

Government of British
Columbia:
Consolidated Response
to 2017-18 BC
Chamber of Commerce
Resolutions Report

Compiled by the Ministry of Jobs,
Trade and Technology

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Advanced Education, Skills and Training

Manufacturing – A Skilled Workforce (2017)

THE CHAMBER RECOMMENDS

That the Provincial and Federal Governments:

1. Develop an easily accessible and understood portal to the tax credits and grants currently available for individually-funded and employer-sponsored education expenditures; and
2. Give due consideration to expanding tax credits and grants and be more flexible to assist businesses fill diverse and specific skills gaps as they emerge.

Response:

Government recognizes the importance of the manufacturing sector as a vital contributor to British Columbia's growing economy. As the sector continues to diversify and adapt to rapidly changing technology, government is committed to supporting manufacturers – and all BC employers – to meet their workforce training needs.

A broad range of training tax credits and grants are currently available to support education and training expenditures. The Ministry of Advanced Education, Skills and Training (AEST) have made this information easily accessible through the *Employer Resources* section of WorkBC.ca.

Here, employers can find out more about popular supports such as the Canada-B.C. Job Grant, the Labour Market Partnerships Program and the Training Tax Credit for apprentices. WorkBC.ca also features B.C.'s most comprehensive job board, where employers can post jobs for free and source skilled employees.

The WorkBC.ca [Employer Resources](http://WorkBC.ca/employer-resources) section also includes resources for finding and retaining talent, increasing workforce skills and literacy, locating business financing (loans, grants, incentives and tax credits), and planning and building a business.

Government acknowledges that the world of work is changing, and nowhere is this more apparent than in the manufacturing sector. Flexible and responsive resources are required to help businesses address immediate skills gaps, while planning for emerging trends such as automation, the gig economy and an increasing need for STEM skills.

This year, the BC government is negotiating a series of new Labour Market Transfer Agreements with the federal government. These agreements will result in additional funding and greater flexibility to design and deliver local labour market programming that is better equipped to respond to BC's specific labour market needs.

In anticipation of these new agreements, AEST has been conducting stakeholder consultations around the province throughout fall 2017 to better understand employer training needs and concerns. Throughout this process, employers consistently said that in addition to training tax credits and incentives, they want more student co-ops and work experience programs, assistance for targeted on-the-job training, and better ways to access untapped sources of labour, including Indigenous persons, women and youth.

Government values this feedback and is committed to continuing this dialogue with employers in the months ahead. Employer responses will be incorporated into the design of new programs and supports to ensure that B.C. manufacturers have the skilled workforce they need to develop, grow and compete on a global scale.

Agriculture

BUSINESS OPPORTUNITIES FOR AGRIFOOD/SEAFOOD PRODUCERS IN B.C. (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Extend investment of at least \$2M per year in the B.C. BUY LOCAL Program in 2020;
2. Develop a long-term strategy to grow annual revenue of the agrifood/seafood sector in British Columbia to \$20B by 2025;
3. Continue cooperative partnerships with local, federal and international governments in the delivery of funding programs that assist B.C. businesses with getting their product to market;
4. Creates regional initiatives that promote incentives for agritech and agritourism investment and ecologically, environmentally and economically responsible innovation in B.C.'s agrifood/seafood sector;
5. Provides support to SME businesses in our communities that create local agri-tourism activities for visitors to British Columbia; and,
6. Encourages regional economic development alliances focused on attracting and facilitating business retention and expansion.

Response:

Response to Recommendation 1

- The Ministry of Agriculture is continuing to support Buy Local initiatives through its enhanced Buy BC program.
- The enhanced Buy BC program will be focused on domestic market development through brand communications and promotional activities, cost-shared partnerships and food literacy activities.
- The local food market is recognized as an important component to supporting the growth of the B.C. agrifood and seafood sector and rural economic development throughout the province.
- The Ministry remains committed to working with B.C. agriculture and seafood sector key stakeholders, including industry and academia, to increase the demand of products domestically and internationally.

Response to Recommendation 2

- The Ministry of Agriculture was successful in fulfilling its commitments in the *B.C. Agrifood and Seafood Strategic Growth Plan* to reach annual revenues of \$15 billion by year 2020.
- The Ministry of Agriculture is currently developing a renewed long-term strategy to support the growth and prosperity of the agrifood and seafood sector in B.C. The foundation of this strategy is built around three pillars: Grow BC, Feed BC and Buy BC.
- This three-pillared approach will support B.C.'s agriculture, seafood and food processing sectors; encourage consumption of B.C. products; and catalyze forward-thinking strategic initiatives to advance the sector.

Response to Recommendation 3

- Under *Growing Forward 2*, a \$3 billion, five year (2013-2018) investment by federal, provincial and territorial governments to strengthen the agriculture and agrifood sector, the Ministry of Agriculture delivers a total of approximately \$5 million for cost-shared programming to support B.C. businesses in getting their product to market:

- The B.C. Agrifood and Seafood Market Development Preparedness Program supports targeted market research, strategic market development planning and marketing skills training.
- The B.C. Agrifood and Seafood Export Program aims to increase export sales of B.C. agrifood and seafood products through industry-led international marketing activities and the development of export-focused marketing materials.
- The Ministry intends to support similar cost-shared programs and initiatives under the next five-year agreement, the *Canadian Agricultural Partnership*, which will take effect on April 1, 2018.
- The Ministry's enhanced Buy BC program will also build consumer awareness and demand and help local producers market their products to grow their businesses.

Response to Recommendation 4

- The Ministry of Agriculture and Ministry of Jobs, Trade and Technology recognize the importance of agritech for the sustainable growth of the agriculture and seafood sector and are committed to attracting investment to B.C.'s agritech sector.
- In 2016, the Ministry of Agriculture delivered an Agritech Innovation Challenge, in collaboration with the BC Innovation Council, linking challenges from the agriculture and agrifoods sector to entrepreneurs from general technology/agritech sectors to create market opportunities and enhance competitiveness.
- Building on the momentum of the agritech opportunity, work is currently underway on a sector strategy to further advance the agritech cluster.

Response to Recommendation 5

- In August 2016, the B.C. Government announced regulatory amendments to the Agricultural Land Commission Act 171/2002 Regulation, affecting agri-tourism in the Agricultural Land Reserve (ALR). These amendments are intended to provide greater clarity regarding agri-tourism activities in the ALR and to establish a balanced approach allowing a farmer's income to grow while preserving agricultural land.
- Ministry of Agriculture staff are continuing to work with local governments and farming and ranching communities to develop and implement local government policy and regulations that will strengthen agriculture across the province.

Response to Recommendation 6

- The Province is committed to sustainable regional economic development and diversification, including for Indigenous communities. The Ministry of Agriculture is partnering with other ministries, post-secondary institutions, local governments and businesses to create jobs, attract investment, promote value-added opportunities and ensure that the benefits of technology and innovation are felt around the province.

CREATING A LEVEL PLAYING FIELD FOR B.C. BREWERIES, DISTILLERIES AND MEADERIES (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government amends the Agricultural Land Reserve Use, Subdivision and Procedure Regulation (B.C. Regulations 171/2002) to permit breweries, distilleries and meaderies similar product content rules as wineries and cideries.

Response:

- The Agricultural Land Reserve Use, Subdivision and Procedure Regulation (ALRUSPR) was amended on November 9, 2017 to provide parity for breweries, distilleries and meaderies.
- Under the ALRUSPR breweries, meaderies and distilleries can contract with another BC grower to meet the 50% farm product requirement provided the farm on which the brewery, meadery or distillery is located is at least two hectares and producing primary farm product.
- These amendments to the ALRUSPR address industry request for equality under the regulations and ensures that farming remain an integral part of the operation on the ALR.

Attorney General

ACCESS TO JUSTICE – FURTHER DEVELOPMENT AND EXPANSION OF CIVIL RESOLUTION TRIBUNAL (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Extend and expand a sound public awareness campaign to educate the public on the Civil Resolution Tribunal, and its dispute resolution options in strata property and small claims matters;
2. Continue to implement the 2015 changes to the *Civil Resolutions Tribunal Act*, and ensure that there enough resources in place for the Tribunal to settle claims up to the full \$35,000 limit in a reasonable time frame; and,
3. Ensuring an effective review process within two years of small claims matters being accepted to maintain that the public has access to the right information and resources in utilizing the CRT process, and to explore further opportunities to expand the program. The review should set additional goals with measurable targets to allow the CRT to reach its full potential in small claims and strata property matters.

Response:

Ministry of Attorney General supports all three recommendations.

With respect to recommendation one, public awareness activities are conducted largely through the chair, members and staff of the tribunal, including through an online blog and social media.

With respect to recommendation two, the plan for increasing the jurisdiction of the Civil Resolution Tribunal is now being reviewed in collaboration with the Provincial Court judiciary. The current plan is for the Civil Resolution Tribunal's jurisdiction monetary jurisdiction to continuously increase.

With respect to recommendation three, a continuous improvement process has now been implemented, including ongoing monitoring of, and action on, user feedback. For the CRT to reach its full potential, increased funding will be necessary and business case work is under way on obtaining increased funding.

LEVELING THE PLAYING FIELD FOR LIQUOR DISTRIBUTION IN B.C. (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government amends the *Liquor Distribution Act* to allow private businesses to purchase and warehouse liquor at wholesale prices directly from producers, in equal competition with GLS locations.

