory decisions potentially run counter to the overall objectives of eliminating the illicit market and keeping cannabis out of the hands of youth. While the legal market continues to establish itself, a high percentage of Canadian consumers purchase unregulated cannabis products. Furthermore, the patchwork of regulation across all provinces and municipalities, along with the increased cost (due to taxation framework, licensing delays, and supply chain considerations) further erode the policy objectives. Aligning the interests of the private sector along with the policy objectives and public safety is critical to the long-term success of the initiative to legalize recreational cannabis in Canada..

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Enable better access to legal cannabis, which in turn will help to extinguish the current illicit market through, but not limited to, the following:
    a. Focus resources and attention for policing and prosecution of illicit and illegal cannabis production and sales, including dispensaries operating outside of the established legal regime;

   b. Province-wide retail operator licensing, allowing companies to be screened once, with subsequent applications focused on location specific criteria;
   c. Create province-wide allowable zoning for cannabis retail for municipalities which lack their own policies, and ensure existing municipal cannabis zoning policies permit private cannabis retail locations under reasonable guidelines and requirements;
   d. Increase the cap on the number of allowed retail locations per operator to help meet consumer demand for legal cannabis and eliminate regional supply gaps.
2. Reduce regulations that cause operational inefficiencies for licensed retailers and do not meaningfully contribute to high health and safety standards for consumers and producers through, but not limited to, the following:
   a) Allow for different ordering and delivery days for in-demand product or eliminate additional delivery fees to private retailers.
3. Review tax policy related to cannabis focusing on:
   a. Exempting medical cannabis from PST;
   b. Work with the federal government on a single national excise stamp.; and
   c. Removing the 20% tax on cannabis vape products.
4. Work through the B.C. Financial Services Authority and provincially regulated credit unions to ensure legal cannabis operators can access and receive business banking products and services like any other legal business, and that they are not unduly excluded or restricted from service

That the Federal Government:

5. Treat medicinal cannabis equitably as a medicinal product by:
   a. Exempting GST on medicinal cannabis;
6. Reduce the current $1 per gram excise tax to better reflect the current market price for cannabis and to help prevent legal product from being undersold through the illicit market;
7. Work with banks and federally regulated credit unions to ensure legal cannabis operators can access and receive business banking products and services like any other legal business, and require that they are not unduly excluded or restricted from service.

## INCREASING CHOICE AND FLEXIBILITY IN B.C.'S LIQUOR DISTRIBUTION SYSTEM

**Issue**

B.C.'s liquor distribution system has seen several positive reforms in recent years, but additional changes to the distribution system and its rules are warranted to create more flexibility for product delivery and format choice, and greater business opportunities for liquor retailers and manufacturers.

**Background**

The Liquor Distribution Branch (LDB) is a branch of government responsible for the wholesale distribution and retail sale of alcohol in B.C. The Liquor Distribution Act gives the LDB the sole right to purchase alcoholic beverages within B.C. and to import from outside the province, making it one of the largest purchasers of liquor in the world. Liquor retail licensees (private liquor stores, or 'cold beer and wine' stores) are required to order their product primarily through this government-controlled distribution network and are subject to myriad rules and regulations as part of this.

B.C.'s liquor distribution system has been a subject of debate for many years, with various stakeholders calling for changes to improve the system's flexibility and adaptability. The Greater Langley Chamber of

Commerce believes that specific changes to the current regulations are necessary to promote growth and create new business opportunities for both private liquor retailers and manufacturers.

Loosening the "Tied House" Rules

A "tied house" is a liquor retailer or establishment that has an association (financial or otherwise) with a liquor manufacturer or its agent that is likely to lead to those products being favoured and promoted at that business. This includes instances where a liquor manufacturer has a financial or other association with other licensees, such as a retailer, bar, or restaurant, through an ownership stake themselves, through a third-party operator, or through an immediate family member.

Where a "tied house" relationship exists between a manufacturer and another licensee, there is a strict limit of three locations where the manufacturer may sell their products. For example, if a company owns both a brewery and liquor retail outlets, it can only sell its own brewery products in up to three of its own retail locations.

This rule, a holdover from decades ago , limits the distribution of products and prevents breweries and other manufacturers from reaching their full potential in terms of sales and growth. Given the expansion of breweries and the growth of the beer, wine, and cider market in B.C., this rule should be changed to allow breweries greater distribution of their own products to their own retail outlets. This change would create new business opportunities for breweries and increase consumer choice in the marketplace.

Allowing Direct Delivery For Ready-to-Drink (RTD) Manufacturers

B.C. is currently the largest market per capita for "ready-to-drink" products in Canada, driven by "spirit-based refreshment beverages" such as hard sodas and hard seltzers. Due to their popularity, these products are important offerings for private liquor retailers, and their uptake by the market has led to the establishment and growth of several B.C. distilleries and other liquor manufacturers.

Currently, commercial distilleries in B.C. are allowed to manufacture "spirit-based refreshment beverages" but are forbidden from making direct delivery to liquor retail outlets or hospitality licensees. Instead, all sales of these products are handled through the wholesale operations of the LDB. In addition to spirit-based products, similar restrictions exist for "wine-based refreshment beverages" produced by wineries, and "malt-based or sugar-based refreshment beverages" produced by breweries.

This rule is misaligned with existing models for other liquor products from breweries, cideries, wineries and even craft distilleries, which are permitted this level of direct delivery for their beer, cider, wine, and pure spirits.

This rule limits the access retailers have to these popular products by forcing all distribution through the LDB structure. Instead, the direct delivery rules should be changed to allow B.C. commercial distilleries to direct deliver spirit-based beverages to other liquor licensees, and expand the direct delivery allowed to breweries and wineries to include their own "ready to drink" products as well.

Not only would this change level the playing field for manufacturers and allow more distribution access for private retailers, it may incentivize non-B.C.-based ready-to-drink manufacturers to set up premises here so that they too could access this expanded distribution network, creating more jobs and opportunity in the process.

Allowing Retail Stores Greater Flexibility on Format Break Down
Currently, B.C. liquor distribution rules dictate that products ordered by retail outlets must be sold in the format they are provided in. For example, if a retail outlet orders a 6-pack of a product, it cannot break that 6-pack into single cans to sell at its establishment. Instead, it must order single cans separately from its order of other formats.

Allowing retail stores to break down larger formats into singles would allow for better sell-through and sales options for retailers to move products for which consumers may not want to purchase in quantities of 6, 12 or 24. For customers, this change would create more choice and selection, allowing consumers interested in single cans to purchase only the quantity they want and not be forced to purchase more. Finally, for government it would likely result in increased revenue as single can prices are typically higher, generating more tax revenue.

Enhancing Distribution and Delivery to Private Retail Outlets
Currently, the B.C. Liquor Distribution Branch limits deliveries to most licensees to once per week, granting an additional delivery day for licensees who consistently order higher volumes

However, for many retailers this limited delivery schedule poses several challenges: businesses may be forced to over-order to ensure they have stock between deliveries; if their ordered product is missed by the LDB shipper the business will have to go without that product until their next shipment; some retailers may be unable to physically store enough product safely if it is all delivered at once; and smaller retailers may struggle with financing larger orders that come less frequently as opposed to paying for more frequent, smaller orders.

Private liquor retail outlets should be provided with greater distribution and delivery options than they have currently by lowering the thresholds for additional deliveries, and allowing more licensees to access additional delivery dates This would allow retail licensees to receive more frequent deliveries, better serve their customers with a wider selection of products, accommodate limited space for storing additional product, and better manage stock and inventory to minimize waste/returns and increase sales. This change would make it easier for private retail outlets to operate, could increase their business opportunities, and would increase consumer choice in the marketplace.

Allowing Flexibility for Licensee-to-Licensee Sales
Liquor retail licensees are currently restricted from selling liquor to licensed establishments, such as restaurants or bars, or to other types of establishments that are authorized to sell liquor. These establishments are correspondingly forbidden through their own licensing to make purchases from retail licensees.

This rule unnecessarily limits the distribution options for hospitality businesses and removes an entire customer stream from the private retail sector. The existing rules already allow for hospitality businesses to procure some product outside of the LDB system through direct delivery of beer and wine from approved manufacturers and distributors, but there has been limited rationale provided as to why similar products cannot be procured from private liquor retail licensees.

Allowing greater flexibility for licensee-to-licensee sales would support both the hospitality and liquor retail sectors by broadening their options for distribution and access of these important products, and would provide valuable distribution redundancy in the case of any future LDB disruptions, such as was experienced during the 2022 job action by the B.C. Government Employees Union which ceased LDB wholesale and distribution operations.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Amend the "tied house" rules to permit liquor manufacturers to distribute and sell their own product to other licensees with which they have a financial or business association.
2. Allow commercial distilleries in B.C. which manufacture "spirit-based refreshment beverages", wineries which produce "wine-based refreshment beverages" and breweries which produce "malt-based or sugar-based refreshment beverages" to make direct delivery of their product to private liquor retail and hospitality licensees.
4. Allow liquor retailers the option, with corresponding record-keeping, of breaking down larger formats of product into single cans for sale.
5. Work with the Liquor Distribution Branch Wholesale Operations to provide enhanced delivery options, including more frequent deliveries for private retailers.
6. Work with industry to develop options for licensee-to-licensee sales between liquor retail licensees and licensed hospitality establishments for those products already allowed to be distributed directly by manufacturers.

**LEVELING THE PLAYING FIELD FOR LIQUOR DISTRIBUTION IN B.C.**

**Issue**

In 2018 the B.C. Government commissioned the Hicken Report[1] aimed at improving efficiency and outcomes in business interaction between government and B.C.'s liquor industry. The report's mandate was described as assisting government in focusing limited resources on evaluating industry priorities, and reflects government's interest in developing policy that makes life better for all British Columbians.

Some of its 24 recommendations have been implemented; some are under review; and some are not currently under discussion.

This policy addresses the need to revisit the report and continue the work which will benefit the private liquor business in B.C.

**Background**

The B.C. Government is on record supporting private sector involvement to improve service and access while improving LDB resources.[2] Wholesale pricing for hospitality customers was made permanent on February 23, 2021 – Hicken Report Recommendation #10.[3]

The current model without the balance of the Hicken Report recommendations being implemented, continues to pit private liquor stores in direct competition with the LDB, which can out-compete any private liquor store. Private stores may compete through longer hours of operation Thus, the playing field is far from level, particularly on price and selection.

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[1] [1] https://www2.gov.BC.ca/gov/content/employment-business/business/liquor-regulation-licensing/liquor-panel

[2] 2002 B.C. Government news release http://www2.news.gov.BC.ca/archive2001-2005/CSE0054-000575.htm

[3] ABLE B.C. Advocacy Report 2022 Strengthening your Business November 2022

Of the 24 total recommendations made by BTAP – the Business Technical Advisory Panel – to the government, another seven are "under review" by government, but no public report is available on the progress toward achieving.

Hicken Recommendations:

- Recommendations 1 and 3: Non-Stocked Wholesale Product alternative distribution and third-party review of the LDB distribution centre;
- Recommendation 2: allowing BDL to deliver other products manufactured by the companies that own BDL;
- Recommendation 10: selling liquor products to hospitality customers at a "proper" wholesale price;
- Recommendation 17: direct-to-consumer sales;
- Recommendation 18d: blended mark-up structure for breweries;
- Recommendation 20a: allowing craft distilleries to produce refreshment beverages; and
- Recommendation 20b: eliminating the restriction preventing craft distillers fromselling directly to duty free stores.

