

2022

**PROPOSED
POLICY MANUAL**

Kamloops Chamber of Commerce

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Provincial Policies

Unlocking the Potential of Forest Residual Biomass

DESCRIPTION

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

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

BACKGROUND

Canada's Forest Industry

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

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

These actions benefit Canadians in a number of ways, including direct and indirect economic stimulus.

In 2018, total economic output for the sector was \$33 billion; total GDP from the forestry sector was \$12.9 billion...

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

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

Value also flows back to Canadians through Stumpage. Stumpage is a payment for use of a public natural resource and is not the same as logging tax. The money raised by stumpage is used to fund vital social services such as education and health care

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Forest Residuals (fibre)

British Columbia and the rest of Canada's provinces have some of the most comprehensive forest management policies in the world and are globally recognized for producing sustainably derived forest products². Typically, these forest products are produced using conventional logging techniques where the tops and branches are removed and discarded and only the trunk (round wood) is removed from the forest as this is usually the most valuable part of the tree.

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

The volume of this wood fibre material, which is simply burned, instead of being utilized, is substantial. Recent data indicates that approximately 24.23 Green Metric Tonnes of this fibre is produced per hectare of forest which is logged. Logging currently occurs on about 190,000 hectares (470,000 acres) of forest per year in B.C.³. This means that approximately 4,600,000 Green Metric Tonnes of B.C.'s wood fibre resources are simply burned each year, rather than utilized to support the economy and fund public infrastructure.

¹ <https://www2.gov.bc.ca/gov/content/taxes/natural-resource-taxes/forestry/stumpage>

² Research Intelligence Group. (2015). Consumer Market Acceptance Research: Forest Products.

³ https://canadaslogpeople.com/en_ca/about/bc-forest-facts

Forest residues represent a large, underutilized public resource in Canada. Other countries around the world (such as the US and Europe)⁴ have identified means to maximize their forest resources through fibre recovery. Canada could do likewise.

Effective Policy Works

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

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

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

THE CHAMBER RECOMMENDS:

1. Forge strong relationships with Indigenous peoples to increase access to fibre and generate new economic opportunities for Indigenous communities.
2. Renew the existing successful Forest Enhancement Society of BC funding to access greater volume of economic fiber. We are asking for Provincial and Federal funding to continue for the next 3 years (\$15 - \$20 MM per year).
3. Reinstate the logging waste recovery economic framework to incent full implementation of our forest resources.
4. Approve 4 trials through-out the Province for commercial thinning (fuel management). This will reduce future wildfire risk, while at the same time help the Province to develop effective future fuel reduction programs. This is a major source of fiber supply in every developed country except Canada – it is time we caught up with the rest of the world.
5. As a part of the Forest Enhancement Society of BC funding, continue the proven program to create opportunities for employment and fiber recovery through the salvage of wildfire damaged wood, rather than letting these resources go to waste.
6. Indicate that the forest industry's costs to manage non-timber values is adequately recognized and that the forest industry pay to manage other forest resource users and values unless there is a direct cost recognition in the timber pricing system. This could include residual fibre deliveries, Indigenous people's consultation, and range management costs among others.

⁴ Fraser Larock, The Potential of Increasing The Use of BC Forest Residues For Bioenergy and Biofuels, 2018

Implement the Development Approvals Process Review (DAPR)

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

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

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

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

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

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

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

BACKGROUND:

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

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

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

1. Local government application process

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

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

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

2. Local government approval processes

A. Delegation of authority

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

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

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

B. Public Input process

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

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

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

3. Development finance tools

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

The challenges identified include the fact that DCCs do not provide funding for maintaining and replacing infrastructure and can only be collected for limited uses. As such, local governments have increasingly relied upon CACs to address public expectation for a range of neighborhood amenities, however CACs are unclear and create considerable cost and approval uncertainty.

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

4. Subdivision

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

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

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

Overall, the Guiding Principles established by DAPR include:

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

THE CHAMBER RECOMMENDS:

That the Provincial Government:

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

Resources:

1. [Development Approvals Process Review Report Sept 2019.pdf](#)

Help B.C. Employers Survive the Labour Crisis

OPENING STATEMENT

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

BACKGROUND

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

B.C. is expected to have 861,000 job openings between 2019 to 2029. This includes the creation of over 200,000 new jobs due to economic growth and the need to replace approximately 600,000 workers who will permanently leave the workforce due to retirements.¹

In contrast, the number of people available for work is growing more slowly, as population growth decreases and the gap between births and deaths narrows. Having enough trained workers to meet future needs will be a challenge. The Hon. Melanie Mark, Minister of Advanced Education, Skills and Training, has acknowledged this challenge will be addressed, in part, by immigration. It is expected that immigrants will fill about 27% of forecasted job openings between now and 2029, with in-migrants and people entering the labour market for the first time accounting for another fifty-eight percent of new workers. The remaining 15% of job opportunities remain vacant throughout B.C. during this period.²