Response:

- Private liquor stores currently pay the wholesale price for liquor products. They can obtain their products through the Liquor Distribution Branch, or they can purchase products directly from BC manufacturers who are permitted to direct-deliver.
- Therefore, it is assumed this recommendation is centred around permitting private liquor stores to sell to hospitality customers.
- Hospitality customers (bars, restaurants, etc.) must purchase their products at the retail price – either from BC manufacturers who are permitted to direct-deliver their products, or through LDB distribution channels. All import wine and spirits must come through LDB distribution channels.
- Government is analysing the recommendations put forward by the hospitality industry around wholesale/hospitality pricing models.
- In addition, government recently announced that it has retained Mark Hicken as a liquor policy advisor to liaise with liquor industry stakeholders and provide recommendations to government. Mr. Hicken will report through the Ministry and lead outreach on liquor industry stakeholders on issues such as this.
- In terms of private warehousing by liquor stores, this is something that could result in the creation of multiple warehousing and distribution systems that parallel the LDB's current framework, making it increasingly difficult for government to keep track of all liquor flowing into BC.
- In addition, without oversight, it would be difficult to protect against issues like inducements and illicit liquor coming into the province.
- Liquor sales are an important source of revenue for the Province, generating over \$1 billion annually – these funds go back into important health and social programs.

Education

INTEGRATING ROBOTICS AND AUTOMATION INTO THE REGULAR B.C. SCHOOL CURRICULUM (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Through the Ministries of Education and Advanced Education, review current robotics programs and develop related curriculum;
2. Increase and maintain education funding for automation, information studies, robotics, mechatronics, and related subjects for public schools to ensure the B.C. economy remains competitive in an ever-changing technological economic environment; and,
3. Work with post-secondary institutions across the province to add new or expand existing robotics programs.

Response:

BC K-12 Curriculum:

- The new BC K-9 Curriculum, implemented in the 2016/17 school year, includes robotics modules at grades 6, 7, 8 and 9 through the Applied Design, Skills, and Technologies curriculum.
- The grade 10-12 curriculum is still being finalized, but continues to offer options for students in this area. The following courses have been developed and will be offered to students:
 - Electronics and Robotics 10
 - Robotics 11
 - Robotics 12
- As part of the grade 10-12 curriculum development, the Ministry has been collaborating with the Ministry of Advanced Education, Skills, and Training and post-secondary institutions (PSI) to ensure alignment of grade school curriculum and PSI pre-requisite requirements.

Post-Secondary Education and Training

- There are almost 60,000 students enrolled in science, technology, engineering and mathematics programming at public post-secondary institutions throughout BC.
- Students can choose from dozens of certificate, diploma and degree-level programs that build the skills for occupations in computer science, engineering and other technology-related occupations.
- Three of British Columbia's public post-secondary institutions offer programs specifically focused on robotics and mechatronics at the undergraduate level:
 - British Columbia Institute of Technology (BCIT) offers a two-year diploma program and a Bachelor of Technology in Manufacturing;
 - University of the Fraser Valley (UFV) offers a two-year diploma program in Mechatronics; and,
 - SFU offers a Bachelor of Applied Science in Mechatronic Systems Engineering.
- Additional institutions, such as the University of British Columbia and the University of Victoria, offer opportunities for their students to develop skills in robotics.
- Government has committed to expanding tech-related programming, and will be working with public post-secondary institutions to respond to student and industry demand for increased opportunities in this area.

Energy, Mines and Petroleum Resources

CAPTURING THE BENEFITS OF ELECTRICITY CONSERVATION AND EFFICIENCY AND MANAGING BC HYDRO'S LOAD RESOURCE BALANCE (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government work with BC Hydro and the BC Utilities Commission to review over-forecasting for the last 10 years and determine what changes, if any, should be made to implement more accurate forecasting and what energy acquisition policies and demand side management investments would be optimal for BC Hydro going forward.

Response:

BC Hydro developed its Integrated Resource Plan (IRP) to demonstrate that, from a planning perspective, it is well-positioned to meet British Columbia's future electricity demand, which is expected to grow by 40 percent over the next 20 years. Government approved the IRP through an Order-in-Council on November 25, 2013. After applying for an interim 4 percent rate increase for April 1, 2016, BC Hydro submitted its full 3-year Revenue Requirement Application (RRA) to the British Columbia Utilities Commission (BCUC) in late July 2016. Delaying the full RRA submission gave BC Hydro time to review the impacts of recent events in the Province's industrial sector on its long term load forecast and other financial projections underpinning its revenue requirements. The RRA does not modify any of the recommended actions in the IRP. However, BC Hydro reviewed its demand side management (DSM) programs and is making adjustments to its DSM Plan for the Fiscal 2017 to Fiscal 2019 period. BC Hydro will invest \$375 million in DSM over the next three years (an average of \$125 million per year).

The new DSM Plan will meet over 70 percent of new demand (from 2008 to 2020) through conservation, exceeding the Clean Energy Act (CEA) target of 66 percent. The new DSM plan will better align with system needs, keep rates low, and reduce costs for ratepayers. Given BC Hydro's current energy surplus and low forecast electricity export prices, the IRP moderates independent power producers' energy purchases and DSM spending in the short term. In the medium to long-term, growing energy and capacity needs will be met through DSM, renewal of cost-effective electricity purchase agreements (EPAs), and the development of Site C.

Furthermore, during the Site C Section 5 Inquiry, a number of parties provided comment on BC Hydro's load forecasting and volatility, particularly of industrial customers. BC Hydro will be updating their Integrated Resource Plan in 2018, including their load forecast and options to meet demand.

THE IMPORTANCE OF EXPANDED OIL PIPELINE INFRASTRUCTURE TO THE ECONOMY (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government, working with the Federal Government and the Government of Alberta,

1. Support the Trans Mountain Expansion Project so it can meet its commitments to delivering jobs and economic benefits as well as its regulatory requirements during the construction and operation of the pipeline; and

2. Work with local chambers of commerce and other organization to maximize local procurement and job creation during the construction and operations of all major projects, including opportunities for First Nations participation.

Responses:

Response to Recommendation 1

The B.C. Government made a commitment to use every tool available to defend British Columbia's (B.C.) interests, and we are approaching the situation thoughtfully and deliberately. The decision to approve the Trans Mountain Expansion Project (Project) was made by the federal government because interprovincial pipelines are federal jurisdiction. The Province has expressed concerns over emergency responses on land and water. A first step was to appear as intervenors in the Federal Court of Appeal hearing. B.C. has also passed initial regulations to increase responsibility, transparency and accountability for those who move potentially dangerous liquid petroleum products through our Province. We will continue to explore other legal ways to defend the interests of British Columbians.

The Project requires an estimated 1200 provincial permits. The Province has an administrative obligation to review permit applications it receives, based on its own merits, while ensuring that the Crown's duty to consult and accommodate, as appropriate, has been met. When it comes to granting permits, B.C. will hold the company's plans to the existing high standards of environmental protection and consultation with First Nations that British Columbians expect. The provincial permits will ensure the Project is constructed properly and in accordance with the 157 conditions laid out by the National Energy Board, as well as the 37 additional conditions set down by the Province in its Environmental Assessment Certificate.

Response to Recommendation 2

The Province supports an increased role for all British Columbia based businesses, including indigenous businesses, as major projects are built and become operational.

The Province is working with major project proponents and the business community to address the labour market demands of industry; an example of this is the \$30M commitment to provide additional skills training funding to indigenous peoples.

The Province, through the Indigenous and Business Investment Council, is also working with Indigenous communities and the business community to improve partnerships, building a database of indigenous businesses that can be searched by region or sector, and encourage modernized procurement practices that would allow for more indigenous involvement in the provision of goods and services associated with major projects.

Environment and Climate Change Strategy

A NEW APPROACH FOR THE REMEDIATION OF CONTAMINATED SITES (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government reviews its contaminated sites regime to determine whether current regulatory requirements are financially warranted for the protection of human health and the environment.

Response:

The Contaminated Sites Regulation (CSR) under the *Environmental Management Act* (EMA) has been very effective in achieving the goals set forth at the time it was developed. Ministry staff have been diligent in identifying areas for improvement in the regulatory regime and in making and proposing changes when necessary. The CSR has undergone 11 stages of amendments to improve the system, including the most recent comprehensive standards update that came into effect November 1, 2017.

In addition, the ministry has received proposals and suggestions over the years from experts in the field, approved professionals, and developers. In 2003, a Minister's Advisory Panel on Contaminated Sites resulted in almost 100 recommended changes. A number of amendments were made to EMA Part 4 in 2004 in response to the recommendations in the Advisory Panel report. However, some of the key recommended changes written into EMA in 2004 were never brought into force (e.g. Land Remediation Fund).

It is beneficial to have ideas, like the proposal from the BC Chamber of Commerce, for consideration and inclusion in a more fulsome research exercise to determine the best path forward for future amendments to EMA Part 4 and CSR. It is important to continue to improve our framework to ensure that we remain streamlined, innovative, flexible and modern in our approach to site remediation in BC.

EXTENDING THE OPERATION OF PROVINCIAL PARK CAMPGROUNDS IN B.C. (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government allows for the expansion of the B.C. Provincial Park Campground season at minimum from April 15 to October 20 across the Province to acknowledge and accommodate the changing behaviour of visitors to BC.

Response:

The Province recognizes the role provincial parks and protected areas play in the BC tourism industry, as well as the growing and changing demographic seeking outdoor camping experiences. To meet this growing demand the Province is investing \$23 million over five years to add 1,900 new campsites so more people will have expanded opportunities to enjoy our parks. Many of these expansion projects include adding amenities to allow for enhanced shoulder season usage.

The Province appreciates the Chamber's rationale for extending the operating season of provincial campgrounds. Where weather permits and revenue is balanced with operating costs, the Province will keep parks open beyond the typical May to September season.

- Some campgrounds are open year-round with full services (weather permitting), reduced services (e.g. no water, flush toilets, etc.) or no services other than open gates. Examples include Liard Hot Springs, Wells Gray, Kootenay Lake, Okanagan Lake, E.C. Manning, Golden Ears, Rath Trevor Beach, and Goldstream;
- At least 37 parks open in April or earlier, and 73 parks remain open until October or later; and,
- A number of backcountry parks also remain open year-round for backpackers. Examples include Juan de Fuca, Mount Robson, and Garibaldi.

