

The logo for Kelowna Chamber is a stylized, abstract shape composed of several overlapping, curved segments in various shades of orange and light beige, resembling a flower or a cluster of petals. It is centered on the page.

# **Kelowna Chamber**

**Okanagan Region Pre-budget  
Consultation – Minister Sajjan  
February 16, 2021**



The Kelowna Chamber of Commerce is a federally incorporated not-for-profit organization that is dedicated to connecting, serving, and empowering the Kelowna and region business community. The Chamber provides numerous services to its 1,000 members and the broader business community including educational seminars, major events, member benefits, and government advocacy. In 2021, the Kelowna Chamber celebrates its 115<sup>th</sup> year and it continues to be recognized as one of BC's leading business associations and among the leaders in the Canadian Chamber network. The Chamber invests 100% of the revenue it receives back into programs and services that continually add value to members, ultimately growing the Chamber's reputation and membership base. The Board is elected from the membership and comprises leaders from various industry sectors and operates with a policy governance model and succession leadership that ensures efficiencies and strategic long-term outcomes.

### OUR VISION

*We are the indispensable business organization in Kelowna and area.*

### OUR MISSION

*We exist to foster a positive business environment by providing members with leadership, advocacy, and services of value.*

### OUR VALUES

**Trust** ✖ **Passion** ✖ **Shared Ownership** ✖ **Continual Improvement** ✖ **Organizational Excellence**



## ISSUE SUMMARY

We are pleased to participate in the Budget 2021 Okanagan Region consultation in the Roundtable with Minister Sajjan February 16, 2021. On behalf of all our members, we present the following points for consideration.

As we continue to weather the pandemic, our local businesses are for the most part, continuing to operate, although many on a reduced basis – of staff, of income, of customers.

Federal relief programs – and to a lesser degree, provincial relief funding and municipal tax policy relaxation – have been absolutely instrumental in assisting businesses and not-for-profits to continue operating.

We ask for these programs to continue until such point as a completed vaccination rollout results in wide business resumption. Creation of a Canadian-produced vaccine and a return to an early-detection system for viruses and risks to our society must be included in a future overhaul of federal systems.

There are ongoing policy initiatives spearheaded by or supported by our Chamber to which we wish to draw your attention. Some will assist in economic recovery in 2021 and beyond; others are part of a broad systemic improvement in our overall business climate.

**We have identified seven key issue areas for federal government consideration in 2021 highlighted here:**

- 1. Accelerating infrastructure programs aimed at job creation.*
- 2. Continued focus on streamlining taxes and regulatory processes to lessen tax burden on job creation/stimulus projects/initiatives.*
- 3. Facilitation of cost savings measures through greater cooperation among all three levels of government including accelerated discussions focused on local government amalgamations to take advantage of economies of scale.*
- 4. Financially back-stopping provincial and local governments so they can waive or significantly reduce growing fees on new development, particularly with a focus on affordable and attainable housing.*
- 5. Paying attention to labour force demands/needs around daycare and schooling.*
- 6. Barriers to interprovincial trade/international trade*
- 7. Continued attention to critical issues impacting our economy – such as climate change, invasive species, especially Quagga and Zebra Mussels, affordable housing, mental health & addictions including early childhood intervention and balanced access to resources in light of caribou protection.*

## ***1. Accelerating infrastructure programs aimed at job creation***

Multiple infrastructure areas could see immediate progress from refreshed funding. Some are shovel-ready.

### Building & Accessibility

Outdated infrastructure in commercial and residential structures requires updating based on newly adopted building standards (e.g., The BC Energy Step Code). Clarity on accessibility standards and cost-effective requirements would allow builders to move more quickly, as would incentives or grants to avoid housing and commercial building cost increases to homeowners. Multi-government fees add upwards of \$75,000 to the purchase cost of new housing

### Transportation infrastructure

The Okanagan is in desperate need of transportation spending to quicken rubber tire supply chain traffic to/from the US and to/from the coast/Alberta and east, particularly when the pandemic ends. The Kelowna Chamber's policy adopted in 2019 "Accelerating Transportation Infrastructure to Serve One of the Fastest Growing Economies in the Country" proves it is of more importance now than ever that the massive tri-governmental expenditures required on the Coast, such as the Massey Tunnel replacement not overshadow the critical transportation needs of the Okanagan, which will enable the efficient flow of goods and an improved inter-community (regional) transit system allowing people to easily and affordably get to their places of employment. Alongside regional Chamber partners, we are involved with the City of Kelowna in launching a regional Commercial Goods Study, outlined in our policy. Federal funds could help underwrite costs of this study through the Ministry of Transportation, as well as contributing to local transportation infrastructure projects.

