



Council of
Tourism Associations
of British Columbia



Tourism Day at the BC Legislature 2005

Tourism Issues Book



Dear Friend of the BC Tourism Industry,

On behalf of the Council of Tourism Associations of BC (COTA), I would like to welcome you to another Tourism Day in the Legislature.

On November 22nd, 2005, senior tourism leaders will be climbing the steps of our provincial legislature to increase awareness in Victoria of the importance of the tourism industry and the issues that drive it.

Front and center in the minds of tourism operators this year will be the knowledge that our current government has taken important steps to better position BC tourism products in the global marketplace. Tourism has its own ministry and a strong minister overseeing its interests. Tourism BC's budget has been doubled and our regional destination marketing organizations have received a substantial funding boost from the provincial government. Indeed, the biggest banner our industry will be carrying to our province's capital this year is one of great thanks.

As a tourism operator myself, the desire to compete on the world stage never stops. Yet the entrepreneurial spirit that drives us to win, is the same force that compels us to make BC a better place to live and work.

Between the pages of this Tourism Issues Book, readers are provided with the challenges still facing B.C.'s economy and the energy that our industry is ready to put into the solutions. Its content summarizes the ideas that the BC tourism industry will be putting forward as part of our visit in Victoria this November.

We look forward to seeing you then.

Best regards,

*C. Michael Campbell
Chairman of the Board and President*



1.0 Introduction

1.1 COTA: Who We Are

Founded in 1993, the Council of Tourism Associations of BC (COTA) is the industry organization representing tourism associations and operators in British Columbia. We represent the interests of nearly 18,000 tourism businesses on all issues impacting on the industry here in B.C.

Our mission is to be an increasingly strong voice for the tourism industry through communication and involvement with our members. COTA advocates and educates government, the business community, the media, the industry and the public on behalf of the tourism industry. Working proactively with stakeholders, COTA is helping to resolve tourism's diverse challenges.

1.2 Goals of Tourism Day in the Legislature

This event promotes two-way, face to face communication and education between government and the members of COTA. The first event occurred in 2003, and was a great success. COTA members had an opportunity to be a part of small group meetings involving Cabinet Ministers, MLA's and senior government officials.

Specific goals include:

- a. Fostering a culture of cooperation and communication between government and the industry
- b. Identifying and discussing barriers to tourism development and economic growth
- c. Identifying potential solutions to barriers and strategies for capitalizing on opportunities

2.0 Tourism Issues & Policies

2.1 Human Resource Issues

The tourism industry is facing a labour shortage crisis. Finding qualified employees is more challenging than ever for tourism operators and due to changing demographics and other factors, this situation will become more challenging in the future. A recent survey across multiple tourism sectors and geographic areas of British Columbia conducted by go2 – the B.C. tourism industry's human resource association – showed that 41% of BC tourism employers reported having trouble finding qualified employees vital to running their business.

So why is it so hard to find experienced and qualified people? At the root of the problem, there's a demographic shift that will result in significant skilled labour shortages in the next 10 years. Retiring Baby Boomers and lower birth rates pose serious challenges for tourism, an industry that is expected to need 84,000 new skilled workers within the next decade.

Another challenge lies in the perception of tourism as a gainful employer. Many believe tourism jobs are low pay and entry-level. Interestingly, a recent compensation survey shows the contrary. There are



a large number of entry-level positions in the industry, but often when gratuities are added in a minimum wage job can double. Meanwhile, there are many management level positions that pay above \$40,000. For example, a hotel General Manager can make upwards of \$60,000 per year. The opportunities are there, but unfortunately, the awareness of careers in tourism is not.

2.1.1 Maintain and fund additional seats for cooks/chef training programs

Recent research, including the Kunin report “2010 Winter Games Labour Supply and Gap Analysis” and the 2002 report by CS/Resors Consulting indicates that there will be a significant demand for skilled cooks and chefs over the next decade. In fact, Kunin finds that there will be a shortfall of 1661 cooks and chefs during this period of time and placed these occupations on her “watch list” stating “Given the importance of this occupational group in the overall tourism related industry, it may be necessary to take measures to encourage those who are not currently certified to take proper certification, or alternatively, to attract qualified persons from out of the province to meet the needs in the Games year.”

