



BRITISH COLUMBIA  
HOTEL ASSOCIATION

# ADVOCACY REPORT

2023 | YEAR IN REVIEW



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# ELEVATING OUR ADVOCACY APPROACH

Thank you for your continued support as a member and partner of the BC Hotel Association. Your financial contribution has played a pivotal role in ensuring that your advocacy priorities are effectively communicated to the government at the federal, provincial, and community levels.

On behalf of the sector, the BC Hotel Association has maintained a consistent approach in building essential relationships with decision-makers. Our strategy involves approaching the government with respect, pragmatism, and a solutions-oriented mindset, aiming to address challenges in a way that benefits not only our hotel and tourism communities but the entire province of British Columbia.

This steadfast approach has guaranteed that our challenges and concerns are acknowledged within the government, fostering an ongoing and productive dialogue. The past year has demonstrated the impact of our collective efforts, leading to notable achievements. To date, our efforts have delivered some important successes for the sector, including the landmark legislation surrounding short-term rentals, which has been years in the making, along with key wins on the temporary foreign worker program, having the hours an international student can work during their study terms increased, and more.

While we have made significant progress, there is still work that needs to be done in the short and medium term. We will be continuing our critical work developing solutions to the workforce shortage, addressing the high cost of insurance and property tax, affordable employee housing, and managing the FIFA MRDT file as well as the Tourism MRDT file. We will require research to effectively advocate for new tourism infrastructure with government. Significant research is needed to detail the specific impact on the issues and the required solutions – this often involves working with third-party contractors such as government relations insiders, economists, and finance/research agencies.

Our attention will also be laser-focused on resort municipalities and short-term rentals to ensure that legislation is effectively supporting our hotel and tourism communities, ensuring the tri-party MRDT agreement remains intact, and developing a positive industry reputation, which aligns with our commitment to achieving a carbon-positive industry through our sustainability goals and initiatives. Furthermore, as climate emergencies intensify, we are working together with the government of British Columbia to create a streamlined process for evacuees that will support all parties involved and be considered a gold standard in global evacuation procedures.

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. Thank you for making the work we do possible.

Best Regards.  
Ingrid

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# OVERVIEW OF ACTIVITIES

## APPROACH

The BCHA has aimed to keep the accommodation sector and the broader tourism industry in the forefront by:

- Providing data-driven problem definitions and snapshots of the sector's current state.
- Offering well-researched solutions tailored to align with the government's decision-making process.
- Cultivating and sustaining respectful relationships with government decision-makers while maintaining a visible media presence.

Throughout the year, BCHA conducted regular senior-level meetings with various provincial government ministries, including Tourism, Arts, Culture and Sport; Finance; Emergency Preparedness and Climate Readiness; Jobs, Economic Recovery, and Innovation; Energy, Mines and Low Carbon Innovation; and Municipal Affairs and Housing. Consistent engagement facilitated a constructive dialogue on existing challenges and potential solutions.

Collaborating with hoteliers across the province, the BCHA assisted in engaging local governments to enhance their understanding of industry challenges, allowing them to advocate on our behalf. Our work research and alignment with UBCM, and sharing our data research and impact were significant in its outcome.



# OVERVIEW OF ACTIVITIES

Research support was employed to provide quantifiable evidence on issues impacting the sector, including:

- Analyzing the impact and policy options for short-term rentals on housing in communities across British Columbia.
- Continuous monitoring of other impacts on the accommodation sector through partner surveys.
- Analyzing and researching insurance solutions for employee benefits for retention as well as insurance solutions for hotels.
- Supporting the growth of Air Access into British Columbia back to pre-pandemic numbers, and supporting new destination marketing initiatives to replace the lagging Asian market demand.
- Ongoing research partnerships to deliver real-time impact and recovery outcomes from wildfire crises.
- Many of these concerns were integrated into our presentation to the Select Standing Committee on Finance and Government Services during its 2023 Budget Consultation to address critical issues affecting the industry.
- Research and data collection on workforce needs within the sector.
- Quantifying fixed costs for accommodation properties.
- Analyzing immigration protocol policies of other jurisdictions.



## PUBLIC AFFAIRS BY THE NUMBERS (JANUARY TO DECEMBER 2023):

- Government interactions:
  - Meetings with government: 50+
  - Submissions and letters to government: 10+
- Media Relations January-September 2023:
  - Pieces of coverage: 330+
  - Media reach: 550 million+
  - Advertising value: \$4.7 million+
  - Coverage includes, but is not limited to, mentions in:
    - Globe and Mail, BC News Now, Castanet, Business In Vancouver, CBC, CTV, Canadian Press, The Vancouver Sun, News1130, Global News, Chek News, BC Business, The Province, The Times Colonist, as well as many international media outlets.



# ISSUES AND OUTCOMES

In 2023, notable progress was made in addressing several key matters presented to government. In 2024, our commitment remains steadfast as we strive to further advance these issues.

