

YEAR IN REVIEW

# BCHA ADVOCACY REPORT

2022 | YEAR IN REVIEW



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# ADVANCING OUR ADVOCACY STRATEGY

Over the past year, your generous support and commitment as a member of the BC Hotel Association has ensured that the issues, needs, and solutions for the accommodations sector have been heard by the provincial and federal governments.

On behalf of the sector, the BC Hotel Association has been able to continue building critical relationships with decision-makers. Our approach has been consistent – we approached government in a respectful, pragmatic, and solutions-oriented manner, with the goal of helping solve their challenges in a way that deals with barriers we may face. This approach has made sure our challenges and concerns were heard inside government, and that we continue to have a productive dialogue with government. These relationships take time to build.

Shifting attitudes and educating government require ongoing work over the course of a number of years. To date, our efforts have delivered some important successes for the sector. To name a few, we delivered the inclusion of hotels in pandemic relief measures, the permanent extension the exemption of strata hotels from British Columbia's Speculation and Vacancy Tax, and the tax changes that require online travel agencies to collect and remit the PST. During the pandemic, the large hotel relief grant, the extension of CEWS, the small business grant, the large attractions relief were all successful outcomes of advocacy. We were also successful in having all border restrictions lifted. We submitted our Tourism Growth Strategy and met personally with Minister Boissonnault to discuss our priorities

We are also under way on important work addressing workforce shortages and are developing solutions to the housing shortage and the challenge of short-term rentals represent to affordable housing in communities. We were invited to represent B.C. at the Destination Canada hiring fair this fall and were successful in having the hours an international student can work during their study terms increased. We also commissioned the research to back up the solutions we are actively advocating with government, among many of our additional priorities.

While we have made progress, there is still work that needs to be done in the short and medium term, both on specific issues related to workforce shortages, affordable housing, the impacts of short-term rentals, MRDT, and with significant challenges to the reputation of our industry as a whole.

I have greatly appreciated the partnerships we have developed over the past years, both federally and provincially and must acknowledge the leadership of Susie Grynol and the Hotel of Canada team, and the ongoing support of our government relations funding partners. We could not do this work without you. I would be remiss if I didn't also acknowledge the incredible work our small team at BCHA has done, and the support and direction our talented board of directors has provided over the past year. I am so proud that we met the 50/30 challenge before our target date.

Finally, your continued support as BCHA members is what fuels our advocacy work and will enable us to move forward on the foundation we have built. From the bottom of our hearts, thank you for making the work we do possible.

Best Regards.

Ingrid

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# OVERVIEW OF ACTIVITIES

## APPROACH

BCHA's goal has been to ensure the accommodation sector and the tourism industry as a whole, remained front and centre by:

- ensuring we provided data-driven problem definitions and snapshots of the state of the sector;
- providing well-researched solutions in a form compatible with government's decision-making process; and,
- developing and maintaining respectful relationships with government decision-makers, while still maintaining a media presence.

Over this year, BCHA had regular senior level meetings at many provincial government ministries, including: Tourism, Arts, Culture and Sport; Finance; Jobs, Economic Recovery, and Innovation; Energy, Mines and Low Carbon Innovation; and Municipal Affairs and Housing. Regular engagement ensured that a constructive dialogue around current challenges and possible solutions.



We also worked with hoteliers around the province to engage with local government to help local officials understand the challenges facing the industry, so they had the opportunity to advocate on our behalf.

Where necessary, the work was supported by research to ensure quantifiable evidence on issues impacting our sector. Research included:

- Research & Analysis on the impact and policy options for short-term rentals in on housing in British Columbia,
- Quantifying the fixed costs for accommodation properties,
- Ongoing monitoring of other impacts on the accommodation sector through partner surveys.
- Ongoing research partnerships to deliver real-time impact and recovery outcomes
- Industry impact/living wage analysis for workforce shortage strategies
- Analyzing policy of other jurisdictions for immigration protocols.

