



# BC Election 2005

## Creating a positive future for BC Tourism

The Council of Tourism Associations of BC (COTA) is a non-partisan organization committed to growing British Columbia's tourism industry. COTA advocates the policy concerns and recommendations of over 18,000 tourism businesses that create jobs for 117,500 British Columbians. Our mission is to advocate to and educate government, the business community, the media, the industry and the public on behalf of the tourism industry. We work with all levels of government, the media and businesses to ensure that the interests of tourism operations are heard and recognized in a meaningful way.

The May 17, 2005 provincial election gives businesses and employees in British Columbia's tourism industry the opportunity to look at the policies and performance of the parties and candidates on a range of important issues affecting the industry.

COTA has prepared this summary and analysis to help inform our members about the platforms and policies of the major parties.

We encourage everyone whose livelihood depends on tourism to talk with their local candidates and determine who will do the best job in creating a dynamic climate for future growth and opportunities in our industry.

## Enhanced tourism marketing

- Double funding for Tourism BC, starting this year, to double tourism marketing in BC and around the world – a measure the NDP intends to reverse.
- Increase tourism's share of the hotel room tax from 1.65% to 3% by 2008, to ensure its marketing revenues grow as the tourism industry grows.
- Gave each of BC's six tourism destination regions \$2 million more for marketing their tourism products, through the provision of a one-time grant of \$12 million in 2004/05.
- Work with the Union of BC Municipalities to market tourism throughout BC, with \$25 million in new funding provided in 2004/05.
- Continue to promote summer and winter tourism with domestic marketing campaigns across BC.
- Develop an integrated First Nations Tourism and Cultural strategy, working together with First Nations.
- Work with Tourism BC to produce and market an IMAX film that shows the best of BC around the world.
- Expand efforts to promote marine tourism, agri-tourism, and eco-tourism.

## Small business and the economy

- Launch a comprehensive review of BC's tax policies and legislation.
- Explore viable options to extend parental leave benefits to self-employed and part-time workers.
- Work with the new BC Competition Council to conduct a comprehensive review of BC's competitiveness in every sector and region. The Council will identify barriers to growth and opportunities for improvements for government and the private sector alike.
- Create a permanent Small Business Roundtable, to provide ongoing advice to government on making BC the most business-friendly jurisdiction in Canada.
- Uphold workers' democratic right to a secret ballot vote on certification.
- Maintain flexible Employment Standards.
- The lowest provincial income taxes in Canada for all lower and middle-income levels.
- Introduced more competitive small business tax rates.

## 2010 Olympics

- Host the most successful Olympics ever.

## Tourism infrastructure and investment

- Build the new \$565 million Vancouver Convention and Exhibition Centre, to generate \$230 million in additional annual convention business for BC.
- Implement the BC Resort Strategy, to create new and expanded all-season resorts throughout BC, with \$4 billion in new investment.
- Expand and market the new signed "circle routes" and winery routes aimed at drawing tourists to every region in our province.
- Build the Spirit of 2010 Trail network to link 18 communities across BC with four new world-class hiking trails and turn abandoned rail beds into major tourism attractions.
- Rebuild the historic Kettle Valley railway trestles that were destroyed in the Okanagan fires.
- Invest \$16.5 million more over the next three years to improve park conservation and safety with up to 50 new Conservation Officers and Park Rangers and a new BC Conservation Corps.
- Open new tourism Gateway Centres at key provincial gateways, including Peace Arch, Osoyoos, Golden and Merritt.
- Welcome visitors to British Columbia, Canada with attractive new gateway signage at our provincial borders, ports and airports.

## Transportation

The BC Liberals have implemented a \$10 billion transportation action plan that includes:

- New bridges
- Better roads
- Expanded ports
- New rapid transit
- Expanded airports
- Enhanced borders
- New rail services
- Better public transit

Key transportation initiatives in progress of interest to BC's tourism industry include:

