



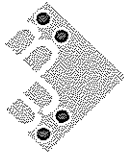
Review of the Tourist Accommodations Act and Regulations

Summary of Stakeholder Consultations

Nova Scotia Department of Tourism, Culture and Heritage

May 9, 2007

Report prepared by: BoardWorks Consulting Inc., Halifax, N.S.



May 9, 2007

Mr. Bob Book
Director, Development and Planning
Department of Tourism, Culture and Heritage
Province of Nova Scotia
World Trade Centre
Halifax, Nova Scotia

• Dear Bob:

Re: Tourist Accommodations Act and Regulations

Further to the presentation given to your departmental Steering Committee on April 23, 2007, I am pleased to provide you with this summary of the stakeholder feedback received during the recent consultation process undertaken as part of the review of the *Tourist Accommodations Act (TAA)* and its Regulations.

This report will be organized in two parts:

Part 1 – Feedback from Key Stakeholder Organizations

Part II – Feedback from Individual/Group Stakeholders

While the Discussion Paper identified a series of “options” for consideration by industry, it is simpler and more accurate to summarize the stakeholder feedback by looking at the substantive themes that emerged. Therefore, to the extent that respondents preferred options or proposed new ones, the substantive content of their preferred approaches has been analyzed and included under the themes discussed in this report.

In general terms, the themes that emerged with the most frequency from the stakeholder submissions included:

- ▶ Amendment of the Act and the regulations vs. de-regulation
- ▶ Enforcement, and
- ▶ Quality

The next tier of issues, in terms of frequency, included:

- ▶ Unlicensed properties
- ▶ Indiscriminate camping, and
- ▶ Industry involvement in the next phases of the Department's legislative review process

Other themes that emerged, albeit less frequently, included:

- ▶ Educational and promotional programs to support voluntary compliance
- ▶ University accommodations
- ▶ Occupancy statistics
- ▶ Role of the Department of Tourism, Culture and Heritage
- ▶ The stakeholder consultation process

Finally, a range of issues falling outside the scope of the current review process were identified in various submissions. These included but were not limited to:

- ▶ Commercial taxation (both income and property) of tourist accommodations
- ▶ The complexity of the current licensing package and regulations
- ▶ Licensing and quality inspection services
- ▶ License fee structure
- ▶ Doers and Dreamers Guide policies

Part I - Key Stakeholders

The consultation process included feedback sessions and/or written submissions from the following key stakeholder organizations:

- ◆ Tourism Industry Association of Nova Scotia (TIANS)
- ◆ Hotel Industry Association of Nova Scotia (HANS)
- ◆ Nova Scotia Bed & Breakfast Association (NSBBA)
- ◆ Innkeepers Guild of Nova Scotia (IGNS)
- ◆ Nova Scotia Unique Country Inns (NSUCI)
- ◆ Campground Owners' Association of Nova Scotia (COANS)

- ♦ Regional Tourism Industry Associations (RTIAs)
- ♦ Quality Visitor Services (Canada Select)

While an initial presentation was made to the Tourism Partnership Council, that organization subsequently withdrew from the consultation process on the basis that it will play a later advisory role to the Minister once the results of the consultation process are known.

Written submissions were also received from the Central Nova Tourism Association (CNTA), the Pictou County Tourism Association (PCTA), the Antigonish and Eastern Shore Tourism Association (AESTA), Destination Cape Breton Association (DCBA) and Destination Southwest Nova Scotia (DSWNS). For the purposes of analyzing the feedback, these organizations will be considered as a single organization whether one or more of them addressed a particular issue discussed below.

(a) Amendment of the Act and Regulations

Five (5) of the eight (8) key stakeholder organizations are of the view that the TAA and Regulations should be amended to promote clarity, brevity, relevance and enforceability. Of these, one organization had very specific changes to suggest to the legislation, which are discussed in Section (f) below.

Two key stakeholder organizations believe that the current Act is satisfactory and should simply be enforced.

(b) Enforcement

Seven (7) of the key stakeholder organizations highlighted the need for the Act to be enforceable. One organization noted:

“There is a concern of non-confidence in the system due to the lack of enforcement of the existing Act.”

The feedback suggested that the mechanisms to enforce the TAA and Regulations should be put into place, whether within the Department of Tourism, Culture and Heritage or through the auspices of another clearly designated Department/Agency.

(c) Deregulation

Of the key stakeholder groups, only one organization appeared to support de-regulation of the tourist accommodations sector. None of the other key stakeholder organizations supported complete de-regulation of the tourist accommodations sector. Several noted the need for some basic regulations governing the tourist accommodations sector but also suggested that the current regulations could be streamlined with an emphasis on those that are truly necessary and relevant.

(d) Quality

All key stakeholder organizations shared a concern about quality. However, the "schools of thought" were divided among the key stakeholders on the issue.

Definition of Quality

Four (4) of the key stakeholders submitted that quality should include more than just infrastructure.