While the Province shares your objective of maximizing the opportunities for camping as a contributor to tourism, low demand parks are expensive to keep open in the off- and winter seasons. In 2016, the provincial park system produced \$23.5 million in revenue but cost \$28.7 million to operate. Closing low use parks from September-May is one way to manage costs, mitigate the risk of vandalism, and ensure park visitor safety.

Operating dates are reviewed by Park Operators and regional staff throughout the year as factors change. If demand in these parks grows allowing for better cost recovery, the Province may extend seasons on a park-by-park basis.

MOVING FORWARD WITH THE STRONG BUSINESS CASE FOR A SOUTH OKANAGAN SIMILKAMEEN NATIONAL PARK (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government continues its engagement with Parks Canada and the Okanagan Nation Alliance to bring forward a national park in the South Okanagan-Similkameen that respects future business potential uses in proposed park areas and works to achieve an acceptable business position from the types of businesses, particularly ranch-based agriculture that could be negatively impacted.

Response:

On October 27th, 2017, the governments of British Columbia and Canada, along with the three southern communities of the Okanagan Nation, announced the renewal of discussions to establish a national park reserve in the South Okanagan. As we work towards the establishment of a national park reserve through these renewed discussions, the Province will continue to take all interests into consideration, including those of the ranch-based agricultural sector.

Finance

COMPETITIVE TAX ENVIRONMENT FOR CREDIT UNIONS (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Extend the British Columbia small business tax benefit permanently;
2. Continue to work with credit unions to meet their needs with regulations and tax regimes that keep them strong and viable; and,
3. Work to influence the federal government to restore the federal extended small business tax exemption for credit unions.

Response:

- Credit unions play a vital role in providing investment opportunities for BC businesses, especially small businesses.
- This is why the government announced in *Budget 2017 Update* that the preferential tax treatment for credit unions would be fully restored retroactive to January 1, 2017.
- This will ensure credit unions remain strong and vibrant and continue to play a crucial role in supporting the economic well being of all British Columbians.
- The Ministry of Finance is currently undertaking a broad review of the *Financial Institutions Act* (FIA) and *Credit Union Incorporation Act* (CUIA) and has engaged extensively with the credit union sector throughout the review process and will continue to do so in subsequent stages of the review.

ELIMINATION OF 7% PST ON LEGAL FEES (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government eliminate the 7% PST on legal services in B.C.

Response:

- The tax system is designed to raise the necessary revenue to fund important government services like health care and education. In achieving this end it is important to ensure the tax system is fair and fosters a strong, sustainable and innovative economy that benefits all British Columbians.
- In *Budget 2017 Update*, the government committed to eliminating PST on electricity by April 1, 2019. PST on electricity is reduced by 50 per cent effective January 1, 2018.
- The suggestion to eliminate provincial sales tax on legal services will be considered in the development of future provincial budgets.

PST ON DONATIONS (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government amend the Provincial Sales Tax Act to exempt in-kind donations to not-for-profit, NGO and Charitable organizations that serve B.C. communities.

Response:

- The government recognizes the tremendous benefit to communities from in-kind donations to registered charities and other non-profit organizations.
- The receipt of gifts of goods in B.C. is not subject to PST, except for gifts of vehicles, boats and aircraft. An organization receiving a gift of goods other than these exceptions will not pay PST.
- Registered charities that receive donations of any good, including vehicles, boats, and aircraft, are generally not required to pay PST on the donations.
- When a business purchases a taxable good in B.C. and donates that good, the business must pay PST on that purchase because they are considered the user of the good. The same is true if an individual purchases and then donates a good.
- Businesses may claim an income tax deduction on the fair market value of an in-kind donation to a registered charity. Similarly, individuals may claim an income tax credit.

REGULATE AND MANAGE THE EMERGING SHORT-TERM RENTAL BUSINESS ENTERPRISE (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Rescind Provincial Sale Tax Regulation 78(1)b;
2. Work with affected stakeholders, including BC Destination Marketing Organization Association and Tourism Industry Association of BC, to clearly articulate related issues and explore resolution options; and,
3. Implement a timely reporting process and structure, so that upon request, a local government can access a complete list of properties registered to collect the short-term room rental PST and the MRDT.

Response:

- The government is very aware of the concerns being raised about the sharing economy generally and the specific concerns being raised about accommodation.
- This is a complex issue that requires very careful consideration to ensure the appropriate balance between fairness and administrative simplicity.
- Given the complexity of the issues and the breadth of the possible impact of the proposal on small businesses, it is important the province undertake a thorough analysis to ensure there are not unintended consequences.

RENOVATION TAX CREDITS - IMPROVING B.C.'S HOUSING STOCK (2017)

THE CHAMBER RECOMMENDS

That the Provincial and Federal Governments create new tax credit programs for consumers to help encourage home renovations that focus on energy efficiency and the reduction of GHG emissions.

Response:

- The tax system is designed to raise the necessary revenue to fund important government services like health care and education. In achieving this end it is important to ensure the tax system is fair and fosters a strong, sustainable and innovative economy that benefits all British Columbians.
- The suggestion to introduce a tax credit for energy efficient home improvements will be considered in the development of future provincial budgets.

ENCOURAGING AND SUPPORTING MORE WOMEN ON CORPORATE BOARDS (2017)

THE CHAMBER RECOMMENDS:

That the Provincial Government builds on its leadership role in gender diversity by:

1. Adopting, 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 woman 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 women’s inclusion on corporate boards which encourages them towards gender parity.

Response:

- The BC government considers gender parity on boards as an important issue.
- The BC Securities Commission (BCSC) is an arms-length agency, which operates independently from the Provincial Government and has delegated rule-making authority.
- We understand that the BCSC has considered this issue in the past and note that NI 58-101, as implemented in Ontario, only applies to non-venture issuers that are listed on the Toronto Stock Exchange, regardless of where they are headquartered. TSX listed companies in BC must comply with NI58-10.
- The BCSC continually assesses the effectiveness of, and need for, rules in carrying out its mandate to protect investors and facilitate access to capital.

IMPROVING CAPITAL RAISING EXEMPTIONS FOR B.C. CO-OPERATIVES (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government make changes to the existing co-op securities regulations by amending BCI 45-530 to:

1. Increase the \$5,000 cap per investor by raising to a higher maximum, or allow a \$5,000 maximum contribution per calendar year;
2. Remove the 12-month membership requirement for purchasing investment shares;
3. Significantly increase the maximum number of investors allowed in a community investment co-op; and,
4. Establish a total investment portfolio level where B.C. co-ops would be required to use the offering memorandum exemption under the *BC Securities Act*.

Response:

- The BC Securities Commission (BCSC) is an arms-length agency which operates independently from the Provincial Government.
- The regulation of the financial markets requires that access to capital-raising activities is fair, efficient, and protects investors.
- The BCSC has the technical expertise to consider the best mechanisms to achieve the outcomes in the above proposals regarding capital-raising while also ensuring that there are appropriate measures in place to protect investors.
- The BCSC continually assesses the effectiveness of, and need for, rules in carrying out its mandate to protect investors and facilitate access to capital.

RETURN TO 3-YEAR FUNDING AGREEMENTS FOR LICENSED CHARITIES (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government implement a process whereby:

1. Approved charitable and non-profit programs with longer-term programming needs can apply for up to three year funding commitments, distributed annually; and,
2. The organization would still be subject to annual reporting of their compliance before receiving the subsequent annual grant.

Response:

- Government recognizes the tremendous work that not-for-profit groups accomplish in their communities. In 2017/18 the Community Gaming Grants program budget increased by \$5 million, for an annual total of \$140 million.
- The Community Gaming Grants program provides access to funding for not for-profit organizations that deliver approved programs in their communities. Eligible organizations belong to one of the following six sectors: arts and culture; sport; environment; public safety; human and social services; and parent advisory councils/district parent advisory councils.
- As community gaming grants are not intended to be used for organizations' core funding, applications are considered on an annual basis. Government believes an annual application process improves accountability for the funding provided.
- However, the streamlined "short form" process was implemented in 2012 to enable returning applicants to take advantage of a less onerous application process requiring fewer supporting documents and less time to complete. The "short form" can be used for two years following a regular application.

- Ministry staff are continuously engaging with key stakeholders and partner organizations, including the BC Association of Charitable Gaming and the BC Association of Aboriginal Friendship Centres, to ascertain the most important policy issues relating to the program.
- In October 2016 the Ministry hired a Manager, Community Outreach. This new position is dedicated to building relationships with key stakeholders and providing in-depth customer support to grant applicants. The Manager, Community Outreach's role is also to obtain feedback from, and communicate ideas to, the organizations served to ensure that any externally-facing program changes appropriately align with the needs and issues of communities.

ENABLING AND PROTECTING THE NEXT GENERATION OF ENTREPRENEURS (2017)

THE CHAMBER RECOMMENDS

That the Provincial government:

1. Create a vehicle to allow entrepreneurs under the age of majority to legally participate in the management and governance of a company;
2. Investigate options to ensure the appropriate level of protections are put in place for youth and the public, with an emphasis on working with insurance providers on D&O insurance options; and,
3. Based on level of participation and protection (if not full participation), develop a mechanism to transition at age of majority.

Response:

- Although the age of majority in British Columbia is 19, corporate legislation (i.e. *Business Corporations Act*, *Societies Act*, and *Cooperative Association Act*) allows individuals to become corporate directors at age 18. This is the same, or lower than, the age requirements for corporate directors in other Canadian jurisdictions.
- The new BC *Societies Act*, which came into force in November 2016, makes special provision for youth directors. Individuals aged 16 or 17 can act as directors of societies in some circumstances, that is, where authorized by the society's own bylaws. In addition, societies must ensure that a majority of directors on the board are at least 18 years old.
- Although the Province does not currently have a similar provision to allow entrepreneurs under the age of 18 to legally participate in the management and governance of a BC company or cooperative association, the province is open to exploring opportunities for entrepreneurs under the age of 18 to be recognized and to fully participate in the management and governance of a company, as is currently possible under the *Societies Act*.
- Government recognizes the need to engage with provincial partners and stakeholders to improve opportunities for youth entrepreneurs in British Columbia.
- Government is also open to engaging with federal and other provincial partners to develop and evaluate access to training for young entrepreneurs.