Labour crisis:

- 25% of manufacturing workers are due to retire by 2030 and there is no clear group to fill the shortage (individuals under the age of 25 comprise only 6 percent of the sector's workforce, there are not enough Canadian youth to fill the labour shortage expected in this industry³)
- The construction industry is anticipated to be short 82,000 tradespeople by 2029⁴
- Worker shortages will continue to challenge Canada's post-pandemic labour market as the baby-boom generation continues to move into retirement age. Roughly 23% of the working age population is expected to be 65 years or older by 2024⁵.

- Shortages won't be limited to the industrial sector. Shifts in labour markets during the pandemic mean there won't be enough unemployed workers to fill in gaps in other industries, particularly hospitality⁶
- Higher wages, investments in technology and machinery to improve efficiency, will not be enough to fill the current and projected labour shortage. Immigration is needed to fill the gap⁷.

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

User-interface

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

Policy

- The current B.C. Provincial Nominee Program groups all skilled workers together and scores them using the same points system. This means skilled trades, who predominantly have a lower level of education and lower language test scores, are competing with senior executives and managers. Skilled trades, while in incredibly high demand, are unable to secure an invitation to apply to the BC PNP as other skilled workers in roles that traditionally have higher education requirements and higher salaries, are inflating the points threshold to be invited to apply.
- The Healthcare worker stream of the B.C. Provincial Nominee Program does not include Paramedics (NOC 3234) despite the current shortage of over 500 paramedics Canada-wide. Furthermore, due to the national shortage and burn out of nurses in Canada, paramedics are stepping in to perform tasks that are traditionally performed by nurses.

THE CHAMBER RECOMMENDS:

That the Provincial Government:

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

Filling the Province's Nursing Schools

BACKGROUND:

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

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

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

THE CHAMBER RECOMMENDS:

That the provincial government collaborate immediately with Thompson Rivers University's School of Nursing and Population Health and other post-secondary institutions with nursing schools and with Interior Health and other provincial health authorities to provide both the resources to fill all available seats in nursing school programs in the province's schools as well as the resources required to expedite the process of opening those seats as soon as possible.

Pause the Implementation of the Provincial Sales Tax on Fossil Fuel Combustion Systems and Heat Pumps Initiative

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

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

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

Although the Chamber supports green initiatives, this specific Initiative does not consider its drastic impact on businesses operating in the central and northern interior communities in British Columbia.

In particular, building best practices do not include a heat pump system as the principal source of heat. not always recommended by heating and cooling professionals as a home's principal source of heat in central and northern communities in light of the extreme climate, not only from an operational standpoint, but taking into consideration the increased cost.

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

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

BACKGROUND

On February 22, 2022, the provincial government in B.C. announced changes to its tax laws with direct effects on the heating and cooling industry. Effective April 1, 2022, the provincial sales tax (PST) rate on the purchase or lease price of fossil fuel combustion systems will increase from 7% to 12%, while heat pumps will now be exempt from PST.

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

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

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

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

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

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

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

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

The Federal Government has provided literature on the use and efficiency of heat pumps and confirm that, “Air-source heat pumps have a minimum outdoor operating temperature, and may lose some of their ability to heat at very cold temperatures.

Because of this, most air-source installations require a supplementary heating source to maintain indoor temperatures during the coldest days.”

For instance, with certain heat pumps, the efficiency rating will start to drop as temperatures drop. For example, at -2 degrees, you may get around 87% of the heat pump unit's output and the efficiency continues to decline from there. Some products suggest a complete stopping point of -18 degrees.

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

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

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

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Press pause on the implementation of the Provincial Sales Tax on Fossil Fuel Combustion Systems and Heat Pumps Initiative (the “Initiative”); and
2. Reconsider and re-assess the Initiative through consultation with local builder associations, HVAC companies, and Chambers within the Central and Interior BC, and consider revising to include the following:
 - a. Exempting central and northern communities from the increased PST on fossil fuel combustion systems;
 - b. Increase the Hydro and Clean BC rebates on dual-fuel heating systems; and
 - c. Remove air conditioners from the list of fossil fuel combustion systems as they use electricity and do not produce carbon emissions or consume fossil fuels.

