



The GVBOT Economic Recovery Plan

2020



**GREATER VANCOUVER
BOARD OF TRADE**

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The Greater Vancouver Board of Trade response to discussion paper Building BC's Recovery, Together

In 1886, Vancouver was booming. Industry was rapidly growing, and families were flocking to our shores to make the city their home. In April, the City of Vancouver was incorporated and, shortly after, it became the western terminus of the first pan-Canadian railway. Just two months later, the Great Vancouver Fire swept through the city, and within 45 minutes, destroyed most of the newly built town.

In the aftermath of the fire, the community rallied together to help one another and rebuild and reopen the city.

In the years that followed, the city's population quickly grew, and many notable achievements and advancements occurred: the foundation of BC's public university system, the Heather Pavilion of the Vancouver General Hospital, the Vancouver Stock Exchange, along with iconic companies like Purdy's and H.Y. Louie.

The current health and economic crisis, while different than the Great Fire, has also caused significant damage - the loss of life, the destruction of businesses, and severe economic hardship.

According to our latest survey, done in collaboration with the BC Chamber of Commerce, the BC Business Council and the Mustel Group from July 6 to 13, 2020, two-thirds (65%) of businesses surveyed are using some form of government support. Businesses expect a substantial "second wave" of negative impacts should these programs expire too quickly. Notably, only about three-in-ten businesses (28%) on government support expect to return to normal once the programs end. Of the remainder, 32 percent expect to reduce employee hours, 27 percent expect to lay-off or terminate employees, and 24 percent anticipate taking on debt. One-in-ten will have to close either temporarily or permanently.¹

Through the challenges of the past several months, we have shown our collective resolve. Together, British Columbians, government and public health officials have flattened the curve. We have seen businesses innovate to survive, and communities have come together to support one another.

In every crisis, there is opportunity. We proved in 1886 that we could thrive in the midst of incredible hardship. Government, business and individuals need to show similar determination now to address the economic challenges and rebuild our province. British Columbia is the envy of many jurisdictions. We have the opportunity in the face of this crisis, to make our region even more competitive and innovative; to help business thrive, transform our region, and invest in the future.

Businesses and British Columbians alike are adapting and adopting to a new normal. In the coming months and years, it is likely that we will see dramatic changes in many domains, from supply chains to operations and consumer habits.

This is an Olympic moment for BC. Much like the Great Vancouver Fire, the pandemic stopped us in our tracks and forced bold action to rebuild our economy. We are now at an inflection point that should spur change required to rebuild for the future. Having successfully managed the health pandemic, it is now time to address critical but challenging defining issues and bring prosperity to all British Columbians. The BC Government has a once in a generation opportunity to make defining change.

As the BC government develops its \$1.5 billion recovery plan, bold vision will be required to help businesses survive in the short term and the economy to be competitive and resilient in the future. Businesses say the most important components of the recovery/rebuilding plan are providing payroll or wage supports and reducing taxes and fees. Cutting red tape, creating better investment conditions, direct cash flow support, and reducing/making regulations more efficient are other notable suggestions.² The recommendations found in this report are both related to the immediate recovery and funds set aside but also includes many recommendations to be considered over a broader horizon.

On behalf of the Greater Vancouver Board of Trade (“GVBOT”) and our 5,000+ Members, I welcome the opportunity to share our ideas with the Government of British Columbia (“the Province”) and priorities as it pertains to BC’s recovery from COVID-19. I would also like to express our appreciation for the steps the Province has taken to date to respond to the unprecedented challenges facing individuals and businesses in our province from COVID-19.

Economic Recovery Plan: Summary of Priorities and Recommendations

This economic recovery plan is made up of three pillars: Helping Businesses Survive, Transforming our Region, Investing in the Future. Each pillar plays an integral role in informing our path to recovery. Below is an overview of some short-term measures we have been calling for and longer-term priorities and options for the BC Government to consider.



HELPING BUSINESSES SURVIVE

Business support programs and government measures in response to COVID-19

- Focus on effective measures that help businesses recover and get people back to work, without losing sight of efforts that underpin competitiveness
- Work with stakeholders to review and revise COVID-19 programming to ensure policies are effective, robust, and encourage economic activity
- Enhance provincial role in providing business support and promoting business recovery:
 - Provide longer tax deferral on tax remittances and/or a long-term payment plan for businesses impacted by COVID-19
 - Provide additional financial support for SMEs such as launching a working capital grant program and a COVID-19 training grant
 - Prudently encourage citizens to participate in economic activities where safe
 - Employee withholding (i.e. payroll) tax holiday

- Workers Compensation Board Premiums deferral
- Corporate tax installment holiday for a certain length of time (i.e. no interest on installment payments that would otherwise be required)
- Utilize government contracts to support businesses and consider ways to provide more certainty and longevity to contracts

Support sectors that are positive economic multipliers for the region and province, such as tourism and travel

- Seek innovative solutions that allow for safe international travel as well as domestic travel to keep our regions connected
- Incentivize travel within the province and country in part by lower costs for travel through a waiver of PST on items such as hotels and flights for BC residents and/or broadening the exemption from the carbon tax on aviation fuel to include intra-provincial flights
- Fund marketing campaigns to encourage tourism and travel demand
- Coordinate with public health and various government ministries, as well as new technologies to support safe travel
- Take a science-based approach to travel restrictions, including the easing of travel restrictions from locations with a low prevalence of COVID-19, especially within Canada
- Support new technology that facilitates rapid testing and screening processes

Ease the regulatory burden and stop the layering of taxes on business

- Review and ease cumbersome and at times outdated regulations
- Ensure that any new measures or initiatives do not add to the financial burden on businesses
- Explore options for peeling back the layers of business taxes and fees
- Institute a process whereby businesses and associations can propose regulatory changes to support businesses

Explore solutions to bridge the childcare gap

- Continue providing support to childcare facilities in service
- Ensure that benefits for closed childcare facilities incent them to reopen
- Explore all options, including flexible before and after care at schools

TRANSFORMING OUR REGION

Measures to better connect BC

- Continue efforts and build upon efforts to connect rural BC communities
- Expand or create new broadband funding programs
- Establish a local connectivity infrastructure fund
- Improve coordination between internet service providers, the Government of Canada and the Province, to streamline funding opportunities for larger rural connectivity expansion projects

Investing in Infrastructure

Advance the region's priority infrastructure projects

- Remain committed to the near- and medium-term capital projects, such as rapid transit expansion in Surrey and to Langley, **the Broadway Millennium Line extension to the University of British Columbia and the urban transit gondola to Simon Fraser University**
- Prioritize new investments in transportation and infrastructure projects in the region that will stimulate economic activity
- Follow the lead of other provinces in finding ways to accelerate public infrastructure projects by reducing red tape
- Work with the private sector to advance projects at risk or in need of incremental support, especially those well-aligned with the Province's sustainability priorities, such as YVR's Geoexchange plant
- Ensure that energy efficiency investments are being expanded in coordination with industry
- Support the transition to a low carbon future focused on COVID-19 recovery projects that advance renewable energy, demonstrate technologies, increase the resiliency of the energy system, and grow it to serve new markets with low-carbon fuels