Forests, Lands, and Natural Resource Operations and Rural Development

FOSSIL PROTECTION LEGISLATION (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government enact legislation that both protects and preserves the paleontological resources and fossil record of our province, and contains provision for the establishment of multiple authorized fossil repositories in the province.

Response:

- Government adopted the Fossil Management Framework (the Framework) for application across the Provincial Government’s Natural Resource Ministries in February, 2017.
- See <https://www2.gov.bc.ca/gov/content/industry/natural-resource-use/land-use/fossil-management>
- The Framework incorporates existing legislation and regulation, augmented by policy and principles, to manage and protect significant fossils and fossil sites. It is managed by the provincial Heritage Branch – marking the strong desire to conserve the paleontological and fossil record of the Province.
- The Framework also provides for the assessment and mitigation of impacts land developments may have on significant fossils.
- The establishment of recognized fossil repositories in the province, along with standards and requirements for storing and managing existing and new collections, is part of the Fossil Management Framework.
- Government will evaluate the efficacy of the Framework for facilitating protection, science and public access before recourse to considering additional regulation and or legislation.

THE CRUCIAL NECESSITY TO NEGOTIATE A RENEWED SOFTWOOD LUMBER AGREEMENT (2017) – SUPPLEMENTAL TO 2016 POLICY “THE NEED FOR A RENEWED SOFTWOOD LUMBER AGREEMENT”

THE CHAMBER RECOMMENDS

That the Provincial Government work closely with the BC Lumber Trade Council (BCLTC) and the Federal Government to carry through and include the high value-added product recognition as part of any negotiated settlement.

Response:

- The Province recognizes the benefits, jobs and economic activity that value-added wood processors bring to their communities – many of them rural.
- We are committed to reinvigorating B.C.’s forest sector and to having a forest industry that works for all British Columbians.
- We will continue to fight for British Columbians and British Columbian jobs. We will continue to work closely with the federal government on pursuing a managed trade agreement with the U.S. on softwood lumber.

- Related to value-added and high-value companies, B.C. has argued for special treatment in the softwood lumber dispute.
- In particular, B.C. has argued that cedar and high-value products be excluded from the dispute, although was unsuccessful.
- The B.C. government is working closely with the federal government and the BC Lumber Trade Council on the appeals being filed with NAFTA and WTO.

SPECIES AT RISK: BOREAL (WOODLAND) CARIBOU (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Ensure stakeholder interests are adequately understood and considered, so as to inform the development of a woodland caribou range plan and its implementation;
2. Complete a socio-economic impact assessment and ensure the findings of that study form part of any range management plan, in conjunction with a scientific assessment being conducted; and,
3. Implement a multi-species approach for species at risk planning, and specifically the woodland caribou range planning.

Response:

Response to Recommendation 1

Engagement with stakeholders, communities, industry, ENGOs and others on caribou recovery in British Columbia is critical to the success of the overall program.

There is a long history of involving stakeholders through a variety of processes and mechanisms; for example, the Mountain Caribou Recovery Progress Board (Progress Board) which provides stakeholder input into the implementation of the Mountain Caribou Recovery Implementation Plan (MCRIP).

The Ministry will be conducting widespread engagement on its draft Caribou Recovery Program Plan.

Response to Recommendation 2

The province conducts a socio-economic assessment to inform decisions on all species at risk implementation plans

Ministry staff are developing an assessment project to examine the implications arising from a revised Boreal Caribou Implementation Plan.

As part of the draft provincial caribou recovery program plan, the ministry is developing a mechanism to assess impacts implications on a more systematic way.

Response to Recommendation 3

BC Government has made the commitment to: Enact an endangered species law and harmonize other laws to ensure they are all working towards the goal of protecting our beautiful province.

Given the number of species at risk with overlapping occurrences, a multi-species approach to planning may be necessary to appropriately determine and prioritize conservation actions to inform government implementation commitments.

BC has examples of applying this approach. Recovery planning is a process used to identify and facilitate implementation of priority actions that enable the recovery of species and ecosystems at risk. The current approach to recovery planning considers impacts to other species requiring conservation in the area. Several recovery plans take a multi-species approach.

BC would like to build on these efficiencies.

It is our intent to develop legislation that facilitates a multi-species approach to recovery planning, implementation of recovery actions, and protection for species at risk as it is appropriate.

We are also exploring enabling an ecosystem approach which could provide options to protect multiple species within a single protection measure. Protecting ecosystems in this manner could be a proactive conservation measure to protect species (or groups of species) from emerging threats.

Jobs, Trade and Technology

A FOCUS ON YOUTH ENTREPRENEURSHIP (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government works with the Federal Government to create a comprehensive youth entrepreneurship strategy, using best practices.

Response:

Although the Government of British Columbia does not have a comprehensive youth entrepreneurship strategy, both the provincial and federal governments are committed to fostering an entrepreneurship culture and supporting programs that introduce youth to entrepreneurship training and prepare them for future careers in business.

For example, the Province currently supports the following initiatives:

- Futurpreneur is a national non-profit organization that provides financing, mentoring and support tools to aspiring small business owners and entrepreneurs aged 18-39. Their internationally recognized mentoring program hand matches young entrepreneurs with a business expert from a network of more than 2,800 volunteer mentors. Investment by the Government of British Columbia assists Futurpreneur in leveraging additional corporate and federal funding. Programs include:
 - Rock My Business Plan workshops in Prince George, Nanaimo, Kelowna, Kamloops and Cranbrook, with a curriculum tailored to the participants with personal coaching for business planning and marketing.
 - ThriveNorth, a program specially designed to help young Indigenous and other rural youth launch new businesses in Northern BC.
- The Government of British Columbia is currently providing funding support to Junior Achievement BC to enable delivery of entrepreneurship programs to youth; to support geographic access and student diversity; invest in improving programs; and maintaining a goal of 10 per cent of programs reaching Aboriginal youth.
- Also accessible to youth entrepreneurs, Small Business BC (SBBC) is B.C.'s premiere resource centre for business information and services relating to starting, growing or exiting a small business. Supports includes business information and registration services, seminars, one-on-one advisory services for business planning, general business, import/export and market research, e-business services, a business library and bookstore. Small Business BC (SBBC), a member of the Canada Business Network, is funded by the provincial and federal governments.

SUPPORTING THE LABOUR NEEDS OF TODAY AND TOMORROW - B.C. PROVINCIAL NOMINEE PROGRAM (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Work with the Government of Canada to:
 - a. increase PNP's annual nomination limit to meet the labour requirements of large-scale projects of strategic importance and align with provincial economic trends; and
 - b. allow unused allocations to be transferred between provinces/territories;
2. Develop streams for other sectors, such as technology, engineering, and skilled trades;
3. Collect data on secondary migration patterns to support the attraction and mobility of immigrants to smaller centres throughout the province; and
4. Ensure that adequate resources are available to maintain effective BC PNP processing times.

Response:

The Ministry appreciates the BC Chamber's perspective on the importance of immigration and the BC Provincial Nominee Program in supporting the labour needs of today and tomorrow. The province recognizes that skilled international workers and entrepreneurs are a key component of a comprehensive workforce and economic development strategy that also comprises significant investments in domestic capacity and attracting talent from elsewhere in Canada.

Working with the Government of Canada on the Provincial Nominee Program (PNP)

Provincial Nominee allocations are set by the federal government in consultation with provinces and territories. The province remains firm in its position that overall immigration levels need to continue to increase, and has consistently requested increases to BC's PNP allocation. As a result of these efforts, BC's nominee allocation has risen from 3,500 in 2012 to 6,000 in 2017. Over that past four years, BC has maintained a relatively large share of provincial nominations (17%-18%) in comparison to its share of the Canadian population (13.2%). BC also consistently fully uses (or exceeds) its annual nomination target. The federal government has a process to redistribute nominations from jurisdictions that forecast being unable to use their full allocation. BC has routinely benefited from this process, including taking on an additional 300 nominations in 2015 and 200 in 2016.

Occupation Specific Streams for PNP

In early 2016, the province re-launched its PNP program with a new approach that allows for the prioritization of registrants based on several factors including: skill-level, language, location, wage and demand. The province also introduced a technology pilot in June 2017 that prioritizes skilled workers in technology occupations. Through this pilot, registrations for technology occupations are reviewed more frequently and qualified registrants invited to apply weekly. This expedites the process for employers and applicants in the technology sector. A review of the pilot's effectiveness will be completed in 2018.

Secondary Migration Data

A significant amount of immigration data is available on the federal government's Open Data website, including data on the intended destination of new immigrants. The Longitudinal Immigration Database available publicly through Statistics Canada links immigration system data with tax system data, and as a result the database can show where people currently file their taxes compared to their original intended destination. Therefore, this database is a helpful indication of secondary migration, although it should be noted that the database does not capture individuals who do not file taxes. The best source of data on the location of immigrants is the Census. 2016 Census data regarding immigration was released in October 2017.

The province reviews the available data regularly to monitor trends in secondary migration, and is very supportive of immigrant settlement in communities throughout BC. For example, the PNP registration

system provides extra points to registrants who intend to settle in communities outside the Lower Mainland.