We urge the government to ensure that public, private and secondary school training for cooks and chefs is increased to a level that will meet the projected demands for this occupational group.

2.1.2 Human Resource Development Investment Tax Credit (2004)

The BC tourism industry is mainly composed of small and medium sized businesses, many of which are family owned and run. As the tourism industry builds a culture in which employers recognize the inherent value of their employees, the need and desire to ensure that those employees have access to training opportunities is paramount. Human capital has become a keystone of the success of the industry.

The creation of the Industry Training Authority is a good first step, but much more needs to be done. COTA endorses a new financing model that has been put forward by the BC Chamber of Commerce called the Human Resource Development Tax Credit.

There is precedence in Canada for such an initiative. In the 2004 Ontario budget the government announced a tax credit that would refund 25% of salaries and wages paid to an eligible apprentice in one of the over 100 qualifying skilled trades. This credit would increase to 30% for small businesses, categorized as businesses with payrolls not exceeding \$400,000.

The BC Chamber and COTA see this as a good place to start. While it is difficult to gauge, the cost of such a program could become a revenue generator for government. This was highlighted by a technical paper on “Encouraging Workplace Training – Towards a Federal Skills Investment Tax Credit” (2002) for the Ontario Ministry of Training, College and Universities, DRI-WEFA which concluded:

“Based on existing empirical work it can be demonstrated that gains in economic output could outweigh the program costs of a tax credit based training program. These range from a 2 to 1 gain up to 4 to 1 gain to the economy depending on the assumptions made.”



The BC Chamber and COTA believe that a human resource investment tax credit would be a progressive and effective tax incentive to stimulate training that would lead to a greater number of skilled workers throughout the province.

2.2 Resource Issues

2.2.1 Assessment of Tourism Operations at Highest and Best Use

The current system that assesses tourism operations according to their highest and best use is resulting in high tax and leasing structures for tourism operators. The result is tourism operators are being forced to make business decisions that undermine the long-term economic interest of the host community and the provincial tourism industry. For example, operators are selling waterfront campground and recreational land for residential housing or stratifying their property and selling strata units. This trend is alarming especially since BC already has a shortage of market ready tourism product.

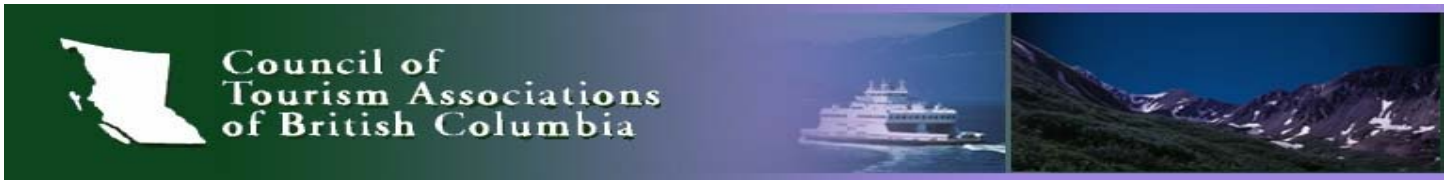
The challenges mentioned above stem from:

- The classification and valuation process does not account for factors like the seasonality of operations, or that large parts of campground land that are used for recreational purposes.
- The Tourist Accommodation Assessment Relief Act (TAARA) does not reflect the significant increases in property values occurring across BC.
- Property valuations are determined using a “highest and best use” approach which is resulting in values that far exceed “actual use” values.
- Crown land under lease to a tourism business is valued and taxed as private property despite the fact that the owner’s rights are limited by the terms of the lease.

2.2.2 Lack of certainty for Tourism in Forest Stewardship Planning

The Forest and Range Practices Act (FRPA) that came into force January 2004 shifted the forest industry to a results-based environment. In essence, forest companies now comply with government-established objectives to develop Forest Stewardship Plans (FSP) that tie foresters to legally enforceable strategies and results. These objectives relate to specific environmental and forest management practices, leaving other resource users such as tourism with no legal footing in the FSP process.