Maintain fluid mobility and support active modes

- Work closely with our transit agencies, especially TransLink, to build confidence in the public transit system and necessary funding to maintain adequate service
- Consider providing funding for active transportation, through TransLink, or with municipalities and other partners

Improving regulatory processes to support major projects

- Make efforts to ensure a regulatory environment that streamlines processes, reduces red tape, and fosters investments in major projects
- Examine and support, by a whole of government effort, all projects that either have an approved environmental certificate or are starting the process to obtain one
- Continue to support efforts to develop LNG marine fueling services and infrastructure in partnership with the Federal Government
- Make the necessary legislative and/or regulatory changes to expedite processes for both public and private projects, while maintaining environmental and safety standards

Reinstate a fair and open tendering process for public infrastructure projects

- Use an open and fair tendering process for provincial infrastructure projects to maximize taxpayer and recovery dollars and ensure that all qualified BC companies and employees can work on and benefit from these projects

Increase throughput of our Gateway and protecting industrial lands

- Continue facilitating ongoing development of the gateway sector's throughput
- Take a leadership role in protecting industrial land
- Support the ongoing development of projects such as the Massey Tunnel Replacement, increased rail capacity, fluidity and safety to and through the Lower Mainland, and increased cargo transport corridors through the region
- Encourage the Federal Government to recapitalize the National Trade Corridor Fund, and provide provincial coordinating support as required

Tax system that drives investment and supports SMEs

Addressing the Marginal Effective Tax Rate

- Take bold action to improve investment climate by lowering the marginal effective tax rate either through a made-in-BC value added sales tax or removing the PST on capital expenditures and/or on business inputs
- Consider lowering the PST for a set period of time

Exploring other options to spur investment

- Consider establishing a true Free-Trade Zone (FTZ) to support BC's post-COVID-19 competitiveness and recovery
- Consider spearheading a national initiative - or a separate agreement for just BC - to establish the Opportunity Zones model

- Explore a place-based investment tax credit to investments in underperforming parts of the province
- Explore tax-incentive zones in which eligible new businesses could qualify for the reduction or cancellation of certain provincial taxes, fees, and charges.

Helping urban, and Main Street businesses survive

- Create a new commercial property 'sub-class' to enable split-assessments
- Work with stakeholders to explore options to bring about greater fairness and certainty to the property tax system

Internal trade liberalization as part of economic recovery

- Pursue bilateral or multilateral trade agreements with provinces, eliminate interprovincial trade barriers and increase regulatory harmony
- Encourage municipalities and regional entities to update and harmonize business policies to improve the ease of doing business across municipal boundaries

Make more affordable housing available

- Support construction of housing options known as the “Missing Middle”
- Support municipalities to improve and accelerate the approval process, ensure a consistent, empirical system to measure, monitor, and compare timelines and processes across municipal boundaries and simplify and streamline the development process
- Explore options for an accreditation regime that allows professional firms the option to “fast-track” development applications

Remove uncertainty from Community Amenity Contributions

- Overhaul the community amenity contributions (CACs) rules to improve housing affordability in our region:
 1. Develop a detailed Best Practices Guide for CACs and density bonusing
 2. Introduce a robust ongoing monitoring program
 3. Create legislation on CACs that ensure compliance with the Guide in implementation
 4. Determine an effective third-party escalation mechanism to help ensure timely decisions

Government

- Lead the digital transformation by making the “Digital Government” a priority and demonstrating this through material transformation and procurement

INVESTING IN THE FUTURE

Public Health

- Make the necessary investments in public health, including testing capacity, infrastructure, and other measures to ensure our resilience, the safety of all citizens, and to support the viability of businesses and the economy in case of a second wave
- Expand and accelerate investments in digital health infrastructure
- Support the accelerated adoption of innovative digital healthcare solutions

Innovation, data, and digital technology

Fostering innovative technologies that evolve our day-to-day

- Continue supporting the development of innovative alternatives to service delivery, such as in health, education and public safety, to leverage the benefits of this technological evolution and innovations

A regulatory environment that fosters innovation

- Ensure a consistent and predictable regulatory ecosystem to create the conditions that foster the efficient development and deployment of new technologies such as 5G

Data and technology

- Build off of the work being advanced by the Digital Technology Supercluster to advance a data and intangibles plan for BC that focuses on cultivating and keeping companies local, growing the technology ecosystem, and commercializing data and IP in BC
- Work closely with post-secondary institutions and the private sector, to build support for innovative companies and allocate research funding to BC companies that will keep IP and data in the province
- Redouble procurement efforts to focus on local businesses, especially with regards to technology, in order to cultivate and support BC businesses

Unlocking BC's agritech potential

- Continue the implementation of the recommendations outlined by the BC Food Security Task Force in the report, *The Future of B.C.'s Food System*
- Create a new agricultural industrial zone to help unlock technologies and innovations of the agricultural sector

Education and Training

- Focus on training, educating, re-skilling and supporting our workforce to ensure it is keeping up with the digital transformation and evolving in tandem with the evolution of the nature of future jobs
- Implement measures that enable BC students to access, attend and participate in post-secondary institutions
- Support recent graduates navigate and access a difficult labour market
- Accept and value micro-credentials as an expedited option for employees to upskill or shift focus to find their place in the labour market
- Consider introducing a time-limited program to support on-the-job training focused on certain populations, like youth or vulnerable populations

Youth

- Consider supports to encourage or subsidize employment opportunities for young British Columbians
- Consider the establishment of a youth advisory committee to consult with youth on economic recovery
- Considering a Start-Up Capital Program that would provide seed capital to young entrepreneurs to start their own businesses

Diversity and Collaboration

- Recognizing the economic value of a more inclusive and diverse workforce, continue to work with businesses and communities to improve outcomes for all underrepresented and marginalized groups

Reconciliation

- Continue to work with the Federal Government and the private sector to improve employment outcomes for Indigenous peoples in the province
- Provide greater access to affordable capital to enable broader Indigenous participation in the economy

The findings from our VoteLocal survey, which was conducted in the lead up to the federal election in 2019, found that after the economy, the environment was the second most important issue to our members.³ Our economic success as a region is tied to our environmental performance, and both will underpin the future prosperity of our region.

We acknowledge the steps the Province has taken to prioritize the environment and the collaborative leadership role your government has taken in the development of the CleanBC Strategy. We encourage you to continue moving in this direction in close consultation with

industry - particularly given the challenging economic reality businesses are currently facing - to ensure a measured and economically viable and fruitful path in our pursuit of an environmentally sustainable region and province. The plan should recognize the immense generational challenge we face to combat global warming in order to protect future generations. It should also recognize BC's low-carbon advantage, and the global challenge of climate change. Together, we can fight climate change and chart a positive path forward for all British Columbians.

GREATER VANCOUVER

Greater Vancouver has the third largest GDP of all metropolitan regions in Canada, with a total estimated GDP of about \$135.6 billion in 2017. As of the same year, regional GDP represents 61 percent of the provincial GDP.

The largest contributor to the region's GDP was the finance, insurance and real estate sector. Other large contributors are construction; professional, scientific and technical services; manufacturing; and transportation and warehousing.