Adequate Resources for PNP Processing

The redesign of the BC PNP in early 2016 and the subsequent launch of an online application system have allowed the program to better manage application intake. As a result, the provincial processing times for nominations have fallen from a high of 16 months in 2014-15 to the current service standard of 2-3 months for skilled worker applicants. BC is aware that once nominees apply to the federal government for permanent residence, they can face a longer wait time. BC has consistently requested that the federal government increase PNP admissions in their Levels Plan and allocate additional resources accordingly in order to improve processing times. In the Levels Plan tabled on November 1, 2017, the federal government outlined a 33% increase in PNP admission levels by 2020. It is anticipated that this increase, if matched by an increased capacity to process applications, will help to reduce wait times for PNP applicants.

Regardless of these wait times, applicants approved by the province are able to secure work permits and enter into BC based employment immediately.

Municipal Affairs and Housing

ACCELERATING DEVELOPMENT BY ALLOWING FOR OPTIMUM TIMING OF PAYMENT OF DEVELOPMENT COST CHARGES (2017)

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. If required, amend the *Local Government Act* to reflect agreed upon changes regarding the timing of payment of DCC; and
3. In addition to considering the optimization of the timing of DCC's, that all parties also consider the timing of payment as a potential incentive tool for affordable or rental housing.

Response:

Two of the critical principles guiding good development finance are predictability and certainty of DCC payments to meet capital commitments required to service growth in a community. Occupancy permitting is both too subjective (a point-in-time) and too late in the development cycle to be an effective payment point for a DCC.

However, the LGA provides communities with some reasonable degree of flexibility in the timing of DCC payments at either subdivision or building permitting. Also, the DCC (Instalments) Regulation (BC Reg 166/84) allows developers to pay their DCCs in instalments over two years. This effectively balances the developer's cash flow requirements with the community's need for predictable and certain timing of DCC payments. The Province is not prepared to amend the timing of DCCs at this time.

CLOSING THE GAP BETWEEN NON-RESIDENTIAL AND RESIDENTIAL PROPERTY TAXES (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Provide control and oversight on the level of property taxation levied to all taxpayer groups to ensure fair, transparent, and sustainable taxation practices; and,
2. Commission a study by the Auditor General of Local Governments to assess municipal property taxation with the goal of developing a more sustainable structure related to value for money.

Response:

The Provincial Government is always open to ideas from the Chamber on ways to improve the efficiency and application of provincial tax policy, including tax policy related to local governments.

Since 2000, the Province has undertaken a number of collaborative reviews on business and industrial taxation, including: the Competition Council, Major Industrial Property Steering Committee, Municipal Revenue Sources Review, and the Expert Panel on Business Tax. Also, over the same period of time,

there have been over a dozen major tax reports from the Province, local governments, industry, academia, and think tanks. The general conclusion of most of these reports is that the municipal financial system as a whole is quite robust and British Columbia (BC) business and industrial tax rates are reasonably competitive with other provincial jurisdictions.

In terms of tax equity, the non-residential property classes now account for less than 40 per cent of total municipal tax revenue, down from 45 per cent in 2002. Also, municipalities are increasingly using user fees to recover service revenue. Fees tend to fall disproportionately on people and residences, not business and industry. Thus, there has been a slow but consistent revenue shift over the past decade from business and industry to residences. It's important to note, that local governments have undertaken this revenue shift on a voluntary basis with little or no Provincial prescription.

Also, municipalities are subject to thorough financial reporting requirements under provincial statute. For example, all municipalities must adopt a budget (i.e. five-year financial plan) in an open meeting. The budget process must include a full public consultation to ensure optimum transparency and accountability. Included in the budget is a statement of policy and objectives regarding the distribution of property taxes among the various property classes (e.g. Residential and Business). This ensures the transparent setting of tax rates linked to the budgeting process.

Regarding the AGLG, the Province does not commission studies from the AGLG as it is an independent office. Instead, the AGLG sets its own performance audit schedule. Please note, performance audits deal with issues like service delivery, asset management, procurement policy, and good planning. Issues of tax policy are normally beyond the scope of a performance audit.

REINSTATEMENT OF THE BUSINESS VOTE IN B.C. (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government allows business a voice in municipal elections by working with the business community to introduce a business vote for business property taxpayers where the business operator does not reside in the same municipality where the business property is located.

Response:

The Province is not contemplating a reinstatement of the business or corporate vote in BC. The concept of a business or corporate vote was extensively studied in 2010 by the joint provincial-Union of BC Municipalities (UBCM) Local Government Elections Task Force (Task Force), which made 31 recommendations for change to improve the local elections process by ensuring accountability, enhancing transparency, strengthening compliance and enforcement, increasing accessibility and expanding education and advice.

The Task Force deliberated at length on the issue and carefully considered all submissions made in order to balance the interests of businesses, local governments and the public.

There was no approach evident to the Task Force that would ensure fairness among businesses, equity for electors and administrative workability. Ultimately, the Task Force recommended maintaining the existing voter eligibility rules and not establishing a business or corporate vote.

Local governments and the business community have many shared interests in the economic viability of communities. It is recommended that the Chamber of Commerce, UBCM, the Province, business groups and individual local governments continue to work together on businesses' issues and concerns. This would include encouraging other effective local ways to engage with business, further strengthen relationships and foster a competitive and sustainable business climate in BC.

REMOVING UNCERTAINTY FROM COMMUNITY AMENITY CONTRIBUTIONS (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Introduce a robust ongoing monitoring program to ensure that its *Community Amenity Contributions: Balancing Community Planning, Public Benefits and Housing Affordability Guide* is being followed; and report its findings every year;
2. To the extent that non-compliance is identified create, in consultation with stakeholders, legislation on CACs and similar mechanisms that;
 - a. ensure compliance with the Guide in implementation including transparency and mechanism will be adhered to; and
 - b. minimize the effect on affordability/viability for all redevelopment sites; and
3. 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 above legislative framework.

Response:

In March 2014, the Province published two CACs guidance documents: the full length *CACS: Balancing Community Planning, Public Benefits and Housing Affordability*; and a summary *Short Guide to CACs*.

The intention of the guides is to help local government understand the risks, challenges, and recommended practices related to obtaining CACs. The guidance emphasizes the need for transparency, as well as, balancing community amenities with housing affordability. These guides were developed with input from a broad range of experts and stakeholders, including land use lawyers, local governments, Urban Development Institute (UDI), and real estate economist academics and practitioners.

At the time, the ministry engaged with Development Finance Review Committee (DFRC) on the pros and cons of legislative options for CACs, and they recommended that guidance would be the best approach at that time. The DFRC, made up of provincial, local government, housing and development industry representatives, is a primary source of advice to the ministry on policy, legislation and best practices related to development cost charges and other development finance issues.

The ministry is always open to hearing from industry and others about the uptake of recommended practices for CACs. The ministry has also has appreciated hearing from the DFRC that continued work to improve CACs, including updating and researching use of the guidance, is a priority.

Over time, as local governments increasingly apply CACs and the ministry's recommended practices, the Province will continue to assess the need for additional tools and monitoring mechanisms, as well as, the impacts of CAC practices on affordability.

RENT CONTROL POLICY: ALLOWING MUNICIPAL CONTROL OF MAXIMUM ALLOWABLE RENT INCREASES (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Allow municipalities to formally choose one of two options:
 - a. follow the existing provincial policy re: maximum allowable rent increase restrictions; OR
 - b. determine, use and enforce their own maximum allowable rent increase amounts above the provincial policy;
2. Maintain all other aspects of existing rent control policy as a provincial jurisdiction for all other areas, irrespective of (i) or (ii).

Response:

The Government of British Columbia is committed to making life more affordable for British Columbians. That includes improving housing affordability for renters.

We are aware of the issues related to availability and the high costs of housing, especially in the larger cities.

Staff are looking at a broad spectrum of potential solutions to improve housing affordability. Rent control, and specifically the rent increase formula will be included as part of this review.

SUPPORTING B.C.'S GROWTH AND ECONOMY: MODERNIZATION OF REGIONAL DISTRICTS (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government modernize regional district-related legislation by providing:

1. A clear mandate for certain regional districts that should have sole responsibilities for some specific municipal services;
2. Transparency, such that regional districts are transparent in regards to taxation, ensuring citizens and businesses alike are aware of how much they are paying and for what; and,
3. Governance in the public interest, such that regional districts have the authority to act in the best interests of the region and to deliver their mandate.

Response:

Regional districts have been purposely established as federations of municipalities, unincorporated rural areas and Treaty First Nations if applicable, because it is the best way to achieve the functional integration of services, while preserving the role of independent local governments in urban areas and providing needed services to rural areas.

Regional districts enable services to be provided flexibly through customized service areas that match cost-recovery with the beneficiaries of the service. In that way, regional districts can provide services at a regional, sub-regional or local scale, with any combination of municipal, electoral area and Treaty First

Nation (if applicable) participants. That allows for a better fit between services and the interests, needs and financial capacity of the residents of an area (those who will ultimately be served by and pay for the services). That also recognizes that the regions of BC are different and the suite of services that make sense in the Lower Mainland or the Capital region, for example, would not be what is needed on the North Coast or in the East Kootenay.

Transparency for regional districts regarding taxation and governance in the public interest is built into local government legislation. Regional districts are required by legislation to develop and adopt five year financial plans annually just like municipalities. Prior to adopting the financial plan, a process of public consultation is required. In addition, any changes to the plan require adoption of a bylaw that must be agreed to by a majority of board members.

Regional districts are also required to report annually the audited financial statements for the previous year at a meeting open to the public and to have the statements available for public viewing for an entire year.

In addition, a unique aspect of regional district finance is that all services must be accounted for separately including assets, liabilities, revenues, expenditures, and reserves. This means that, unlike municipalities, money collected for one service cannot be transferred to another to cover a deficit. This allows for greater public accountability and transparency.

In terms of borrowing, regional districts have the same accountability measures as municipalities when it comes to long-term debt. Prior to securing long-term borrowing, regional districts are required to obtain both approval of the areas participating in the service and approval of the Inspector of Municipalities.