The Ministry of Forests expects that FSPs will cover most of the province, covering a geographical area similar to existing "chart areas" within the timber supply areas and tree farm licenses. The FSPs must be consistent with any higher level plans, including land-use plans, land and resource management plans, or local resource plans that may be in place. This is consistent with the current Provincial Forest Legislation and the province's Working Forest policy and will overlap with a matrix of other public and tenured uses of the forested land base. FSP's are now being developed and the province's network of FSP's must be in place by December of 2008.



Scenic areas and visual quality objectives within them are included in FRPA, but this provision is far from sufficient for tourism's needs. For one thing, much of the province's geography has not been assigned scenic areas. The Ministry of Agriculture and Lands define scenic areas, and the Ministry of Forests assigns VQO's. The Ministry of Tourism, Sport and Arts does not appear to have any role in the assignment of either, even though the industry most affected by these is tourism.

Most importantly, there is little to no legal obligation for licensees to meaningfully consult and accommodate local tourism operators when creating FSPs. The forest licensee is required under Section 21(1) (c) of the Forest Planning and Practices Regulation to provide a person with rights an opportunity to review the FSP-commensurate with the values and risks to those rights. This requirement is passive and the tourism operator has no legal standing in the review to negotiate a better deal or resolve conflicts around the cut plans, including access development and de-activation, cut block design, post-harvesting treatments, etc. as they affect the tourism operation. This fact has the unintended potential to erode the legal title afforded by commercial recreation tenures, jeopardize tourism investments and threaten employee job security.

The provision for the review of Forest Stewardship Plans is not sufficient to ensure that conflicts will not arise. This leaves the onus on the tourism operator to identify, problems and point them out to the licensee, (and justify) with little or no authority to press for changes. Although in most cases forest licensees tend to relate well to the tourism operators in their range of operations, in some cases they will not. The bottom line is that the licensee would not be subject to legal sanction under the new act for non-compliance, even if any arrangements were discussed between the licensee and tourism operators.

Tourism operators do not, on average, understand the complexities of typical Forest Stewardship Plans in sufficient detail to enable them to take a meaningful role in the passive review process. However, they do know their own businesses, and their interests very well. Therefore it would optimal if, in approving the FSP's the local decision maker (usually the MoF District Manager) had to meet the provisions of a legal duty to not only consult, but to accommodate the interests of the tourism operator who is managing a legal business in the province of BC. It does not seem rational that a forest industry representative or a representative of the Ministry of Forests is responsible for assessing the risk to the tourism operator's business and the tourism operator has no role in the process.

This issue is clearly important to tourism's certainty for long-term viability on the land. Therefore COTA recommends that a task force comprised of COTA representatives and senior officials from the Ministries of Agriculture and Lands, Tourism, Sport and the Arts, and Ministry of Forests convene without delay to ensure that this important issue is resolved before more Forest Stewardship Plans are approved.

2.2.3 Promoting the Long Term Viability of Wild Salmon

The wild salmon is an icon of BC, and one of the backbones of the BC tourism industry. It is fished in our waters and served in our restaurants.



Pacific salmon are the foundation of coastal ecosystems of British Columbia. Salmon are not only an important nutritional and cultural focus for coastal First Nations, but they are also important for over 140 species of wildlife that share the coast. For millions of years, Pacific salmon have journeyed back to their natal streams and lakes to spawn, providing an important food source for coastal bears and wolves, as well as numerous other species. In time, salmon provides nutrients for coastal forests.

COTA is concerned about the viability of Pacific salmon stocks. For this reason, COTA supports the mandate of the Pacific Salmon Forum and looks forward to recommendations back to government that are well-researched and thoughtful, in a timely manner. Following those recommendations, the industry will be urging all governments responsible to act quickly before more stocks are lost.

In addition, COTA calls upon both the provincial and the federal governments to monitor the health of salmon returns closely, and should 2005 returns show a significant decrease in the number of salmon, to take action swiftly and accordingly.