The region experienced an average annual GDP growth rate of 3.9 percent between 2013 and 2017. While recent regional growth has been more subdued, the region continued to outperform Canadian growth and most other metropolitan cities in Canada.

We have seen how proactive health measures in response to COVID-19 ensured we fared significantly better than other jurisdictions and remained a more open economy. However, despite our relative success vis-a-vis other provinces, the economic impacts for the region have still been severe.

Using Statistics Canada data on the impact of COVID on Canada's city-regions as of the end of June, Greater Vancouver has lost 197,300 since February. While Greater Vancouver represents just over 60 percent of provincial employment and economic activity, COVID-related job losses in the region represent over 80 percent of the total provincial loss of employment. The unemployment rate in the region is 14.2, higher than the provincial-wide rate of 13.0. The relative larger impact in Greater Vancouver is indicative both of our sectoral strengths and composition (higher in retail, food, and beverage, for example) but also our demographics.

A Plan for BC's COVID-19 Economic Recovery: Help Businesses Survive, Regional Transformation and Invest in our Future

HELPING BUSINESSES SURVIVE



It is important that the Province **focus on immediate effective measures that help businesses recover and get people back to work, without losing sight of efforts that underpin our competitiveness**, and that foster the future prosperity of BC. The entire apparatus of government should be focused on economic recovery and supporting the people of British Columbia. Through a concerted effort, we believe progress can be made through government programming and sector-specific solutions. Equally important is that the government refrain from implementing measures that add administrative burden, red tape, or costs on to struggling businesses.

BUSINESS SUPPORT PROGRAMS AND GOVERNMENT MEASURES IN RESPONSE TO COVID-19

We encourage the Province to **continue working with stakeholders to review and revise various programming specific to COVID-19 to ensure policies that are effective, robust, and encourage economic activity**. For example, we understand from our members that only a very few are expected to qualify and apply to the Canadian Emergency Commercial Rent Assistance (CECRA). In a recent survey, we found that only 16 percent of businesses paying rent expect to qualify and only 40 percent of those who qualify expect their landlord will apply.

Additional provincial measures will also be needed. Since the onset of the health crisis, it has primarily been federal programs that have helped bridge the gap and remain critical for

business survival. There is **a need for an enhanced provincial role in providing support measures** as 43 percent of businesses expect that they will require significant financial support or incentives beyond those already announced, in order to continue operating, especially as we come towards a potential “deferral cliff”.

The Province was quick to provide needed support, which allowed businesses to defer taxes owed, bolstering available cash. The Province should carefully monitor business conditions and avoid this possible “deferral cliff” on tax remittances, which could cause many business failures, which would reduce provincial taxes both in the short and long-term. Avoiding these negative consequences could come in the form of a **longer tax deferral on tax remittances and/or a long-term payment plan for businesses impacted by COVID-19**.

The strain of the pandemic on small and medium-sized businesses (SMEs) is particularly severe due to higher levels of vulnerability and lower resilience related to their size. Given their limited resources, SMEs’ timeline for surviving the pandemic is restricted, as is their resilience and flexibility in dealing with the costs the economic shock entails – such as costs for prevention (e.g. PPE, plexiglass installation) and addressing changes in work processes (e.g. teleworking).⁴ **Providing additional financial support for SMEs** will help this important sector survive and will underpin the broader economic recovery of our communities.

Possible tools the provincial government should consider include **a working capital grant program for small businesses to help with restart or retool** and **a COVID-19 training grant to help with increased COVID-19 staff training costs**. Alberta and Saskatchewan recently introduced working capital grants and the latter additionally introduced a COVID-19 training grant, meaningfully increasing businesses’ chances for survival. Similar measures in BC would help BC businesses overcome the additional burden they face due to COVID-19 and notably bolster our path to economic recovery.

As identified in a recent survey of our members, businesses find that the biggest challenge to restarting post COVID-19 is attracting customers or revenue (75%). There is a role for the Province who rightfully encouraged stay at home measures during the onset of the pandemic, to **prudentially encourage citizens to participate in economic activities**.

Additional provincial levers to support the viability of businesses include:

1. Employee withholding (i.e. payroll) tax holiday (e.g. for six months or predetermined economic recovery threshold is achieved)
2. Workers Compensation Board Premiums deferral (e.g. for six months or predetermined economic recovery threshold is achieved)
3. Corporate tax installment holiday for a certain length of time (i.e. no interest on installment payments that would otherwise be required)

Utilize government contracts to support businesses

The Province works with various private and third-party suppliers across various ministries for needed services. **To the extent that these services are still required, and they provide value for taxpayers, the Government should consider ways to provide more certainty and longevity to contracts.** This will help businesses plan, especially small businesses, who are often at a disadvantage to receiving government contracts. One example is BC Broadcasters, who are often the only local communications tool for many BC communities. Due to COVID-19, there has been a steep decline in advertising revenues and without emergency relief, some broadcasters in British Columbia may be forced to close their doors, leaving communities across this province without a local media presence. To the extent that provincial initiatives such as public health advisories or promotional campaigns involving Crown corporations and other public entities are required, consideration to the certainty and the timing of those campaigns could ensure these local broadcasters or other media outlets remain viable.

TRAVEL: FOCUS ON ECONOMIC DRIVERS

Our economic rebound hinges on the recovery of the sectors that drive our provincial economy. The GVBOT recommends the Province to **work with and support sectors that have a positive multiplier effect for the region and province**, such as tourism, which contributes \$8.3 billion to provincial GDP and employs more than 160,000 people.⁵ Supporting these sectors will meaningfully boost employment and stimulate the economic activity our region and province need for recovery.

Specifically, as it pertains to tourism, a multi-pronged approach that considers a variety of programs and supports should be considered. **Waiving PST on items such as hotels and flights for BC residents, incentivizing travel within the province and country, as well as funding marketing campaigns** to encourage demand, support the viability and economic rebound of BC's tourism industry. This could be done during the shoulder/non-peak season. Additionally, should domestic and international flights remain constrained, the Province might **consider temporarily broadening the exemption from the carbon tax on aviation fuel to include intra-provincial flights.**

More broadly, the recovery of tourism and travel industries will require close coordination with public health and various government ministries, as well as new technologies to support safe travel. We recommend that the Province **take a science-based approach to travel restrictions**, in conjunction with stakeholders. **This includes the thoughtful dialogue regarding the easing of restrictions from locations with low prevalence of COVID-19, especially within Canada.**

In addition, we recommend that the Province **work with the Federal Government and international agencies to support new technology that would facilitate rapid testing and screening processes.** For example, Lufthansa has implemented a rapid test, which is integrated into a boarding pass to enable passengers to travel and safely avoid quarantine. **Canada and the Province should be active participants in seeking innovative approaches that would allow for safe and effective international travel.**

EASE THE REGULATORY BURDEN AND STOP THE LAYERING OF TAXES

We have seen how important decisions – such as Minister Eby’s recent announcement to support restaurants expand patios – act as a lifeline for impacted businesses across the province. **The easing of cumbersome and at times outdated regulations will be critical in helping businesses get through this difficult period.**

Building on this, we believe that the government should **institute a formal process whereby businesses and associations could propose regulatory changes to support businesses.** The feedback mechanism allows the government to understand, in real-time, areas that can promote a speedy and effective economic recovery, while reducing the risk of implementing policies that hinder businesses’ ability to operate, bring workers back, recover and grow.