RESOURCES:

1. Details on the Initiative can be found in the [NOTICE](#) issued by the Provincial Government;
2. Yukon Air Source Heat Pump Pilot Project 2021:
http://www.energy.gov.yk.ca/pdf/air_source_heat_pumps_final_may2013_v04.pdf
3. Federal Government of Canada "Heating and Cooling with a Heat Pump"
<https://www.nrcan.gc.ca/energy-efficiency/energy-star-canada/about/energy-star-announcements/publications/heating-and-cooling-heat-pump/6817#a2>

Reinstate Business and Executive Coaching as part of the Work BC Training Grant program to Enhance Training and Skills Program

Enhancing the Work BC Training Program to Include Access to Accredited Business and Executive Coaching to improve training results.

BACKGROUND

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

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

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

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

According to the third edition of the World Economic Forum's [Future of Jobs Report](#), it also maps the jobs and skills of the future, tracking the pace of change and direction of travel.

Clearly, these statistics show the incredible need for on going skills training as well as “reskilling” in the work place.

PREAMBLE

In today's VUCA world, which stands for Volatility, Uncertainty, Complexity, and Ambiguity, the skills shortage is exacerbated by ever changing needs in the work place, thus skills training is more important than ever. However, The BC Jobs Training Program gives access to new skills for classroom work and traditional training, but this type of training is shown not to be as effective in a VUCA world as skills training combined with on the job application combined with training. A great article in Mind Tools, found here: <https://www.mindtools.com/pages/article/managing-vuca-world.htm#:~:text=VUCA%20stands%20for%20volatility%2C%20uncertainty,day%2Dto%2Dday%20working>.

talks about the importance of on-going skills training, and the fact that traditional classrooms fall short by not allowing the skills to be enhanced by accredited coaching, including business coaching, executive coaching, or leadership coaching through an association that includes on-going training and professional development and a code of ethics, such as PBCA (Professional Business Coaches Association) or ICF (Independent Coaches Federation) or similar. Statistics show that classroom learning is great in theory, but is often forgotten when it lacks hands on application. For example, learning supervisor skills is great, but without hands on implementation, fall short of expectations. Statistics show that, similar to Red Seal accreditation that combines classroom learning with hands on implementation, accountability, and experience, adding coaching to reinforce learning between sessions (or between modules) and helping the worker apply what they learned while learning it increases their learning by 88%. Here is a direct quote from: <https://www.mowbraybydesign.com/coaching-roi/>

- “Companies that offer training alone experience **22.4%** increase in productivity, but when combined with coaching that figure rises to **88%**. Gerald Olivero, Denise Bane & Richard Kopelman, Public Personnel Management.

Programs that use classroom work alone are shown to be forgotten or shelved by the learners. This article by <https://www.canada.ca/en/services/jobs/training/initiatives/skills-success/tools/building.html>

discusses 5 case studies where improving skills for workers work best when the employee is able to relate and apply the new learnings on the job. Coaching and training

together do this. Studies show there is a significant deficiency in using classroom work alone versus adding coaching during the training to help the employees and employers see how to implement the training into their specific work place. When they are, the above study shows significant improvement in productivity, safety, and also that while it includes access to professional training programs, unlike the Red Seal Apprenticeship Program, there is no allowance for access to coaches during the entire program.

Business and Executive Coaching can be done individually or in groups, and help take the classroom training from theory to work-based experiences, where the employee can not only discuss how to apply the learning from the classroom to work applications, but then set up actions to actually use the skills over the next week before their next learning, report back, be accountable, and gain valuable experience along the way. They can not only apply it, but really use it and learn further and apply it in real time. This experiential learning from coaching is an incredibly valuable addition to training alone. These 5 studies show the value of business and/or executive coaching:

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

https://www.luisazhou.com/blog/coaching-statistics/#business_coaching

<https://www.thepartnership.org/blog/exchange/coaching-works-the-impressive-roi-of-executive-coaching-leadership-development/>

<https://www.coachinggap.com/return-on-investment.html>

<https://www.fingerprintforsuccess.com/blog/what-is-coaching>

and go on to discuss the importance and value, of coaching for improvements of productivity and safety, and reduced absenteeism, improved employee engagement, and thus, improvement in the overall effectiveness of the training.

THE CHAMBER RECOMMENDS:

That the provincial government reinstate the Work BC, BC Employer Training Grant to include access to accredited business and executive coaches as part of the overall program.

Federal Policies

Fair Taxable Benefit Exemptions for Employee Gift Cards

BACKGROUND

Food and fellowship at work are often connected. After all, what's a staff meeting without coffee and donuts? (Indeed, to some, they're the only reason to show up.)

Food provided by employers can be a vital part of important team-building exercises, a way to show management's appreciation for a job well done or to celebrate an accomplishment.⁵

The COVID-19 pandemic has greatly increased the prevalence of remote work – in many cases, employers continue to offer remote work opportunities and have made some jobs permanently remote in nature. This has a knock-on negative effect on businesses in central business areas built around servicing other businesses.