2.3 Manage Tourism Growth in a Sustainable Manner

2.3.1 Limits of Acceptable Change in Awarding Land Tenures

As more effective efforts to market the BC tourism product unfold, the province's goal of doubling tourism can be realized in three possible ways: one, increase the length of stay of tourists at a destination; two, offer a higher quality product which will demand a greater return for the service; and three, increase the amount of product on offer.

Predictions by Tourism BC and the Canadian Tourism Commission say that tourism is going to grow, both in terms of numbers of visitors and amount of revenue. Tourism BC is predicting a total of \$9.9 billion in revenue as a result of visitor spending in 2005. These numbers are forecasted to steadily grow in advance of and as a result of the 2010 Olympic Games.

COTA is predicting that if land tenures and licenses are to retain their value under these increased growth conditions, proper planning needs to occur to manage the potential conflicts between all land users as the popularity of BC as a place to visit and invest grows.

Government, tourism and other resource-based industries, First Nations and public recreation users must work together now to ensure BC's natural competitive advantage is maintained for generations to come.

Work has already begun with First Nations and fellow resource-based industries in the form of legislation, new policy directions, LRMPs and industry-to-industry agreements. The time has come for a process involving the best available tools that will manage overlaps and conflicts between public and commercial recreation enthusiasts. Already showing much promise in other jurisdictions, the Limits of Acceptable Change (LAC) process is such a tool.



The LAC process would bring public and commercial recreation interests together to set environmental and social objectives for these areas and to assign land access allocations that meet these mutually agreed upon objectives. Instead of relying on some arbitrary and clumsy formula to protect the land base, LAC through due process adopts and sets thresholds that users abide by.

The tourism industry asks government to apply the LAC process beginning in these hotspots and areas where plans have already been undertaken for recreation and tourism.

Through appropriate management of recreation and tourism uses, it is critical that commitments are made by government and stakeholders to implement these plans, to put monitoring and feed-back systems in place (as per LAC), and where appropriate, to undertake compliance and enforcement activities.

2.4 Future Planning – Industry and Government as Partners

2.4.1 A New Ministry, Focused on Tourism, Sport and the Arts

The formation of this new ministry and a strong Minister and Deputy Minister to head it up underlines this government's commitment to the growth of the industry, and its belief in its return on investment. COTA and its members are looking forward to having a strong advocate within government and a leader in the development and fostering of tourism. We look forward to working closely with the TSA Ministry in addressing the remaining barriers to growth and the creation of a vision for the future shared by both industry and government.

2.4.2 Strengthened Marketing Resources for Tourism BC

Tourism BC was created after intense work by COTA and the industry in promoting an independent marketing body, led by a Board of Directors drawn from industry, and funded by a source derived from industry performance - the Hotel Tax. COTA and the industry were delighted with the announcements in September, February and in the BC Liberal Platform document that outline new funds dedicated to marketing the province as a tourism destination. The Liberal Platform document went a step further - promising that by 2008, the amount dedicated to tourism marketing would equal 3% of the Hotel Tax.

Tourism BC is the province's destination marketing body and industry values its activities in the following areas:

- Marketing strategic planning
- Market research
- Advertising, promotion, sales, and merchandising
- Training and education
- Visitor Services/ Call centre operations
- Gateway and community Visitor Information Centres
- Tourism industry community development



Over the years, we have watched Tourism BC grow as an effective provincial destination marketing organization. With added resources, the corporation is planning to further develop these areas, which is welcomed by the industry, as these services are greatly needed.

The industry recognizes the value of the mandate that government has authorized for this organization:

- Independently managed by an elected, industry-led Board of Directors without political interference
- Possessing a clear mandate under legislation to implement marketing programs with funding from the hotel tax and voted appropriations with no conditions or strings attached.

We look forward to the fulfillment of the promise contained in the 2005 BC Liberal election campaign to increase tourism's share of the hotel room tax from 1.65% to 3% by 2008, which will be dedicated entirely to Tourism British Columbia's marketing activities. We recommend that legislation to achieve that change be drafted as soon as possible, in order that we can ensure its enactment by fiscal 2008.