Before the pandemic, various taxes were layered onto businesses, making it difficult for them to thrive. Over the last two years, employers have seen costs increase with the new Employer Health Payroll Tax (EHT) in addition to an increasing Carbon Tax, general corporate income tax, personal income tax and property tax among others. In addition, the increases to the top marginal tax rate will make it increasingly difficult to retain and attract individuals to the region. The change provides a disincentive to additional work and/or increases to production. It also reduces the amount those individuals can spend to support the economy.

On top of the various taxes, businesses have been experiencing higher costs from the increasing minimum wage and are incurring significant costs associated with adhering to new health and safety guidelines due to COVID-19. When polled, businesses identified that one of the largest challenges to restarting was not having enough operating cash for expenses. As measures for restoring our economy are considered, it is imperative that the Province **refrain from adding to the financial burden on businesses and explore options for peeling back the layers of taxes and fees already imposed.**

EXPLORE SOLUTIONS TO BRIDGE THE CHILDCARE GAP

As a result of COVID-19, parents will need flexible options to accommodate the new realities and new child care needs as people and children are told not to come to work and school if sick. We are pleased with the Province's current action to give centres that remain open compensation to continue operating with reduced enrolment. The Province could **continue some form of benefits, as required, while ensuring that benefits for childcare facilities that are closed incent them to open and provide care.**

Additionally, parents may require more flexible options for childcare. **All options, including flexible before and after care at schools, should be explored.**

We encourage the Province to work with parents, employers, and all forms of providers to explore options to bridge the gap arising from COVID-19 and address the reduced childcare spaces to enable a return to work.

TRANSFORMING OUR REGION



Stark disruptions resulting from COVID-19 have presented the Province with a unique opportunity to address deep-rooted economic and societal issues. Building the infrastructure projects that will help stimulate economic activity, committing to improve the regulatory environment for getting projects built and fostering investment should be top of the list for transforming our region. Enhancing mobility and the movement of goods in and through the Greater Vancouver Gateway, addressing the lack of housing affordability and redoubling efforts to connect all corners of the province will also meaningfully improve the livability and workability of BC.

MEASURES TO BETTER CONNECT BC

Connectivity and access to the internet enhances opportunity for British Columbians, enabling them to actively participate in our economy. COVID-19 has highlighted the importance of internet access, as a significant portion of BC's workforce could continue to work despite being kept out of offices and away from worksites. The GVBOT encourages the Province to **continue its efforts and build upon the good work done to date, to connect rural BC communities.**

Expanding the scope of existing – or creating new – broadband funding programs and establishing a local connectivity infrastructure fund, in which local communities can receive tax credits in exchange for contributing to connectivity infrastructure is an option to explore as it could meaningfully support connectivity solutions. Similarly, **improving coordination between internet service providers, the Government of Canada and the Province**, could help unlock funding to improve connectivity by **streamlining funding opportunities and maximizing the amounts available to support larger rural connectivity expansion projects.**

INVESTING IN INFRASTRUCTURE

Advancing the region's priority infrastructure projects

It is imperative that the Province **prioritize the region's transportation and infrastructure projects that stimulate economic activity and remain committed to the near and medium term capital projects** that improve mobility, enhance the fluidity of supply chains and curb congestion and emissions, such as **rapid transit expansion in Surrey and to Langley, the Broadway Millennium Line extension to the University of British Columbia and the urban transit gondola to Simon Fraser University**. These projects will meaningfully enhance mobility and livability for citizens and communities throughout the province, while also supporting good jobs, enhancing productivity, and stimulating the economic activity that will help stand our regional economy back up again.

The Province and the private sector have important transportation infrastructure projects lined up and it is critical that these move forward. While it is encouraging that provincial projects seem to be moving ahead, there will likely be a need to **accelerate additional economically focused infrastructure projects**. In a recent survey of our Members, between 32 percent to 40 percent have had capital projects, contracts and/or tenders either cancelled or deferred. Thus, as private projects in the near-term and through the next nine to 24 months are expected to slow down, there is a **need to continue and enhance public infrastructure projects**.

In terms of private sector projects, there are good **projects lined up that are well-aligned with the Province's priorities but will require provincial support** in light of the challenging economic context. Projects such as YVR's Geoexchange plant, which will be one of the largest of such systems in Canada, will support provincial greenhouse gas emission reduction targets. The 16 MW system will produce enough energy to heat more than 1,000 Lower Mainland homes, while greatly reducing YVR's annual heating and cooling emissions.⁶

Energy efficiency programs provide incentives for utility customers to reduce their energy consumption. Expanding support for energy efficiency activities has many benefits. These programs support existing workforces, create new jobs, reduce energy use and the energy bills of British Columbians, and are applicable across all sectors of the economy, including industrial, commercial and residential applications. For example, it is estimated for every \$1 million invested in energy efficiency programs, 16 to 30 jobs are created and there is a net benefit of \$4 to \$7 million. We encourage the Province to **ensure that energy efficiency investments are being expanded in coordination with utility-led programs for delivery**.

As the Province seeks to deliver on the promise of CleanBC, renewable energy sources will play an increasing role in BC's energy mix. Renewable gases like Renewable Natural Gas and Hydrogen and using the gas system to deliver them to the buildings, transportation and

industry sectors will be a critical initiative to help BC achieve its environmental goals. Renewable gases offer BC an opportunity to invest in low carbon fuels and lower greenhouse gas (GHG) emissions by using the infrastructure and resources we have currently available to us. Investing in projects such as these can drive local investment and job opportunities. To achieve these long term decarbonization goals, the Province should **support this transition to a low carbon future focused on COVID-19 recovery projects that advance renewable energy, demonstrate technologies, increase the resiliency of the energy system and grow it to serve new markets with low-carbon fuels.**

Maintain fluid mobility and support active modes

TransLink has seen massive declines in their ridership. Initially, the decline was as steep as 83 percent and, as a result, revenues declined precipitously. Still, 75,000 people rely on the system every day during the pandemic. In Phase 2 of the BC Restart Plan, initial estimates showed ridership had recovered to 39 percent of normal.

For TransLink to continue delivering the services and mobility the region needs as our economy recovers over the coming months and years, the region will need the support of the Province. TransLink has experienced monthly declines of almost \$75 million, due to reductions in fare revenues and fuel and parking sales taxes. According to the Mayor's Council, "losses in 2020 and 2021 are currently projected between \$550 million and \$1.4 billion, depending on the trajectory of the pandemic and economic recovery".