The ways in which participating area approval can be obtained in relation to borrowing are specifically outlined in the LGA section 407(3). All the approval methods require either direct input from the electorate or a majority vote of a municipal council. Any amendments to long-term borrowing are subject to the same approval methods.

The regional district system continues to evolve to meet new service demands and governance challenges, but the basic structure of regional districts as a federation of member jurisdictions working together for the good of the region, has remained the same because it is an effective way to address regional, sub-regional, and rural issues.

Given the broad suite of responsibilities and the fundamental role of regional districts within BC's local governance framework, any changes to regional district legislation would represent a complex undertaking with significant implications for all British Columbians.

While the ministry is not planning to make change to regional district legislation within the scope of the BC Chamber's request at this time, government is always interested in opportunities to strengthen regional governance and is open to considering specific suggestions to enhance the system of local governance in BC.

Public Safety and Solicitor General

COUNTERING COSTLY CYBERCRIMES (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government and Federal Government work collaboratively with stakeholders and business to:

1. Strengthen and promote the Canadian Cyber Incident Response Centre (CCIRC) and the Canadian Anti-Fraud Centre (CAFC):
 - a. as collectors of data including type and number of incidences;
 - b. to develop awareness and education strategies for businesses in a format that is easily accessed and understood; and
 - c. to pro-actively engage businesses and the public in awareness and education campaigns;
2. Ensure that the newly formed Electronic Crime Committee (ECC) includes business association representatives to assist with communications and outreach strategies to businesses;⁹ and
3. Invest in additional resources required to increase the RCMP's ability to investigate and prosecute criminal activities with collaborating investigative agencies and local authorities.

Response:

Protecting government data and networks from cyber-threats is a top priority for the provincial government, especially where it concerns citizens' personal information. The province sees value in enhancing collaboration between the private and public sectors and academia, as this will benefit all parties as rapid technology changes and increasing integration create new challenges for law enforcement, critical infrastructure, and cyber security professionals.

British Columbia will continue to scan best practices in other organizations/ jurisdictions, and the Canadian Cyber Incident Response Centre serves as a key source of threat intelligence and notification, and for advice on network and data vulnerabilities. Our security standards are consistent with or exceed International Standards Organization and International Security Standard levels for governments. British Columbia is also engaged in improving the integration of cyber security into emergency response and critical infrastructure protection measures.

The Government of Canada's Cyber Security Strategy guides RCMP efforts to fight cybercrime. These efforts include identifying and prioritizing threats through intelligence collection and analysis, pursuing cybercrime through targeted enforcement and investigations, and leveraging specialized skills, tools, and training. Tactical examples include joint cyber-attack investigations with international partners, and monitoring with online trading platforms regarding counterfeit currency. With respect to addressing online mass marketing fraud, the RCMP participates in the Canadian Anti-Fraud Centre along with Ontario Provincial Police and the Competition Bureau.

RCMP THE LINE OF FIRST DEFENCE AND RESOURCE OF LAST RESORT (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Conduct a thorough analysis to ensure that funding of the RCMP is adequate, fair and equitable for rural, municipal and First Nations communities; and,
2. Together with the RCMP and the Federal Government, work diligently and with urgency to examine and alleviate those issues that are impacting on the productivity of the Force as well as the well-being of their members.

Response:

Processes are in place to ensure RCMP funding is adequate and equitable across rural, municipal and First Nations communities, and to support the overall productivity of the RCMP and well-being of its members. Local RCMP detachments report pressures to “E” Division, and a multi-year planning process allows requests for resource increases to be prioritized in alignment with the needs of the Provincial Police Service. RCMP also conduct regular resource reviews to identify inadequacies and ensure resources are commensurate for contract partners, especially in integrated detachments.

SAFE COMMUNITIES AND STRONG ECONOMIES - SUPPORTING POLICING IN B.C. (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government creates common governance and funding models to ensure consistent standards of policing for all municipalities, including those policed by the RCMP.

Response:

Processes are in place to ensure overall consistency of policing across municipalities while addressing the distinct needs and priorities of local communities. Through the Police Tax, residents pay a portion of the provincial cost for frontline policing, capital-intensive services, such as aircraft and marine vessels, as well as specialized units for major crimes, organized crime, unsolved homicides, and support services such as human/technological surveillance.

To ensure consistency of policing, the province sets overall priorities and cooperates with the RCMP on areas of need. Municipalities and local RCMP liaise to align service levels with expectations. Any disparity in police funding by residents stems from the legal and regulatory framework for policing in British Columbia.

Municipal governments are responsible for policing costs and may fulfill this responsibility by establishing their own police agency, contracting with an existing municipal police agency, or with the province for RCMP services. Any differences in cost-sharing and invoicing procedures are based on the type of contract arrangement that has been implemented.

MARIJUANA AND THE WORKPLACE: ENSURING THE SAFETY OF WORKERS AND BUSINESSES (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Work with the Federal Government to ensure the consistency and standardization of regulations across all provinces and territories;
2. Identify the appropriate provincial regulatory authority and develop regulations concerning the use of medical marijuana in the workplace and its impact on health and safety procedures in conjunction with the implementation of federal legislation; and,
3. Consult with industry, business and their representative associations to identify standardized policies and processes to deal with medical marijuana requirements and recreational usage that may lead to impairment in the workplace.

Response:

Government recognizes employer and worker concerns regarding cannabis-related impairment and the importance of having clear policies in place so that both employers and employees understand their rights when it comes to cannabis consumption.

The provincial Cannabis Legalization and Regulation Secretariat is conducting policy work for the development of a provincial regulatory framework, and the goals of prioritizing the health and safety of British Columbians, reducing crime and the illegal market, protecting children and youth, and addressing cannabis impaired driving are guiding this work. Cannabis-related impairment in the workplace is one of the many policy areas that the Secretariat is considering as this work advances.

Although the proposed federal *Cannabis Act* will allow for eligible individuals to legally purchase, possess, and consume non-medical cannabis, existing rules with respect to impairment in the workplace will remain in effect.

BC has a strong occupational health and safety framework. If an employee is impaired by cannabis in the workplace, BC's existing legislative and regulatory framework gives employers the right to have the employee cease work and leave the premises. Section 116 of the *Workers Compensation Act* requires workers to ensure their ability to work is not impaired by alcohol, drugs, or other causes. Under Section 4.20 of the Occupational Health and Safety Regulations, the employer must not permit a worker to remain at any workplace while impaired or intoxicated by a substance. Likewise, the worker must not enter or remain at a workplace while impaired – whether by alcohol or drugs, prescribed or otherwise.

Currently, employers must make determinations as to whether employees are fit for work, and will continue to do so after cannabis is legalized. WorkSafeBC is encouraging employers to use the legalization of cannabis as an opportunity to assess how they manage workplace impairment issues and will be looking at opportunities to work with industry partners regarding impairment issues as we prepare for legalization. A number of WorkSafeBC's health and safety partners have been proactively preparing information on the topic of impairment in the workplace for their members, and WorkSafe BC will continue to build on existing relationships with health and safety associations to promote information sharing. Employers may also wish to review Workplace Strategies: Risk of Impairment from Cannabis, a resource for employers, developed by the Canadian Centre for Occupational Health and Safety for guidance regarding cannabis impairment in the workplace.

The Secretariat is taking a cross-government approach to policy development, and is working in consultation with our colleagues at both the federal and provincial / territorial levels. Government is committed to continuing this engagement before and following the legalization of non-medical cannabis to ensure our province continues to have a strong regulatory and policy framework that prioritizes workplace safety.

Social Development and Poverty Reduction

ENHANCING ACCESS TO THE REGISTERED DISABILITY SAVINGS PLAN FOR DISABLED EMPLOYEES (2017)

THE CHAMBER RECOMMENDS

That the Provincial/Territorial and Federal Governments, as well as their related ministries:

1. Investigate and implement a cross-linked application process to enable those with recognized disabilities to have access to both a provincial/territorial disability support program and the DTC under one application;
2. Review all existing recipients of a provincial/territorial disability support program to determine eligibility of the Disability Tax Credit (DTC) based on timing of the last tested application;
3. Create a national program to provide employers a workable linkage to the RDSP program for employees with disabilities; and
4. Amend the 10-year rule for the clock to start when the Registered Disability Savings Plan (RDSP) is opened, from 10 years past the last grant installment.

Response:

Thank you for your recommendations to cross-link the application processes for disability assistance and the DTC.

The Ministry supports working collaboratively with other levels of government to reduce the administrative burden for people with disabilities. For example, the Ministry can designate someone as a Person with Disabilities (PWD) without going through the standard application process, if the person has already been approved for another prescribed government benefit, including Canada Pension Plan Disability Benefits.

The RDSP is a powerful savings tool and the Ministry supports increasing access to it. The BC Chamber of Commerce has led innovative work to promote RDSP uptake. Thank you for your recommendations. The Ministry will consider your recommendations and raise them with our federal colleagues as appropriate.

RE-WORKING SOCIAL CAPITAL TO SUPPORT ECONOMIC GROWTH (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government implements a framework to deal with social issues similar to that of the BC Jobs Plan to recognize and achieve efficiencies across ministries and stakeholders.

Response:

The provincial government is committed to implementing a province-wide poverty reduction strategy with targets and timelines.

As part of this process, we are interested in hearing from employers and the business community. The BC Chamber of Commerce is a valued stakeholder and will provide important insight as we move forward.

More information about the poverty reduction strategy and consultations can be found at <https://engage.gov.bc.ca/bcpovertyreduction/>.

TRANSITIONING WORKERS TO FULL EMPLOYMENT (2017)

THE CHAMBER RECOMMENDS

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

Response:

In October 2017, the Ministry increased earnings exemptions by \$200 per month. For a single person receiving disability assistance, their exemption increased from \$9,600 a year to \$12,000 a year. For a family with one person with the PWD designation, the annual limit is now \$14,400, and for a family where both individuals have the PWD designation, the annual limit is \$24,000.

