

## Report to The Red Tape Reduction Task Force

Submitted by:  
Tourism Industry Association of Nova Scotia

SEPTEMBER 18, 2000  
Art Gallery of Nova Scotia, Lecture Theatre  
1723 Hollis St.  
Halifax, NS

### **The Tourism Industry Association of Nova Scotia Established in 1977 as a non-profit organization To Lead, Support, Represent and Enhance the Nova Scotia Tourism Industry**

TIANS is a trade organization for the Business of Tourism and presents a united voice for increased partnerships toward improved and increased competitiveness in the global marketplace. TIANS is the voice and the provincial advocate for the eight sectors of the Tourism Industry.

- Accommodation
- Food & Beverage
- Attractions
- Adventure Tourism and Recreation
- Transportation
- Travel trade
- Tourism services
- Events and conferences

TIANS is also the Tourism Human Resource Sector Council (TIANS HRC) for Nova Scotia and a board member of the Canadian Tourism Human Resource Council (CTHRC)

#### **TIANS maintains strategic alliances with:**

- The Innkeepers Guild of Nova Scotia
- The Nova Scotia Bed & Breakfast Association
- The Nova Scotia Adventure Tourism Association
- The Campground Owners Association of Nova Scotia
- Two Regional Tourism Organizations: Central Nova Tourism Association and the Metropolitan Tourist Association.

TIANS engages in activities, which support the development and enhancement of Tourism businesses

- TIANS exalts policies which embrace free enterprise and industry driven solutions
- In addition to CTHRC, TIANS is a member of:
  - IQUEST International Institute for Quality and Ethics in the Service of

#### Tourism

- WTTC World Travel & Tourism Council and its environmental body, Green Globe
- IFSEA The International Society of Festival & Events
- TTRA The Travel & Tourism Research Association
- CHRIE The Council on Hotel, Restaurant & Institutional Education

### **ENSURE THE FUTURE - THE BUSINESS OF TOURISM**

Tourism is Trade. It is also Economic Vitality and it is Economic Development. Tourism requires Travel for the exchange of trade - dollars earned in one community and spent in another. **Tourism is Everybody's Business.** It touches every occupation and every business.

Nova Scotia has the potential to grow and flourish as a Destination. However, it must be managed strategically as a true resource. Strategic planning to maximize and protect its future is quickly needed.

Government must recognize Tourism as an economic generator and provide the investment and political support to realize its huge potential. We need to manage the Business of Tourism; reduce regulation and barriers to business growth; extend our traditional Tourism season and increase protection of our natural and built heritage and our many cultures.

Tourism is also the most competitive Industry in the world. Other countries have found Tourism to be the panacea for their economy and are making major investments in infrastructure and marketing to ensure sustainable economic growth. We compete with Cape Verde, Israel and Thailand as a destination and our marketing efforts pale in comparison to the rest of the world.

Tourism is a revenue producing resource Industry. The Department of Tourism & Culture is a **revenue centre**. Tourism has consistently provided growth within our province over the past 25 years. World Tourism revenues have grown by 25 % over the past five years. Tourism has grown in Canada at a faster rate than all other industries since 1975. In the past ten years, we have seen revenues increase to the province from \$795 Million to \$1.275 Billion, an annual growth factor of 6%. In 1999, growth increased by 15% in visitation and 16% in revenue - unparalleled in the rest of Canada! **60%, or \$765 million, are export dollars from markets outside Nova Scotia.**

The Nova Scotia Tourism Industry is more than 6500 direct businesses supporting over 36,000 jobs. In addition, the suppliers to the industry, providing products to feed, house and entertain our travellers contribute payroll and business taxes. Every Tourism dollar spent in Nova Scotia generates an additional \$.067 cents for our communities in supplies and wages.

Tourism has important links to regional diversification. Tourism related businesses, spread throughout the province, are for the most part, small enterprises. Tourism is also a mainstreet Industry. More dollars are spent on mainstreet in shopping, entertainment, etc. than in our restaurants and on accommodation combined. In fact, 16% of every

Tourism dollar is spent on shopping alone, matching the number of dollars spent on accommodation.