In addition to the financial losses, there are social and environmental concerns with the reduction in transit usage. The Greater Vancouver Board of Trade commissioned a Mustel Group's Omnibus survey to better understand how COVID-19 might impact mobility in the Greater Vancouver region and determine what recovery might look like. The survey found that:

- 36 percent of respondents plan to increase use of their car or car ownership because of COVID-19, with a similar result across the region, including in the City of Vancouver.
- The region's residents desire to increase active modes of transportation (32%) including biking and walking - this preference is much more pronounced in the City of Vancouver (43%) compared to the rest of the region (27%).
- Respondents expect to decrease use of transit (34%), car-sharing (13%), and ride-hailing (12%) as a result of COVID-19.⁷

In order to avoid a scenario in which traffic congestion worsens, GHG emissions increase, and our quality of life decreases, the Province should **work closely with our transit agencies, especially TransLink, to build confidence in the public transit system, and work with other levels of government to provide financial relief.** Joint federal-provincial funding announced on July 16, should provide meaningful support. Safe and reliable transit is an essential service

that is critical for getting workers to their jobs and can be one of the only mobility options for many, who either cannot afford or do not have access to alternative means of transportation.

In addition, **funding for active transportation, through TransLink, or with municipalities and other partners should also be considered.**

Improving regulatory processes to support major projects

Additional efforts will need to be made to ensure that private sector projects are able to succeed. **Ensuring a regulatory environment that streamlines processes, reduces red tape and fosters investments in major projects** will support the economic recovery of our region. Projects like the FortisBC LNG expansion project at Tilbury, which is undergoing a provincial assessment or the Roberts Bank Terminal 2 Project, which is undergoing a federal assessment, can spur economic activity through the creation of jobs and would offer significant economic benefits to the province in the near future. **All projects that either have an approved environmental certificate or are starting the process to obtain one should be examined and supported by a whole of government effort.** For Greater Vancouver specifically, one example of efforts to support private investment would be for the Province to **continue to support efforts to develop LNG marine fuelling services and infrastructure in partnership with the Federal Government.**

The provinces of [Quebec](#)⁸, [Ontario](#)⁹, and [Alberta](#)¹⁰ have all made legislative and/or regulatory changes to quicken the pace of regulatory processes for infrastructure investments. British Columbia should act now, follow their lead, and **make the necessary legislative and/or regulatory changes to expedite processes for both public and private projects, while maintaining environmental and safety standards.**

Reinstate a fair and open tendering process for public infrastructure projects

In order to maximize taxpayer and recovery dollars on public infrastructure projects, and to ensure that all qualified BC companies and employees can work on and benefit from these projects, **an open and fair tendering must be the process by which governments tender public projects.**

Restrictive Project Labour Agreements (PLAs) can drive up costs if they reduce competition and unfairly restrict BC companies and employees from working on public infrastructure. In fact, there is significant evidence demonstrating that restrictive tendering, such as PLAs and Community Benefits Agreements (CBAs), can result in a 20 percent to 30 percent cost increase for bids on public infrastructure projects.¹¹

As BC grapples with a projected \$12.5 billion deficit - nearly 20 percent of the entire provincial budget - ensuring a competitive and fair tendering process that leads to the prudent delivery of public projects will be an important part of our provincial recovery.

Increase throughput of our Gateway and protect industrial lands

In terms of infrastructure projects in our prominent gateway sector – another major economic driver for our region and BC – the Province should **continue facilitating ongoing development of this sector's throughput** which will aid in recovery while at the same time better preparing our economy to thrive in the future.

The resiliency and economic importance of the Port of Vancouver has been made increasingly evident during the pandemic. Our west coast port has outperformed other North American ports over the past 30 years and is the largest and most diversified port in Canada. Even during a pandemic, the hard work by terminals, union workers, rail lines and waterfront workers has led to an increase in year-over-year cargo volumes of 1 percent as of the end of April. But the Port needs trade-enabling land to maintain growth.

In conjunction with municipalities and stakeholders, **the Province will need to take a leadership role in protecting industrial land.** Taking action now, and maintaining momentum, will ensure that our region can foster economic growth, build more resilience into supply chains and provide the revenue governments will need to assist in the recovery.

In addition to **protecting our region's vitally important industrial lands, the ongoing development of projects such as the Massey Tunnel Replacement, increased rail capacity, fluidity and safety to and through the Lower Mainland, and increased cargo transport corridors through the region** will be important initiatives to drive our economic recovery.

Lastly, the Federal Government's National Trade Corridor Fund (NTCF) is a valuable program for enhancing supply chain capacity and efficiency. While not a provincial program, we recommend the Province **work collaboratively with the Federal Government and industry partners for projects and seek the recapitalization of the NTCF program to enhance the throughput of our gateway sector.** There are numerous projects ready to go and almost all would include funding from the private sector. Additionally, many would support provincial environmental targets by reducing GHG emissions.

TAX SYSTEM THAT DRIVES INVESTMENT AND SUPPORTS SMEs

Addressing the Marginal Effective Tax Rate

In order for British Columbia's economy to thrive in the future, we will need to be an attractive place to invest and live. According to our 2018 Greater Vancouver Economic Scorecard, compiled by the Conference Board of Canada, our region/province ranked dead last in a ranking of 19 comparable city region's in North America and around the world, in terms of our marginal effective tax rate (METR) on capital investment for businesses.¹²

Taxes on Capital: Marginal effective tax rate on capital



Greater Vancouver and BC meaningfully struggle with the METR, and the competitive conditions are worsening. One cause was the 2018 U.S. tax reform on the relative position of Greater Vancouver. The changes mean that the U.S. METR on capital investment (federal and state combined) stands at 18.8 percent, down sharply from 34.6 percent prior to the recent tax overhaul. This improves the standing of U.S. metro areas and pushes Greater Vancouver all the way down to last place.

Our region's METR is now fully nine percentage points higher than those of its U.S. counterparts, a significant competitive disadvantage. The effects of the U.S. tax cuts suggest that Greater Vancouver's relative position in this index, along with all other Canadian cities measured, will decline unless the federal and British Columbia governments respond appropriately. Greater Vancouver's poor showing on the METR can be traced directly to British Columbia's un-harmonized retail sales tax, which results in a significant tax on business capital purchases.

Bold action to lower the METR would be a meaningful step in the right direction. This could be best done through the implementation of a made-in-BC value added sales tax or lowering the PST for a period of time.

Alternatively, the government could implement a targeted approach to remove the PST on capital expenditures and/or on specific business inputs, building on the removal of PST on electricity.

Exploring other options to spur investment

While changes to support a lowering of the METR would provide the most benefit, the Province should also consider, in coordination with the Federal Government, other tax and incentive policies that could spur investment.

The GVBOT encourage the Province to **consider establishing a true Free-Trade Zone (FTZ)** would support BC's post-COVID-19 competitiveness and recovery by stimulating high-value manufacturing, creating good paying middle-class jobs, and driving investment and trade across the region. Indeed, Greater Vancouver is ideally located for FTZs as it hosts Canada's largest seaport and second largest airport. Vancouver Airport Authority's preliminary analysis demonstrates that Free-Trade Zone operations would potentially support 50,000 jobs across Canada, contribute \$4 billion in GDP and \$6 billion in economic output.