## A. SHORT TERM RENTALS

### *Provincial Activities*

After three years of strategic and evidence-based advocacy efforts, in October 2023, the British Columbia Government introduced groundbreaking legislation aimed at ensuring a fair playing field and reorienting short-term rentals (STRs) toward long-term housing – a monumental victory in the pursuit of affordable housing access for the industry. This legislation incorporates every recommendation the BCHA has long championed, including crucial elements to support long-term housing availability:

- Restricting short-term rentals to principal residences
- Establishing a provincial registry
- Ensuring platform accountability
- Facilitating real-time data sharing

These measures have been substantiated by research conducted by Dr. David Wachsmuth, a professor at McGill University, whose report has shed light on the impact of commercial STR growth on rental costs in British Columbia – the policy not only sets a new national standard but also serves as a model for the entire country. Additionally, the BCHA also developed the municipal toolkit to support municipal policy across our province to ensure short-term rentals are allocated to appropriate jurisdictions and managed accordingly. Future advocacy work from the BCHA will include ensuring the regulations are championed in each municipality with specific attention to the resort municipalities where these regulations have been exempted. This work is just beginning.



### *Federal Activities*

In the Federal Government's Fall Economic Statement, announced in November 2023, it was declared that starting in January 2024, those who are non-compliant with municipal regulations will be unable to claim expenses, such as interest and property taxes, against rental income. In addition, a \$50 million fund was established over three years to enable regulators to pursue those who are violating local/provincial laws. The impact of these two policies will be significant, likely resulting in a sizable return of affordable housing stock back to the long-term market – and an increase in occupancy for hotels. The additional long-term rental stock will support the recruitment and retention of the hospitality industry workforce.

# ISSUES AND OUTCOMES

## B. WORKFORCE CHALLENGES

Activities this year included advocating for:

Economic Mobility Pathways Pilot (EMPP):

- Hotels Now Have Access to Low-Skilled Workers Through the Expanded Federal Pathway

Travel Visa Changes:

- For Eligible Travelers from 13 Countries, Including the Philippines and Morocco, Visa-Free Travel Is Now Permitted. This Change Streamlines the Process for Employers to Access Temporary Foreign Workers from These Countries, Eliminating the Need for a Travel Visa.

Temporary Foreign Workers (TFWs):

- Recognized Employer Pilot (REP) Update: Eligibility Criteria for REP Has Been Made More Flexible, Considering the Challenges Posed by COVID for Employers.
- Accommodations 30% Cap Extension: The Cap on Accommodations Has Been Extended Until August 30th, 2024.
- Last Year's Temporary Changes Extended: LMIA Validity Extended to October 30th, 2023, and Accommodations 30% Cap Extended Until October 30th, 2024.
- TFW Family Members' Work Permits: For Two Years, Spouses and Dependents of TFWs Are Eligible for Work Permits, Expanding the Available Workforce for the Hotel Sector.
- New Workforce Solutions Road Map: A Roadmap Has Been Introduced to Enhance the Temporary Foreign Workers Program, Including Extended LMIA Validity and Recognizing Hotels with a 30% Cap Due to Demonstrated Labor Shortage.



# ISSUES AND OUTCOMES



## B. WORKFORCE CHALLENGES CONT'D

### Students and Recent Graduates:

- Removal of Restrictive Cap on International Students' Hours: The 20-Hour Per Week Limit on International Student Work Permits Has Been Removed Until April 30th, 2024.
- Extension of Expiring Work Permits for Graduate Students: Out-of-Status International Graduates Can Receive Extensions on Work Permits Through the Post-Graduate Work Permit Program, Allowing the Sector to Retain Trained Workers for a More Extended Period.

### International Experience Canada:

- Expansion of Canada's Youth Mobility Agreement with the UK: The Age Limit Has Increased from 18-30 to 18-35, and Participants Can Now Stay in Canada for Three Years. Two New Streams, the International Co-op and Young Professionals Streams, Have Also Been Introduced.
- 20% Expansion of International Experience Canada: The Program, Bringing Almost 90,000 Youth to Canada to Travel and Work, Has Been Expanded by 20%, Aiding Seasonal Employers in Filling Gaps with Enthusiastic Newcomers.

We have worked developing workforce solutions through:

- Working with provincial government on its workforce strategy.
- Partnerships to bring underemployed workers in from other countries, introducing our signed MOU with Mexico in April 2023 (which is in addition to signed MOUs with Barbados and El Salvador) for fast-track visas.
- Webinar for hiring foreign workers and employee retention.
- Hosting six new and reoccurring training courses through our Fast Track Your Future education series.
- 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
- 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.
- Research and confirm hotels pay a living wage in all regions of the province.

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.