There are also emerging issues around RTDs (ready to drink) beverages which are not covered by the Hicken recommendations.

Now that the government has addressed the single distribution and warehousing key issue, the private sector is closer to equal footing with government vis-à-vis service delivery. Government revenue is not impacted: taxes collected from alcohol sales continue to flow to government regardless of distribution channel.

Private liquor stores and their customers would have greater choice and easier access to products because private sector operations can choose their own hours of operation, and have greater flexibility in managing overhead, but they need the modernization which implementing the Hicken recommendations would bring to their already highly-regulated businesses

THE CHAMBER RECOMMENDS

That the Provincial Government

1. Immediately implement all outstanding recommendations (of the 24) in the 2018 Hicken Report as recommended by the Business Technical Advisory Panel to the government.

# Ministry of Transportation

**DRIVING B.C.'S ECONOMY: IMPROVING HIGHWAY INFRASTRUCTURE IN NORTHERN B.C.**

**Issue**

The rural and remote communities of Northern B.C. are at the heart of the provincial economy, providing resources and revenues that benefit all British Columbians. Much of the transportation supporting the Northern economy relies on dangerous and inefficient two-lane highway and road systems without proper rest stops for long haul drivers. With the economy of Northeastern B.C. growing rapidly, traffic on these highways is increasing, leading to more wear and tear on the roads, more risks and more delays for B.C. businesses. We recommend that the provincial government invest in four-laning highways across B.C.'s North, with attention to Highway 97 between Dawson Creek and Fort St. John. As part of this section of highway, we recommend the replacement of Taylor Bridge, which connects the north to the south across the Peace River.

The impact of highway closures to our supply chain in August of 2022 was apparent when the highway was closed due to a serious accident on a bridge on the Alaska Highway. The resulting detour forced trucks with industrial equipment, groceries, fuel, mail and other essential supplies to another route that added days to deliveries. The impact to several communities, including Indigenous communities, was significant and dangerous. Timelines on this project continue to be delayed which only increases risk to industry, economic growth and a safe travelling experience for all who use our highways in the north. A recent article published by BC Business states the following "Work is plentiful in several sectors. In 2019, $8.9 billion in energy exports were produced in the northeast. The Peace River Region is home to 20,000 drilled wells, including some in North America's largest gas fields. Ninety percent of B.C.'s grain production occurs there, along with 38% of B.C.'s hydroelectric power. Every year, the Peace River Region sees 300,000 tourists."[1]

**Background**

The Ministry of Transportation and Infrastructure 2022/2023-2024/2025 Service Plan states is "Performance Planning Goal 1: Invest in rural and urban infrastructure improvements that help build a strong, sustainable economy.

Objective 1.1: Use Provincial investment dollars effectively to complete priority projects on budget and on time Key Strategies:

1. Lead infrastructure planning needs of rural and urban B.C., in partnership with other Provincial ministries to support local government's priority infrastructure projects.
2. Develop strategic partnerships with federal and other local government agencies, communities and the private sector to invest in priority rehabilitation and improvement projects, including flood recovery efforts, that serve the best interest of British Columbians.
3. Streamline consultation, tendering and construction of infrastructure projects to ensure projects are delivered without unnecessary delays.
4. Lead negotiations for the next round of federal-provincial infrastructure programs.

[1] https://www.BCbusiness.ca/Fort-St-John-is-Powering-Possibility?fBClid=IwAR105Zwjkp3D3P7UL7-tzXQLU4B1OI4d2TsGsrB9aV_ZGtl3htqmyoaE-ww

5. Use innovative solutions and best practices to deliver the most cost-effective transportation investment plans"[2]

B.C.'s Budget 2022, capital spending on schools, hospitals, roads, bridges, hydro-electric projects and other infrastructure around the province is expected to total $39.4 billion over the three-year fiscal plan period. These investments will help ensure that the necessary infrastructure is in place to deliver the services that people count on in communities around the province and create jobs that support a strong and sustainable economy.[3] The Stronger Together report went on to state "Budget 2022 is making strong investments to ensure people across B.C. are poised to benefit from sustainable economic and resource development today and into the future"[4] A report from the Conference Board of Canada shows the potential for further development in Northeastern B.C. as the LNG and subsidiary industries continue to develop.[5] The total value of major projects proposed and begun in Northeastern B.C. has tripled in the last decade.[6] This growth trend can only be expected to continue as the LNG industry develops and LNG Canada enters into planning for phase 2 of their project. This continued economic growth will bring more and heavier vehicles that wear down highways faster and create additional risk for those who travel northern routes daily.

ICBA has created a "#Get2Yes" campaign stating "The Taylor Bridge was built in 1960 and is 721 metres long, spanning the Peace River on Highway 97 between Dawson Creek and Fort St. John, near the community of Taylor. Current traffic volume on Highway 97 between Dawson Creek and Fort St. John is approximately 7,500 vehicles per day, 30 percent of which is commercial vehicle traffic.
This bridge is now in disrepair. Past inspection reports have outlined some of the bridge's major problems: Steel grid deck and catwalk deterioration. Localized corrosion issues. High/increasing maintenance costs and traffic delays for deck repairs. Major route. Long detours."
In May 2019, officials with the B.C. Ministry of Transportation and Infrastructure announced that they were in the preliminary stages of examining three options for fixing or replacing the Taylor Bridge. Despite this report, no money has been allocated to Taylor Bridge through at least 2024.

The Select Standing Committee on Finance and Government Services REPORT ON THE BUDGET 2020 CONSULTATION stated "According to the Tourism Industry Association of B.C., tourism contributes $9 billion to the provincial GDP and is the third largest industry in the province. They discussed the importance of supporting ongoing activities as well as new destination opportunities, highlighting the potential for tourism to support and transition resource-based communities."[7] The need to offer safe travel corridors vastly increases the opportunity to welcome tourist related travellers to the north.

Further to the Committee's feedback on Tourism, the following was highlighted: "With respect to tourism, Committee Members appreciated ideas to expand products and experiences and to explore

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[2] https://www.BCbudget.gov.BC.ca/2022/sp/pdf/ministry/tran.pdf
[3] https://www.BCbudget.gov.BC.ca/2022/pdf/2022_budget_and_fiscal_plan.pdf
[4] https://www.BCbudget.gov.BC.ca/2022/pdf/2022_Highlights.pdf
[5] Robins, Allison, Prince Owusu, Dan Munro, and Len Coad. *A Changing Tide: British Columbia's Emerging LNG Industry.* Ottawa: The Conference Board of Canada, 2016. https://www.conferenceboard.ca/e-library/abstract.aspx?did=7726
[6]Resource Municipalities Coalition. "Submission to Select Standing Committee on Financial and Government Services." http://rmcoalition.com/reports/coalition-position-papers-and-letters/; British Columbia. "B.C. Major Projects Inventory; Recent Reports." https://www2.gov.BC.ca/gov/content/employment-business/economic-development/industry/BC-major-projects-inventory/recent-reports
[7]https://www.leg.BC.ca/content/CommitteeDocuments/41st-parliament/4th-session/fgs/reports/FGS_41-2-2_Budget-2020-Consultation-Report_2019-08-07.pdf

new markets, including potential opportunities for economic development in rural communities. They especially focused on inclusion and accessible tourism as a key area to pursue."[8]

These roads are relied upon by the oil & gas, forestry industries, tourism from the US to Alaska, for workers who travel between communities and drive daily and currently, for construction of the Site C dam just outside Fort St. John. For many trips, there is only one possible route—a two-lane road in poor condition.[9] This is a problem for the following reasons:

1. **No Rail.** While rail is commonly used in Southern B.C. to transport freight and support industry, there is less rail infrastructure in the North, pushing all freight transportation onto highways.[10]
2. **Delays.** A road in poor condition needs frequent maintenance and occasionally more serious construction work, which means alternating traffic through one lane while work occurs on the other side. Many Northern roads have insufficient shoulders and bottlenecking also occurs when a rig breaks down and is unable to pull out of the lane. These types of bottlenecks can also become safety hazards as cars attempt to maneuver around.[11]
3. **Safety.** On two-lane roads with many large, slower-moving trucks and few opportunities to pass safely, there is a unique risk for head-on accidents, as drivers may make dangerous passing choices. The issues of safety on the highway and efficient traffic flow compound one another.[12]

To address these issues, work is needed to improve the following infrastructure:

1. **Highway 97 from Dawson Creek to Fort St. John.** This is the corridor through which millions of dollars' worth of goods flow back and forth between businesses in the north and south of northern B.C., as well as Alberta, the Yukon, the Northwest Territories and Alaska. A previous provincial government mandate to four-lane this route was never completed and there are still many two-lane sections, with many of the associated safety and efficiency issues described above.
2. **Taylor Bridge.** This section of highway also includes the two-lane Taylor Bridge, which crosses the Peace River, connecting the north and south of Northeast B.C. This vital artery in the transportation network is located just outside of Fort St. John and is busy with commercial traffic serving all LNG production and other resource industry facilities. A 2015 inspection found that the bridge's deterioration required $1 million in repairs each year (expected to increase), causing long delays during short seasonal construction timeframes and gave the bridge an urgency rating for replacement of 4 out of 5, which indicates "the dire economic issues that would arise should the span be closed."[13]
3. **Taylor Hill.** The hills on either side of the Taylor Bridge are prone to landslides and further drainage capacity is needed to mitigate this risk.[14] A major landslide in this area is not only a risk to public safety, but also has the potential to cut off highway access to Fort St. John from the South for an extended period of time, causing extreme disruptions to the B.C. economy. Work has been done on four-laning and reducing risks on Taylor Hill, but the project has not been completed.[15]

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[8] https://www.leg.BC.ca/content/CommitteeDocuments/41st-parliament/4th-session/fgs/reports/FGS_41-2-2_Budget-2020-Consultation-Report_2019-08-07.pdf
[9] Report on the Budget 2019 Consultation. Select Standing Committee on Finance and Government Services.
[10] Railway Association of Canada. *Canadian Railway Atlas, 5th edition.* https://www.proximityissues.ca/reference/maps/
[11] Report on the Budget 2019 Consultation. Select Standing Committee on Finance and Government Services.
[12] Report on the Budget 2019 Consultation. Select Standing Committee on Finance and Government Services.
[13] https://www.alaskahighwaynews.ca/opinion/dan-davies-build-the-bridge-3510022
[14] BGC Engineering. "Alaska Highway Upgrade." https://www.bgcengineering.ca/alaska_highway_upgrade.html
[15] British Columbia. "Highway 97 – South Taylor Hill." https://www2.gov.BC.ca/gov/content/transportation/transportation-infrastructure/projects/south-taylor-hill

This policy resolution is expected to receive broad support from Northern communities and businesses that rely on the highway for access, including elected officials, the Resource Municipalities Coalition.[16, 17] and industry associations. This recommendation builds on proposals made to the provincial government in the past by the North Peace Rural Roads Initiative, the BC Trucking Association, the Independent Contractors and Businesses Association of B.C. and the Business Council of B.C.[18]Additionally, this resolution aligns with recommendations of the Select Standing Committee on Finance and Government Services for the B.C. Budget 2022 Consultation.