The Opportunity Zones initiative is an innovative economic development program established in the United States by the *Tax Cuts and Jobs Act* of 2017.¹³ Its purpose is to revitalize economically distressed communities by using tax preferences to encourage long-term private investment in communities. An estimated \$6.1 trillion in unrealized capital gains held by American taxpayers¹⁴ can potentially be leveraged to create economic activity in almost 9,000 areas across the United States designated as "qualified Opportunity Zones."

Given that the Opportunity Zones model is still in its early days in the United States, it is not fully clear the degree of success it will achieve in the long term. However, the initiative has brought much-needed attention to communities in need.

Some options to consider include:

- The Province could **spearhead a national initiative or a separate agreement for just BC, to establish the Opportunity Zones model.**
- British Columbia could **explore a place-based investment tax credit to investments** in underperforming parts of the province.
- In a similar vein, the Province could **explore tax-incentive zones** in which eligible new businesses could qualify for the reduction or cancellation of certain provincial taxes, fees, and charges. In addition, with the prior approval of the Minister of Municipal Affairs and Housing, municipalities could pass by-laws reducing or cancelling municipal taxes, fees and charges payable to them.

All programs would need to be independently evaluated and include other parameters, including a per-project funding cap, value for foregone revenues, potentially limiting the scope to exclude certain investments, such as real estate, among other things.

Helping urban, and Main Street businesses survive

In addition to several burdensome costs and tax increases that governments at all levels have layered onto businesses in recent years, the viability of small businesses across Greater Vancouver is further threatened by the active commercial real estate activities in recent years that have made it exceptionally challenging for businesses to afford the high rents and taxes while remaining viable in their neighbourhoods.

The situation is exacerbated by the “highest and best use” property assessment methodology that, for underdeveloped commercial properties with unrealized development potential, has resulted in significant property tax implications. Despite the uncertainty in the real estate market and anticipated slight retreat in property values in recent months, the cumulative impact over the past years has been significant. (As an example, a property in Vancouver’s West End experienced a 7.6-fold increase over three years).

The best policy, endorsed by municipalities, businesses and the arts community, is to **enable split-assessments through the creation of a new commercial property ‘sub-class’**. With the support from the Province, this approach would address the issue of “highest and best use” affecting our small businesses and is the best tool to deliver the flexibility and support our struggling businesses community needs, especially in the context of a global health pandemic and deeply impacted economy.

While we appreciate the effort made by the Province to introduce an interim tool for municipalities to use by the 2020 tax year, **we encourage the government to renew efforts in exploring a new commercial property sub-class option for small businesses.**

Further, the Province should work with businesses from across various sectors, municipalities, the BC Assessment Authority, and other stakeholders, and explore options to bring about greater fairness and certainty to the property tax system.

INTERNAL TRADE LIBERALIZATION AS PART OF ECONOMIC RECOVERY

The COVID-19 health and economic crisis has added to ongoing global trade tensions and created significant disruptions in global supply chains, making it difficult for many businesses to both access the materials and supplies they need and ship their goods across borders. It is time to place our focus squarely on what we can do at home to stimulate economic growth and build resilient supply chains.

Statistics Canada estimates that internal trade costs add nearly seven percent to the cost of goods we buy, and this doesn’t count the much larger costs facing accountants, lawyers, and financial professionals.

The International Monetary Fund (IMF) estimates a four percent lift in real GDP in Canada if internal trade barriers are removed – more than we would gain from recently signed international trade agreements. Further, it estimates that \$80 billion in economic potential each year is lost because of internal trade barriers – that’s nearly \$5,700 for every family.

According to data from Industry Canada and Statistics Canada, 18.3 percent of Canadian SMEs are internal traders. Of these, 41.4 percent sell internationally compared with only 3.5

percent of non-internal traders, meaning that SMEs that sell their goods and/or services to other provinces are more export oriented.

In a climate of heightened international trade volatility, fueled by a global pandemic, it is inexplicable to maintain antiquated domestic trade barriers that limit economic activity and growth. While we must remain steadfast in our commitment to open international trade, now is the time to **strengthen east-west trade corridors within Canada and ensure that the elimination of interprovincial trade barriers is part of our economic recovery plans.** Doing so will lower costs for BC businesses, boost competitiveness and economic growth, and encourage both domestic and foreign investment.

The GVBOT urges the Province to **find consensus between provinces and pursue bilateral or multilateral trade agreements with provinces who are eager to move forward aggressively on dismantling internal trade barriers, increasing regulatory harmony, and build much-needed momentum towards truly free trade across Canada.**

In addition, there are many challenges that are faced when looking to do business across municipal boundaries. While the inter-municipal business licence created for ride-hailing services was a positive step forward, there remains much work to be done. Cumbersome and inefficient regulations that change block by block as you cross municipal borders are outdated. Further, the outdated requirements to obtain a business licence in each individual jurisdiction must change. **We recommend that the Province consider all options to encourage municipalities and regional entities to update and harmonize these business policies to enhance the ease of doing business.**

MAKE MORE AFFORDABLE HOUSING AVAILABLE

Housing affordability remains one of Greater Vancouver's most pressing challenges, with the median household price being 12.6 times higher than gross annual household income; a ratio above 5 is considered unaffordable.¹⁵ A survey of businesses in Greater Vancouver found that 60 percent report having trouble recruiting and retaining workers due to the high cost of living in Metro Vancouver and nearly a quarter of them (23%) have considered relocating away from the region due to affordability concerns.¹⁶ To be a successful region and thrive as we emerge from the pandemic, we are going to require more housing and more choices, including affordable options for workers.

In 2018, the Province released its 30-Point Plan for Housing Affordability in British Columbia, with investments towards increasing housing supply.¹⁷ While we appreciate efforts to address the challenging housing crisis, more needs to be done to unlock supply and make our region more affordable.

To ensure future economic sustainability, municipalities must “increase the supply and diversity of the housing stock through infill developments, more compact housing forms and increased density”¹⁸ without delay. To maximize the best use of our lands, we must look at options that increase density and diversity in our housing stock. In order to make more efficient use of our land, we recommend exploring any and all options to **support construction of housing options known as the “Missing Middle”**. These options include but are not limited to: laneway housing and secondary suites in single-family home zones, townhouses, and apartment multiplexes.

While increasing the diversity and density of housing supply is one part of the solution to the housing crunch in the province, **improving and accelerating the permitting, re-zoning and approval processes is equally as important**. Long permitting times, re-zoning processes and unpredictable outcomes generate uncertainty for development proponents, often stall housing developments and act as barriers to increasing supply of housing. Developers incur significant costs due to the uncertainty, inefficiency and delays. These costs are often passed down to the home buyer, further escalating the already high housing costs and worsening housing affordability.

Regulatory processes at the local government level can take more than a year for new developments, even if rezoning is not required. These processes, while generally similar, vary across jurisdictions. **A consistent, empirical system to measure, monitor, and compare timelines and processes across municipal boundaries would address lengthy development timelines.**

Provincial leadership to encourage or force simplification and streamlining the development process would allow for permits to be processed simultaneously and according to a set of clearly defined desirable outcomes, it allows greater diversity and supply to be added to the market at a rate which better keeps pace with rapidly growing demand.