As stated, above, the newly formed ministry of Tourism Sport and the Arts is also welcomed by the industry. COTA recommends that the new ministry and Tourism BC develop a working agreement that ensures that an overlap in roles is avoided, increasing the strength and effectiveness of both entities.

2.4.3 Foresight: Shaping and Sustaining Tourism in BC

In the past years, economic, social, cultural and environmental forces have had a significant impact on the industry. It is conceivable that these forces will continue to affect the industry in the years to come.

At the same time, tourism itself both benefits and impacts the sustainability of the world around it. Sustainable practices by industry operators will enhance the benefit and mitigate the impacts.

Thus, COTA has launched a project called "Foresight" to both establish a collective vision and action plan to sustain itself into the future and to create a Code of Ethics and sustainability policy that addresses tourism's actions in the present, increasing the sustainability of its cultural, social environmental and economic context.

In its early phases, planning is being overseen by an advisory committee of the BC tourism industry's most senior leaders. The impetus for the project stems directly from the growth expectations British Columbians have for the industry. The goals of the project are as follows:

- articulate of a vision of the future of the BC tourism industry
- articulate a sustainability policy for the BC tourism industry, including economic, social and environmental sustainability elements
- identify key social, economic and environmental change drivers that will affect the industry in the future
- identify key measures that the industry must take to embrace change



- create a measurement tool to enable individual industry members to assess and reward their success in achieving sustainability

The project is spread out over three phases and is scheduled for completion December 2007. Phase I will establish the vision. Phase II will see the development of the research and the policy, while Phase III will demand the practical application of the policy in the business of tourism.

COTA looks forward to the support and involvement of the provincial and federal governments in moving forward in partnership to achieve the project's goals.

2.5 Transportation Issues

2.5.1 Continue to Maintain and Develop BC's Land and Water Highways

More tourists in BC travel by rubber tire vehicle than any other mode. Based on a Tourism BC survey, 79% of non-residents and 86% of BC residents travel by personal vehicle to tour the province.

COTA's transportation report and strategy "Making Inroads", published in the summer of 2005, the transportation of tourists throughout our province must be safe, reliable, cost competitive and well maintained.

These two facts place priority on maintaining and developing the province's land and water (ferries) highways. These highways must reach every community in BC, providing tourists and residents with good transportation linkages.

COTA applauds the BC government's efforts to address the highway transportation system, and urges it to continue with these efforts.

2.5.2 Launch a Highways and Attractions Signage Program in BC

Road signs are the road traveler's yellow pages. They provide vital traffic information and awareness of tourism products along the way. Hence, proper signage must be a mix of public service and product placement.

British Columbia's road signage is needs work. In consultation meetings in eight different communities around transportation issues over the past winter, tourism operators in every jurisdiction consistently revealed to COTA that proper tourism signage was their top transportation issue.

BC tourism operators understand the tourism gains proper signage provides. In Australia, the State of Victoria completed an extensive signage program to capitalize on the tourism product strengths and themes of its 12 tourism regions. Results were impressive. Follow-up studies revealed that:

- 13% stayed longer in region than intended;
- 4% had plans changed due to sign influence;



- 36% visited more attractions than otherwise;
- 35% used more “essential traveler services” (gas/food/lodging) than otherwise;
- 26% visited different towns than otherwise;
- 54% were made aware of unknown attractions; and
- 35% traveled around the area more as a result of new signing.

These results encouraged Alberta to launch its own Tourism Highway Signage Program. Only twelve months into implementation, it has provided greater signing opportunities for a wider range of tourism businesses, and has cleaned up non-conforming and illegal signs not permitted under the program.

Work on a provincial signage program for BC began in the mid-1990s, and despite the efforts put into that process by the BC tourism industry, the recommendations released by government in November 1999 appear to have been shelved. Since then, efforts have been concentrated on area-specific programs such as new circle tours and the \$625,000 to direct tourists through BC wine regions. However, a coordinated provincial tourism signage program based on international standards has yet to surface.

COTA and its members support a process that involves the participation and agreement of both government and relevant sectors of tourism.