In order to try to facilitate some of that in-person interaction or celebration over food in a remote work environment, and in order to spur local economic development, many employers have increased the use of gift cards in small amounts for staff – but in doing so, they run into challenges when it comes to recording taxable benefits for the receiving employees.

Under current Canada Revenue Agency rules, employers are allowed to provide non-cash gifts and awards to employees up to a combined total fair market value of \$500 per year in recognition of service without being counted as a taxable benefit, while “items of small or trivial value” such as coffee or tea, employer logo wear, mugs, plaques or trophies are not required to be calculated in that total.⁶

However, CRA rules specify that near-cash gifts or awards, such as gift certificates or gift cards, are always a taxable benefit for the employee.⁷ The fact that employees now work remotely turns those items of small or trivial value, which did not even need to be accounted for in the \$500 exemption for non-cash gifts and awards, directly into taxable benefits which must be recorded by employers and the taxable value deducted from employee pay statements, resulting in administrative burdens and negative effects for employee morale.

The purpose of the CRA policy on near-cash gifts and awards - to ensure employee compensation is properly accounted for by both employee and employer – is beyond question. The challenge in this new era of remote work is ensuring its fair application without creating unreasonable burdens.

⁵ <https://www.waiter.com/blog/employee-relations/eat-together-succeed-together-sharing-office-meals-can-improve-teamwork>

⁶ <https://www.canada.ca/en/revenue-agency/services/tax/business-topics/payroll/benefits-allowances/gifts-awards-social-events/gifts-awards-long-service-awards.html>

⁷ https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/t4130/employers-guide-taxable-benefits-allowances.html#P1321_9745

Tax authorities in other jurisdictions, such as the Internal Revenue Service in the United States and the government of India, have previously recognized de minimis levels of fringe benefits.⁸ In Quebec, gift cards or gift certificates may be given to employees as non-taxable gifts or awards up to \$500 as long as a merchant identified on card (ie. no prepaid Visas).⁹ The United Kingdom allows non-refundable store vouchers of up to £50 to be given to employees without being labeled as taxable benefits.¹⁰

THE CHAMBER RECOMMENDS:

1. That the CRA amend its policy to allow employers to provide gift cards from recognized merchants (not prepaid Visas) of up to a total value of \$500 in a calendar year for any employee who works from home for at least 20% of their working time, as recorded on that employee's T2200 (Declaration of Conditions of Employment) or T2200S (Declaration of Conditions of Employment for Working at Home Due to COVID-19), without said amount being declared as a taxable benefit to the employee;
2. That the CRA permit an income-splitting arrangement for near-cash gifts given to employees where CRA will forgive 50% of the taxable benefit if the company charges back 50% of the value, similar to the charge back on insurance premiums.

⁸ <https://www.irs.gov/government-entities/federal-state-local-governments/de-minimis-fringe-benefits> and <https://timesofindia.indiatimes.com/business/wealth/tax-planning/your-diwali-bonus-is-not-tax-free/articleshow/87149272.cms>

⁹ <https://www.payroll.ca/FAQ-en?searchtext=&searchmode=anyword&filterbykeyword=&smartsearchfiltercategories=7%3b>

¹⁰ https://www.gcva.co.uk/downloads/factsheets/fs_tax.pdf

Expiring Policies

CHANGING BC'S SALES TAX MODEL – MOVING BEYOND THE PST

ISSUE

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

BACKGROUND

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

Successive Provincial Governments have undertaken a endeavour to keep taxes competitive for both individuals and business.

Table 1 - Interprovincial Comparisons of Business Tax Rates

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

As shown in Table 1, BC does remain relatively competitive in a Canadian context across a range of key business tax rates. It must be noted that these rates are focused on established businesses generating revenue or making sales (except for sales tax which

in BC, Manitoba and Saskatchewan is paid on business inputs). Future economic growth in BC will depend upon our ability to attract investment and new economic activity. If investment and new economic activity are the goal, BC's tax picture looks very different.

To understand, BC's taxation landscape, as it relates to new investment, it is necessary to review BC's Marginal Effective Tax Rate (METR)¹¹.

Table 2 - METR Rates by Province 2012¹², 2014¹³ & 2017¹⁴

	2012	2014	2017³
BC	17.8	27.5	27.7
Canada	17.4	19.0	20.3
Alberta	17.0	17.0	19.1
Ontario	18.2	18.2	19.0
Quebec	15.2	15.9	18.2
Saskatchewan	24.3	24.3	24.2
Manitoba	26.2	27.9	26.1
Newfoundland	10.7	10.7	11.4
Nova Scotia	13.4	13.4	18.7
New Brunswick	2.8	4.8	12.9
PEI	28.1	11.4	13.9

In 2012, BC was the 6th most competitive jurisdiction in Canada and well placed against our western neighbours and in relation to Ontario – in short against our competing jurisdictions. By contrast in 2014, we saw BC move to the bottom of the Canadian ranking. This difference is due to the fact that British Columbia – like Saskatchewan and Manitoba – “continues to levy the retail sales tax, which results in a significant tax on capital investments .”¹⁵ In 2017, BC's METR declined a little further, which – combined with an improvement of Manitoba's METR – has resulted in BC being last among all the provinces.