With the limited capacity of local governments being a contributing factor to lengthening timelines, reducing the workload on city staff could help alleviate the backlog of development applications. One model to improve efficiency would be an **accreditation regime that allows professional firms the option to “fast-track” their application** that allows those in the home-building and development industry with a proven track-record of consistent, well-prepared, and successful applications to qualify for concurrent permitting or prioritization.

Removing uncertainty from Community Amenity Contributions

Community amenity contributions (CACs) are becoming a feature of development in many parts of BC and are negatively impacting housing stock in a province that is already struggling with a lack of affordable housing. CACs impact affordability and economic

development by significantly increasing costs and reducing the land available for sale, creating barriers to entry for small builders who don't have the capacity to amortize these costs and manage the process, and causing a proliferation of red tape, as every municipality takes a unique approach to CACs. In 2018 alone, the City of Vancouver obtained over \$70 million in cash-in-lieu CACs and over \$700 million of public benefits were secured through approvals of additional density.¹⁹ The GVBOT recommends that the Province **overhaul the CAC rules to improve housing affordability in our region**. Specifically, we encourage the Province to:

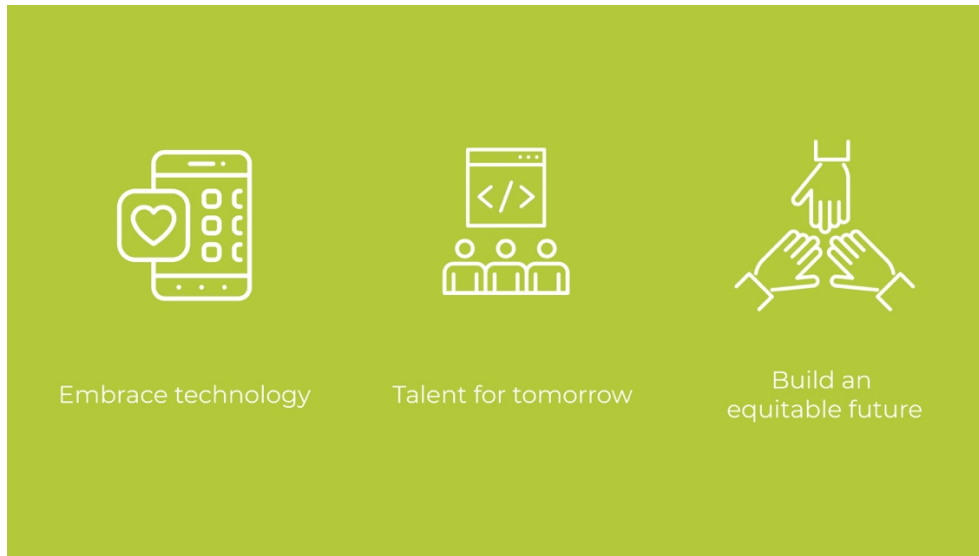
1. **Develop with municipalities and stakeholders a detailed Best Practices Guide for CACs and density bonusing** similar to the *Provincial Development Cost Charge Best Practices Guide* that could also support the below legislative framework;
2. **Introduce a robust ongoing monitoring program** to ensure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

GOVERNMENTS

All levels of government have a role to play in advancing transformation through their investments and business practices. One of the largest purchasers of technology goods and services are governments.

The Province can **lead the digital transformation by making the “Digital Government” a priority and demonstrating this through material transformation and procurement**. Measures undertaken should provide cost effective improvements to citizen services and increase the resiliency of systems.

INVESTING IN THE FUTURE



Beyond recovery, the future prosperity of Greater Vancouver is contingent upon foundations laid today. Our region needs strategic investments that help our businesses and the broader society overcome the pandemic while also paving the way for longer term competitiveness. Investments that advance and leverage technology and strategically prepare the workforce of tomorrow will be key. Additionally, investments that ensure our region is building a supportive and inclusive environment that embraces diversity will mark our success.

PUBLIC HEALTH

In planning the economic recovery of BC, our top priority is ensuring that efforts are being made to avoid circumstances that would lead to another lockdown situation or significant outbreaks that overwhelm our health system. This will require **making the necessary investments in public health, including testing capacity, infrastructure, and other measures to ensure our resilience, the safety of all citizens, and to support the viability of businesses and the economy if a second wave were to come.**

Great companies in the Greater Vancouver region like AbCellera working on antibody treatments, bioLytical working on rapid testing, Lifelabs and Telus Health can work alongside and support our frontline health care workers and administrators to continue to innovate and fight COVID-19.

Expanding and accelerating investments in digital health infrastructure will play a key role in strengthening BC's healthcare services, providing innovative, and patient-centered care in our cities while also enabling vulnerable and isolated communities to receive world-class medical services.

In addition, we encourage the Province to **support the accelerated adoption of innovative digital healthcare solutions to help make BC a leader in digital health care delivery.**

INNOVATION, DATA, AND DIGITAL TECHNOLOGY

COVID-19 has been a catalyst that prompted a vast technological evolution for many individuals and businesses, who began adopting new solutions in response to the pandemic. For example, in a recent GVBOT survey, it was determined that since March, organizations have increasingly innovated and sought out new ways to access customers, as nearly a third of businesses have increased their digital or e-commerce presence since the onset of the pandemic. Similarly, tele-health saw a notable uptick in demand and academic institutions meaningfully migrated their services to online platforms.

Fostering innovative technologies that evolve our day-to-day

Many British Columbians are coming to recognize the benefits of alternative service delivery models, such as in health, education and public safety, which can often be delivered at a lower cost, allow for more efficient use of resources, can foster broader accessibility and do not require the same infrastructure investments as traditional service delivery models. As we move towards recovery, **the Province should continue supporting the development of innovative alternatives to service delivery** to leverage the benefits of this technological evolution and innovations that improve life for British Columbians.

A regulatory environment that fosters innovation

As part of our recovery strategy, BC must embrace the next technological evolution and new technologies such as 5G to be better equipped to attract foreign investment and the highly-skilled professionals that will drive our recovery and long-term economic prosperity. This involves **ensuring a consistent and predictable regulatory ecosystem to create the conditions that foster the efficient development and deployment of new technologies**, such as 5G. 5G will play an increasingly important role in unlocking economic opportunities for our province.

Data, Technology and Innovation

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

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

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

We recommend that the Province build off of the work being advanced by the Digital Technology Supercluster to advance a data and intangibles plan for British Columbia, which would focus on cultivating and keeping companies local, growing the technology ecosystem, and commercializing data and IP in BC.

This could take the form of establishing innovation precincts, such as the discussion around the new St. Paul's campus regarding health research and development, with ties to the burgeoning life sciences corridor nearby.

In addition, **we recommend that the Province work closely with post-secondary institutions and the private sector, to build support for innovative companies and allocate research funding to BC businesses that will commercialize technology and keep IP housed here.**

Finally, **to cultivate and support BC businesses, we recommend that governments redouble their procurement efforts to focus on local businesses, especially with regards to technology.**

Unlocking BC's agritech potential

As we continue to move through the BC Restart Plan, we encourage the Province to **not lose momentum in implementing the recommendations outlined by the BC Food Security Task Force in the report, The Future of B.C.'s Food System**, which will contribute to reinvigorating BC's economy. Recommendations that support R&D and innovation across the sector and introduce strategic land use policies will strengthen food security, increase farm income, and help BC emerge as a global agritech leader.