New approaches have emerged that would earmark a BC Provincial Service and Attraction Sign Program as a model Private-Public Partnership. Government and industry would determine the requirements, guidelines, criteria and specifications. After which, a competitive process would secure a Program Administrator to manage and administer the project. Once the infrastructure is in place, tourism operators would pay for the ongoing ability to safely feature their products on provincial road signs.

The Australia program cost \$20.6 million with the Victoria government providing \$16 million, while community funding and the tourism industry contributed \$4.6 million. In Alberta, a one-time funding amount of \$4.5 million came from Alberta Transportation & Infrastructure, while program participants (businesses) contributed \$8 million.

Tourism operators are willing and able to contribute to the sorely needed BC signage program. The Vancouver Convention and Exhibition Centre expansion and the Destinations Program have shown tourism to be a dependable P3 investment partner. With more and more road traffic expected leading up to and after the 2010 Games, government and industry are uniquely positioned to ensure tourists reach every BC destination safely.

2.5.3 US/Canada Borders that Balance Security with Hospitality

When it comes to border crossing, tourism’s needs are clear:

- A secure border benefits everyone;
- Low-risk travelers should be able to cross the border without trepidation and hassle;
- “Wait times” at physical border crossings, whether for air, land or water need to be minimized



The United States is BC's largest international tourism market. Seventy-five per cent of our total overnight international visitations are from the U.S. market. Last year, they spent \$2.4 billion, a full 25 per cent of total tourism spending in 2004. These numbers are steadily declining, with July 2005 being the lowest ever.

The Western Hemisphere Travel Initiative (WHTI), which will be implemented by the US government Department of Homeland Security in January of 2007 (air and sea) and January 2008 (land) requires all entrants into the U.S. including American citizens to possess passports for border crossing.

Only 34 per cent of Americans over the age of 18 possess a valid passport, as opposed to Canada where the number is 41 per cent. While the demands of the WHTI are consistent with today's security conscious world, research is indicating that serious consequences are in store for the Canadian tourism industry, if they have not arrived already.

A study completed in July 2005 by the Conference Board of Canada for the Canadian Tourism Commission states that "a WHTI passport requirement imposes an additional cost and inconvenience component to their [U.S.] trip and will almost certainly deter some travel." The study forecasts that WHTI requirements will cost the nation 2.7 million overnight visits and the equivalent of \$1.4 billion in tourism spending between 2005 and 2008. Ontario and British Columbia will be the most affected provinces. Coupled with a higher exchange rate, rumours and misperceptions around the timing of this issue are sure to affect the number of US citizens traveling to BC immediately.

The impacts are already being felt in British Columbia. July 2005 was the lowest month on record for Americans crossing into BC (1.2 million Americans). This is down 2.9% over June 2005, which was already down .8% over last year.

Recent efforts by both the US and Canadian governments have been utilizing technology, including biometrics, to minimize the wait times at the physical borders for programs such as the US-VISIT and the Nexus programs. These systems have at the same time provided increased security. The use of technology to promote secure and hassle-free border crossing for low risk travelers can enable a "one traveler, one card" system to be used in the Cascadia region, and eventually across Canada and the US. COTA and its partners in the international Perimeter Clearance Coalition are advocating for such a system to be put in advance of the final deadline for secure documentation requirements, which is January 2008.

2.5.4 Exempt Shuttle Busses from the Passenger Transportation Act

As of February 2005, every commercial passenger carrier that operates in British Columbia must hold a Passenger Transportation License. But if tourism operators are forced to pay a fee for the administration and enforcement of these standards, the service should be efficient, resources should be allotted to ensure compliance, and its governance should acknowledge the tourism industry as a major client group. The B.C. tourism industry welcomed the change, noting for a long period that the new Act's predecessor, the Motor Carrier Commission, was simply unable to carry out its mandate efficiently. A



legislative overhaul to modernize how commercial carriers were licensed was long overdue and has produced an Act that streamlines the processing of applications, facilitates licensing changes and imposes a more rigid compliance and enforcement regime to catch illegal operators.