- Continue to dedicate all fuel tax revenues to improving transportation.
- Assist Prince Rupert port expansion.
- Complete the \$670 million expansion of Highway 1 through the Kicking Horse Canyon, working in partnership with the federal government.
- Complete the \$200 million first phase of the Cariboo Connector towards four-lanes of Highway 97 between Cache Creek and Prince George.
- Build the new Okanagan Lake bridge in Kelowna.
- Build the RAV Line to ease congestion, reduce vehicle emissions, and improve rapid transit from Richmond to downtown Vancouver.
- Support TransLink's plan to improve rapid transit to communities in the Lower Mainland's northeast sector.
- Complete the Sea-to-Sky Highway expansion project.
- Work with the federal government and the private sector to expand the cruise ship facility in Prince Rupert.
- Work with BC Ferries to deliver three new ships and improved ferry service between Port Hardy and Prince Rupert, along the mid-Coast, and Queen Charlottes.
- Complete \$241 million in improvements at international border crossings.
- Support TransLink's plan to build the new Fraser River crossing – the Golden Ears Bridge – connecting Maple Ridge to Langley.
- Complete the expansions to the airports at Prince George, Terrace/Kitimat, Cranbrook, Campbell River and Courtenay/Comox.
- Twin the Port Mann Bridge to widen the Trans Canada Highway.
- Build the new Pitt River Bridge and Mary Hill Bypass.
- Build a new bridge across Lower Arrow Lake, to replace the Needles ferry.
- Support BC Ferries' plan to build new ferries and expanded terminals with private capital through open tendering to avoid risks and costs for taxpayers.
- Ensure that BC Ferries' rates and routes remain independently regulated and free of political interference.

## BC Liberal Assessment

The BC Liberal platform and the performance of the government while in office reflects a very strong, forward thinking strategy to grow British Columbia's tourism industry. COTA is pleased that many of the issues of concern to the tourism industry are being addressed.

Premier Campbell and the members of his government have been very responsive to the ideas and concerns put forward by COTA and we believe this has been reflected in their actions. COTA believes that the government's record on tourism sets the "gold standard" for future governments to meet and exceed.

Simply put, no government in British Columbia history has done so much to market our province as a world-class tourism destination. The doubling of tourism marketing announced by Premier Campbell at UBCM in September 2004 will pay important dividends for the next decade and beyond. Likewise, enhancements to regional tourism marketing efforts are welcome news as the industry continues to rebuild following several years of unforeseen difficulties.

The government's work to bring the 2010 Olympics to British Columbia and to leverage the economic benefits of the games to all regions of the province has also been outstanding. COTA will continue to provide its insight and counsel to all levels of government and VANOC to help ensure the Games are the most successful ever.

The BC Liberals' transportation strategy builds on the input and advice of COTA and its members. Recent investments in regional highway improvements are reflective of COTA's policies and we anticipate that these will continue to grow with the economy. Likewise, tourism infrastructure improvements have been numerous in the past four years and we encourage further investment in this area.

The government's strong understanding of the needs of small and medium-sized businesses is also readily apparent. Policies to lower taxes, reduce red tape and promote workplace flexibility are helping to build a very positive business climate. COTA encourages the BC Liberals to continue on this policy path, which has helped to form the basis for the private sector to invest, create new jobs and foster new opportunities.

COTA is very supportive of the BC Competition Council's initiative and encourages the Council to put a strong focus on making our tourism industry even more competitive by building on the government's initiatives in areas such as tourism marketing, transportation infrastructure and human resources.

## Tourism

- Increase investment in the SuperNatural BC advertising campaign, support the marketing and coordinated packaging of BC tourism products, and develop more targeted marketing opportunities for BC's ecotourism operators.
- Offer long-term leases to small-scale tourist operators to build lodges and other tourism facilities outside existing parks on Crown land provided that there are no conflicts with wildlife and that local citizens and First Nations approve.
- Ban the construction of new private resorts in provincial parks.
- Increase funding to educational institutions to upgrade and expand interpretation, guiding, hospitality, and management programs.
- Promote cultural and aboriginal tourism industries to aid local economies in diversification.
- Expand the BC Heritage Sites program, in cooperation with local governments and interested citizens, to revitalize historic communities in BC and attract tourists to these destinations.

## Small Business and the economy

- Reduce the small business tax rate to 3% from the current 4.5% over a three-year period.
- Work with the federal government to harmonize PST and GST collection and reporting to simplify accounting for businesses and save them money.
- Repeal the \$6 training wage.
- Shorten the full-time work week to 35 hours.

## 2010 Olympics

- Establish regular financial reporting to the public on the status of the 2010 Olympic Games spending and related projects.

## Transportation

- In concert with municipal governments, reduce dependency on single-occupancy vehicle traffic through tax-shifting measures like tolls, increased parking fees and odometer-based automobile insurance on pleasure-use vehicles that reward people who use their cars less.
- Use the public money saved by cancelling costly transportation mega-projects to invest in more flexible, convenient and smaller-scale forms of public transit including fast buses, mini-buses and passenger-only ferries.
- Keeping public highways under public control and directing the net revenues from any tolls back into that local area transportation infrastructure.