Tourism is a quality industry. In addition to supporting our rural and coastal communities, traveller spending helps support our parks, museums and special infrastructure built for an event and enjoyed by our residents.

Tourism is environmentally friendly, non-consumptive and non-polluting and helps to make Nova Scotia a place where people want to live. The Tourism industry is, for the most part, one which protects, preserves and celebrates our natural and built heritage.

Tourism is a barometer of the economy. Presently it is strong and is dependent on disposable income. Its current strength comes from a buoyant world economy, especially in our neighbour, the United States. Economic prosperity and the aging, wealthy baby boomers that have both time and money to travel will continue to feed the Tourism Industry. Historically, the 50-plus have never had so much time and money.

Tourism is **EVERYBODY'S BUSINESS**. It calls for inter-ministry working relationships. Tourism is multi-disciplinary requiring co-operation from Transportation, Natural Resources, Agriculture, Fisheries, Forestry, as well as, other departments and agencies.

Government should be assisting the small business community - which Tourism is, especially in this province (only 8 percent of our 6500 enterprises have more than 50 employees) and removing constraints that impede growth and prosperity which have immediate return. Each time the Tourism cash register takes in one dollar, 15 cents goes to the government in HST.

We need government to fully endorse Tourism, loudly.

**New investment in product is crucial.** Resources to expand our capacity improve our products and develop new ones. Resources to increase the awareness of Nova Scotia as a travel destination. Resources to close the sale. Resources to attract a bigger share of a growing market so that all Nova Scotians can profit from the revenues and jobs that Tourism can generate.

The Tourism Industry in Canada is highly organized like no other. It has defined itself, set standards for its workforce, devised a means to reward performance, developed workplace tools, a technology platform and a means of marketing recognition of place.

The 21st century is a question of balance and the search for balance.

Nova Scotia must decide if it is in the Tourism Business and where is it going. It must be embraced and it must be treasured. Tourism is a resource. It is this, because it is what we are as a people and as a culture. It is because we have a bountiful history and a magnificent natural and built landscape. We have a crown with many jewels. We must decide how far to go.

Responsible Tourism is a question of balance. It shares and protects. We must:

- determine our carrying capacity
- protect our coastline
- conduct Tourism impact analyses on all development projects in the same way

- we do environmental impacts
- manage to enjoy the riches and protect the future and proceed with strength of purpose
- provide a business environment without unnecessary impediments

### **Constraints and Barriers to the Business of Tourism**

**Infrastructure Investment** - The Nova Scotia plant is tired. Financial assistance (loans) are difficult to obtain from any source. In New Brunswick, the government has put in place provision for upgrading dollars.

**Financing** - The Industry has found it increasingly difficult to arrange financial assistance (loans, not grants) for capitalization, improvements, succession, etc. The Industry needs a Tourism Loan Board.

**Human Resource Shortages** - The Industry is facing a severe shortage and a major employment crunch in both skilled and front lines occupations. As the Industry grows, strategic planning to meet its human resource needs is required.

The TIANS Human Resource Council has, over the past 10 years, introduced many tools to increase workplace professional development and to recruit through its Career Awareness Program, Scholarship and the Careers for Youth initiative.

Government policy needs to address this issue to strengthen and support initiatives, which draw employees into the Industry and retain employment. Consideration must be given to the impact of payroll subsidies to other sectors which have a detrimental (domino) effect on the availability of employees in the marketplace.

### **Re-regulation**

- Motorcoach - Safety and liability are paramount, but the archaic regulations do not make us competitive and Industry is finding ways around the existing regulations, which are dangerous to the visiting public.
- Retail Hours of Operation - The Industry is not requesting Sunday Shopping. The Industry question is why one segment of the Industry is regulated while others are not. A business operator should have the ability to decide their hours of operation: This is being open for business based on customer and market demand.