The B.C. Ministry of Transportation and Infrastructure is currently putting together a business case for either replacing or renovating Taylor Bridge and it is likely that the option to replace will be superior. Cost estimates for the project are not yet publicly available, but a typical estimate for a four-lane bridge is about $250 million, plus at least $70M to complete the risk mitigation on Taylor Hill and the four-laning of the highway from Dawson Creek to Fort St. John.[19] It is hoped that between the revenues generated for the provincial government by the Northeastern economy— including an expected $23 billion from LNG production in Fort St. John— and the provincial government's commitment to infrastructure spending in the coming years, that this project can be prioritized for funding.[20]

In May of 2022, Minister Fleming stated ""I'm very excited about the Taylor Bridge. It's been looked at many times by previous governments and the engagement we've had with the community working group we have on the bridge is informing some decisions we're going to make going forward. And they're going to be very expensive." Fleming said he believes the bridge is a "very strong candidate" for a federal partnership. It's greatly important as a trading corridor and as an inter-provincial connection with the oil and gas sector in Alberta and British Columbia, in addition to being crucially important for people who live, work and play in communities that rely on that bridge," he said. "I think we've got them in agreement on the need to invest in trading corridors. We want to make a very strong economic case for that. It's going to help our case to have passionate and if need be, louder voices from the region to be with us to successfully get a federal investment."[21]

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Move forward with a four-lane Highway 97 from Dawson Creek to Fort St. John.
2. Replace the old two-lane Taylor Bridge outside Fort St. John with a new four-lane bridge:
   a. Complete the four-laning of the highway and installation of drainage to prevent landslides on the hills on either side of Taylor Bridge.
3. Direct funding to indigenous communities to participate in consultations and engagement on the projects.

[16] Personal correspondence.
[17] Personal correspondence; Resource Municipalities Coalition. "Submission to Select Standing Committee on Financial and Government Services." http://rmcoalition.com/reports/coalition-position-papers-and-letters/
[18] Report on the Budget 2019 Consultation. Select Standing Committee on Finance and Government Services
[19] Personal correspondence.
[20] British Columbia. *Making Life Better: Budget 2019*. https://www.BCbudget.gov.BC.ca/2019/download.htm
[21] https://www.alaskahighwaynews.ca/regional-news/taylor/going-to-be-very-expensive-minister-says-about-new-taylor-bridge-5335956

4. Explore further opportunities to streamline the provincial economy by improving highway and road infrastructure in Northern B.C.

## ENHANCING TRANSPORTATION INITIATIVES AND LEGISLATION TO CREATE LIVABLE CITIES

**Issue**

Governments across the world have made substantial efforts to combat climate change, from banning the sale of combustion-engine vehicles[1], to investing in active transportation[2]. Transportation is the largest single contributor to B.C.'s greenhouse gas emissions so change in the sector is essential. Although these programs will result in an important move away from oil and gas-powered vehicles and towards sustainable modes of transportation such as using electric vehicles, transit systems, biking or walking, policy and legislation must change to reach the true potential of sustainable transportation systems. Cyclists are offered minimal protection in the B.C. Motor Vehicle Act and as a result, many residents are held back from adopting active transportation alternatives to single-passenger vehicles. This will result in the B.C. Government falling short of its Vision Zero and climate goals.

There is also little investment in micromobility, which is the general term for fleets of small, low-speed vehicles (primarily bikes and scooters) for personal transportation, which can be either human powered or electric or a combination of the two. Micromobility is primarily found in urban areas and used for short trips in areas with good connectivity and a density of destinations.

**Background**

<u>Motor Vehicle Act</u>

B.C.'s Motor Vehicle Act (the MVA) as its name suggests, was written with motorists in mind. Rules for cyclists were largely confined to a section titled "Bicycles and Play-vehicles." The MVA was passed in 1957 and has changed surprisingly little since. The transportation environment has evolved since 1957.

Without adequate safety measures legislated, there will be a hesitation for users currently in single-passenger vehicles to switch to bicycles and other active transportation modes. The Motor Vehicle Act needs to be adjusted.

<u>Active Transportation and Micromobility Investments</u>

The B.C. Active Transportation Infrastructure Grants Program provides guidance and cost-sharing for B.C. communities to make it easier and safer for people to walk, ride or roll using active transportation modes. It can take many forms and is continually evolving as new technologies emerge. It includes:

1. Walking.
2. Cycling.
3. Rolling (skateboarding, in-line skating).
4. Other emerging modes that are legal in B.C.

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[1] https://driving.ca/column/motor-mouth/motor-mouth-canada-moves-to-ban-internal-combustion-engines-by-2035

[2] https://www2.gov.BC.ca/gov/content/transportation/funding-engagement-permits/funding-grants/active-transportation-infrastructure-grants#:~:text=The%20BC%20Active%20Transportation%20Infrastructure%20Grants%20Program%20provides%20guidance%20and,roll%20using%20active%20transportation%20modes.

The program provides cost-sharing opportunities for network planning grants and infrastructure grants. Funding from these grant programs support the development of active transportation infrastructure for all ages and abilities.

These investments are welcomed and well utilized by communities but there is a lack of investment in concepts such as cycle highways[3] or micromobility modes of transportation. In fact, the grants are vastly oversubscribed, showing a high demand from municipalities to implement cycling networks, and inadequate supply of cost-share funding from higher levels of government. Micromobility serves as a first/last mile option that is faster than hailing a taxi, walking, or transferring to low-frequency transit. Typical micromobility trips are about 1-3 miles, but some trips can be as long as 10 miles, especially when aided by electric drive. Micromobility vehicles rarely transport more than one person at a time.

Bikesharing and scooter sharing are methods of transportation that can be implemented in many cities across B.C., which will cut congestion, increase health, and reduce GHG emissions[4]. But these industries are unable to fully integrate into a city when there is little incentive for local governments to include their operations as they develop community plans. The 2023 Surrey Road Survey showed that 49.4% of people want bike share but need routes to be safer before they would shift to using it.

THE CHAMBER RECOMMENDS

That the Provincial Government follow the recommendation in the B.C. Road Safety Law Reform Group Position Paper[5] to:

1. Amend the Motor Vehicle Act by:
    a. Clarifying the rights and duties of road users to improve understanding and compliance and reduce conflict between all road user groups.
    b. Acknowledging the fundamental differences between road user groups' capabilities and vulnerabilities and recognizing the increased risks faced by more vulnerable classes of road users.
    c. Aligning the law with best practices for safer road use by vulnerable road users.
    d. Reducing the likelihood of a collision involving a vulnerable road user.
    e. Prioritizing enforcement of laws that target activities most likely to result in collisions, injuries and fatalities.
    f. Reducing the likely severity of injuries resulting from collisions involving vulnerable road users.
2. Creating an enabling policy environment for micro mobility businesses to operate in micro mobility such as e-scooters and e-bikes so that municipalities can easily adopt them.
3. Increase B.C. Active Transportation Infrastructure Grant funding to $100 million/year to better match municipal government demand.

[3] https://bikehub.ca/research/making-the-case-for-cycle-highways-in-metro-vancouver
[4] https://nabsa.net/2022/04/25/climatesustainability/
[5] https://bikehub.ca/sites/default/files/modernizing_the_BC_motor_vehicle_act_nov_2017_1.pdf

## EXPEDITING THE GEORGE MASSEY CROSSING PROJECT

**Issue**

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

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

**Background**

With the addition of one million people to B.C.'s population over the next ten years, [1] and continued growth in trade, more people will be travelling and goods moving through the region. Therefore, it is important that major infrastructure projects provide the capacity to meet future demands.

George Massey infrastructure is a critical link in the Highway 99 trade corridor, connecting our region to the U.S. Interstate 5 Highway in South Surrey, the BC Ferries Terminal in Tsawwassen Deltaport container terminal, and Vancouver International Airport in Richmond. In addition to significant goods movement, up to 92,000[2] vehicles commute daily via this corridor, and this demand will continue to rise as the population South of the Fraser continues to increase.

The replacement of the current George Massey Tunnel (GMT) has been one of the region's top regional infrastructure priorities for many years. Located at the nexus of international trade for British Columbia, businesses, and firms from across the province that support, operate, and rely on Canada's Pacific Gateway view the replacement of the current tunnel as a top priority, with a desired focus on the timeliest replacement possible.

Any delays in upgrading this key link will only exacerbate the region's existing problems with congestion, travel time, access to labour resources in adjacent municipalities, and regional emergency response capabilities, in addition to impact on the movement of goods from around the province to national and international markets. Delays and the costs associated with the inefficiencies of congestion are forcing businesses to look at all options to relocate, which is resulting in businesses leaving the province in search for places that are cheaper and easier to operate in.[3] Thus, the replacement of the current tunnel is both critical to the continued economic competitiveness of the region as well as to that of businesses from other regions of the province in their ability to compete nationally and internationally

*Current Context*

[1] https://vancouverisland.ctvnews.ca/full-text-2020-b-c-speech-from-the-throne-1.4807612 Accessed: February 12, 2020

[2] https://engage.gov.BC.ca/app/uploads/sites/52/2020/02/EXEC-SUMMARY-GMC-rpt-01-gen-cowi_Final_report_Rev0E_19-Dec-2019-w-cover-1.pdf

[3] https://globalnews.ca/video/4779728/london-drugs-considers-moving-headquarters-out-of-richmond

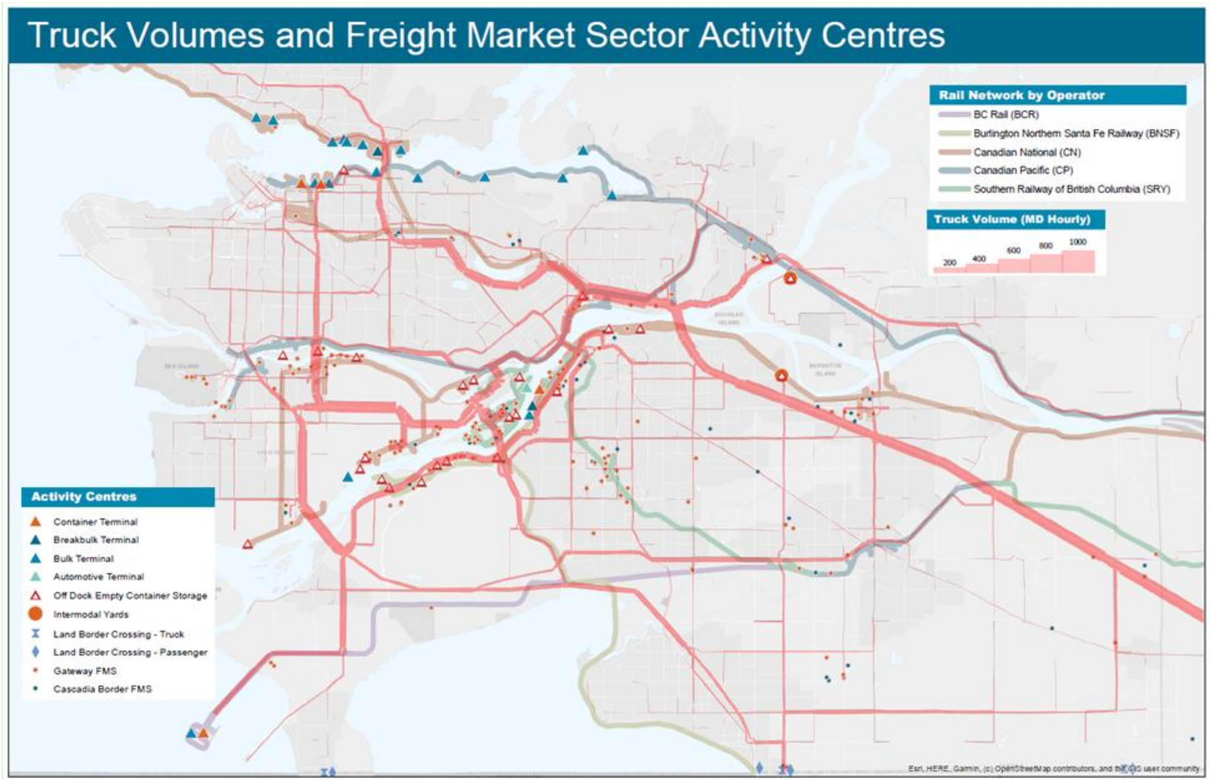
Vancouver International Airport (YVR) is the second largest airport in Canada and therefore sees a high volume of both exports and imports. Goods exported via YVR generated $3.1 billion in direct output and $2 billion of indirect and induced output in B.C., plus $1.8 billion of total output in other parts of Canada in 2018. Some key exports in 2021 include Electrical machinery/equipment ($530 million) and cinematic equipment ($550.6 million). Key imports in 2021 include machinery and mechanical appliances ($1.47 billion) and electrical machinery ($1.547 billion).