The Act does contain less redeeming features. Topping the list of concerns is the Passenger Transportation Act's contravention of a promise made by government that the new Act would not impose registration and licensing fees on tourism shuttle buses. These are most often ancillary to the business and provided to clients at no cost. In addition, the Passenger Transportation Board, the "new" governing body that oversees the Act, consists of former members of the Motor Carrier Commission. As one of the Board's largest client groups, tourism industry officials are advocating for a tourism professional to sit on the Board when appointments are made in 2006.

2.5.5 Press for Air Transport Policy Changes

In terms of increasing air service, it is important to know that air transport brings in the longer-staying, higher-yield tourists, and spreads the tourism base around the province. Through the Airline Industry Monitoring Consortium of BC (AIM BC), COTA is making sure BC remains a leader in the struggle to liberalize federal air policy and ensure the viability of regional airports in British Columbia.

The current status of air travel is alarming. Seat capacity in and out of BC declined by 2.4 million seats between 2000 and 2004. For the peak tourism month of August 2005, BC regional capacity to Vancouver International is expected to decline 7 per cent. Canada is not keeping pace with our competitors who are doing everything they can to attract new carriers and new flights.

The briefing note produced by AIMBC called "Wings of Change" lists changes to federal air transport policy that are needed to stimulate sufficient air capacity to meet the needs of the tourism industry. Although some ground has been gained in reducing rent for NAS airports, much is still left to do.

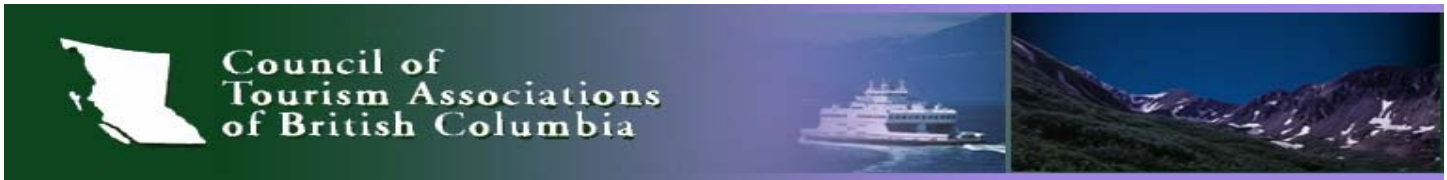
A priority issue is the need for an expanded Open Skies Agreement with the United States. The current agreement limits Fifth Freedom Rights and does not include modified Sixth Freedoms. Inclusion of these elements would result in more activity by foreign carriers into Vancouver, bringing more capacity and visitors to the province.

Canada also needs to pursue more Open Skies Agreements with other countries. The US has over 60 such agreements with other countries (all more liberal than the US/Canadian 1995 agreement), opening up many more opportunities for international travel to the US.

2.6 Regulatory Enforcement Issues

Government plays a key role in ensuring that the tourism industry is nurtured through enabling legislation and regulation. Well conceived and enforced regulations serve the public good, and towards this end, the tourism business community has proven itself a strong and willing partner.

Regulatory conception is a wasted exercise without a well staffed and funded enforcement regime. Without this, responsible operators who invest in regulatory compliance find themselves at a



competitive disadvantage as less scrupulous operators carry out their daily operations with little or no regard for government rules and with no fear of reprisal. Inadequate government investment in regulatory compliance and enforcement promotes the growth of an uneven playing field, jeopardizes the safety of BC tourists, and undermines the sustainability of the BC tourism product.

2.6.1 Support Commercial Recreation Tenuring with Proper Compliance and Enforcement

The BC tourism industry has always understood that government and tourism industry efforts to ensure that commercial recreation tourism operators are tenured would be matched with a properly resourced compliance and enforcement regime.

In 2002, the provincial government and tourism industry representatives began talks to launch what would become the Commercial Recreation Tenure Incentive Program (CRTIP). A series of incentives, ranging from a total amnesty from back rents to serious penalties for non-compliance, were developed and agreed to by both government and the industry. It was made clear that tourism's participation in this program was secured based on government maintaining a sufficiently funded and staffed commercial recreation compliance and enforcement division (C&E) to ensure that non-compliance did not become a competitive advantage for rogue tourism operations. Although a C&E division was instituted, the existence of this division was short-lived after the dissolution of Land and Water BC.