### **Protection and Conservation**

- Nova Scotia Coastline - Our access to our coastline is diminishing through purchase by foreign and absentee owners.
- Lighthouses, Wharves, Navigation Aids - While a federal responsibility, intervention is required to ensure the preservation of lighthouses and the safety of our boaters.
- Land Use - The Tourism picture needs consideration with respect to the integrated resource management plans for crown lands. Sustainable forestry practices to be developed based on Tourism input. Any future policies governing public land use should be developed in concert with the Tourism Industry.

**Marketing** Consideration of Marketing as an **investment instead of an expense**. The

return on the dollars spent is exceptional - bringing new dollars into the province, particularly export dollars - the answer for extra funding for hospitals and schools. The dollars from Tourism are new dollars and provide employment in rural communities.

**Privatization** Licenced Beverage Sales - TIANS asks the government to examine the potential of additional revenues through the sale of its retail operations of beer, wine and liquor. New Brunswick and Prince Edward Island have partial privatization and 7-day access.

In any case, TIANS calls for a reduction or elimination of the 9.3% levy on liquor purchases, wholesale pricing and clarity and disclosure of pricing policies.

**Inspection / Regulation** - The Industry is undergoing regulations from all areas- water inspection and Occupational Health and Safety.

**Transportation** TIANS supports a national highway strategy.  
**Infrastructure**

- Secondary roads not covered by federal funding need attention
- The Halifax International Airport will need provincial investment to reach international stature. It must be part of the community and invoke "*a sense of place*" on arrival and departure. It can be a Nova Scotia icon.
- The Atlantic Trade Corridor initiative is an opportunity for federal dollars and strategic planning.

#### **Air Access**

Nova Scotia needs a government that will champion an international Eastern Gateway in Nova Scotia. It is time to take a very strong position on airlines and air access that will meet the Nova Scotia trade and Tourism industries expectations. It needs to provide investment support to the Airport.

#### **Ferries**

There are concerns about the continuity of the Prince of Fundy service, support for other ferries and the need for coastal waterways.

#### **Signage**

We urge the Government of Nova Scotia to put the new policy in place as soon as possible.

**Assessment / Taxation** The fair and equitable property tax is a goal of TIANS, the municipalities and Municipal Affairs.  
Business Occupancy effects on small business deters year-round tourism activity.

**Impact Studies** TIANS calls for Tourism Impact Studies on all development projects, particularly on projects that effect our natural landscape. The beetle problem in Point Pleasant Park is an example.

**Environment** TIANS has produced **A Question of Balance**, conducted Energy Management seminars, is a member of Green Globe, conducts business audits to assess Green Leaf certification in the accommodation sector and EcoLogo certification in all businesses. TIANS is the secretariat of the Nova Scotia Adventure Tourism Association and the Ecotourism Development Foundation, and a member of the Nova Scotia Environmental Association.

Environmental concerns are closely linked with Tourism sustainability and we need to ensure that the environment is protected. This leads to support for protected places and impact studies on development.

**Festivals & Events** Support our communities and celebrate our history. Support is crucial. Our Industry thrives because of the huge volunteer commitment, but if we are to star on the world stage, we must provide direction.

## THE MAJOR CONSTRAINTS

**Hours of Operation** The Government should not dictate hours of operation to one sector and allow other sectors to carry on business seven days a week.

This is manifested in retail hours of operation and the sale of alcoholic beverages.

### **Deregulation of Retail Hours of Operation**

The issue is consumer, not business driven. "De-regulation" not "Sunday Shopping"

TIANS policies are market driven and meeting visitors' needs. The needs of travelers, as well as residents, are constant throughout the week. As shopping and retail purchases are key elements of the Tourism economy, it is TIANS position that **voluntary** Sunday shopping availability is an important **competitive** element for the Tourism Industry, and should be permitted throughout the Province.

### **TIANS policy is:**

In a free enterprise system, the business owner/operator should have the ability to set his/her own hours of operation.