### Resource Infrastructure

The chronically ailing forestry industry, as well as our other BC resources, including mining, petroleum and LNG, all require massive and thoughtful infrastructure expenditure. Attracting contributing investors will not only create new jobs but ensure a brighter future for these backbones of BC's economy. Ensuring that BC's resources can reach trade gateways on the west coast is a basic component of benefitting from these rich natural gifts. Ongoing pipeline issues must be solved by the federal government.

### High Speed Internet

Several of our collegial chambers in our Valley Policy Alliance have petitioned for wider access to high speed internet in their catchment areas. (Enderby, Armstrong-Spallumcheen in particular). We recognize that the Federal Government and the Province have made a commitment to broadening access in order to improve the ability of business and citizens to take advantage of this technology. Apportioning infrastructure funding to this

initiative would be a positive step and aid economic recovery and growth in rural areas that surround the major metropolitan areas in the central Okanagan.

## ***2. Continued focus on streamlining taxes and regulatory processes to lessen tax burden on job creation/stimulus projects/initiatives.***

Dealing with the pandemic-induced budget shortfalls will be the work of years. It is imperative that new taxes are not created and layered onto small and medium-sized businesses which are the backbone of our local economy. Although we have an enviable growth profile in Kelowna, with modest unemployment, business stability remains fragile, and can be wiped away with new, punishing taxes put into place just as recovery begins.

Long-standing pressing issues revolve around the layering on of new taxes, and the cumulative impact of increased taxation and regulation at every level of government. Federal taxation policies need to be fully reviewed, as has been called for time and again by the Canadian Chamber, with our firm backing. The last time the federal tax code was fully reviewed and revised was before humans landed on the moon.

Through many of these federal and provincial tax policies and accompanying red tape, Canada and BC continue to lose ground in our efforts to be competitive in the global marketplace. A priority of our Chamber is to help ensure that our businesses can compete, grow, and innovate. The pandemic has created many headwinds that are out of our control. Some of the solutions outlined by the Canadian Chamber in its *Roadmap to Recovery* - which match those of the Kelowna Chamber include:

- *A regulatory system that works for everyone, including business*
- *A tax system that is fair, efficient and modern*

Business is willing to pay its share of taxes. Small business is the engine of our economy, providing jobs, housing, and a better quality of life for our city's residents. Governments at *all* levels must do better in ensuring regulatory requirements and taxation do not limit our ability to compete and thrive in a global economy.

Additionally, in 2020, the Kelowna Chamber highlighted the high cost of Transport Canada Civil Aviation (TCCA) approvals for Supplemental Type Certificates and Technical Standard Orders. TCCA, through oversight activities, verify that the aviation industry complies with the regulatory framework through certifications, assessments, validations, inspections and enforcement. The policy adopted at the national Chamber policy convention in October 2020 highlights the need for TCCA to better serve Canadian businesses, which currently take second place to international companies seeking approvals in one of the five districts providing certification in Canada. Kelowna and BC have lost businesses to the US due to this issue, as certification is more rapid and cost-effective for companies seeking Canadian certification from outside the country. This must be changed to preserve Canadian jobs.