Mandatory Rating Program

Two key stakeholder organizations were strongly opposed to the potential introduction of a mandatory quality-rating program. These organizations believe the decision to participate in a rating program rests with individual operators and that government-prescribed minimum standards are sufficient to provide a high standard of quality in tourist accommodations. They also suggested that smaller operators may close their doors rather than pay the cost of participating in a rating program. This, they argued, would have a detrimental effect on rural tourism, in particular.

Stronger "Quality" Requirements

Four (4) of the key stakeholder organizations supported strengthening quality standards (from a customer perspective) through new regulations that would establish conditions for participating in government-sponsored marketing programs.

"Quality of product is an issue in our Province – traveling customers continue to become more educated and demands are higher. Without changes to ensure quality, Nova Scotia will continue to lose the new sophisticated traveler."

One organization went further to suggest that the Act should be amended to require higher quality basic requirements before a license is issued. Another supported amending the Act to promote an increased commitment to the provision of quality campground services and facilities.

Three (3) of the key stakeholder organizations submitted that quality should include more than just infrastructure and could include, without limitation:

- ♦ Commitment to a code of ethics
- ♦ Proof of liability insurance
- ♦ Participation in a quality service or excellence program, with national/international recognition
- ♦ Participation in a quality rating system, with national/international recognition

- ♦ Proof of compliance with specified provincial legislation (e.g. health and safety requirements)
- ♦ The requirement to provide accurate and timely monthly occupancy statistics

Other suggested regulatory "conditions" for participation in government-sponsored marketing programs include:

- ♦ Minimum 1-star rating by inspection year 2008
- ♦ All properties must display their respective rating and category in all TCH marketing initiatives

Quality Rating Program

Two key stakeholder organizations expressed serious concerns about the applicability and relevance of the Canada Select program to their types of establishments. They did not feel that Canada Select should be given a quality rating monopoly in Nova Scotia. Another submission also observed that the current quality rating system is "found by many to be restrictive, inconsistent and often impedes operators from providing the customer with the experience he/she is looking for." One respondent noted that:

"The B&B industry appears to have great hesitation and lack of confidence in the Canada Select program; they do not condone a lack of quality but they do not agree with the practices of the Canada Select grading system. Hotel/motel operators recognize the importance of a grading system and the utilization by the visitor of the system in making their vacation plans as they serve a much larger audience."

One key stakeholder group noted that the Canada Select program does not take into consideration the historical value of heritage properties, nor does it fairly represent what the consumer is looking for within a historical property.

At the other end of the spectrum, one of the key stakeholders submitted that the Canada/Camping Select program should be the only recognized quality rating system in Nova Scotia.

Three (3) key stakeholder groups suggested that "government and industry should work toward a recognizable symbol that promises and delivers a standard of quality and safety for consumers that incorporates a number of existing initiatives." Another organization submitted that the Province should consider a rating system created by government and industry for Nova Scotia, due to the uniqueness of the accommodations within the Province. Finally, yet another submission suggested the development of "a rating system that has more than one set of criteria such as urban, rural and focused on quality of service."

Best Practices

Several of the stakeholder organizations suggested that government policy should reward and recognize best practices within the tourist accommodation sector.

(e) Unlicensed Properties

One key stakeholder organization suggested that stricter enforcement of licensing criteria would eliminate unlicensed properties. Another organization submitted that the Act should be amended to ensure that all unlicensed properties AND properties not meeting the standards in the Act are NOT able to operate; this requirement should be enforced without exceptions.

One respondent indicated that unlicensed properties are a significant issue in their region. That organization has made efforts to identify these properties and report them to Revenue Canada. It submits that unlicensed properties are affecting the industry negatively and enforcement needs to be "stepped up."

On the other hand, another key stakeholder submission suggested that "unlicensed properties need to be part of the product mix in response to customer demands for this experience (e.g. cottages, etc.). These groups wondered if there was a way to "tag" these properties or to charge them fees for listing their properties.

(f) Indiscriminate Camping

One key stakeholder organization made detailed submissions regarding indiscriminate camping. Another noted that the definitions in the Act should be rewritten to address the issues of illegal camping and the licensing of seasonal parks. A third stakeholder organization also noted that the revised Act should address and clarify the licensing of seasonal parks.

The main proponent on this issue noted that this issue has remained unresolved for decades, despite assurances from various Tourism Ministers that it would be remedied. The organization understood that the 1995 amendments prohibited indiscriminate camping and would enable the Department to enforce this prohibition. Unfortunately, this has not been the case.

According to the detailed submission, indiscriminate camping has increased significantly over several years, to the detriment of legitimate campground owners, the environment and public safety. The organization submits that the TAA should be amended to clearly prohibit indiscriminate camping and provide the Province with the legal authority to enforce a restriction of overnight recreational vehicle parking and other forms of indiscriminate camping.