Current air cargo movements rely on a transportation or trade corridor that permits efficient and reliable access to various businesses and activity centres located in the region, province, and the US. Provincially owned Bridgeport Road and Sea Island Way, located in the City of Richmond, provide the primary corridor for people and goods connecting between Vancouver International Airport (YVR) and the provincial highway system at Highway 99. Highway 99 in turn provides a direct route to the US border (via the Pacific Border Crossing) and connections to other major provincial highways in the region including Highway 91 and Highway 17.

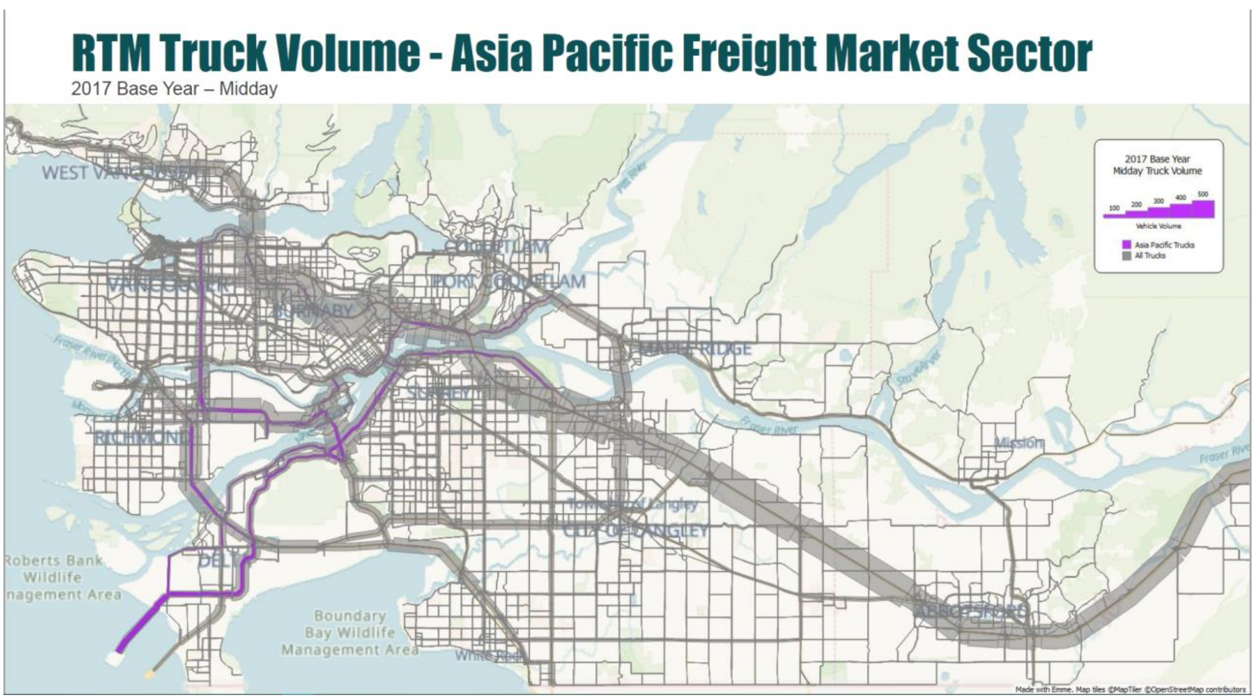
The Pacific Highway Border Crossing is one of western Canada's most important land crossings for goods and people movement. The value of trade goods transported by truck totaled over $19.8 billion in 2022; including over $8 billion in Canadian exports alone.[4]

After the Trans Canada Highway, Hwy 99 is one of the Lower Mainland's busiest truck corridors, particularly around the George Massey Crossing (Map 1) and it is a critical route for drayage trucks accessing the port to deliver containerized goods for trade (Map 2).

[4] https://explore.dot.gov/views/Dashboard_PortbyCommodity/HistoricalTrend?%3Aembed=y&%3Aiid=1&%3AisGuestRedirectFromVizportal=y


Truck Volumes and Freight Market Sector Activity Centres
Rail Network by Operator
BC Rail (BCR)
Burlington Northern Santa Fe Railway (BNSF)
Canadian National (CN)
Canadian Pacific (CP)
Southern Railway of British Columbia (SRY)
Truck Volume (MD Hourly)
200
400
600
800
1000
Activity Centres
Container Terminal
Breakbulk Terminal
Bulk Terminal
Automotive Terminal
Off Dock Empty Container Storage
Intermodal Yards
Land Border Crossing - Truck
Land Border Crossing - Passenger
Gateway FMS
Cascadia Border FMS

*Map 1*


RTM Truck Volume - Asia Pacific Freight Market Sector
2017 Base Year – Midday
2017 Base Year
Midday Truck Volume
100
200
300
400
500
Vehicle Volume
Asia Pacific Trucks
All Trucks
WEST VANCOUVER
VANCOUVER
BURNABY
COQUITLAM
PORT COQUITLAM
MAPLE RIDGE
SURREY
RICHMOND
DELTA
CITY OF LANGLEY
Mission
ABBOTSFORD
Roberts Bank Wildlife Management Area
Boundary Bay Wildlife Management Area
White Rock
Fraser River
Made with Emme. Map tiles ©MapTiler ©OpenStreetMap contributors

*Map 2*

The Port of Vancouver is about the same size as the next five largest Canadian ports combined. Home to 29 major terminals, the Port can handle the most diversified range of cargo in North America: bulk, containers, breakbulk, liquid bulk, automobiles, and cruise. As the country's gateway to over 170 trading economies around the world, the port handles $1 of every $3 of Canada's trade in goods outside of North America. Enabling the trade of approximately $275 billion in goods, port activities sustain 115,300 jobs, $7 billion in wages, and $11.9 billion in GDP across Canada. The Port of Vancouver's Deltaport location, in Delta, is currently Canada's largest container terminal.

George Massey Tunnel location was additionally identified as a significant issue location in the Fraser River Trade Area Study[5] relating to Canada's Pacific Gateway, due to the ways in which a provincial highway river crossing with significant goods movement related to international trade affects capacity. Efficient and reliable access to the provincial highway network (i.e. Highway 99) is important for international trade making use of airport facilities, because trucks often carry time-sensitive cargo.

In summary, a GMT replacement crossing is a critical project for economic that should be prioritized and built expeditiously; a) in a manner which delivers the most value for taxpayers' money and b) demonstrating cost certainty, expeditious implementation (including the environmental assessment), with the least impact on the river, and affording a lower profile for construction risk.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Expedite the George Massey Tunnel replacement project, with a focus on time to completing; ensuring project work is sufficiently completed to such a stage that federal funding is requested no later than the 2024-2025 fiscal year.
2. Prioritize protection of the scope of the project, e.g., including ensuring appropriate levels of public transit and on/off-ramps for affected residential communities, industrial areas and business parks.
3. Prioritize development of a complete, multi-modal Highway 99 Corridor strategic investment planning strategy document, with short, medium and long-term transportation and infrastructure guidelines that take into consideration current and future conditions, infrastructure repair and replacement needs, land protection and access management, active transportation corridors, high-speed and light-rail opportunities, and additional, expanded public transit access, which includes service to industrial areas and business parks.

## KEEP B.C. BUSINESS MOVING

### Issue

B.C. is Canada's Pacific Gateway, the gateway for vital trade to and from Asia. Effective transportation networks are a fundamental and necessary underpinning of this trade and economic activity. And an integral part of B.C.'s trade & transportation infrastructure is the Highway 1 corridor.

Following the floods of 2021, the province and country saw the vital role this corridor plays in internal and external trade and transportation . While progress has been made in improving some parts of this

[5] http://www.BCtrucking.com/sites/default/files/executive_summary_with_cover_optimzed.pdf

corridor, further prioritization of enhancing Highway 1 capacity into and out of the Fraser Valley is needed.

**Background**

The Corridor's Importance

The Highway 1 corridor is of provincial and national importance, providing direct, indirect and induced benefits, including the facilitation of billions of provincial and national GDP activity, the underpinning hundreds of thousands of jobs across the country, and the contribution towards billions in tax revenue.

Many of the goods moving along Highway 1 are bound for the Port of Vancouver, which helps facilitate trade through Canada's west coast. Approximately $1 in every $3 of Canada's trade in commodities and goods beyond North America move through the Port of Vancouver, making it a critical component of Canada's economy. In 2021, overall cargo through the port reached 146 million tonnes valued at over $240 billion.

From semi-trucks and trailers hauling freight, to logging and industrial trucks serving the resource industries, to smaller trucks serving local businesses, the trucking industry relies on an efficient Highway 1 corridor as well. Trucking is a significant economic sector and driver in B.C. Each year, more than $3 billion of goods are trucked between the gateway ports and rest of Canada, and the industry itself accounts for 2 percent of B.C.'s GDP, employs about 40,000 people, and is larger than other major industries, including forestry, pulp and paper, and oil and gas.

Beyond direct trucking and industrial use, 80,000 other vehicles use the corridor daily to commute to and from employment, or to conduct other personal and commercial business. These are the employees who power our business sector, the tourists who support the visitor economy in the Fraser Valley and into the B.C. Interior, and the service providers and tradespeople who deliver our goods, build our houses, and fix our infrastructure.

Trade, trucking, tourism and regional employment all depend on the Highway 1 corridor, and the corridor's importance was vividly illustrated during the aftermath of the record floods of 2021. Following flooding of the Highway 1 corridor, swaths of the highway were closed in Abbotsford, Chilliwack and Hope, severely limiting transportation into and out of the region, to and from the ports, and from the coast into the interior and beyond.

This acute loss of usage of Highway 1 illustrates its importance, and yet we have allowed the Highway 1 corridor to suffer functional loss of usage regularly due to traffic, congestion, lack of capacity, and aging supporting infrastructure like overpasses and interchanges.

The Challenge

Our ability to effectively trade goods and services hinges on robust transportation infrastructure. The portion of the Trans-Canada Highway 1 extending across Greater Vancouver and through the Fraser Valley to Hope is a critical artery of Canada's Pacific Gateway. In recent years, population and trade growth, a regional industrial land shortage and the marked growth of the Abbotsford Airport have overburdened Highway 1, resulting in heavy congestion, safety implications, and challenging our ability to effectively move goods and services into and out of the region.