Many of these concerns formed a part of our presentation to the Select Standing Committee on Finance and Government Services during its 2022 Budget Consultation. Their report highlights some of our presentation: The British Columbia Hotel Association highlighted this challenge for the accommodation sector as well [lack of grant eligibility], noting that hotel revenue is down 70 to 80 percent. They recommended a grant program for the accommodation sector as well as relief on energy costs.

# ISSUES AND OUTCOMES

In 2022, we witnessed significant movement on many of the key files we have been taking to government; in 2023, we will continue to push many of these issues forward. Some issues have grown in importance or opportunity – such as dealing with short term rentals – while other issues – like pandemic related public health orders – are no longer front and centre.

## A. WORKFORCE CHALLENGES

Activities this year included advocating for:

- Increase in international student work duration limit, achieved in October 2022
- Economic Mobility Pathway Pilot expansion, completed in December 2022
- Expanding work permits for members of Temporary Foreign Workers – secured in December 2022
- Paid Sick Leave to be paid through federal employment insurance
- Temporary Layoff extension during the pandemic
- 18-month extension for international students applying for permanent residency, achieved in April 2022
- Attention to address delays in processing IRCC processing times – \$1.6 B investment announced in November 2022
- Updating the Skills Immigration registration scoring system of the BC Provincial Nomination Program—expanded eligibility outside of Metro Vancouver announced in November 2022
- Changes to the Temporary Foreign Worker Program, announced in April 2022. This includes:
  - Accommodation and Food Services now among seven sectors in which employers are allowed to hire up to 30% of their workforce through the TFW Program for low-wage positions for one year
  - The end of the policy that automatically refused LMIA applications in regions with unemployment rate of 6% or higher
  - No longer a limit to the number of low-wage positions for employers in seasonal industries
    - Maximum duration of these positions increased from 180 days to 270 days per year
  - Labour Market Impact Assessments (LMIA's) now valid for 18 months, an increase from 9 months
  - The maximum duration of employment for High-Wage and Global Talent Streams workers extended to three years

## PUBLIC AFFAIRS BY THE NUMBERS (JANUARY TO DECEMBER 2022):

- Government interactions:
  - Meetings with government: 70+
  - Submissions and letters to government: 32+
- Media Relations January-September 2022:
  - Pieces of coverage: 330+
  - Media reach: 168 million+
  - Advertising value: \$1.7 million+
- Coverage includes, but is not limited to, mentions in:
  - CBC, News1130, Global News, Chek News, Globe and Mail, BC News Now, Castanet, Business In Vancouver, BC Business, The Province, The Times Colonist, Canadian Press, The Vancouver Sun, and more.



# ISSUES AND OUTCOMES



## A. WORKFORCE CHALLENGES (CONT'D)

We have worked developing workforce solutions through:

- Working with provincial government on its workforce strategy
- Partnerships to bring underemployed workers in from other countries, including signed MOUs with Barbados and El Salvador for fast-track visas
- Webinar for hiring foreign workers
- Webinar for Bill 10, risk mitigation best practices
- Partnerships with more than 20 organizations and educational institutions to support mentorship, hiring, training, and international recruitment
- Propel Student Work Placement Program (Tourism HR Canada)
- Working with the Province on implementing labour solutions
- Federal immigration advocacy with Hotel Association of Canada
- Pilot project presented to B.C. immigration services for 2022/23
- Hospitality specific immigration stream – no LMIA
- Youth Employment and Skills Strategy Program – Canada Summer Jobs Program
- Participate in Destination Canada's Francophone hiring fairs on behalf of Employers
- Research the pay scale including benefits to mitigate perception of government low skill low pay

Addressing workforce shortages is a long-term strategy and will require ongoing advocacy efforts with multiple provincial ministries. We continue to keep this a priority for our sector.

## B. STRATA HOTELS AND SPECULATION TAX

- We engaged to have the temporary exemption for these properties be extended – and won a victory with the exemption being made permanent in February 2022.