The GV BOT support's the Task Force's recommendation of making up to 0.25 percent of BC's Agricultural Land Reserve land available for broader "agricultural-industrial" activity, provided

that the land released from the ALR is of low soil quality, ill-suited for farming and with good transportation connectivity. **Creating this new agricultural industrial zone** will help unlock technologies and innovations that increase the competitiveness, efficiency and profitability of the agricultural sector of our province.

EDUCATION AND TRAINING

As we enter five months of the health pandemic, the emphasis on technology and the role it will play in our recovery is becoming increasingly pronounced. It is essential that **efforts are made to ensure that our workforce is keeping up with the digital transformation and evolving in tandem with the evolution of the nature of future jobs.** A digital transformation requires an education transformation.

Measures that **enable BC students to access, attend and participate in post-secondary institutions** will help foster future productivity levels while absorbing excess capacity at post-secondary institutions. Providing students with the tools to access post secondary institution programs, working together and in collaboration with the private sector to secure funding for laptops and cellular sticks to access the internet are some measures the Province could consider. Additionally, efforts to **support recent graduates navigate and access a difficult labour market** will help mitigate the potential of a “lost generation”.

Measures to **train, educate, re-skill and support our workforce** will meaningfully reinforce our economic recovery and underpin our future competitiveness. It will be important that these measures can be implemented quickly and that programs are short and/or condensed, are cost effective and can be done while on the job. There is a need for the Province and industry to **accept and value micro-credentials as an expedited option for employees to upskill or shift focus to find their place in the labour market.**

The Province could also consider introducing a time-limited program to support on-the-job training. An example of a program is what the Quebec government recently implemented. It is a \$100 million program to help companies train workers and continue paying those undergoing training. The “Programme d’actions concertées pour le maintien en emploi/Concerted Action Program for Maintaining Employment” covers a range of training purposes, including digital skills training, training recommended by professional orders, training necessary for the resumption of company activities, and training related to a strategy for adjusting company activities in the context of economic uncertainty related to COVID-19. A similar version of this program could be contemplated in BC, perhaps focused on certain populations, like youth, mentioned below, or vulnerable populations.

YOUTH

It is well-documented that younger British Columbians have been severely impacted. The June unemployment rate among young people (15 to 24 years old) was 29.1 percent, higher than in May at 28.9 percent, and almost 20 percent higher than in 2019.²⁰ In addition to the measures listed above regarding education and training, the Province should **consider specific supports to encourage or subsidize employment opportunities for young British Columbians**. In order to come up with ideas, the Province could **announce a youth advisory committee to consult with youth on economic recovery**.

In addition, technology has rapidly changed the way businesses are started, formed, and valued. Many successful new businesses have been started in Greater Vancouver and along the Cascadia Corridor by young, skilled entrepreneurs. Multiple studies have shown that Canada, and British Columbia, lack access to at-risk start-up capital.

We recommend considering a Start-Up Capital Program that would provide seed capital to young entrepreneurs to start a business. One example could be to model the program off of the Canada Emergency Business Account, which provides up to \$40,000 for businesses of a certain size with up to \$10,000 coming in the form of a forgivable loan and the remainder an interest free loan if repaid within a certain time frame. Young entrepreneurs could compete and present qualified business plans for start-up companies and receive a form of grants/loans, potentially in conjunction with private sector partners. The cost of the program could be scaled based on available funding and private sector participation.

DIVERSITY AND COLLABORATION

A diverse and collective approach to business ultimately supports the bottom line and drives economic growth. A McKinsey report on diversity in the workplace, *Diversity Wins: How Inclusion Matters*, suggests that racially and ethnically diverse companies outperform industry norms by 36 percent.²¹ As you work on the \$1.5 billion plan to rebuild our economy, we encourage the Province to **continue to work with businesses and communities to improve outcomes for underrepresented and marginalized groups**.

Reconciliation

With the adoption of the United Nations Declaration on the Rights of Indigenous Peoples in 2019, the Province committed to moving forward with a clear action plan for reconciliation, supporting predictability and economic opportunities, while respecting Indigenous human rights. We encourage the Province to **continue down the journey of reconciliation to create further certainty for investment to build a stronger and inclusive economy**.

Indigenous youth represent the fastest growing source of labour in the country and will continue to do so in the future. According to The National Indigenous Economic Development Board significant challenges remain:

- In 2015-16, Indigenous youth represented 35 percent of all youth admissions to correctional services. This represents an increase from 2014-2015 when Indigenous youth represented 33 percent of admissions.
- Indigenous children made up 7.7 percent of all children under the age of 15 in 2016 but accounted for 52.2 percent of children in foster care in private homes.
- Regarding domestic violence, the 2014 General Social Survey (GSS) found that 40 percent of Indigenous respondents said they were physically or sexually abused as children, in contrast to 29 percent of non-Indigenous people who reported family violence.
- Suicide among First Nations youth (aged 15 to 24 years) across Canada is five to six times higher than among non-Indigenous youth.²²

Even prior to the pandemic, Indigenous people and youth have also been historically under-represented in British Columbia's workforce. Indigenous youth aged 15 to 24, other than Métis, continued in 2016 to show deficit employment indicators (employment rate, participation rate and unemployment rate) compared to non-Indigenous youth the same age. Specifically, First Nations youth on reserve experience significantly worse employment indicators than other groups, with an employment rate of 17.1 percent, a labour participation rate of 28.9 percent, and an unemployment rate of 40.8 percent. The comparable rates for non-Indigenous youth are 52.8 percent, 62.1 percent and 12.4 percent, respectively.²³

We recommend that the Province continue to work with the Federal Government and the private sector to improve employment outcomes for Indigenous peoples in the province.

First Nations, as well as Indigenous entrepreneurs also lack access to capital. At the same time, BC's economy is reliant on the ability to attract investment in our natural resource and infrastructure sectors. The vast majority of those projects impact the traditional territories of First Nations in some way. Many First Nations have not been able to benefit or become partners in the provincial economy. One of the main precluding factors of First Nations' participation is access to capital at reasonable rates, available to the province and to municipalities.

The First Nations Major Projects Coalition has proposed a Revolving Loan Facility, which would utilize the existing strength and safeguards of the First Nations Finance Authority to provide low-cost capital for equity participation in projects affecting First Nations' traditional territory. **We recommend that the Province consider this proposal, in conjunction with the private sector and other orders of government, to provide greater access to affordable capital to enable broader Indigenous participation in the economy.**

CONCLUSION

On behalf of the GVBOT, we thank the Province for their support through these truly unprecedented times. While the road will be long and difficult, the GVBOT believes together we can work to ensure Greater Vancouver and the province have a strong and prosperous future.

For more than 130 years, the Greater Vancouver Board of Trade has worked to assist businesses to thrive and create wealth for our region through trade and economic development. When businesses can compete and succeed, they create the jobs and tax dollars required to fund the services that we all count on.

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