The government should not have the right to set hours for some businesses and allow others to use loopholes or "necessary services" to conduct business on Sunday.

The two top activities of our visitors

1. Sight-seeing - non revenue producing, available seven days a week
2. Shopping - revenue producing - restricted to six days a week

Difficult to build a 365 day destination with the most popular activity operating on a 310 day year

16% of the Tourism dollar is spent on retail sales; In 1999, that amounted to almost \$192 M.

Therefore, by adding one more day, an estimated additional \$39 M would be the immediate potential increase in sales and \$5.9 M increase in HST.

Icelanders buy 3-day weekend Shopping Packages but can only shop two of the three days.

We are curtailing the visitor experience and making decisions for our guests.

Nova Scotia is losing tax revenue.

The retail sector is the only sector controlled by hours of operation.

The underground economy is flourishing - lost HST revenue.

Nova Scotia is the only province not to have some measure of Sunday hours.

Amherst region suffers from increased activity in Moncton with stores open Sunday.

**Market Potential is:** The cruise market and the RV'rs are two markets that expect stores to be open any day of the week and could be further developed if we had deregulation.

Motorcoach companies would revise their itineraries re Halifax if shopping hours were deregulated.

Throughout Nova Scotia, many municipalities choose to allow retail operations to be open seven days a week. TIANS feels that decision should be in the hands the business owners who may or may not want to be open Saturday or Sunday or any other day of the week.

In today's multicultural society, the religious significance is less important - a large part of the population does not celebrate the Sabbath on Sunday

TIANS recognizes the objections when limiting the discussions to "Sunday openings". However, this furthers TIANS position that:

1. Let the Market decide
2. Deregulation will cause the opportunity of CHOICE for both the "customer" and the "business owner/operator"

### **Welfare Reform**

There is a skilled labor shortage in Nova Scotia that drastically affects the Tourism Industry, particularly during the slower periods of the year. Regulations around hours of work for welfare and EI recipients are constraints to building year round Tourism and make it difficult for the Industry to hire part time staff.

Regulations need easing to allow seasonal and part time employment The current policy encourages potential workers to stay home.

The Tourism Industry requires capable people willing to work unpredictable hours - weekends and/or only a few hours a day.

The system should allow a base amount per year before loss of benefits; and then a progressive clawback until the person is off the system.

Most people want to work and be productive. But if earning \$400 a month for 6 months means you lose the \$750 a month that keeps a roof over your head all winter, it does not make sense to accept employment.

Example: -

A small motel employs personnel to clean rooms on a part time basis in the off season - the system of deducting the amount earned or time worked from the eligible for EI or welfare supplement removes the incentive to work. It is not feasible for the employee to work if they deduct more off the EI/welfare cheque than the amount earned.

## **Environment**

New operations and upgrades to existing Tourism enterprises that involve septic systems are experiencing great difficulty. The short window of opportunity to maximize revenue in the high Tourism season requires that renovations or new construction must be accomplished in order to be "open for business" when business can be achieved.

The process of approval is inefficient, cumbersome, costly, and lacks any spirit of timeliness or consideration of the needs of the business.

For every project large or small, the operator must employ an environmental engineer to work with the Department of Environment engineer. There appears to be little co-operation between the two and no consideration of the additional cost to the operator for every consultation.

Examples:

A proposed Chowder House, complimenting an existing cottage business in an area that has no other foodservice, started the project in March and had to put the project on hold after an investment of \$50,000.00 in property upgrades and engineering fees. Reason: "The lack of consideration for timely responses, applying every nuance of legislation regardless of the size of property."

A project adding three new cottages to an existing business was finally approved in August - six months after its application.

Another project of additional rooms was abandoned because of bureaucracy in handling the environmental requirements.

Clean Water Act - while there was consultation with the Industry during the process, the implications are never considered.

New rates - was this researched? - how was price arrived at? - what will impact be on Industry?