¹¹ METR is a measure used to compare the total tax burden on new investment by industry, type of investment, and size of firm. To do this, METR includes the effect of corporate tax rates, sales tax on business inputs, investment tax credits and other incentives, capital cost allowances, capital taxes and the ability to deduct interest costs.

¹² 2012 Annual Global Tax Competitiveness Ranking, Duanjie Chen and Jack Mintz, pages 15 & 16.

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

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

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

¹⁴ 2017 Tax Competitiveness Report: The Calm Before the Storm, Philip Bazel, Jack Mintz, and Austin Thompson, page 16.

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

¹⁵ 2014 Annual Global Tax Competitiveness Ranking, Duanjie Chen and Jack Mintz, pages 11.

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

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

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

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

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

The Productivity Imperative

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

In this regard, Canada has not fared well to other international jurisdictions.¹⁶ In BC, our province has experienced faster productivity growth vis-à-vis the national average to the point we are among the top 4 of provinces. It should be noted though that BC is

¹⁶ <https://bcbc.com/insights-and-opinions/canada-lags-peer-nations-on-raising-living-standards-over-time>

significantly behind the top 3 provinces. Furthermore, BC lags on productivity in its business sector (the total economy less government services and non-profit institutions serving households),¹⁷ so a move to a made-in-BC VAT can provide an added boost to our province's productivity going forward.

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

We know that the baby boomer generation continues to age and transition to retirement. While older workers have been encouraged to remain in the workforce longer, we can anticipate close to 640,000 workers will need to be replaced between 2021-2031. During this same period, BC can expect to create 29,000-36,000 new job openings through economic growth over the next decade while there will new entrants to the workforce will only help fill 48% of these positions every year.¹⁸ This represents a shortfall of 449,000 positions with no workers to fill them.

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

The Importance to Small Business

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

BC's small business sector is critical to wealth generation and our capacity to grow and innovate. Employing over one million British Columbians, small business is responsible for 43% of all private sector employment in the province in 2020.¹⁹ This overall number is lower in 2020 due to the pandemic, and will likely increase in following reports, but government help accelerate the growth of BC small businesses by switch to a made-in-BC value added tax that allowed them to reinvest in their business and employee via

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

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

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

more productive equipment and technology which in turn supports even higher wages for workers.

While the concentration of small businesses largely reflects the economy at large with a significant focus on service sector industries, small businesses are significant generators. Small businesses shipped approximately \$15 billion worth of goods to international destinations in 2020, comprising around 36 per cent of the total value of goods exported from the province.²⁰

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

The Solution

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

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

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

²⁰ https://www2.gov.bc.ca/assets/gov/employment-business-and-economic-development/business-management/small-business/sb_profile.pdf page 52

Indeed, the Expert Panel on Tax estimates that offering an Input Tax Credit/Rebate on the acquisition of machinery and equipment would cut BC's METR to 19%, significantly improving BC position in the Canadian context²¹

The Chamber recognizes that this measure will come at a cost to the treasury. The Expert panel on Tax estimates this measure alone would result in a reduction in revenue to government in the order of approximately \$500 million back in 2016/17.²² While we would expect a similar result today, this change is going a long way to support BC businesses in their recovery efforts.

The PST represents a cost of \$1.5 billion, while BC businesses are also facing rising costs on a number of additional fronts. Business is facing higher payroll taxes (such as the Employer Health Tax) and WorkSafeBC premiums, an increasing carbon tax, increases in the minimum wage, and uncompetitive municipal property taxes. This direct hit on companies' revenue is amplified by the ongoing permitting issues that continue to impede investment in our critical resource sector and the ongoing regulatory impediments facing business at every level not to forget the necessary added costs to combat the pandemic. A forward-thinking shift in tax policy away from the PST to a made-in-BC value added tax is the kind of game-changing decision government can make to spur innovation and lasting growth in our businesses that better a high standard of living for all British Columbians

THE CHAMBER RECOMMENDS:

That the Provincial Government:

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

Submitted by Kamloops Chamber of Commerce and Richmond Chamber of Commerce

²¹ Expert Panel on Tax Report, Table 7

²² The Panel does estimates that this would be offset by higher economic growth that would increase revenue by \$12, \$50 and \$115 million in the period 2014-2017

Permanent Daylight Savings Time (DST) For British Columbia

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

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

In 2019, the provincial government has launched a public engagement on the time changed that has garnered over 150,000 responses from British Columbians in just 1 week of the consultation process. This is clearly an issue top of mind for British Columbians and BC businesses like.