Despite the consolidation of tourism function within the new Ministry of Tourism, Sport and the Arts (TSA), tourism stakeholders worry that the ministry will not be able to adequately fund and staff a C&E division. Without such a division, government risks reversing the successes of the CRTIP and seriously undermining the value of commercial recreation tenures.

Empathizing with TSA's enormous task of housing so many different tourism responsibilities, COTA supports the Commercial Recreation Joint Steering Committee Working Group's proposal to utilize the capacity of the public recreation staff (formerly of MOF) that is now part of your Ministry. These individuals are knowledgeable about recreation and tourism, and many have a level of C&E training and experience. In addition, the creation of an effective C&E division will also require the support of coordinating, training and supervisory positions,

2.7 First Nations Relations

2.7.1 COTA Supports a New Relationship with BC First Nations

The BC tourism industry shares the wider provincial business community's opinion that a new relationship with BC First Nations is needed. Like other resource –based industries, tourism operators seek land use certainty to attract investment and develop their businesses.

COTA believes in lasting relationships between B.C.'s aboriginal and non-aboriginal peoples. In late 1997, COTA and the First Nations Summit signed a First Nations Tourism Accord that to this day, continues to acknowledge that both parties have much in common. Central to the agreement are the following tenets:



- A strong and vibrant tourism industry depends on the British Columbia's ability to attract investment capital
- A fair settlement of First Nations claims will benefit all citizens of B.C.
- Settlements with First Nations should be negotiated in a manner that is timely and that respects the interests of the tourism industry and First Nations
- Tourism development should be pursued in a manner that respects First Nation heritage and culture
- Differences are most effectively dealt with through dialogue that is direct and respectful

COTA still strongly encourages the federal and provincial government to work with aboriginal peoples to negotiate treaties and settle specific land claims, and trusts that tourism values and concerns will be considered during the negotiation process. Tourism interests must not be compromised by the terms of the settlement and/or treaty. If they are, fair compensation and/or indemnification must be built into the agreement. As a condition of treaty and/or settlement, undefined rights and title must be released in exchange for defining treaty rights and title.

The New Relationship Document presented by the provincial government stands as an important effort to spur a new beginning in government, First Nations and business community relations. However, to ensure that its goals are an acceptable enhancement of the 1997 First Nations Tourism Accord, COTA looks forward to a greater understanding of the concepts enunciated in the New Relationship document and identification and description of the intended outcomes.

2.8 Security Issues

2.8.1 The Impact of Crime in Urban Areas upon Tourists

The recent tragedy of David Koch, who died while visiting Vancouver early in the summer of 2005 was made all the more tragic by the subsequent break-in and robbing of his grieving widow while shopping on Granville Island. This and other incidents that target tourists visiting our beautiful province alert us to the fact that the perception of BC as clean green and safe is becoming impossible to live up to. Anecdotal reports from US Embassy officials in Vancouver say that they receive several daily notifications from US citizens who have had their passports stolen while visiting BC.

Foreign license plates and rental cars have become fair game in urban areas. Criminality is taxing the resources of the hospitality industry as it works to create a secure environment for its guests. In the past, the Vancouver Board of Trade has analyzed the seriousness of crime in Vancouver. The results have shown that Vancouver may be the most crime-ridden major metropolitan area in Canada or the United States.

COTA is pleased to see that the province has produced a strategy on addressing the problems of Crystal Meth and other amphetamines that pose the underlying cause for much of the crime that plagues BC's cities. This is one of the many tools that are necessary for addressing crime, but more is needed. Programs such as broadening the bait car program to rental cars and cars with foreign license plates are



also needed, along with more resources available to our police agencies for enforcement are also necessary.

COTA recommends that the province, the tourism industry and the Union of BC Municipalities work together to create a coordinated strategy to reduce incidents of crime, particularly as it applies to tourists in BC.