# ISSUES AND OUTCOMES

## C. HOTEL SHORTAGE & STAFF ACCOMMODATION

The BCHA advocates for robust policies to support both new and existing staff accommodations while encouraging the development of mixed-use builds for hotel and rental housing. This involves securing access to CMHC mortgage insurance and preferential lending rates for standalone staff housing and dedicated staff accommodation within hotels. Furthermore, we propose rental housing GST-refund eligibility for hotels engaged in mixed-use and standalone staff accommodation projects, along with a higher Capital Cost Allowance rate for staff housing, allowing the utilization of these losses to offset income in the main hotel property.

In addressing hotel supply concerns, our focus revolves around strategic tax policies, including tax credits for sustainable renovations and expansions, as well as the creation of a Capital Cost Allowance category for hotel capital investments post-2022, facilitating an immediate write-off of investments in new hard assets. Additionally, we advocate for the establishment of specialized lending pools from institutions like BDC and the Canada Infrastructure Bank, exclusively targeted at the hotel sector, to facilitate government-sponsored or facilitated loans for the industry's growth and development. The interconnection of infrastructure development to support hotel occupancy is a critical piece of this work. The research on hotel contribution to community and society in addition to the economic impact is of significant interest to the current government so they can understand how to prioritise the growth of year-round tourism product for BC.



In the November 2023 Fall Economic Statement, a number of measures were introduced to support the construction of new rental units, including a new \$20B Low-Cost Rental Financing Program. The BCHA and our partners at the Hotel Association of Canada are working with the Ministry of Finance to ensure that mixed-use facilities and purpose-built staff accommodation will qualify.

# ISSUES AND OUTCOMES



## D. EMERGENCY RESPONSE

### *Thompson Okanagan Travel Ban*

In collaboration with the Thompson Okanagan Tourism Association (TOTA), the BCHA spearheaded evacuation accommodation placements throughout August 2023, securing hundreds of placements across the central interior. The urgency of the wildfire season during peak travel and tourism season prompted the British Columbia Government to implement a travel ban to the Okanagan region, negatively impacting unaffected areas.

The BCHA swiftly quantified the economic impact and successfully advocated for the ban's removal. Collaborating with TOTA, we surveyed members and advocated for support measures for affected businesses. This response has been a legacy in crisis situations, as we responded during the pandemic, the atmospheric river, and will continue to step up to support safe shelter for BC residents in times of need.

### *Emergency Management Booking Portal*

The BCHA has long championed a streamlined solution for evacuee placements. Proposing a new online booking portal, we aim to set a gold standard for evacuation management, benefiting both evacuees and accommodation operators. Despite the challenges of the Summer of 2023, the BCHA maintains ongoing discussions with the government to materialize the online booking portal for efficient evacuation processes. This solution has been presented to the Minister of Emergency Management and Climate Readiness.



# ISSUES AND OUTCOMES

## E. MRDT

The MRDT eco-system plays a vital role in supporting Destination Marketing by aligning accommodation and tourism priorities with the industry and Destination Marketing efforts in the province. BCHA remains steadfast in advocating for the tri-party system, which empowers hotels, destination marketing organizations, and municipalities to work together on prioritizing investments in strategies and outcomes to grow and support sustainable tourism. Additionally, the FIFA additional MRDT file continues to be a priority in working with the Ministry of Finance and the City of Vancouver as well as the Hotel Association of Vancouver.

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

We persist in delivering updates to the government, alongside our industry partners, regarding the current state of tourism and the potential role the accommodations sector can play in economic recovery. Our efforts have been instrumental in enhancing the government's understanding of the intricacies within the hospitality industry, shedding light on the distinct challenges experienced across various regions and components of the sector. Ensuring the priority federally and provincially is to develop year-round tourism products and ensure that meetings/conference and events are prioritized as growth sectors to support. The investment in Destination Canada for the international markets is critical to ensure we regain the international travel, and the Destination BC priorities for marketing our province also needs to be razor sharp to grow back the international market.



# OUR PRIORITIES FOR 2024



While we have made continuous progress over 2023, 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 2024 include:

- Ongoing promotion of the safe resurgence of travel and advocating for government teams to participate in travel and meetings.
- Creating a campaign highlighting individuals who have built successful careers in the hotel sector, emphasizing their contributions to the tourism industry.
- Continued support for the accommodation sector at the municipal level through advocacy on MRDT funds, fair taxation for short-term rentals, exemption of strata properties from speculation tax, and other relevant issues.
- Continued support to prioritize the growth of Air Access into British Columbia
- Advocating for federal and provincial support to develop infrastructure in underbuilt markets, as outlined in the Tourism Growth Strategy Submission.
- Rebuilding consumer confidence in the accommodation, meetings, conventions, and events sectors.
- Prioritizing meetings, conventions, and international travel to stimulate the tourism industry.
- Collaborating with researchers to analyze living wages across all regions of the province, quantifying contributions to communities and families to enhance the industry's narrative and value.
- Continued efforts to find lasting solutions for the industry's workforce crisis and employment challenges.



WE LOOK FORWARD TO CHAMPIONING YOUR PRIORITIES THROUGH OUR CONTINUED ADVOCACY EFFORTS



# THANK YOU!

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