Mandatory testing - tripled in quantity - where does it get done - how will all the water bottles get handled - what is the quality control?

## **Direct Government**

**Inspections** There needs to be a consolidation of Inspections - Industry is telling TIANS that there are far too many inspectors from a myriad of departments, and that they are either too frequent or not diligent enough.

It would seem appropriate for the Red Tape Reduction Task Force to investigate the number of inspections and examine the feasibility of consolidation for efficiency and



economy, as well as, reduce the time business has to devote to reception of this activity. It would also eliminate the confusion of two departments giving conflicting information.

These include Health, Environment, Liquor, OH&S, W.C.B., Fire Marshall, Accommodation. all appear to have the *raison d'être* to find errors instead of ensuring what is right and playing a consultative role in assisting operators to reach compliance and above.

There is a need for cross training to reduce number of times Industry has to deal with these invasions. Why not cross train so that one person can test the water, and check that fire regulations, OHS, Accommodation standards are met.

Examples:

The Fire Marshall and the Department of Tourism & Culture agreed in principle that a Carriage House could be renovated to house three rooms. A foundation was installed and work began on a honeymoon suite and two standard rooms upstairs. Conformation to fire regulations involved installing fire breaks, special windows, fire escape and thicker than normal gyproc. Construction was halted when the Building Inspector advised that the honeymoon suite must be wheel chair accessible, no step up brass bed, no corner Jacuzzi tub, low light switches and closet poles. Decision: Convert the building to two apartments.

Fire Regulations require that only 10 people may occupy a residence (used as a B&B) without a full alarm system. The Accommodation Inspector and the Fire Marshall approved a three room B&B with a family room with a queen and two twin beds plus the other rooms each with a double bed, provided there were no more than ten people at any given time. A new Fire Inspector told the operator to remove a double bed from one of their rooms and put in a single or twin bed, rather than giving credence that the operator can count to ten, and has the integrity to rent to only eight persons with the owner/operators being the other two people in the home.

Under the Tourist Accommodation Act, according to Part 1 Definitions: a "bed and breakfast is defined as a private home where the owner resides which provides accommodation for the use of the travelling or vacationing public containing a maximum of four rental units (bedrooms) and a common living room, that serves breakfast which cost is included in the price of the accommodation." The indefinite grandfathering of a number of properties advertised in the provincial publications cause confusion in the marketplace.

The legislation for Accommodation Properties is weak concerning unlicensed operators and run down/poorly maintained properties. The Accommodation Inspection Services should be conducting due diligence and capturing these properties.

There is a growing trend of advertising accommodation in local newspapers and on the Internet, which are not licensed. There is a preponderance of existing properties purchased for the purpose of renting accommodation. There is no reason for the building inspector/assessment office to review the property and therefore, it continues as residential property competing with properties paying commercial assessment and business occupancy tax.

**Administration**

Time lost to perform administration for the government is extensive:

- payroll deductions
- HST remittance
- E.I. follow ups
- Remittances - W.C.B., R.O.E.

The cost of government imposed regulations has not considered the additional cost for business:

- WHMIS
- First Aid
- Safety Committees

### **Motorcoach**

Re regulation of the Motorcoach Industry is required to accommodate free enterprise.

### **TIANS Position on Motorcoach re-regulation**

**Definition** - 'motorcoach' is any vehicle carrying 8 or more passengers for hire (including vans, small coaches up to large motorcoaches carrying 47 passengers)

#### **TIANS Position:**

We support the long term viability and growth of tourism in the province, which includes providing a quality, competitive product that meets market demand. Industry research (Nova Scotia Motorcoach market study 1995, as well as, Industry feedback) has indicated that several segments of the group travel business are growing and we are currently not meeting the demand of those wanting to visit the province, based on quality and quantity of motor vehicles available.

While it is inevitable that economic deregulation will result in an adjustment within the Industry, the Tourism Industry overall will benefit by allowing free market forces to determine the level of supply and demand. As in other Sectors such as Accommodations, Food Service and Attractions, those offering quality products that meet the consumers demand will, in fact, thrive, providing long term growth to the Industry.