### ***3. Facilitation of cost savings measures through greater cooperation among all three levels of government including accelerated discussions focused on local government amalgamations to take advantage of economies of scale.***

In response to the UBCM Mayors Caucus, give greater taxation and revenue sharing authority / opportunities to local government through:

- Participation in any discussion by upper levels of government aimed at reviewing taxation/revenue authority for local government.
- Encouraging a principle-based approach to discussions focused on reducing the cost of government, streamlining services, and reducing the costs and taxes which make market housing unaffordable for most Canadians.
- Capping local government business tax ratios to more than 2:1 residential rate
- Requiring all major urban regions dedicate all gas tax revenue to transit funding (not just in Metro Vancouver).
- Requiring a third-party analysis of the potential benefits of amalgamating local governments in the province's densely populated urban areas to streamline services prior to any consideration of providing greater financial resources/authority.
- Re-establishing and adequately funding the office of the Auditor General for Local Government (provincial)

### ***4. Financially back-stopping local governments to reduce costs of new development, particularly with a focus on affordable and attainable housing.***

Communities across Canada face increasing pressure to provide accessible and affordable housing for our residents. In Kelowna, housing affordability is a distant dream for many workers, and multiple layered costs including municipal and provincial fees continue to rise. Federal programs to alleviate this upward pressure could include relaxation of the mortgage stress test, and better support for first-time buyers and immigrants.

Robust employment and job growth are highly dependent upon affordable housing.

Impacting the issues of a healthy, housed community are two other factors: housing for and caring for homeless persons; and wraparound healthcare including management of the opioid crisis and street vagrancy. Federal programs need to be more robust and designed in better partnership with provincial and municipal programs.

As both business and community stakeholders, our Chamber is committed to helping build a healthy, vibrant city with a top-tier standard of living. In 2019 we published the [Kelowna Economic Scorecard 2019](#) which measures Kelowna against other mid-sized cities on a range of social and economic indicators.

Our Chamber members are increasingly focused on ensuring that Kelowna's economic growth is achieved in balance with building a cohesive community. As a community-oriented business organization, we have a key

role to play in these discussions. Multi-levels of government can support these initiatives by working more closely with our Chamber and the business community to ensure that all voices are heard, respected and acted upon.

## ***5. Paying attention to labour force demands/needs around daycare and schooling.***

As all of Canada including BC grapples with a skills shortage, Kelowna's economic future hinges on attracting and training a workforce that can meet growing labour needs. We are focused on trades training, growing the retention of university graduates, welcoming and housing immigrants to our area, and ensuring that diversity and inclusion practices are widespread in business and in our community.

A focus on better management of the Temporary Foreign Workers program and the Provincial Nominee Program, with red tape being cut by federal offices and a faster-track program for processing all applicants is central to the success of these programs. Our agricultural sector alone would benefit significantly from a reduction of red tape. Federal and provincial officers must work in partnership on these initiatives.

Locally, our tech industry continues to expand by 15% a year, every year since 2013, according to a recent study by the Central Okanagan Economic Development Commission. The tech sector has contributed \$1.7 billion to the regional economy with nearly 700 businesses and more than 12,000 jobs in the last five years.

Our economic growth is dependent on the availability of a skilled workforce. Training and education are key in developing programs to give business the ability to train workers. Government support and funding are required. Daycare and schooling availability mean our labour force is enhanced through the partial/full employment of parents/care providers.

## ***6. Barriers to Interprovincial trade/international trade***

Across Canada, a rapid growth in GDP could be realized if provincial border trade restrictions came down – now. Repeated calls for this economic fix are given airtime, but action is lacking.

Disputes over single product imports *and* exports, such as beer, wine, spirits, oil, and other products must be solved, rather than seen as a dispute-based 'winner take all' exercise. MP Dan Albas's Private Member Bill 260 is an example of the extreme lengths to which elected officials go, trying to circumvent trade restrictions – in this case, on Okanagan-based wineries, distilleries and breweries.

All provinces must settle their differences and quit barring interprovincial trade. The federal Government has periodically focused on internal trade but results have not been forthcoming. Ongoing work on the Canadian Free Trade Agreement appears to lack concrete timelines or a firm list of priorities.

Our Chamber authored a policy resolution, provincially and federally in 2018, calling for the barriers to interprovincial trade to come down. Both were adopted and are affecting policy discussions in Ottawa.

Internationally, the needs are equally great although the pressure of the pandemic on international supply chains remains a factor inhibiting progress.

