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SPEAKING POINTS

Select Standing Committee on Finance and
Government Services

Prepared by

The Kelowna Chamber of Commerce



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GOOD MORNING

My name is Jeff Robinson – I am the Executive Vice President and Chair of the Policy Advisory Committee of the Kelowna Chamber of Commerce.

We appreciate this opportunity to present to the Committee prior to the creation of Budget 2020. My presentation runs about six minutes.

Our document represents concerns of our 1200 members. We are the largest Chamber in BC outside the Lower Mainland. Kelowna continues to be one of the fastest-growing CMAs in Canada where we have a front-row seat to explosive growth, vast opportunity, and its attendant problems and paybacks.

Before I begin my eight points I want to say that:

We support the Canadian Chamber 2019 election platform "Vote Prosperity". We want a regulatory system that works for everyone, including business. We want a tax system that is fair, efficient and modern. The average time it takes for a company in Canada to prepare its taxes is 131 hours. The last time Canada undertook a comprehensive review of its tax system, humankind had yet to set foot on the moon. Canadian taxation is uncompetitive, cumbersome and inefficient.

Our First Issue: Impact on business of multiple layered taxes

There are 12 new or additional taxes introduced since 2017 in BC. One of the biggest pain points is the Employer Health Tax. Paying EHT plus MSP causes damage to businesses and organizations. Second is the Speculation Tax. It is unfair, anti-Canadian, damages BC's brand, and should be scrapped immediately.

Our second key issue is Transportation

As one of Canada's fastest growing regions, we need to move goods and people, eliminate back-ups, and save fossil fuel. The Provincial Government must coordinate integrated long-term planning throughout the region with meaningful local involvement from business. Let's look again at completion of connectors; bypasses; improving safety; and re-open the conversation about a second lake crossing.

Number three: Labour shortages, skilled & unskilled

Our businesses tell us how labour shortages, trained and untrained, tie the hands of businesses such as KF Aerospace. They would expand tomorrow adding to their 2,000 employees who refit aircraft from international owners. The tech sector contributed \$1.7 billion,

growth of 15% a year over the last five years. 12,000 new jobs. More could have jobs if the Provincial Nominee Program was improved and was better integrated with federal programs such as Temporary Foreign Workers.

Number four

Reduce Red Tape – Let Business Get on with it

The provincial government has made significant progress in reducing the number of provincial regulations, through working with BC-based chambers of commerce.

Despite this, the regulatory burden in BC continues to be a challenge for business, and in particular, small business.

Online application forms, reduced wait times, and getting out of the way of businesses are all steps your government must take.

Number five

Interprovincial Trade – International Trade

BC must open up its borders with the rest of Canada.

Disputes over single product imports and exports, such as beer, wine, spirits and oil must be solved, rather than seen as a dispute-based 'winner take all' exercise.

You need to help set concrete timelines and a firm list of priorities for the provincial free trade deal which already exists – the Canadian Free Trade Agreement.

BC's prosperity also hinges on its ability to trade openly in global markets.

The Province needs to strengthen BC's ties with current trade partners while aggressively diversifying its export base around the globe.

Number Six - Housing Affordability – Healthy Communities

Kelowna is under growing pressure to provide accessible and affordable housing for our residents.

Robust employment and job growth are dependent upon affordable housing.

Impacting the issues are housing for and caring for homeless persons; and management of the opioid crisis and street vagrancy.

We are committed as both business and community stakeholders to solutions. I draw your attention to a link in your online document on page six "Kelowna Economic Scorecard 2019". We are the lead sponsor of this evidence-based triennial report measuring Kelowna against 16 mid-sized cities on 24 social and economic indicators.

Number Seven – The ongoing challenge to Protect our Fresh Water from Invasive Mussels

The Kelowna Chamber tabled Resolutions at the BC and the Canadian Chamber policy forums in 2015 and 2018. The Resolutions call for increased spending from Provincial and Federal Governments to prevent zebra and quagga mussels from infesting BC fresh water.

More needs to be done.

We call on the Provincial Government to ensure all border crossings have trained personnel to intercept infested boats and water-based equipment. Every border crossing, provincial and international, 24/7.

Number Eight – the Speculation Tax

Scrap it.

We included in our submission brief extracts from the eight policies successfully adopted at the BC Chamber annual policy session three weeks ago.

I'm happy to take any questions you may have for us; thank you.

5:55

Extracts from the Kelowna Chamber 2019-2020 Policy and Positions Paper

Eight Resolutions authored by the Kelowna Chamber of Commerce in 2019 were adopted at the 2019 BC Chamber Policy Session May 24 & 25, 2019 in Burnaby.

Policies adopted include:

Agriculture

1. **Support a Prosperous, Sustainable and Innovative Tree Fruit Sector in BC**
Policy recommends a long-term replant program to increase industry sustainability as well as a continuation of the School Fruit & Vegetable Nutritional program; also calls for a restart of negotiations of the Columbia River Treaty to improve irrigation issues for valley farmers.

Environment & Climate Change Strategy

2. **Crush & Credit: Put Control of Recyclables Management into the hands of the Private Sector**
Policy recommends reverse vending machines (RVMs) be added to the recycling tools to increase recycle levels, particularly in rural and First Nations sectors of BC; and that RVMs be available to the public outside the limits of the current Recycling Depots

Finance

3. **Stop & Rewind: End the Speculation Tax Now**
A follow-up Policy to 'Anti-Canadian Tariff – Pressing the Pause Button on BC's Proposed Speculation Tax (2018). It's broken; don't fix it, scrap it.

Municipal Affairs & Housing

4. **Getting More Rental Housing onto the Market – Now**
A simple policy that calls for a reduction in the CCA (Federal Capital Cost Allowance) plus lifting the GST burden to incentivize growth in the high-grade rental market for family-sized accommodation. This fits well into the Province's 30-point Housing Affordability Plan.

Transportation & Infrastructure

5. Accelerating Transportation Infrastructure to Serve One of the Fastest Growing Regional Economies in Canada

Policy aimed at speeding up substantive regional planning for the Okanagan corridor from north Shuswap through the US border in order to move goods and services more efficiently and effectively, including a call for a re-examination of the second crossing of Okanagan Lake.

6. When we Build it, they will Come: Why an Aerospace innovation Cluster Creates New Business for BC & Canada

Policy encourages developing, alongside post-secondary institutions such as UBC Okanagan and Okanagan College – and private businesses, such as Kelowna’s KF Aerospace – and in keeping with Private Member Bill M-177 (Stephen Fuhr Okanagan Lake Country MP) a centre for pilot training (fixed wing & helicopter), AMEs (aircraft mechanical engineers), and aircraft rebuilding. There is no centre of such training outside Ontario, Quebec, and the lower mainland and there is documented need and latent opportunity right here in the Okanagan.

Public Safety

7. Share a Handshake: Move People & Cargo Across Borders & Reduce Redundant Paperwork

Recommends full government support of the “Beyond Preclearance” initiatives endorsed by multiple governments and business organizations on both sides of the Canada/US border. BC has three of the busiest airports in Canada (Kelowna #10); commonly has two-hour line ups at border truck crossings; and BC exports mining, wood, coal, propane, oil, LNG and mixed goods internationally.

Provincial Issues

8. Improving Primary Care & Saving Healthcare Dollars with Physician Extenders/Physician Assistants

This renewing policy from 2016 has been reactivated and updated. The need for broader access to medical care remains urgent and will reduce the impact of employee illness on business. Recommendation: recognize PEs/PAs in the MSP Billing Scheme at a lower rate than MDs to relieve burden on BC’s primary care physicians.