Those expected to benefit directly from deregulation will be existing operators wanting to expand their business, new operators wanting to service the industry, tour operators wanting to contract the services of motorcoach operators, as well as, the Tourism

Industry at large, such as the Accommodation Sector,  
Food & Beverage Sector, Events and Attractions, etc.

During deregulation TIANS also supports an orderly transition, with changes to regulations being phased in over a 1 - 2 year period, therefore allowing current operators the time to adjust their business plans accordingly.

TIANS also strongly supports continued regulation of safety standards within the Motorcoach Industry. This would include the current monitoring and enforcement of existing and future regulations of all sizes of vehicles for hire.

### **The Sale of Alcoholic Beverages**

A continuing constraint that plagues the Food and Beverage Sector is the burden of regulations, fees and business practices surrounding the sale of alcoholic products.

The Industry continues to request reasonable business practices, which the Liquor Commission cannot accommodate due to their own constraints and positioning within the government structure.

#### **OVERALL BUSINESS TO BUSINESS RELATIONSHIP**

The Industry is a customer of the Nova Scotia Liquor Commission.

The Commission is a monopoly and operates insulated from normal business practices. It fails to make a distinction between wholesale and retail prices.

- It actually adds a surcharge on top of the retail price
- It provides no credit to its customers

#### **1. LICENSES**

License all establishments serving alcoholic beverages, including private clubs, under one category - a single class of license, eliminating the requirement of foodservice. Increase the term to two years for new licences, and subsequent renewals to three years.

#### **2. THE SURCHARGE**

Originally designed to support the cost of the Liquor License Board, the revenue received far exceeds the expense. The Industry requests its removal. The selling of alcohol is not a privilege given by the government to Industry - it is a service to the Commission and provides a distribution channel and tremendous source of revenue to the Province.

#### **3. WHOLESALE PRICES**

The establishment of a wholesale price structure is requested. The result would benefit both the supplier and the purchaser in higher revenues to the Commission through increased sales.

Some research completed in BC by CRFA indicates a revenue neutral situation when improving pricing to the Industry.

Also, although the NSLC sales revenues are up, the slices of the pie are smaller to the Industry as the number of Licensees have increased.

#### **4. METHODS OF PAYMENT**

While it is recognized that a Task Force on Licences, Permits and Approvals (LPA) have made recommendations regarding payments to all government departments, the Industry requests a system of credit approval and/or use of

Credit/Debit cards. This is a major issue in that Industry pays for inventory prior to its sale, which places an unnecessary constraint on cash flow and working capital.

5. SUPPLY OF PRODUCT

Beyond HRM, problems with supply have been critical. From a previous Coalition meeting, a subcommittee met and is working on solutions by provision of on-line ordering and better communications with Store Managers.

6. DELIVERY MECHANISMS

Paying for delivery is an archaic business practice. The supplier in the private business world includes distribution in the cost of sales. This is an added cost to the Industry, in effect another surcharge.

7. OFF PREMISE SALES

The ability to engage in off premise sales would increase sales and reduce illegal sale of alcohol.

The Industry to date has opposed strenuously, the concept of "corner store licences". Basically, the Industry has trained staff which are over 19 and has the responsibility of safety as a constant liability. Neither the Liquor Stores nor corner stores have the liability issue.

At least - the Accommodation Sector should be able to sell full cases/bottles to their guests.

8. CRAFT AND MICRO BREWERIES

The burden of federal excise tax, plus an inordinate (compared with Ontario or Massachusetts) mark up by the Province, is creating an uncompetitive positioning for this product. The ability to market and sell the product in an open market should be an option for these entrepreneurs.

Nova Scotia independent breweries pay among the highest taxes in the world. Even though product is manufactured and sold from a craft brewery, the brewery must sell their beer to the Liquor Commission and buy it back. The Commission has 30 days to pay, Granite Brewery must pay cash.