The Ministry appreciates receiving the Chamber's proposal for a gradual return-to-work program, and will take this into consideration as government moves forward with the poverty reduction strategy.

Tourism, Arts and Culture

GROWING B.C.'S WORKFORCE THROUGH CONSISTENT INVESTMENT IN BRITISH COLUMBIA'S PUBLIC ARTS AND CULTURE SECTOR (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Establish a separate and dedicated capital fund for cultural facilities by allocating funds from the Strategic Priorities Fund and creating a new fund that British Columbia's local governments can access for investment in long term strategic arts and culture infrastructure for public art galleries, museums and cultural amenities; and,
2. Work with all stakeholders to develop a strategy to reach the "aspirational goal" of ensuring BC is among the provincial leaders in funding the public arts and cultural sector on a per/capita basis while continuing to strengthen the provisioning organizations such as the BC Arts Council.

Response:

Response to Recommendation 1

The Strategic Priorities Fund is a program established under the federal Gas Tax Agreement and administered by the Union of BC Municipalities. The Renewed Gas Tax Agreement was negotiated through 2013 and signed in 2014 by the federal government, the Province and Union of BC Municipalities. During the negotiation process, local governments provided input on what programs would be included. There will not be an opportunity to change the Gas Tax programs until the next agreement is negotiated in 2023/24.

The Premier directed the Minister of Tourism, Arts and Culture to work with the Minister of Municipal Affairs and Housing to develop a community capital infrastructure fund to upgrade and building sports facilities, playgrounds, local community centres, and arts and culture spaces. The Province is currently preparing for discussions with the federal government on the Investing in Canada Infrastructure Program. All local governments will be notified directly when program details are finalized.

Response to Recommendation 2

In 2017/18, the Government of British Columbia provided \$60 million in arts and culture funding as well as an estimated \$494 million in tax credits to the British Columbia television and motion picture industry; \$45 million in tax credits for interactive digital media production; and \$2.6 million in tax credits for book and magazine publishing.

In July 2017, the Minister of Tourism, Arts and Culture was directed to double the Province's investment in the BC Arts Council over four years and to establish an arts infrastructure fund to help provide space for BC artists. BC Arts Council staff and council members have been working on developing the new 2018-22 strategic plan, which will guide the implementation of the new funding and is based on three years of sector consultation. Programs are being designed to complement the current arts funding available at a provincial, federal and municipal level. The infrastructure funds in particular will allow organizations to leverage federal funding programs.

In addition, the Ministry of Tourism, Arts and Culture will increase investments in Creative BC over four years and work with the Minister of Finance to expand BC's film labour tax credit to include BC writers.

Transportation and Infrastructure

BC FERRIES ROUTE 10 AND THE NORTHERN B.C. TOURISM ECONOMY (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Works with BC Ferries, business, tourism industry and other stakeholder to review the Northern B.C. ferries schedule to provide daytime route 10 sailings from June 1st to September 30th providing the Northern BC Tourism economy the opportunity to reach its potential; and
2. Working with BC Ferries, plan service reductions in the future on an ongoing basis with a 2-year phase in so that international tourism operators can effectively integrate those changes into their tourism packages.

Response:

While BC Ferries is responsible for operational decisions regarding the timing of sailings, the provincial government is committed to working with BC Ferries to ensure that ferry services meet the needs of travellers in British Columbia. In December 2017, the provincial government launched a comprehensive review of the coastal ferry service as a first step in determining what changes can be made to ensure that coastal communities have the ferry service they expect. The provincial government has appointed Blair Redlin as a special advisor to complete this review, which will be delivered to government by June 2018.

The provincial government recognizes the importance of international tourism to British Columbia and has no plans to reduce ferry services. A new mid-coast ferry route with direct service between Port Hardy and Bella Coola will begin next summer, and BC Ferries has provided advanced notice to international tourism operators.

CONTINUING 2014 TRUCKING DISRUPTION ISSUES - PORT OF VANCOUVER (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Undertake a comprehensive rapid review of the 2014 Joint Action Plan to develop a long-term sustainable solution, in consultation with all stakeholders;
2. Ensure that revisions incorporate data transparency and mutually accountability of supply chain participants that optimizes efficiency and improves cost competitiveness for the entire supply chain as opposed to the current prevailing individual components; and
3. Include industry representation throughout the process in order to provide the necessary context and help ensure the resulting revisions are practical and will achieve long-term stability.

Response:

The Province acknowledges there are ongoing issues within this complex industry and that further steps are required to ensure fairness and transparency in the container trucking sector.

Since signing the Joint Action Plan in 2014, the Province has worked with the Government of Canada, the Port of Vancouver, port terminal operators and labour associations to meet the agreed upon commitments to reform the container trucking industry by:

- Distributing approximately \$2.7 million to container truckers since the Office of the BC Container Trucking Commissioner (OBCCTC) was established in February 2015 as a result of audits and investigations of about 68 per cent (64) of Truck Licensing System licensees. An additional 30 audits are currently underway;
- Increasing and setting standard trip and hourly rates so every port trucker earns a fair and equitable living wage;
- Enacting the *Container Trucking Act* (the ‘Act’) and Regulations (the ‘Regulations’), which established an independent Commissioner to better manage the drayage sector through fair remuneration and enforced rate compliance;
- Through the OBCCTC, conducting an audit program of licensed trucking companies to ensure the Act and Regulations are being followed;
- Establishing a whistleblower line so truckers can report rate undercutting and non-payment by trucking companies;
- Requiring trucking companies to pay fuel surcharges to truck independent owner-operators;
- Partnering with the port in contributing \$1.71 million to equip all container trucks with GPS technology to monitor performance, calculate wait times and associated wait time fees owed to container truck drivers by port terminal operators; and,
- Offering mediation to help unions and companies renew six collective agreements.

The OBCCTC continues to actively engage industry stakeholders through the Industry Advisory Committee and its review of the truck tag system. In September 2017, the OBCCTC publicly released the “Truck Tag System Review & Recommendations” report, which contained a number of measures to change the system of licensing and truck tag allotment. The intent of the changes was to increase remuneration and access to labour opportunities, improve overall system management and increase transparency for all stakeholders. The OBCCTC received valuable feedback from industry stakeholders on the report and in October 2017 released a policy paper. In December 2017, the OBCCTC formally released its CTS Licence Tag Management Policy. The policy took effect January 1, 2018, and is publically available on the OBCCTC website.

IMPROVING A KEY B.C.-U.S. GATEWAY: BELLEVILLE INTERNATIONAL FERRY TERMINAL (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government completes its business case and proceed to request federal funding.

Response:

The ministry has assembled a project team to undertake a detailed conceptual design and cost estimate for the redevelopment and consolidation of activities at Belleville Terminal. This work is already underway and will include consultation with various stakeholders, including the ferry operators, federal border agencies, First Nations, City of Victoria and Tourism Victoria.

The ministry anticipates completing the detailed conceptual design and cost estimation in spring 2018, followed by provincial and federal submissions for project funding.

IMPROVING B.C.'S CRUISE SHIP INDUSTRY: OGDEN POINT MASTER PLAN (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Endorse the application for federal funding to develop Ogden Point, including the upgrading of the new cruise terminal;
2. Support the plans for Ogden Point as a home port;
3. Consult with other British Columbia ports and cruise industry experts to develop mitigation strategies for short-term service interruptions resulting from Victoria's proposed expansion plans; and,
4. Support the development of iconic tourism attractions for cruise passengers in all regions of B.C. currently supporting the existing cruise infrastructure.

Response:

The ministry appreciates the Chamber's interest in the development of Ogden Point. At this time, the remaining funding for the National and Regional Projects of the NBCF has already been prioritized and allocated to other provincial priorities.

Phase Two of the federal Investing in Canada Plan, as outlined in Budget 2017, provides additional funding for infrastructure. The Province is working with Infrastructure Canada to conclude an Integrated Bilateral Agreement with respect to the plan by March 31, 2018, and further details on these programs will be available at that time. The Ministry of Municipal Affairs and Housing is in the best position to provide you with more information regarding opportunities that may be available through this funding program.

The Province of B.C. has previously worked with several ports in B.C. to ensure they have the infrastructure available to host cruise ships. These include ports in Vancouver, Victoria, Nanaimo, Campbell River, and Prince Rupert. It is expected that any expansion plans in Victoria would be undertaken during the cruise industry off-season (i.e. late fall, winter, and early spring). If off-season construction is not possible, the Ministry of Tourism, Arts and Culture is willing to facilitate discussions with other ports at the request of the Greater Victoria Harbour Authority.

Destination British Columbia and the Ministry of Tourism, Arts and Culture are working with communities and the tourism industry on a Destination Development program to better coordinate, align and direct tourism development investments by the public and private sectors in 20 planning areas across the province. This includes each of the current cruise industry ports of call in Victoria, Nanaimo, and Prince Rupert. Destination BC is investing \$1.5 million to conduct the program over three years.

IMPROVING URBAN TRANSPORTATION IN B.C.: TRANSPORTATION AUTHORITIES (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government legislates additional regional transportation authorities as needed, starting in Greater Victoria, to enable increased efficiency in the coordination, planning, funding, and operation of a multi-modal transportation network.

Response:

The Province recognizes the importance of safe and efficient multi-modal transportation networks to support the health and well-being of our citizens, as well as the economy. British Columbia maintains the highest level of operating support for transit in Canada, demonstrating the Province's support for provincial transit service. The Province actively works with its partners to continue to improve and expand transit and transportation initiatives across British Columbia.

The Province encourages local governments and regional districts to develop Official Community Plans (OCPs), which provide a long-term vision for the community. Under the *Local Government Act*, an OCP acts as a statement of objectives and policies to guide planning and land-use decision-making regarding the area covered by the plan. Local governments are encouraged to determine how the OCP can be integrated with other community strategies, such as sustainability plans and transportation planning.