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

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

In 2018 and 2019, California, Washington State and Florida have overwhelmingly passed state legislature bills to remain on permanent Daylight Savings Time (DST). Oregon current has a bill introduced, but not yet voted on. In the United States changing the time requires federal approval. The states are now waiting for the federal approval to happen.

These states to would join Arizona, Hawaii, Saskatchewan and parts of British Columbia as jurisdictions that do not change time.

BACKGROUND

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

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

Workplace accidents

Workplace accidents may be another side effect of sleep loss from the one-hour time change. They increase in frequency that Monday. "Perhaps even scarier, is the spike in injury severity," said Christopher Barnes, an assistant professor at the U.S. Military Academy at West Point. "Instead of bruising a hand, maybe you crush a hand." A study Barnes led in 2009, and reported in the *Journal of Applied Psychology*, looked at the severity of workplace accidents in miners on the Monday following the time change. The researchers found a 5.7 percent increase in injuries and a 67.6 percent increase in work days lost to injuries. Barnes said the results were likely to be similar in other workplaces with similar hazards. Sleep loss determines the difference between the relatively common near-miss that happens in mining, and a true accident, said Barnes. "We're closer to disaster than we realize," he said. "The margin for error is not very big." "If I were in that environment, one thing I would try to do is schedule you're most dangerous tasks for other days."

Sleep loss

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

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

Heart attacks

As our workforce is continuing to age, the connection between sleep and heart attacks gained attention following a 2008 Swedish study that showed an increase of about 5 percent in heart attacks on the three weekdays following the springtime shift. "Sleep and disruption of chronobiological rhythms might be behind the observation." Heart attacks have been found to be highest on Mondays after the time change, so a shift in

sleeping patterns may explain that as well as Dr. Imre Janszky told My Health News Daily. According to a 2012 study at the University of Alabama Birmingham, the Monday and Tuesday after daylight saving time in the spring have also been associated with a 10% increase in heart attacks. The study found a corresponding 10 per cent decrease in heart attack risk over the 48 hours after people “fall back” and gain an extra sleeping hour in the fall.

Traffic accidents

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

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

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

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

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

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

THE CHAMBER RECOMMENDS:

The Provincial Government collaborates with Washington State, Oregon and California to have the Pacific Time Zone in Canada and U.S.A to remain on DST throughout the year.

Network Expiring Policies

The Cost of Prolific Offenders on the Local Economy

The economic development of any community relies upon its reputation as a safe, viable region in which to locate and do business with supporting infrastructure, community assets, and most importantly, customers willing to walk in the door. However, if customers feel unsafe, they won't come. If the reputation of a region is suspect, businesses won't come. If the media targets a community as one in which prolific offenders reside, its economy suffers.

Media reports often highlight threats to communities when an individual is released from incarceration and has not completed mental health or drug treatment programs. News reports headline those who re-offend shortly after their release. While the public does have the right to know, the impact of such media upon business decision-makers as to where they will house their companies and staff cannot be ignored. The media is not the problem. The concern is the profligacy of offenders and their return to the same community time and again.

Solutions to the problems of prolific offenders are widely known and supported amongst the criminal justice community; however, federal and provincial budget decisions leading to program cuts can lead to the unsuccessful reintegration of some offenders. For example, reductions in federal funding for psychiatric services for offenders while incarcerated and post release can set up an offender for failure and increase community risk.

The Province of British Columbia released a report in December of 2014 entitled *Getting Serious about Crime Reduction*, which is one example of best practises across Canada to end the cycle. The six recommendations are listed below:

1. Manage prolific and priority offenders more effectively.
2. Make quality mental health and addiction services more accessible.
3. Make greater use of restorative justice.
4. Support an increased emphasis on designing out crime.
5. Strengthen inter-agency collaboration.
6. Re-examine funding approaches to provide better outcomes.

The current initiatives undertaken by the BC government in relation to the Blue-Ribbon Panel Recommendations include:

- Consideration of a regional, integrated community safety partnership pilot project that would bring together local, relevant government and non-government agencies in identifying and prioritizing community safety goals, focusing resource allocations and programs accordingly, and measuring and evaluating the outcomes.
- Collaboration between BC Corrections and provincial post-secondary institutions to expand job-training options for offenders and thereby better support their re-integration into society.

Since the release of the Blue-Ribbon Panel in December 2014, the Provincial government has not provided much public commentary on their efforts to enable the recommendations. Certain initiatives, such as the Integrated Court Services model recently approved in Surrey, British Columbia, do incorporate aspects of the recommendations in their development.