Today, congestion grinds the corridor to a halt regularly, with average travel speeds dropping to 20 km/h during regular travel peaks, and some commutes taking upwards of 1.5 to 2 hours to travel between

Abbotsford and Vancouver. This lack of capacity not only makes it difficult for employees to plan commute times with certainty, it has rendered near impossible travel between the Fraser Valley and Vancouver or other western parts of the region during much of the day. This leads to employees regularly being late to work or job sites, and worse, causes many employees to opt out of job opportunities that would require travelling the corridor, further exacerbating the labour shortage challenges faced by many businesses.

Without capacity increases, this problem will only get worse over time While today, truck traffic accounts for approximately 16 percent of daily volumes along the corridor, or approximately 12,500 trucks per day, by 2035 it is anticipated that truck demand will increase by 24 to 33 percent. Couple this with the expected 61% increase in the Fraser Valley population in by 2051, and it is clear this corridor's current capacity will not meet the needs of B.C. residents or businesses.

<u>The Solution</u>
The provincial government is currently advancing a Highway 1 Expansion Project, but in incremental stages which does not constitute a regional solution.

The Highway was widened from 202 Street through 216th street in 2020, and the next phase is currently underway with a widening of the highway from 216th street to 264th street. This project is not expected to be complete until late 2025.

A third phase of expansion beyond Langley and into Abbotsford is still in the planning and consideration phase, and therefore many years off with no timeline publicly committed to. Currently, no plans exist publicly to expand the corridor's capacity beyond Whatcom Road further into Abbotsford or beyond to Chilliwack.

As a priority, the provincial government should commit to expediting the remainder of the Highway 1 expansion to Abbotsford, complete with replacements of aging overpasses such as at 264th street, and then immediately begin developing plans for building additional capacity further into the Fraser Valley, through Chilliwack and to Hope and to the connections with Highways 3 and 5.
This focus and priority would provide much needed capacity for trade and transportation in and out of the Lower Mainland and Fraser Valley, and would underpin decades of future growth and prosperity. The demands on this corridor will only increase and the costs and delays on our economy will only deepen with time. The time is now to invest and build to keep B.C. business moving.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Recognize the priority of the Fraser Valley portion of Highway 1 as a major economic corridor and expedite the final stage of the current Highway 1 Expansion Project with widening and expanded/replaced infrastructure from 264th street to Whatcom Road
2. Immediately begin planning and prioritizing further expansions to the Highway 1 corridor from Whatcom Road through Abbotsford and into to Chilliwack, Hope and the connections with Highways 3 and 5.

## MANDATORY DASHBOARD CAMERAS FOR COMMERCIAL TRUCKS IN BRITISH COLUMBIA

### Issue
Commercial vehicles play a vital role in the economy of British Columbia, and ensuring their safe operation is a top priority for the trucking industry. One tool that can help improve the safety of commercial vehicles on B.C. roads is the installation of mandatory forward-facing dashboard cameras. This low-cost measure will improve accountability and provide data/information to make B.C.'s roads a safer place for everyone, minimizing disruptions to our supply chain networks which are so vital to our economy.

### Background
Commercial truck accidents can cause significant negative consequences to human lives, property, and the environment. When accidents occur, the temporary closure of highways or roadways can also have an impact on business, as supply chain networks are disrupted. Despite the regulations and rules and mandatory training for commercial truck drivers, accidents still occur due to human errors, driving under the influence, fatigue, and other factors.

In an average year in B.C., large trucks are involved in less than one percent of all crashes – but they're involved in nearly 20 percent of fatal crashes. On average between 2011 and 2015, 285 people were killed each year on B.C.'s roads and highways – 61 of them in crashes involving at least one large commercial vehicle. In the Interior of B.C., Mayor Ward Stamer of the District of Barriere, has called for mandatory dashboard cameras for commercial vehicles, in the wake of two fatal crashes along Highway 5.

In recent years, dashboard cameras have become an affordable and effective tool for monitoring driving behavior and providing evidence in case of accidents. Dash cams can capture video footage of the driver's view of the road, vehicle speed, and other driving-related information.
There are many benefits to businesses who implement dashboard cameras in their commercial vehicles including:

- Improved safety: According to the BC Trucking Association, dashboard cameras can help reduce the frequency and severity of accidents, improve driver behaviour and lower insurance costs.
- Evidence in the event of accidents or disputes: Forward-facing cameras can capture valuable information about accidents and near-misses, providing valuable evidence in the event of an accident or dispute.
- Improved driver behaviour: The Canadian Association of Chiefs of Police notes that the use of dashboard cameras can improve driver behaviour by promoting accountability and encouraging safe driving practices.
- Cost savings: The use of dashboard cameras may reduce accident rates and the severity of accidents resulting in cost savings for commercial vehicle operators.

Therefore, the Government of B.C. should review the feasibility of this requirement and work with industry stakeholders to implement it effectively.

Whereas the amount of time each commercial semi-truck spends on the road, the weights they operate with, and the braking distances involved in stopping commercial semi-trucks;

And whereas the use of dashboard cameras can encourage commercial truck driver accountability in adhering to safe driving practices and can be affordable insurance in providing undeniable evidence for the almost inevitable near misses that professional drivers contend with in doing their job.

This resolution has been reviewed and is supported by the BC Trucking Association.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Work with industry stakeholders, the BC Trucking Association and the BC Chamber of Commerce to review the feasibility of requiring all commercial semi-trucks registered in British Columbia to have dashboard cameras installed and in operation while driving within the Province of B.C. This feasibility should consider including an assessment of the potential benefits and costs associated with implementing such a requirement, including the potential impact on commercial truck operators and insurance companies.
2. The review should also consider the potential impact on driver privacy and develop guidelines for the appropriate use and storage of dashboard camera data.
3. Develop training programs for commercial truck drivers on the appropriate use and benefits of dashboard cameras.

## RESTORING RAIL ON VANCOUVER ISLAND

### Issue
Transportation of freight and passengers by rail is a cost effective and economically beneficial mode of transportation worldwide. On Vancouver Island, the former Esquimalt and Nanaimo (E&N) rail corridor, now maintained by the Island Corridor Foundation, presents an opportunity for the re-introduction of this mode of transportation to one of the fastest growing sections of B.C.

### Background
The following summary is quoted from the Island Corridor Foundation website:

> *The Vancouver Island Railway, first known as the Esquimalt and Nanaimo (E&N) Railway, was incorporated on 27 September 1883 by Victoria coal baron Sir Robert Dunsmuir, to support the coal and lumber industry and the Royal Navy Base as Esquimalt. Construction began on April 30, 1884 and on the 13th August 1886 Prime Minister Sir John A. MacDonald drove the last railway spike into the ground along the section above the Malahat Highway. The initial rail extended for 115 kilometres from Esquimalt to Nanaimo; hence the original name of the company. In 1888 the line was extended to the City of Victoria. In 1905 Robert Dunsmuir's son James sold the railway to the Canadian Pacific Railway (CPR) who extended it to Lake Cowichan, Port Alberni, Parksville, Qualicum Beach and Courtenay.*
>
> *In 1953, CPR discontinued the Port Alberni passenger service. In 1979 VIA Rail assumed operational responsibility for the passenger service but CPR retained ownership. VIA provided the rolling stock, passenger subsidy and ticket sales. Advertising was minimal so the railway was operating in isolation to the rest of Canada and North America. In 1998 CPR sold the east-west corridor between Parksville and Port Alberni to Rail America, and entered into an agreement to carry freight, which was taken to the barge facility at Nanaimo. At that time approximately 8,500 carloads of forest and paper products, minerals and chemicals were transported by rail each year.*
>
> *More changes occurred when Norske company which owned mills in Port Alberni, discontinued the use of rail service, opting for truck freight instead. With the loss of this significant revenue stream Rail America announced its intention to cease operations and leave Vancouver Island.*
>
> *The railway on Vancouver Island had been operating in uncertain conditions for a number of years. CPR neglected proper maintenance as rail in general declined. Only a few freight customers remained and the trend that saw a general downturn in railways in North America was reflected in this part of the Trans Canada Railway system.*
>
> *Vancouver Island citizens were strong proponents of keeping the railway running and improving maintenance. Many groups tried to influence those who were responsible, but the decline continued. Finally, when Rail America announced that they would no longer provide freight or passenger service communities on the Island rebelled. Two conferences were held to find a way to turn the situation around before the deadline when service would be halted. A series of Roundtables on the Future of Rail on Vancouver Island brought all those involved together (some rather reluctantly) to find a solution. The Roundtables also created a forum*

*for intense networking and discussions between all parties. In the interim the passenger service and some freight service continued.*

*Through the energy and the will of Vancouver Island people led by local governments and First Nations, the Island Corridor Foundation was formed in 2003. It is a non-profit society incorporated under Part II of the Canada Corporations Act and registered as a Charity under the income tax act in December 2004. It is a partnership between First Nations and Regional Districts along the right of way who comprise the members of the Foundation. As a registered charity, the Foundation negotiated with CPR to acquire the rail lands in exchange for a tax receipt which the Foundation was then able to issue. It also negotiated with Rail America to return that section of the line and restore the railway on Vancouver Island to a single entity.*

A 2009 study of the rail line concluded the following:

- A market for freight exists and could see up to 15,000 rail cars per year on the line.
- Improving passenger service could be done incrementally.
- While the costs per tonne of freight and per person moved are high, the use of rail services would reduce green house gas emissions.

One oversight of the report is that it compares potential costs to other rail services (per passenger or per tonne of freight) but fails to compare those costs to the public, tax-payer paid costs of private vehicles on government funded roads. This is a change in analysis that is needed in all discussions about infrastructure so that the true costs of moving freight and people is correctly quantified and reviewed. The costs to the tax payer for vehicle kilometer traveled have been estimated at $0.1852 . Taking this into consideration and comparing it to the costs per passenger for a restored rail service, the costs to the public end up being very similar to road transportation. Table 1 below illustrates this with an analysis of costs for road transport from Courtenay to various destinations along the rail corridor (excluding the vehicle cost itself):

Table 1

| Destination | Distance (km) | Costs | Rail Costs (passenger)* |
|---|---|---|---|
| Nanaimo | 110 | $20.35 | $50.00 |
| Duncan | 160 | $29.60 | to |
| Victoria | 220 | $40.70 | $60.00 |

* rail costs are from the 2009 IBI study and are specific to the E&N Rail corridor

While there is an increase in costs per passenger, with increased efficiency in the rail service, these costs can be brought down. The West Coast Express that services Vancouver costs $6 per passenger trip, far below the public costs of road infrastructure for a similar passenger trip by car.

The Malahat corridor leading into and Victoria is a major choke point for commerce on Vancouver Island. Over the past several years (and for the next several) upwards of $150,000,000 will be spent on roadworks projects that still won't see the entire corridor (Mackenzie Interchange to Mill Bay) be 4 lanes. Investing in rail on Vancouver Island will further alleviate traffic at a lower cost per passenger than more road improvements. Further, it is anticipated that peak hour travel times from Mill Bay to Victoria are set to grow from the 2020 duration of between 43 to 70 minutes to between 87 and 144 minutes by 2038. The rail travel time from Shawnigan to Victoria is currently 58 minutes including stops, with no improvements made to the corridor. Similarly, the current travel time on roads at peak hours from West

Hills to Victoria is 60 to 70 minutes, and the same trip can be made on existing rail infrastructure in 18 minutes.