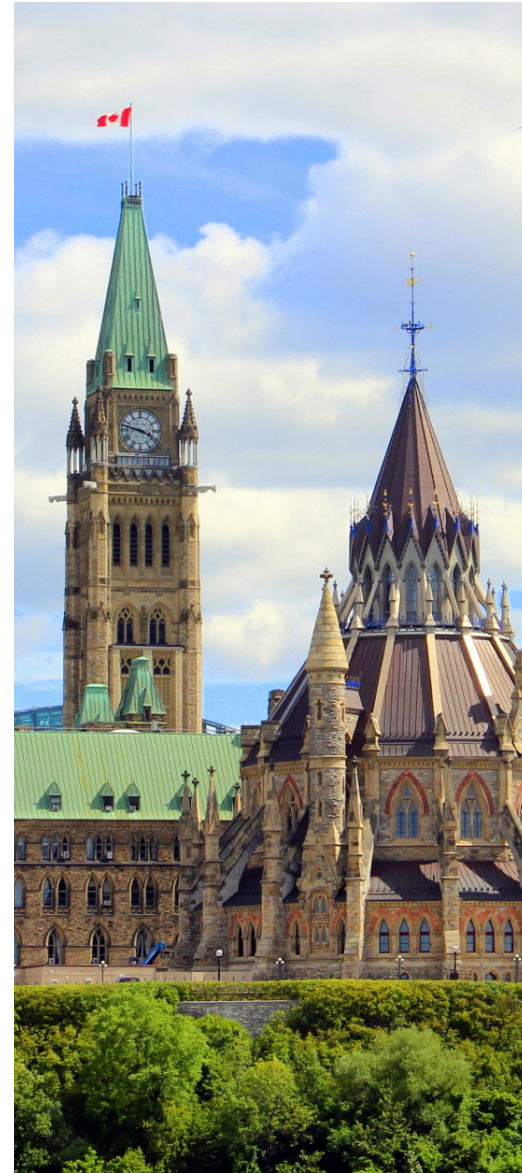


# ISSUES AND OUTCOMES

## C. FEDERAL ADVOCACY

A member of the Hardest Hit Coalition, the BCHA has been instrumental in securing financial support and policy changes at the federal level. Successes include:

- Canada Recovery Hiring Program (CRHP) extension until May 7, 2022, with a 50% subsidy rate
- Hardest Hit Recovery Program with ongoing extensions and continued support through Canada Emergency Wage Subsidy (CEWS) and Canada Emergency Rent Subsidy (CERS) this was passed with Bill C2 was a significant achievement after 11,000 letters sent in one week, with many calls and emails to MPs
- Lockdown Support Program, where businesses facing temporary local lockdowns can access CEWS and CERS
- Canada Worker Lockdown Benefit, providing \$300 a week to workers who are subject to a lockdown
- Extension of eligibility for Canada Recovery Sickness Benefit (CRSB) and Canada Recovery Caregiving Benefit (CRCB)
- Reopening of the cruise ship sector
- Reopening of the border for fully vaccinated international travellers
- Removing the border restrictions for international travellers
- Prioritising meetings mean business, get back to business travel.
- Successfully advocated for fully reopening the border, non vaccinated and vaccinated alike.



## D. Pandemic Relief and Response

- Securing relief measures for the accommodators of all sizes was an ongoing priority that was especially felt during the Omicron wave in early 2022 and the 2021/22 provincial budget allocated \$50M for the tourism sector at large. Over the past two years, we successfully advocated for the Circuit Breaker Business Recovery Grant, the extension and expansion of criteria for the Small and Medium Sized Business Recovery Grant, a Major Anchor Attractions relief program, as well as the large hotel relief grant.