Provincial and federal resources contributed to the success of Community Courts and Integrated Services Programs. Senior B.C. Corrections staff led the development of the Mental Health Strategy for Corrections in Canada. The strategy seeks to ensure mentally ill offenders receive progressive and consistent care in custody and after release.^[1]

To date, BC Housing, and social assistance providers are the only points of access for released inmates to receive assistance in finding housing. Without adequate housing and jobs, re-offense becomes a higher risk. The current plan to move rehabilitated individuals into half-way homes then allowing them to reside in their choice of communities puts these communities at risk if stable jobs and housing assistance is not provided by governments.

Communities throughout BC benefit when stakeholders, service providers, police and justice agencies, under the leadership of the Province, work together to provide offenders with the best opportunities for re-integration and minimizing criminal behaviour. Services including housing, drug and alcohol rehabilitation programs, life skills, employment, and counselling are key to decrease prolific offences occurring in any community. Less crime leads to greater economic prosperity as businesses and customers come to a safe, viable community.

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Work in coordination with the Federal Government to provide adequate budgetary support for offenders to receive treatment while incarcerated and for post-release housing and programming of prolific offenders to ensure successful societal reintegration and safer communities; and
2. Combine resources with the Federal Government to ensure the efficacy of programs such as the Integrated Court Services Plan and the successful implementation of measures such as the previous Blue-Ribbon Panel recommendations.

[1] <http://www.csc-scc.gc.ca/health/092/MH-strategy-eng.pdf>

Future of the Forest Industry and It's Importance to British Columbia's Economy

The forest industry continues to be an important contributor to the province's economy: 2018, total economic output for the sector was \$33 billion; total Gross Domestic Product (GDP) from the forestry sector was \$12.9 billion; employed 140,000 British Columbians in 60,000 direct and 81,000 indirect jobs; generated 8.6 billion in wages to workers; consisted of more than 7,000 businesses, 83% of which employed less than 20 employees; approximately 250 primary and 1,525 secondary manufacturing facilities; and 4,737 forest management businesses primarily small independent contractors and family-owned businesses.^[1]

A study from 2017 confirmed the importance of the industry to BC showing that it generated 1 out of every 17 jobs in the Province. The forest industry contributed approximately 1.4 billion (federal), 2.6 billion (provincial) and \$200 million (municipal) government revenues. Approximately 40% of BC's regional economies are forest dependent – directly involved in harvesting and processing of forest products.

There are, however, challenges that are hampering forest industry competitiveness, stability and growth. For example:

Timber Supply

The supply of economically viable fibre is declining due to , among other factors, beetle infestations, wildfires, and decreases in the provincial timber harvesting land base due to other uses, including environmental set asides. Many primary manufacturing facilities rely on log supply from third parties such as auctioned timber from BC Timber Sales (BCTS) and purchases from other sources such as community forests and Indigenous peoples tenures. A vibrant secondary manufacturing sector in value-added wood products, pulp and paper and emerging bio-products industry, depends on a productive primary manufacturing industry to provide raw materials and residual fibre. Including purchases from other sources in the AAC apportionments hampers the secondary sector.

Transportation

Transportation of raw and processed products by Rail and Truck have issues not being addressed. Rail carriers are not being held accountable for a transport schedule or to provide regular transport of products. Trucking companies without a stable stock of product are not investing in equipment and are often hampered for the lack of available drivers.

Timber Quality

The Spruce and Fire beetle infestations and vicious fire seasons of recent years has created an economic challenge for good fibre. While the industry has been salvaging damaged timber for several years, and will continue to do so profitably, time is of the essence in terms of recovering this deteriorating resource while forest products can still be made of it.

Markets and Trade

The Softwood Lumber Agreement has increased the cost of shipments to Canada's largest market, the United States, which has greatly affected the industry's competitiveness and ability to grow into other global markets.

The amount of uncertainty in the Forest Industry today, curbs growth throughout the sector. Investments in mills, equipment, logging efforts and market growth are challenged to the point that suppliers are not taking the chance on increasing their assets.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. **Provide Access to Economically Viable Fibre**