## Green Party Assessment

While the Green Party platform is somewhat lacking in a delivery plan, the broad support for increasing tourism marketing is welcome. The party's labour policies, however, would be harmful to the many small businesses that require workplace flexibility in their peak customer seasons. On transportation issues, there seems to be a lack of appreciation that the industry's well-being is heavily dependent on the ability to move people efficiently and safely on a robust highway and road network. The lack of specificity on which mega-projects would be cancelled by the Green Party is of concern, as this could negatively impact on the transportation infrastructure such as the RAV Line, Olympic venues and the Vancouver Trade and Convention Centre. The party's commitment to small business tax cuts is welcome.

## Tourism marketing

- The NDP platform contains no specific mention of tourism industry priorities such as expanded tourism marketing and tourism infrastructure, with the exception of “expanding the Buy BC program’s reach by marketing not just BC produce but agri-tourism destinations such as BC’s vineyards.”
- With respect to tourism marketing, page 63 of the platform states that to pay for its promises, “revenues would be reallocated to focus on spending in priority areas.” Cuts would include “*eliminating the budget increase of nearly \$43 million for ‘executive and support services’ in the Ministry of Small Business.*”
- However, according to the Ministry of Small Business and Economic Development Service Plan (a document which has been in the public domain for months), the increases the NDP refers to include a \$24 million grant to Tourism BC to double tourism marketing and \$17.2 million that is part of the planned cash flows for the expansion of the Vancouver Convention Centre.
- When COTA raised concerns that the NDP platform appeared to be cutting tourism marketing, NDP Leader Carole James told the Vancouver Sun on April 14, 2005, “We’ll be taking a look at their projects to see which ones we continue on and which ones will be deferred.”
- In the same article NDP spokesman Clay Suddaby “couldn’t comment on whether the New Democrats would restore the Tourism British Columbia grant without knowing further details of what the money would be used for.”
- In a subsequent letter to COTA dated April 17, 2005, the NDP leader reversed this position, indicating that “there is more than enough money in the NDP platform to support the boost Tourism BC funding outlined in the service plan of the Ministry of Small Business and Economic Development.”

## 2010 Olympics

- Ensuring “that the 2010 Games are socially, environmentally and economically responsible and bring benefits to the entire province.”
- Using “the 2010 Games to strengthen cultural tourism through initiatives that raise awareness and interest among visitors of the unique arts and culture features of our province and its regions.”

## Transportation and tourism infrastructure

- Develop a long-term transportation plan.
- Make BC Ferries accountable to British Columbians by restoring it as a Crown corporation.
- Move the Kicking Horse improvements into high gear by doubling current investment levels by dedicating a further \$11 million for the corridor in 2005/06.
- Make multi-year investments in rehabilitation of highways in every region of the province.
- Accelerate completion of the rapid transit line to Coquitlam Centre in the northeast sector of the Lower Mainland with a \$170 million provincial contribution in 2007/08.

## Economy and small business

- Scrap the \$6 an hour training wage.
- Ensure fair employment standards and strengthened enforcement (\$3 million).
- Ensure a strategic and competitive tax and regulatory environment that stimulates and supports innovation, job creation and diversification.
- No new taxes on small businesses.
- Reduce regulatory costs while maintaining high standards.

## NDP Assessment

Although the past NDP government established Tourism BC in 1997, the tourism industry still remembers 1996 when the NDP broke its election promises with respect to tourism marketing levels. In May 1996, then Premier Clark announced that Tourism BC would become a special operating agency. The government assured the industry that there would be no budget cuts for three years. However, in September 1996, the government announced a 25% budget cut, from \$25.7 million to \$19.1 million. Only after an outcry from the industry was funding partially restored through a one-time grant of \$3.8 million, leaving Tourism BC with a 10% reduction. For these reasons, COTA remains very skeptical of the NDP’s stance on tourism marketing and subsequent attempts at clarification.

The tourism industry also remembers the NDP government’s failed attempt to expand the Vancouver Trade and Convention Centre.

The NDP’s labour and employment standards policies would erode workplace flexibility and be harmful to the business climate. The lack of specifics on the issue of taxation is of concern given the NDP’s record in government. Greater support for tax cuts for small and medium-sized businesses and individuals would have been welcome.

Given that the province already has a fairly well-developed \$10 billion provincial transportation policy, it is disappointing that the NDP platform only pays this important issue lip-service. Restoring BC Ferries to public ownership would create a huge debt liability for taxpayers. It would also open the corporation up to the political interference that resulted in the construction of the fast ferries at a time when an aging fleet needs to be revitalized.