## ***7. Continued attention to critical issues impacting our economy – climate change, invasive species, mental health & addictions including early childhood intervention and balanced access to resources in light of federal caribou protection programs/SARA***

### Climate change

Climate change threatens our health, economy, way of life and planet. Clean growth is the way to create good jobs and power our long-term economic recovery. The Kelowna Chamber has been a leader in creating policy that meets CleanBC initiatives and saw its 2020 policy “Hydrogen & Hydrail: a Real Advancement in the Transportation Sector” adopted at the Canadian Chamber Policy Forum in October 2020, just as hydrogen-powered initiatives and IPOs were gaining momentum across the country.

We ask the Federal Government to be steadfast in its efforts to meet the standards of international accords as industry adapts to the climate challenges ahead.

### Invasive species - plants

Invasive plant species in the Okanagan and on the high desert in southern BC continue to plague our cattle industry. Funding is minimal for control and research, and renewed attention must be paid to this critical issue – time is the great villain when dealing with living organisms. Once established beyond a certain point, eradication is not feasible, either economically, or through environmentally acceptable means. Funds could create jobs to improve tracking and removal of these plants.

### Invasive species - mussels

Quagga and zebra mussels have edged closer to our freshwater lakes in the Okanagan over the past few years. Our MPs and our MLAs continue to advocate for better monitoring at all border crossings into BC, whether from the US, Alberta or Alaska. Since these mussels are now in BC, highway monitoring stations need to be set up closer to non-invaded areas, particularly when the pandemic eases and travel picks up to our Okanagan area.

Once established, these mussels cannot be eradicated. The costs to water-related infrastructure, and tourism are in the millions of dollars annually. Numerous case studies of Canada’s freshwater resources are living proof of the cost of ineradicable invasions. Again, time is the villain – if we wait much longer, the invasive mussels will be



here, and our window of opportunity to prevent this scourge will have closed. Federal spending on this clean water initiative will make the difference for generations to come.

## [Mental Health and Addictions](#)

We have found that COVID-19 has exacerbated the impact of this broad spectrum of societal issues. In May 2020, the Kelowna Chamber saw its home-grown policy “Keeping BC Communities and Their Economies Safe in an Era of Drug Addiction, Mental Health Issues and Homelessness” unanimously supported throughout the province, where no community is escaping the fragmentation of the lives of some of its citizens and the destruction of businesses and built-up areas.

We repeat the well-known information that BC and Canada are experiencing a mental health and addiction crisis. Mental illness and addiction affect one in five people across Canada, significantly impacting business and the economy. Further, untreated (or undertreated) mental illnesses and addictions are pervasive within the homeless population, which can lead to anti-social behaviour affecting public safety that can, in turn, affect local business. In addition, un- or under-treated mental illnesses and addictions complicate the transition of homeless into permanent housing and can lead to recidivism in offenders, increasing the costs of social housing and to our justice system. We applaud the imminent adoption of one of our Chamber’s long-standing policies, to establish a Community Court – now anticipated at mid-2021.

Federal funding presents an opportunity for action on our policy recommendations and we ask that recovery funding be redirected to these areas to alleviate the critical profile of mental health and addiction issues.

## [Balancing Caribou protection with access to the backcountry](#)

The provincial and federal governments and Chambers across BC have for several years, looked for balance between caribou protection and access to natural resources and the backcountry. Both herds and backcountry recreation must find ways to co-exist. Chambers have worked with First Nations and key ministries; while pandemic-related subjects continue in the limelight, this critical issue for the ongoing economic health of backcountry recreation providers must not be forgotten. Tour guides, equipment rental agencies, accommodation providers: all are caught up in the uncertainty of the future of governments’ decisions on this issue. As well, we are concerned that some of the proposals contained within SARA (Species at Risk Act) are implemented without regard for longstanding land management and usage groups in the province, including the Okanagan. Outreach to the impacted communities from the Ministries implementing these policies is required, to better understand the cumulative impacts to economies and the land base.

**We appreciate the opportunity to present our policy issues to the Minister prior to the federal budget 2021.**