- Secure access to an economically viable fibre supply and identifies the timber supply that will be available given Indigenous peoples and stewardship allocations.
- Provide all manufacturing facilities with the ability to secure volumes required to maintain these facilities in the face of:
 - a declining annual allowable cut;
 - decreasing provincial land base (environmental and Aboriginal rights and title reserves, fires and beetle infestations); and
 - expiring non-replaceable forest licenses.
- Develop strategies to take advantage of relationships with Indigenous peoples to increase access to fibre.
- Land use commitment to ensure access to timber to the full level of land use plans.
- Communicate to industry what level of AAC will be available for harvest so that business can plan its operations, then support access to that timber supply. Timber supply projections are based on a land base that has not been curtailed by subsequent local decisions to place constraints on practicing forestry.
- Reviewing and revising staffing in the Ministry of Forests, Lands, Natural Resource Operations & Rural Development who are responsible for issuing timber harvesting permits to ensure that decisions respecting access to fibre meet revenues will significantly contribute towards ensuring an adequate timber supply. Ensuring there is a commercial forest land base for forestry purposes must become a priority at both the provincial and local government levels; and
- Sell BCTS apportionment volumes consistently. BCTS is an important supplier of timber to BC's log markets and must continue to sell its apportionment over the business cycle to get the full forest profile into log markets.
- Indicate that the forest industry's costs to manage non-timber values is adequately recognized and that the forest industry pay to manage other forest resource users and values unless there is a direct cost recognition in the timber pricing system. This could include residual fibre deliveries, Indigenous people's consultation, and range management costs among others;
- Provide direct cost recognition in the timber pricing system for consultation with Indigenous peoples communities. The scope, level and cost of consultation has increased as Indigenous peoples' communities increase their assertion of indigenous rights and title interests. Until agreement exists over indigenous

strength of claim, and unless and until the Government of British Columbia effectively manages their obligation for consultation and accommodation, these costs will accrue to industry. Direct cost recognition will provide an important opportunity to improve industry competitiveness until the issue reaches an equilibrium and an appropriate cost variable can be determined.

2. Commit to Improving Forest Health

- Early and aggressive action is required to control and contain the current and growing Spruce and Fir Beetle infestations to keep this infestation from turning into a similar situation as the mountain pine beetle outbreak;
- Consider harvesting activity inside of fire perimeters for more immediate salvage opportunities within the economic shelf life of useable timber thus avoiding unnecessary waste.

3. Provide Secure Transportation Opportunities

- Commitments to hold rail carriers accountable and ensure capacity to move timber to the export market.
- Without investment certainty, there are a limited number of truck haulers who would commit to their fleet if they had commitments.
- Driver training through post-secondary institutions and financial support to make this happen.
- Continue investment in important infrastructure programs by improved road, rail, bridge and port structures; and
- The application of several provisions in Bill C-49 to help ensure the best results from this bill, specifically:
- Interim performance reporting requirements taking effect 6 months from now, on November 23, 2019.
- Railways submitting their performance data within 5 days and the Agency publishing this information within 2 days.
- The option of extending the results of the Final Offer Arbitration decisions up to 2 years.

4. Ensure Market Access

- Continue investments in offshore and U.S. market development activities by organizations such as Forest Innovation Investment, as well as policies such as the wood first program. These initiatives provide necessary market diversification and will only strengthen our global competitive position;
- Continue working co-operatively with industry and the Government of Canada to address tariff and non-tariff barriers to the global export of BC forest products.
- Eliminate market barriers that will prevent an efficient re-alignment and/or consolidation of forest industry assets. In other words, match supply to demand and logistics from tree to market. Industry rationalization is inevitable as the forest industry adjusts to decreased timber supply resulting from the mountain pine beetle infestation. Allowable annual cuts will decline in the short to medium term. Industry requires flexibility to organize effectively;
- Continue investments in offshore and U.S. market development activities by organizations such as BC “WoodWorks!” programs and BC Forest Innovation

Investment, as well as policies such as the wood first program. These developing markets are important bailiwicks in providing market diversification and opportunities when the U.S. market is challenged. Unfettered access to other markets for forest products will only strengthen our global competitive position.

5. Provide Investment Certainty

- Use a competitive tax environment to encourage investment in, and transformation of, the BC forest industry;
- Support policies and incentives for capital manufacturing investments that increase the use of innovation and process technology to modernize facilities. This also includes incentives for new market entrants, such as investment tax credits, employment incentives, support for new technologies and creating small business opportunities for facilities aimed at products made from non-saw log fibre and logging residue;
- Increase the scope of the current Provincial Sales Tax (PST) to include investments in non-harvesting heavy machinery within the definition of Logging Activities, when these assets are used primarily in logging operations. This would streamline the PST act regarding logging operations and increase investment in road building and earth moving machinery;
- Support policies and incentives to support safety and environmental upgrades required under the BC Sawmill Code of Practice and other legislation;
- Support clarity and efficient administrative processes regarding permit applications and reporting requirements;
- Promote and fund labour force and skill training applicable to the forest industry to an equal level with other resource-based sectors.

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[1] Forestry Innovation 2019 Key Sector Data –
https://www.bcfii.ca/files/2019_FII_Key_Forest_Sector_Data_and_Stats.pdf