In addition, as part of providing public transportation services, BC Transit works with local governments and regional districts to develop Transit Future Plans, which map a vision for the system 25 years into the future, and take into account the OCP (if one has been developed). These Transit Future Plans support local community goals and objectives, help to provide direction for informed decisions regarding the link between land-use planning and transportation and promote sustainable communities.

In Greater Victoria specifically, the Victoria Regional Transit Commission (VRTC) represents local governments in their partnership with BC Transit to provide transit service in the Victoria region. In 2012, a BC Transit Independent Review presented options for transit governance in the Victoria region, one recommendation was to increase representation of the Western communities on the Victoria Regional Transit Committee (VRTC). This recommendation was achieved through adding an additional seat to the VRTC, and appointing Sooke Mayor Maja Tait to that role in October 2016.

INVESTMENT IN NORTHERN HIGHWAYS AND WESTERN GATEWAY (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Subject to a government cost-benefit analysis and highway upgrade priority setting, put in place an accelerated program to replace or upgrade existing bridges to allow this section of highway 97 to be upgraded to a heavy haul corridor, and reroute oversize and dangerous loads outside the Quesnel downtown core; and,
2. Develop a plan to make the Nazko Basin more accessible for industry and residents and provide an alternative point of egress if needed.

Response:

In June 2015, the ministry commenced a two-year study costing \$300,000 to evaluate safety and congestion concerns surrounding the Highway 97 corridor through Quesnel. Phase 1 of this study (Existing Conditions and Problem Definition) was finalized in August 2016 and summarized

transportation issues and constraints through the existing corridor, including an assessment of the Quesnel River and CN Rail Overhead bridges.

Phase 2 (Concept Generation) is currently underway to assess the future corridor conditions and recommend short, medium and long-term improvements for the section of Highway 97 through Quesnel. A number of alternate route concepts have been developed and are being evaluated for functionality and cost, with completion of Phase 2 anticipated for spring, 2018.

The study relies on stakeholder participation through a Technical Advisory Committee (TAC), with members including the City of Quesnel, Lhatako Dene Nation, and the Cariboo Regional District. A public open house was held in spring 2017 to communicate options and possible solutions to address the challenges of the Highway 97 corridor through Quesnel.

The TAC met again in the early winter to review all of the options and make recommendations on options to proceed to a multiple accounts evaluation and additional investigation. A public open house will also be held in the new year to present the options to the residents of Quesnel.

The study will be complete by March 31, 2018.

The ministry is aware of the Chamber's interest in the Nazko basin. At this time, the existing maintained infrastructure has capacity for any additional traffic that may be generated as a result of the development of the Nazko basin. Alternative maintained access is currently available via the Blackwater road system west of Quesnel through to Prince George. As such, the ministry has no plans to develop an alternate route at this time, although the Ministry of Forests, Lands, Natural Resource Operations and Rural Development is assessing a road connection from the area to existing Forest Service Roads, which would improve access.

KEEP B.C. BUSINESS MOVING (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government work with the Federal Government to:

1. Recognize the priority of the Fraser Valley portion of Hwy. 1 as a major economic enabler and establish a higher priority timetable for necessary widening and upgrades from 264th Street in phases to Whatcom Road in Abbotsford and then to Hope;
2. Ensure that a funding commitment is made by both levels of government to ensure timely project completion; and
3. Revise and update the Pacific Gateway Transportation Plan to reflect the shifting base of industrial and commercial activity into the Fraser Valley.

Response:

Currently, construction is underway for the six-laning of Highway 1 from 202 Street to 216th Street, including a new interchange at 216th Street, with completion scheduled for fall 2019. Further, the ministry is working with local municipalities to develop project phasing and improvement options for Highway 1 from 264th Street to Whatcom Interchange (Abbotsford) by identifying options for interchange improvements and planning level cost estimates for six-laning.

The ministry works regularly with its partners, including the federal government, to develop long-term comprehensive infrastructure plans for the Pacific Gateway Trade Corridor.

This work identifies issues that constrain traffic flow and impact communities resulting from the effects of projected trade growth and increased commercial activity, and will develop options for addressing these issues that will ensure the long-term reliability, effectiveness and efficiency of the Pacific Gateway Trade Corridor, including in the Fraser Valley.

These projects will reduce congestion, facilitate the flow of trade traffic and prevent further bottlenecks where they are projected to emerge in the short to medium-term.

The ministry will continue to work with the federal government to update B.C.'s long-term plans for the Pacific Gateway Trade Corridor, taking into account the requirements of specific regions of the province.

SUPPORTING NEW INVESTMENT IN INFRASTRUCTURE TO ENHANCE CANADA'S ASIA PACIFIC GATEWAY INITIATIVE (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government work with the Federal Government to develop a reinvigorated and revitalized new APGCI strategy to meet the evolved needs of the Gateway and international trade.

Response:

The National Trade Corridor Fund (NTCF) was announced by the federal government on July 4, 2017, and replaces APGCI. The NTCF is a merit based fund that has committed \$2 billion over 11 years, with eligible projects including ports, roads, railways, intermodal facilities, international bridges and border crossings.

The ministry works regularly with its partners (through forums such as the Pacific Gateway Alliance and the Gateway Transportation Collaboration Forum) to develop long-term comprehensive infrastructure plans for the Pacific Gateway Trade Corridor. These relationships have resulted in support from outside parties, such as private industry and the provinces of Alberta and Saskatchewan, for projects in B.C. that improve the flow of westbound trade.

The ministry and its partners have identified projects that are needed immediately to ensure the competitive positions of our export industries and trade infrastructure. These projects will reduce congestion, facilitate the flow of trade traffic and prevent further bottlenecks where they are projected to emerge in the short to medium-term. Several corridor studies are also underway to identify projects that will be required over the long-term, many of which include participation from Transport Canada.

Ministry staff have worked with partners to identify priority projects to collectively maximize the allocation of the NTCF to the Pacific Gateway trade corridor. Transport Canada will complete its evaluation of the proposals in early 2018. It is expected that Transport Canada will make final NTCF funding decisions by February 2018 and will aim to get contribution agreements in place with project proponents prior to the end of fiscal year 2017/18 to facilitate funding and project implementation starting in 2018/19.

TRANSFORMING THE HEAVY-DUTY TRANSPORTATION MARKET (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government continues to develop natural gas transportation policy with the objective of more rapidly transforming the heavy-duty trucking, marine and rail transport markets, delivering economic development and increasing productivity in B.C.

Response:

The Ministry of Transportation and Infrastructure works with the Ministry of Energy, Mines and Petroleum Resources in the promotion of natural gas as a transportation fuel. The ministry and its partners are implementing projects aimed at reducing greenhouse gas emissions from the transportation sector.

Under the *Clean Energy Act*, the Ministry of Energy, Mines and Petroleum Resources has developed the Greenhouse Gas Reductions Regulation (GRR) allowing utilities to design and implement initiatives that will reduce greenhouse gas (GHG) emissions.

To date, the regulation has resulted in initiatives that reduce GHG emissions for transport vehicles, marine vessels and fueling stations, and help to reduce reliance on diesel for remote power generation. For example, FortisBC's programs have resulted in commitments for more than 700 natural gas vehicles, vessels and machines that have reduced GHG emissions by more than 78,000 tonnes.

In March 2017, the GRR was amended to:

- increase the total spending cap for prescribed initiatives programs by up to \$160 million to a total of \$336.6 million;
- allow utilities to invest in liquefied natural gas (LNG) bunkering (marine fuelling) infrastructure and assets required to enable the development of LNG bunkering capability for LNG-powered ocean-going marine vessels calling into British Columbia ports; and,
- enable incentives to encourage emissions reductions in British Columbia's transportation sector by promoting renewable natural gas for use in commercial fleets.

For example, BC Ferries and Seaspan continue to look for opportunities to incorporate cleaner burning fuels, such as liquefied natural gas, when it is purchasing new vessels or retrofitting older vessels. In fact, BC Ferries has just started the mid-life refit to a dual fuel system for the Spirit of British Columbia, which will be completed by spring 2018. The Spirit of Vancouver will start its refit next fall. BC Ferries projects the switch to natural gas will cut carbon emissions by 12,000 tonnes annually.

EAST-WEST CONNECTOR BETWEEN ABBOTSFORD AIRPORT & HIGHWAY 99 (2017)

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Designate 16th Avenue as a Provincial Highway to connect Highway 1/Abbotsford Airport with Highway 99 and to provide more direct access to the Canada/US border crossings, relieve the bottle necks of traffic, and facilitate increased movement of people, goods and services;

2. Commence property acquisition required to widen 16th Avenue to a 4-lane highway, develop frontage roads for residential traffic egress/ingress and reduction of north-south intersections across the corridor; and,
3. Identify critical north-south intersections and install appropriate infrastructure to accommodate safe north-south travel.

Response:

The ministry shares the BC Chamber's interest in transportation system efficiencies in the Lower Mainland. However, there are no plans to develop additional Provincial highways in the Lower Mainland, as traffic travelling along these Provincial highways can be adequately accommodated with improvements to the existing highway network.

The ministry recognizes that the widening of 16th Avenue could help to improve regional connectivity and provide redundancy in the regional network, as well as improve border and inter-border access. However, the 16th Avenue corridor is under municipal jurisdiction, as it carries less than five per cent of traffic travelling along Provincial highways now and in the future.

In January 2016, TransLink completed the 16th Avenue Corridor Study in partnership with the ministry, City of Surrey, Township of Langley, City of Abbotsford and the Insurance Corporation of British Columbia. The study showed that a two-lane corridor is sufficient to meet 15 years capacity requirement, and recommended localized improvements over the next 15 years. That said, improvements to the corridor may divert traffic and accelerate the need to widen in the future.

The ministry is willing to reengage in discussions with TransLink and the local municipalities if there is a desire to revisit the findings of the joint study and further explore future options.