The environmental benefits of rail versus vehicle transportation are also worth reviewing. For example, per passenger mile commuter rail produces 0.33 pounds of $CO_2$ per person moved, whereas a transit bus produces 0.64 pounds per person moved, and private autos produce 0.96 pounds of $CO_2$ per person moved. Similarly, trucks transporting goods and freight produce 4.5 times the $CO_2$ that trains moving the same materials produce.

The opportunity to improve freight movement between the ports in Nanaimo and Port Alberni would be of benefit to the entire economy of B.C. This rail link would allow these ports to increase shipping capacity for the Province, decrease shipping times by avoiding the need to navigate around Vancouver Island, and increase shipping safety by taking freight out of the narrow passages around either the north or south end of the Island.

Tourism opportunities will also be served by increased rail services. A specific example is the McLean Mill National historic Park and Site. Historic locomotives had used the Port Alberni subdivision of the E&N Railway. Restoring this section of track not only opens the way for freight to be shipped between the ports, but will allow this tourist site to offer train rides again. In addition to this specific tourist attraction, increased access for tourist by rail will enhance the use of tourist amenities along the entire rail line.

Extension of the rail line to the northern communities of Vancouver Island is also worth considering. The ability to move freight and passengers the length of the Island will benefit all communities, and provide a vital transportation link that will enhance economic opportunities for the whole island.

While the corridor remains intact, the Province retains an opportunity to act.

THE CHAMBER RECOMMENDS

The Provincial government work with the Federal government to:

1. Ensure that the Island Corridor remains intact and is designated as a transportation corridor with priority given to rail infrastructure;
2. Fund phased improvements and upgrades to the Island Corridor to ensure it returns to operation and is capable of providing commuter and inter-city rail service, with an initial priority on commuter rail service in the greater Victoria area;
3. Commit to ongoing operational funding for rail service, so it can function as a commuter and inter-city rail service, per the phased improvement plan; and
4. Engage with business and industry in planned consultations with Indigenous communities along the Island Rail Corridor.

## TRANSPORT CANADA CIVIL AVIATION: ADDRESSING THE NEED TO SPEED UP STCS & TSOS

### Issue

Transport Canada Civil Aviation (TCCA) is the Civil Aviation Directorate , and promotes the safety of the national air transportation system through its regulatory framework and oversight activities. As part of the regulatory framework, TCCA develops policies, guidelines, regulations, standards and educational materials to advance civil aviation safety in Canada. The issue in this policy is the delay in approvals of STCs – Supplemental Type Certificates and TSOs - Technical Standard Orders. TCCA, through oversight activities, verify that the aviation industry complies with the regulatory framework through certifications, assessments, validations, inspections and enforcement.

### Background

TCCA is managed from five regional offices:


The issue arising is that some regions are far busier than others. Requests for approval arriving from outside Canada are handled on a first-come, first-served basis, i.e., US. Requests from within Canada must be handled within the geographic region where the company is based which files the approval request.

This has a two-pronged negative effect on Canadian companies, especially in B.C. (Pacific Region) where the back-ups are lengthy. Foreign companies have an edge in the market over Canadian companies; and Canadian companies are being driven to open satellite offices in the US from which to file paperwork in order to receive approvals in a timely manner.

<u>Supplemental Type Certificates - STC</u>

TCCA issues Type Certificates for Canadian-designed aeronautical products to certify that the product complies with the appropriate airworthiness standards. Hundreds of aviation-related companies produce products under some of the strictest controls in manufacturing today, incurring research and development (R&D) costs, high-paid staff costs and the costs of testing.

Approval certificates are a critical final step in the process. Delays in the Pacific Region have been growing for the last decade, from a variety of reasons: chronic understaffing; change in directors; lack of resources; increase in requests for approvals.

Ten years ago, the wait for paperwork was 5-6 weeks. Now, it is 12-15 weeks and continues to grow. New products are vital to improve a wide range of aircraft performance and maintenance factors as well as maintain and grow Canada's vital aerospace industry

Technical Standard Order – TSO
The TCCA requires that an applicant for a Canadian Technical Standard Order (CAN-TSO) design approval in respect of an appliance or a part has or shall have access to, the technical capability to conduct the design analyses and tests required to demonstrate the conformity of the appliance or part with its certification basis . Our Canadian-based aviation companies – and there are thirty in the Okanagan, more than 100 in the lower mainland, and several others throughout the province – submit application to qualify new products on a year-round basis.

Many TSO agreements are in place between TCCA other international bodies, i.e., the EASA (European Union Aviation Safety Agency) and the FAA (US) .

This paperwork, both TSOs and STCs, is critical to the economic well-being of Canadian-based aerospace companies, and to the growth of professional level jobs in B.C. One Okanagan-based company has decamped to the US (Washington State, in order to remain close to B.C. markets); rumours constantly swirl in the local industry about companies planning to open satellite offices in the southwestern US from which to file paperwork on products researched and designed in Canada.

This is a loss for Canadian business, and adds unnecessary layers of wasted time, increased costs, doubling of regulations and tax and audit reporting, for reasons which can be resolved through TCCA regional assignment flexibility, e.g., utilizing the less-busy Atlantic Region for Pacific Region requests.

THE CHAMBER RECOMMENDS

That the Provincial Government represent the needs of B.C. businesses with the Federal Government by:

1. Requesting that TSOs and STCs be processed to the first regional office that has processing capability, rather than queuing by geographic region;
2. Encouraging the Federal government (TCCA) to bring its staffing to levels that meet regional demand to prevent the bleed-off of B.C. businesses to the US and protect B.C. jobs.

## SECTION II: POSITIONS ON SELECT FEDERAL POLICIES

**EXTEND THE CEBA LOAN FORGIVENESS DEADLINE FOR QUALIFYING BUSINESSES**

**Issue**
The repayment dates for many of the federal COVID business loan programs are approaching and as the recovery has not been as robust as originally projected, financial freedom on cash flows is not there, presenting a looming probability of many small businesses collapsing. Added to this a significant number of loans have been disallowed eliminating the anticipated forgiveness amounts for affected businesses.

Government mandated restrictions including business closures caused detrimental financial hardship for Canadian businesses and an originally optimistic recovery period is not in sight. Ultimately, the federally funded COVID business loan programs benefits included forgiveness amounts and interest free periods are a small contribution from the government to support the financial expense to businesses caused by their pandemic response.

**Background**
Federally funded COVID business loan programs included:
- Canadian Emergency Benefit Account (CEBA)
- Rural Relief & Recovery Fund (RRRF)
- Emergency Loan Program (ELP)

While there are differing regional or streams, they shared many similar characteristics including an interest-free period, an early repayment deadline to receive forgiveness on a portion of the funds received, and a repayment period with a maturity date of approximately 5 years from the date of the advance.

As an example, Canadian Emergency Benefit Account loans of $40,000-$60,000 were provided for eligible businesses as an aid to compensate for the impact of the COVID-19 pandemic associated restrictions.

CEBA loans are interest free and a forgiveness amount of $10,000-$20,000 will apply to loans paid in full prior to December 31, 2023.

The repayment and forgiveness period has been extended twice previously from the original repayment date of December 31, 2022, and December 31, 2023.

The pandemic's impact on small businesses across the country paired with the additional payroll expense of Provincial Sick Leave and minimum wage increases, inflation and supply chain challenges have abolished the original and optimistic 'bounce back' period used to determine the original repayment timelines.

Other important notes:
CEBA:
- To date, only 13% of Businesses have repaid their CEBA loans in full.

- Unpaid CEBA loans revert to a 5% interest only term effective January 1, 2024, for a period of 24 months at which time the full principle is due (December 31, 2025).
- According to the Government of Canada 898,271 Canadian Businesses received CEBA loans.
- According to the Government of Canada 571,851 received expansions of an additional $20,000.
- According to the Government of Canada to the total amount loaned via CEBA is $49.2 Billion.
- Assuming a CEBA loan balance of $60,000, 5% annual interest only payments will equal $3000 in additional cost to businesses.
- In addition to the losses caused by pandemic related restrictions and closures Canadian Businesses are still far below pre-pandemic sales volumes.
- Many CEBA loans are guaranteed by personal assets which result in extreme financial hardship for many Canadian entrepreneurs and employers.

Similar figures for the other federally funded COVID business loan programs were not available, but are assumed to be similar as CEBA.[1]

THE CHAMBER RECOMMENDS

That the Federal Government:

1. Introduce an application process to provide a 12-month loan forgiveness extension (CEBA, RRRF, ELP, or others) to qualifying businesses and organizations that are unable to repay loans in full on December 31, 2023.

## GROW LABOUR MARKET SIZE THROUGH INCREASED EMPLOYMENT OF SENIORS

### Issue

Labour force issues which plague Canadian businesses are being addressed through pathways which include increased immigration and immigration-friendly legislation; increased trades and skills training; and affordable housing for increased workforce housing. Missing in the current conversation is incentivizing populations which are legally entitled to government payments from both Old Age Security and Canada Pension Plan funds. In both cases, Canadian residents have generally paid into these funds throughout their working lives – and consider these funds “theirs”. However, misunderstandings – and misinformation – abounds, particularly within the senior population itself and its employers – and there is an opportunity to add to the workforce by addressing this sector with better information and incentivization from the federal government.

### Background

Many seniors believe that they must quit work and quit earning when they hit ages 65-70. Some of this is historical, based on companies and professions mandating retirement at 60 or 65. A large percentage of the workforce does not have a pension plan through their current, or their accumulation of,

[1] Resources
https://www.cbc.ca/news/politics/ceba-loan-repayments-deadline-extension-1.6759630#content
https://ceba-cuec.ca/
https://www.cfib-fcei.ca/en/tools-resources/canada-emergency-business-account-ceba
https://huddle.today/2022/10/19/thousands-of-businesses-told-they-were-ineligible-for-ceba-loans/

employers; this is the group that most depends on the two government funding sources: CPP (Canada Pension Plan); and OAS (Old Age Security).

The government claws back portions of OAS funds if individuals choose to continue working, even at modest-paying jobs or on a part-time basis. Based on overall income, this portion varies. OAS income is taxable and is based on the individual's tax bracket.

CPP is not clawed back but is not protected from being taxable income.

Many seniors choose to retire or dramatically reduce the hours worked to mitigate the clawback effect. This results in a net loss of human capital in the workforce of already trained, "job-ready" workers.

Multiple employers have long been on record as finding senior populations valuable as employees, due to reduced calls on their time from growing families; a well-developed work ethic; experience in a broad range of skills; and a more settled lifestyle. As individuals may choose to receive CPP at age 60 and OAS at 65, this is the definition of "senior" for this discussion.

<u>What is OAS and how does it work?</u>
OAS stands for Old Age Security and it is both exactly what it seems and also not quite. "OAS is supposed to be a universal benefit given to all seniors in Canada," explains Bonnie-Jeanne MacDonald, director of financial security research at Toronto Metropolitan University's National Institute on Ageing. It's a monthly payment to any Canadian over the age of 65. In most cases, individuals will be automatically enrolled upon their 65$^{th}$ birthday and don't have to apply.