# ISSUES AND OUTCOMES



## E. SHORT TERM RENTALS

### SHORT-TERM-RENTAL (STR) REGULATORY FRAMEWORK

The BCHA's position is to advocate the provincial government to mandate a provincial registry for all short-term rentals like Airbnb and VRBO which will allow municipalities to develop appropriate bylaws to regulate short term vacation rentals according to the community needs. Expedia was launched to the world of travel in 1996, and since then significant online travel agencies including Airbnb have launched transforming neighbourhoods and impacting travel and accommodation experiences. In December 2022, we were heartened to see Premier David Eby's commitment to address short-term rentals in the mandate letter to new Minister of Housing, the Honourable Ravi Kahlon. We look forward to working with Minister Kahlon and his team to strengthen regulations and see this legislation come to fruition

### SHORT TERM RENTAL TAXATION

The BCHA is calling on the federal government to modernize their tax laws and take action to address tax avoidance in the digital economy and ensure all corporations that operate in Canada through online platforms pay corporate income tax on Canadian earnings. The BCHA will also continue to work with the provincial government to ensure that, like Airbnb, VRBO and Home Away, others are subject to the same Provincial Sales Tax (PST) and Municipal & Regional District Tax (MRDT) requirements, and that these corporations also remit PST and MRDT.

## F. OTA TAXES

- Over the course of the pandemic, BCHA advocated for a cap on OTA commissions as well as advocating for a fair playing field amongst OTA's to stop tax leakage. In July 2022, this was achieved.





# ISSUES AND OUTCOMES

## G. EMERGENCY RESPONSE

Following the evacuation relief initiative the BCHA led during the 2021 wildfire and flooding crisis – securing 111 contracted hotels and booking 68,007 rooms – we developed and presented government with a proposal for an online platform that would help connect people with accommodations of all types in the event of natural disasters in a way that is more fulsome and less of a burden than the existing ad-hoc process. Discussions are ongoing to have this portal adopted.

## H. MRDT

The MRDT eco-system in the province is a critical system to support Destination Marketing by way of alignment of accommodation and tourism priorities. We advocated and were successful in securing funds for MRDT communities who are dependent on corporate meetings and events, to be spent over two years, in support of recovery of these sectors. BCHA is at the table and will continue to fiercely protect the MRDT funds to continue to be used for growing tourism. With FIFA and other large events, use of the funds for affordable housing, infrastructure ( Tofino ) and large scale events must be managed and protected.

## I. AWARENESS OF THE STATE OF THE INDUSTRY AND ITS NEEDS. THE TRUTH ABOUT THE HOTEL INDUSTRY MYTH BUSTING.

We continue to provide government, along with our industry partners, updates on the state of tourism, and the role the accommodations sector can play in economic recovery. We've helped the government understand the complexity of the hospitality industry, and the different challenges faced in various regions and components of the industry.



# OUR PRIORITIES FOR 2023



While we have made continuous progress over 2022, the work is not over. We will need your continued support, and we need to remain focused over the coming years.

In addition to addressing the above challenges, general priorities for 2023 include:

- Continued encouragement of the safe return of travel and encouraging government to have its own teams travel and attend meetings
- Prioritising meetings, conventions, and international travel
- Advocating for federal and provincial support for developing infrastructure in underbuilt markets. See tourism Growth Strategy Submission. \*See below
  - <https://www.bcha.com/currentaffairs/bcha-federal-tourism-growth-strategy-submission>
- Developing a campaign around the real people who have built real careers and futures in the hotels sector and how they help make our tourism sector work
- Working with researchers on living wages in all regions of the province and at quantify contribution and value to communities and families so we can broaden the story and value of our industry
- Continued efforts to create real lasting solutions for the industry's workforce crisis and employment challenges
- Rebuilding consumer confidence in the accommodation, meetings, conventions, and events sectors
- Tackling the lack of affordable housing at a time when companies like Airbnb and VRBO are growing rapidly
- Continued support for accommodation sector at the municipal level through advocacy related to MRDT funds, fair taxation on short-term rentals, the exemption of strata properties from speculation tax, among other issues.

WE LOOK FORWARD TO CONTINUING TO ADVOCATE ON YOUR BEHALF TO BRING THE ABOVE PRIORITIES TO FRUITION.





BRITISH COLUMBIA  
HOTEL ASSOCIATION

# THANK YOU!

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