9. SPECIAL OCCASION LICENCES

The proliferation of these licenses, with no responsibility on the organization utilizing this means to sell alcohol, is seen as unfair competition by Industry members who are heavily restricted by regulations and who contribute to the economy through payroll and taxes.

The "It's Good Business Program" should be mandatory for Special Occasion Applicants.

10. SHOOTERS AND LIQUEUR SALES IN LIQUOR STORES

Originally developed for use in rail and air travel, these items are now found in Liquor Stores and usually right at the cash register. They show up in the garbage containers in licensed establishments; they also encourage drinking and driving. The sale of single drink items is not "responsible" business practices and the NSLC should discontinue this practice or at the very least remove them from the cash register area to eliminate impulse and indiscriminate purchasing. No doubt they are a high profit item for the NSLC.

11. MARKETING - ADVERTISING

The rules and regulations around the marketing and advertising of alcohol, beer and wine sales need examination and updating.

i.e.: Advertising on the Internet and displaying your menu with the dining room is a "virtual visit" to an establishment.

Paying for delivery is an archaic business practice. The supplier in the private business world includes distribution in the cost of sales. This is an added cost to the Industry, in effect another surcharge.

## RELATED ISSUES

### 1. VLT'S

The regulation regarding the use of Interact / Debit cards in the proximity of VLT machines disadvantages the customer who is in the establishment and not utilizing the VLT's.

### 2. SMOKING

The Industry policy is "let the market decide". The impact of non-smoking legislation or smoke-free environments is well documented in other jurisdictions. The Industry has shown marked responsibility by endorsing programs such as EnviroChoice and installing equipment.

This document was originally produced in 1997 - nothing has changed - archaic business practices prevail.

The Industry calls for a made in Nova Scotia privatization of the Nova Scotia Liquor Commission that does not replace one bureaucracy for another, but allows for entrepreneurship and equality with good business procedures.

## **Assessment of Small Accommodation Properties**

The Innkeepers Guild of Nova Scotia and TIANS are endeavoring to have Municipal Affairs establish fair and equitable assessment for small accommodation properties. A "Tourism" solution is needed.

Small properties are not assessed in like manner. Some are on the Income method, others on the OASIS method. This creates inequalities when you examine and compare the per room assessment of similar properties.

Examples of inequalities/differences in the treatment of accommodation properties are

- exemptions from Commercial taxation for properties that rent accommodation on a daily or weekly basis:
  - Universities
  - Military bases
  - Unlicensed accommodations
- Hotels/Motels assess on commercial space not the number of rooms
- The Income method allows for deduction of operational and labor costs
- Small inns are disadvantaged by the disallowing of true costs of doing business

One of the impacts of residential assessment of Bed and Breakfast accommodations with four rooms or less is the closure of rooms to avoid commercial tax.

## **CONCLUSION**

### **Achieving a competitive business climate:**

The **Red Tape Reduction Act** and the Task Force states that:

- The regulatory environment plays an important role in the competitiveness and economic prosperity of the province.
- Regulations must be balanced, effective and fair.

The **Red Tape Reduction Task Force** as outlined on the website at:

<http://www.gov.ns.ca/cutredtape/index.html> is about achieving a competitive business climate and recognizes that small business creates jobs in Nova Scotia.

The constraints which inhibit the eight sectors of the Tourism Industry to be more successful and achieve a better return on their individual investments is "Red Tape" and most of the red tape is unnecessary bureaucracy.

If Nova Scotia truly wishes to improve the performance of all business, it must develop the political will to put aside preferences and biases. It must create an equality within business that considers profit equal to social initiatives for it is profit that allows for social initiatives and quality of life to be nurtured.

TIANS as the provincial advocate for the Business of Tourism has advanced the elimination of certain restrictive and cumbersome regulations that are derogatory to the advancement of business. We regularly survey our membership of over 1000 businesses and stakeholders and gather their opinion and recommendations for change.