There is a caveat in MacDonald's definition: "supposed to be." To collect the maximum amount of OAS, one must be a Canadian citizen or permanent resident and have lived in Canada for at least 40 years after the age of 18. If an individual has only resided in Canada for 20 years, for example, then they are only eligible for partial payouts. New immigrants who have lived in this country for less than 10 years, are not eligible at all. "The only requirement is a simple residency requirement," explains Ms. MacDonald, "but if you don't have it – which a lot of people in Canada don't – that's a big problem." These exceptions are not well understood, yet most seniors in Canada will easily qualify for Old Age Security, whether they've worked and filed taxes for all these years or not. In 2022, the maximum monthly OAS amount was $685.50 (the average was $666). When the recipient turns 75, that amount is raised by 10 per cent. Every quarter, the payouts are indexed to reflect inflation.

Thus, many of these older residents may not fully mimic the earlier referenced "job-ready" nomer.

The other, rather massive caveat to OAS is that if a senior has ample income, say, from investments, a company pension, or withdrawals from a registered retirement savings plan (RRSP), they might earn too much money to qualify for full (or any) OAS benefits. After a certain threshold (in 2023 Recovery Tax

Period it's about $82,000)[1], individuals are subject to clawbacks, and if income is above the ceiling (for the 2023 Recovery Tax Period it's $134,626 for those aged 65 to 74, and $137,331 for those 75 and older), then OAS will be fully clawed back.

"The top 15 per cent of seniors *won't* get the maximum OAS at all because they make too much money elsewhere," says Ms. MacDonald. This 15 per cent also represents a valuable cohort for ongoing employment especially in a tight labour market. If the government made OAS a universal benefit as in many European countries, not income-tested nor clawed back this valuable seniors labour pool would expand immediately.

<u>What is CPP and how does it work?</u>
The Canadian Pension Plan, unlike the (supposedly) universal OAS, is for Canadians who have worked, collected income, and filed taxes in their lifetime in Canada. (In Quebec workers contribute to something very similar: The Quebec Pension Plan, or QPP.) "The CPP is a social insurance program that's intended to replace employment earnings when someone stops working," says pension consultant Doug Runchey at B.C.-based DR Pensions.

To qualify a worker must have worked for an income, declared that income, and contributed to the pension plan in advance. "Everyone who's over 18 and has employment earnings already has the benefit simply by filing their taxes," says Runchey. (There are no opt-outs: contributing to CPP is mandatory for workers in Canada.)

"The calculation isn't simple, and it changes year by year based on average salaries," says MacDonald. Workers contribute nothing when net income is below $3,500 and the year's payments max out at "maximum pensionable earnings" (in 2022, $64,900).

"If you're a traditional employee, then it's typical that your employer pays half of your contribution," says Runchey. Self-employed people also contribute to CPP – a common question and concern, and they cannot opt out either – and they technically pay more. In a self-employed situation, a worker pays both sides.

Originally, the CPP was meant to replace 25 per cent of someone's preretirement income, but in 2019, the government raised contribution rates to correspond with 33 per cent of replaced income post-retirement. But the enhanced contribution rates are being phased in and how much one receives will depend on how much and for how long the worker made the enhanced contributions. These days, a person who has paid the maximum amount for every year they made the maximum earnings could now retire at 65 with about $1,250 a month from the Canadian Pension Plan, though the average CPP payment in 2022 was just $728. (CPP is indexed to inflation, albeit annually, so you can expect both those numbers to rise.) And workers have to begin collecting CPP at age 70.

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[1] CRA https://www.canada.ca/en/services/benefits/publicpensions/cpp/old-age-security/recovery-tax.html

| | | | Maximum income recovery threshold | |
|---|---|---|---|---|
| **Recovery tax period** | **Income year** | **Minimum income recovery threshold** | **Age 65 to 74** | **Age 75 and over** |
| July 2022 to June 2023 | 2021 | $79,845 | $129,757 | $129,757 |
| July 2023 to June 2024 | 2022 | $81,761 | $134,626 | $137,331 |
| July 2024 to June 2025 | 2023 | $86,912 | $141,917 [1] | $147,418 [1] |

What is the difference between CPP and OAS?
The biggest and most important distinction is the basic requirement to qualify: OAS is based on residency, while CPP is based on employment history. It's therefore possible to qualify for one or the other, or neither, or both.

The next difference is the age of eligibility. OAS payments are made the month after a 65th birthday but no earlier. CPP, however, has a larger window with wiggle-room for early retirement (as young as 60). Both OAS and CPP can be deferred, and the longer someone waits to cash in, the bigger the monthly payouts will be. For this reason, many people defer their CPP benefits to age 70, the latest one can begin to collect.

Another difference is funding. The CPP is funded while the OAS is not: this means OAS comes from the general tax revenue of the federal government every year, so it can change. Ottawa just introduced a permanent increase to OAS payouts – outside the normal inflation-related bumps – for the first time in decades. A new government, however, could certainly tweak numbers in the other direction were it so inclined.

The CPP, meanwhile, is a big pile of already-collected cash waiting to be tapped into when the time comes. The more paid into the pile over the years, the more money there is to get back up to the maximum – unlike OAS, CPP isn't subject to clawbacks. Senior workers' part-time income (this year if reaching $86,912) will have no impact; they will lose 50% of their CPP when/if they have an income of $200,000 or higher. Seniors saying they "have to quit because their pensions will be clawed back" are flat wrong. Education is the key to correcting this misunderstanding.

The number of years Canadians spend in retirement is dropping.[2] The number of retirement years peaked for workers around 2011, at which point retirement ages started increasing faster than life expectancies.[3] And CPP benefits are seen as safe, since a reduction would be political suicide. Why should more seniors therefore consider continuation of work?

Results of a CIBC poll taken five years ago noted 32 per cent of Canadians between 45 and 64 have zero savings for retirement. And by September of 2022, Thomson Reuters spoke to the labour crunch: "Canada is losing jobs — but the economy is losing more workers to retirement, too. The number of people who are retiring as young as 55 has hit a record."[4] Universalizing retirement benefits would help level the playing field for employers trying to hire over the coming decade.

Assumption: a senior has been an absolutely perfect Canadian citizen all these years and will retire with top rates of both CPP (about $1,250) and OAS ($685.50). While $1,900-ish a month is not nothing, it's probably not enough to live on – and definitely not enough if you plan to travel the world, take up golf or buy a boat. In fact, it works out to just a smidge above the poverty line in Ontario.

"Neither the CPP or the OAS is enough to retire on their own and they were never intended to be," says Runchey. He explains a common retirement metaphor: "Both were designed as one of three legs on a

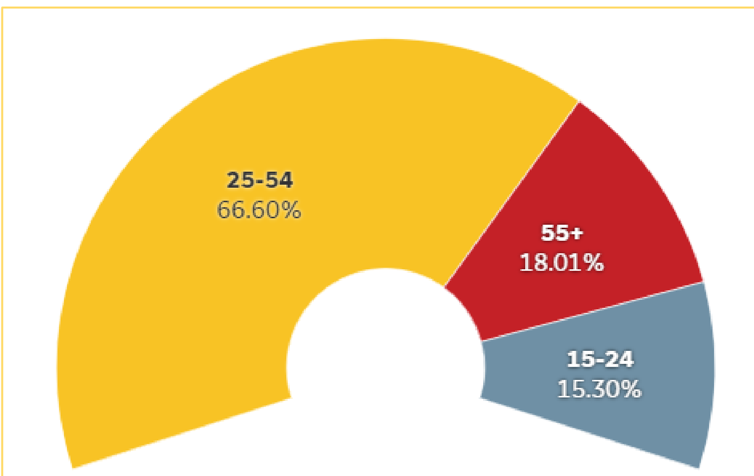
[2] https://www.theglobeandmail.com/investing/personal-finance/retirement/article-average-retirement-length-canada/
[3] *Ibid*.
[4] https://www.cbc.ca/news/business/canada-jobs-retirement-economy-1.6580000

stool: CPP is one leg, OAS is another, and personal savings and/or private pension plan, if there is one, is the third leg." Only about one in five Canadians has a workplace pension; fewer have personal savings.

Are there any other government supports available?
"Within the OAS, there's the Guaranteed Income Supplement, which is for people with really low income to help them avoid poverty," says MacDonald. The exact numbers change slightly by tax year – but in 2022, a single, widowed, or divorced senior with an annual income of less than $20,784 would be eligible to receive a maximum amount of $1,024 a month.

As always, the government will take into account all other assistance and revenue sources and adjust your amounts accordingly, whether that income is from personal funds, like an RRSP, or government assistance, like the CPP. Every dollar received from another source means individuals lose 50 cents off the Guaranteed Income Supplement. Spousal payments also impact clawbacks.

Pension plans are being reduced by employers, people are living longer than before, baby boomers – a quarter of the population – are about to retire with a long life expectancy.



Source: Pete Evans/CBC. News/Source: Statistics Canada

So why not keep working? The government needs to look at reducing their clawbacks, if only as a partial PR exercise to add to the labour force. And older workers need to be better educated as to their options: In fact, for the income year 2023, the minimum income recovery threshold for clawbacks is a fairly hefty $86,912.[5]

One in five Canadian workers now 55+; older workers make up more of the workforce than ever before.

Budget 2023 (Outlook for Program Expenses) lists outlays, including elderly benefits: Old Age Security, money that goes to almost all seniors; and the Guaranteed Income Supplement, paid to low-income seniors, about a third of people aged 65 and older.[6]

Elderly benefits, as of last fall's budget update, are $69-billion in 2022-23, the fiscal year ending March 2023. In 2027-28, they are forecast to hit $96.6 billion. That's 40 per cent higher in five years.

About half of all new federal spending between this fiscal year and fiscal 2028 will go to pay for the rising cost of elderly benefits. The increase is in part automatic, thanks to benefits indexed to inflation and a rising number of Canadians 65 and older. An even better reason for Ottawa to help educate and ensure that more Canadians over 65 continue their employment, even part-time/contract.

There are of course, political choices. Just as the first baby boomers are turning 75, OAS last year was upped for people 75 and older to about $9,100 a year, compared with $8,250 for people 65 to 74.

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[5] op.cit.
[6] *Globe & Mail, March 23, 2023:* The growing generation gap between what Ottawa spends on older and younger Canadians

Thus, it's statistically viable to predict that at least one-third of the Canadian workforce will need to continue generating work income after 65-71 – the GIS cohort; and up to another third will need to supplement their government, private and RRSP/RIF incomes through continued employment income. The labour market will benefit as will the individuals so employed.

THE CHAMBER RECOMMENDS

That the Federal Government:

1. Review the clawback of OAS and the impact on CPP payments on the marginal tax model[7] with the goal of increasing the number of seniors remaining in or returning to the workforce.
2. Review the long-term labour market benefit of allowing workers to remain fully or partially employed without clawing back the OAS payments based on the current marginal tax model, again with the goal of growing the labour pool.
3. Assist in educating employers and workers approaching retirement/elderly benefits age to make informed decisions about continuing to work through better understanding of clawbacks on government payments.

## TIME FOR A NEW PENSION PARADIGM

Issue

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

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

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

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

[7] Canada has a progressive tax system, meaning that tax rates increase as income increases. The marginal tax rate is the additional tax rate at which every additional dollar of income is taxed in a progressive system. The average tax rate shows the percentage of the total tax paid on total taxable income. https://www.wealthsimple.com/en-ca/learn/average-marginal-tax-rates

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

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

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

**Background**

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

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

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

In Canada, there are currently approximately 20 million workers (British Columbia – 2.5 million). Of the Canadian workers, 6.3 million participate in Registered Pension Plans and a similar number – 6.3 Million – participate in Registered Retirement Plans. In British Columbia, 523,305 workers have Registered Pension Plans and 817,000 workers have Registered Retirement Pension Plans.[1]

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

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

[1] https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110009401

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

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

There are 10 million Canadian workers who are not members of a private sector pension plan. There is very clear evidence there is room for improvement in the pension plan governance model in Canada. We have a public policy vacuum. It would take a generation of workers to turn this matter around should important changes be made. To support this effort, the provincial and federal government can reform the current regulatory environment to support innovative pension reforms such as:

- Regulatory support for private sector multi-employer pension programs;
- Regulatory framework to include multi-employer pension programs across provincial jurisdictions;
- Regulatory framework for trusteed pension plans that do not require government or union sponsorship
- Regulatory frameworks and support that provide access to the efficiencies of collective pension plans and that recognize the unique needs of small private sector employers and self-employed individuals
- Regulatory frameworks that allow and promote private sector access to the very solutions already available in the public sector.

According to Brown in the commentary paper titled "The Great Pension Debate: Finding Common Ground"[2], policies encouraging large, collective, and pooled pension plans governed by independent management boards are the way forward. Concurrently, Ambachtsheer posits that due to the lack of protocol for updating federal tax policy and federal/provincial/ territorial regulatory fragmentation within and between the pension and insurance sectors, and between individual and group investment regulations, Canada has suffered from stagnated innovation in its retirement income system (RIS).[3] It is vital that regulation and tax laws allow small and medium-sized employers to join in such collective systems to extend their benefits to the majority of working Canadians.

**THE CHAMBERS RECOMMENDS**

That Provincial and Federal Governments:

1. Increase optional pension coverage through the development of attractive products for workers without occupational pension plans;
2. Improve financial literacy through effective programs;
3. Protect existing RPPs;
4. Develop a labour force participation strategy for older workers; and
5. Reform the current regulatory environment to support innovative pension reform.

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[2] Brown, Robert L., and Stephen A. Eadie. "The Great Pension Debate: Finding Common Ground." C.D. Howe Institute, Commentary, no. 543, 2019.

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

# Immigration, Refugee and Citizenship Canada

## A FOCUS ON REFUGEES

### Issue

The United Nations Refugee Agency says Canada has admitted the largest number of resettled refugees in recent years and has had the second highest rate of refugees who gained citizenship. In 2021, Canada admitted 10,810 government-assisted refugees[1]. Between January 2015 - November 2021, British Columbia admitted 14,860 refugees[2]. British Columbia became home to 510 of asylum claimants, who settled in Canada in 2019[3]. Most of the refugees do not speak English, have varying levels of trauma and medical needs, and are learning how to adapt to Canadian society. Their day-to-day settlement needs – finding appropriate housing, furniture, appropriate clothing, food and living costs, enrolling children in school, figuring out the public transit system, finding their way to medical appointments, and finding social and emotional support networks – takes the majority of their time in the first year. In addition, the emotional toll of having left loved ones behind has an understandable impact on their resettlement efforts. Service providers such as Progressive Intercultural Community Services (PICS), Options and DIVERSEcity have done their best to accommodate these refugees, but wait lists for services, English Language training, basic job-skills training can take multiple weeks.

### Background

The concern is that Federal support for publicly sponsored refugees is only for one year. Refugees then apply for Provincial funding, which in B.C. is much less than the funding that was available from the Federal government for the average family. Funding varies based on size of family and housing needs, as well as health, language instruction and employment services; however, provincial funding, though similar in base amount, does not include transportation allowances and supplements, leading to a substantial decrease in support especially in the tight housing /rental market of the Lower Mainland.[4]

Given that it is unreasonable to expect refugees to find sustainable employment within a year of arrival due to waitlists for language and job skills training, as well as family health and emotional needs and the challenges of integration to a very different society, service providers are now advocating for the provincial support to be increased by a value that to help mitigate the impact of transitioning funding sources.

Benefits

A number of refugees have various education backgrounds such as engineering, or other professional credentials. Many have had their education interrupted and would like to continue; however, with lengthy waitlists for English instruction that will expedite employment opportunities, a provincial "top

[1] https://www.statista.com/topics/2897/refugees-in-canada/#:~:text=The%20level%20of%20financial%20aid,admitted%2010%2C810%20government%2Dassisted%20refugees

[2] https://BCrefugeehub.ca/statistical-bulletin-canada-admissions-of-resettled-refugees-by-province-territory-from-january-2015-november-2021/

[3] https://www.canada.ca/en/immigration-refugees-citizenship/services/refugees/asylum-claims/asylum-claims-2019.html

[4] http://www.conferenceboard.ca/commentaries/immigration/default/15-04-08/why_canada_needs_a_national_immigration_action_plan.aspx

up" of the income assistance (IA) funding will assist refugee families transition until their English becomes relatively proficient. Two key areas are being suggested, including the reinstatement of bus passes for all employable income assistance recipients including refugees who must avail themselves of B.C. income assistance (B.C. IA). For those B.C. IA recipients living outside communities without public transit then a cash equivalent would be provided. Without a transportation allowance it makes it extremely difficult for people to find work and/or attend English language and job-related training. The other policy area relates to the wage claw back mechanism while on B.C. IA. The wage claw back portion should be increased to fifty percent (50%) or higher to enable refugee newcomers to gain Canadian work experience without a significant claw back of benefits. Currently the federal government provides all government assisted refugees with the ability while on federal income support to earn fifty percent (50%) of their monthly income support without claw back.

It should be noted that between 1979 and 1981, Canada accepted 60,000 "boat people" from Southeast Asia. Within a decade, 86% of those former refugees were working, healthy and spoke English with some proficiency, achieving the basic criteria for success set out by academic Morton Beiser in his landmark study of their integration into Canadian society (Strangers at the Gate: The Boat People). They were less likely to use social services and more likely to have jobs than the average Canadian. One in five was self-employed and did not become a drain on the taxpayer—they were taxpayers.

In December 2015, Vancity Credit Union released a report entitled: From Crisis to Community: Syrian Refugees and the B.C. Economy. The report outlined that Syrian refugees settling in British Columbia would generate at least $563 million in local economic activity over the next 20 years.[5]

Canada has a rapidly aging population. Over 6 million Canadians are aged 65 or older, representing 15.6 percent of Canada's population. By 2030—in less than a decade—seniors will number over 9.5 million and make up 23 percent of Canadians. Additionally, by 2036, the average life expectancy at birth for women will rise to 86.2 years from the current 84.2 and to 82.9 years from the current 80 for men . The demographic shift is expected to shrink work-force participation, erode labour productivity and drive up expenditures for things like elderly benefits. At the same time, the Advisory Council on Economic Growth advised the Government of Canada to increase immigration levels to 450,000 annually as one step to address the projected challenges to the Canadian economy.

What's needed is not just a discussion of how to facilitate immigration—of refugees and others—but how to ensure our new residents integrate swiftly into the economy. But all of this requires a shift in thinking. Done properly, bringing refugees into our country isn't about charity. It's about investing in the future of business —both theirs and ours.

Challenges

Statistically, only about 10% of refugees find employment in their first year in Canada. The concern is the need for the Province to provide support – in the form of money, increased English classes, additional training, funding for transportation, and career planning – for families that the federal government have accepted until they are sufficiently employable through English and other training. This will be a drain on provincial resources.

[5] https://www.vancity.com/AboutVancity/News/MediaReleases/RefugeesBoostLocalEconomy-Dec2-15/

There is a need to ensure refugee families continue to be supported beyond the one year federally funded period at a level that provides sufficient economic security to continue with English and employment related training. Policy should include bringing back bus passes for all B.C. IA recipients or cash equivalent where no public transit exists and increase the amount that B.C. IA recipients can earn without claw back. Recognizing the challenge to provincial resources, once employed, refugees will be able to contribute back to B.C. and Canada through taxes as well as economic activity in their community.

THE CHAMBER RECOMMENDS

That the Provincial Government works with the Federal Government to:

1. Extend the federal financial support of refugees from one year to three years;
2. Enhance funding to include transportation and housing support; and,
3. Enhance various education services and career planning supports for refugees.

# TRANSPORT CANADA

## THE CURE TO CONGESTION – THE NEED FOR RELIABLE TRANSPORTATION FUNDING

**Issue**
Efficient transportation and quality education are the foundations of economic growth and business innovation. Without either, Canada will not be able to thrive in a globally competitive free market. The unreliability of transportation funding, increasing population, and congestion will lead to lower economic growth and stall economic growth.

**Background**
Over one million new commuters are coming to the Lower Mainland region over the next 20 years. Investing in better, planned, sustainable funded transit and transportation infrastructure is key to reducing congestion, making life more affordable for Metro Vancouver residents, reducing impact on the environment, helping the province of British Columbia as a whole. The Metro Vancouver region is leading ridership growth in North America with more than a 20% increase in the number of people taking transit over the last three years.

The B.C. Government hopes to reduce the reliance on carbon-creating vehicles. Unfortunately having the same number of cars on the road that are electric will not be of great benefit to the business community (in fact, because operating costs for ZEVs are up to 70% lower than ICE vehicles, electrification of the private vehicle fleet may worsen congestion as people drive more). We need to ensure that our transportation infrastructure has adequate, long-term funding to keep up with population growth and innovations.

The Mayors' Council had advocated for a permanent federal transit fund – with a projected start in 2026[1] – to help meet demand in the future. We can't wait another three years to take the next steps in expanding Metro Vancouver's transit system. That's why we are asking the federal government to make an immediate commitment – accelerating the implementation to 2024 – to help us accelerate the implementation of Transport 2050: 10-Year Priorities[2].

The Mayors' Council is asking the federal government to renew its partnership with B.C. and regional leaders to quickly allocate funding to expedite completion of the 10-Year Priorities and maintain the momentum on nation-leading transit expansion and ridership growth. Just by completing the 10-Year Priorities, road congestion can be reduced by up to 20 percent and save commuters as much as 30 minutes on their daily travels.

In order to understand the needs of a region, the Transport 2050 planning process should be supported regardless of political changes. This study will look at population patterns, public policy initiatives underway or planned, fiscal responsibilities, and other variables. Once the study is complete, it is assumed that the need for annual and long-term funding would become apparent.

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[1] https://www.infrastructure.gc.ca/transit-transport/consultation-eng.html
[2] https://www.TransLink.ca/news/2022/april/TransLink%20unveils%20first%2010%20years%20of%20transport%202050%20priorities

A concerted effort with adequate levels of funding from the Federal Government will provide benefits to the region for generations. Half-measures and planning that changes with a change of government will only hurt our business community.

THE CHAMBER RECOMMENDS

That the Federal Government:

1. In coordination with the Provincial Government, support the Transport 2050 10-Year Priorities planning process which integrate municipal and regional economic and populations growth plans into a long-term, region-wide regional transportation plan designed to reduce congestion, improve mobility, environment and quality of life and support a competitive economy over the next 30 years; and,

2. Accelerate the implementation of the Permanent Federal Transit Fund to begin in 2024 that provides:
    a. Reliable, predictable funding over a minimum 10-year term; and,
    b. Funding for a study of the best technology implementation to relieve congestion.

BC Chamber of Commerce

Focusing Forward TOGETHER

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