The following specific amendments to the *Tourist Accommodations Act* were suggested:

- ♦ Include a clear purpose statement that includes the intention to prohibit indiscriminate camping in Nova Scotia

- ♦ Include a requirement that provincial campgrounds must be licensed and governed by the same Act and regulations as private operators
- ♦ Revise the definition of "camping establishment" to:
 - Remove the limit of "premises operated for profit or gain"
 - Include provincial campgrounds, parking lots, and other non-licensed premises that permit indiscriminate camping by the public
 - Include "any lands used for the overnight parking of recreational vehicles for the traveling or vacationing public"
 - Clarify that it is the owners of the premises, rather than the tourists using the premises who would be liable for permitting indiscriminate camping on their property
- ♦ Incorporate enforcement provisions that include:
 - Legal notice and warnings to property owners that indiscriminate camping is illegal
 - Whistleblower provisions that encourage all parties to report potential incidents of indiscriminate camping
 - Increased fines and staggered enforcement for repeat offenders under ss. 15 and 16 of the Act

(g) Programs to Support Voluntary Compliance

Four (4) key stakeholder organizations suggested that the Department should implement educational initiatives that promote compliance with the revised Act and regulations. These initiatives might include:

- ♦ Signage
- ♦ Education of Visitor Information Centre staff
- ♦ Preparation of brochures and educational information
- ♦ Notices in the Doer and Dreamers Guide and on the website

(h) Role of the Department

Three (3) of the key stakeholder organizations spoke of the important role that DTCH plays in the promotion of compliance, the oversight of tourist accommodations and the co-ordination of inspections by other provincial departments.

(i) Industry Involvement

Five (5) of the key stakeholder groups advocated for continued industry involvement in any amendments to the Act or regulations. Three (3) groups supported the concept of establishing a Standing Committee on the Tourist Accommodations Act (Quality) that would act as an advisory board to the policy staff at DTCH during the amendment and regulation development part of this process. The Standing Committee would also provide advice regarding "future elements of the quality assurance strategy affected by government regulation."

Five (5) key stakeholders stated their expectation that the Department will conclude the review process and communicate clear "next steps" and timelines within a short period of time. One group, for example, specified that it anticipated all stakeholder groups would receive a written response to their various positions by mid-May, together with a briefing by the Department on the results of the consultation process and a description of the go-forward plan including the Department's revised Options and Proposal.

(j) Other Issues

One key stakeholder organization indicated that its membership raised a number of issues during the consultation process that fell outside the scope of the current review. These included:

- ♦ Doers and Dreamers policies
- ♦ VIC policies
- ♦ University residence licensing
- ♦ The licensing fee structure
- ♦ Regional tourism industry associations
- ♦ Contracting out
- ♦ Third party contracts
- ♦ Marketing
- ♦ Monitoring
- ♦ Communication, and
- ♦ Planning

It indicated that it would be pursuing these issues directly with the Department.

Another key stakeholder organization raised the issue of taxation and indicated that issues such as it should be assessed on their own and include dialogue with appropriate agencies. This organization did not feel these other issues should impede immediate action on the amendment of the TAA and related regulations.

(k) Consultation Process

Finally, two of the submissions expressed concern about the consultation process. Both groups suggested that the issue of mandatory participation in a quality rating system was a topic that warranted separate and more comprehensive industry consultation. The inclusion of QVS as a key stakeholder in the process was also criticized during the process.

One key stakeholder organization remains concerned about the "gate-keeper" role given to the Tourism Partnership Council once the consultation process was underway. It also advocates a more "fully public" process for this type of review.

Part II – Individual/Group Submissions

A total of thirty (30) written submissions were received from interested individuals or groups. The industry categories represented by these submissions are:

- ◆ Bed & Breakfast/Inns (18)
- ◆ Campgrounds (4)
- ◆ Licensed Operators (unspecified) (1)
- ◆ Recreational Vehicle Owners (1)
- ◆ Universities (1)
- ◆ Local Business Organizations (1)
- ◆ Real Estate Companies (1)
- ◆ Hostels/Backpackers (1)
- ◆ Community Residents (2)

(a) Amendment of the Act and Regulations

Twelve (12) individual or group submissions advocated leaving the existing Act and Regulations in place. Many of these submissions referenced the need for greater enforcement. All but one of these twelve submissions came from owners/operators of Bed and Breakfast establishments.

Other submissions suggested changes to the Act or Regulations as follows:

- ♦ Regulations should contain clear, specific rules and definitions
- ♦ Clearly define "tourist accommodations (e.g. any fixed roof accommodation that is rented for less than 31 days)
- ♦ Amend the Act to exclude universities from being able to be licensed as "roofed accommodations"
- ♦ Re-definition of the different "roofed accommodations"
- ♦ Amend the Act to more clearly define "roofed accommodation" and "camping establishments" – the current definitions are far too broad
- ♦ Amend the Act to allow campground owners to recover unpaid fees and expenses via a lien on recreational vehicles on their property (similar to the provision provided for roofed accommodations); this would discourage seasonal campers from defaulting on their payments
- ♦ Amend the Regulations (Quality of Visitor Experience) to recognize hostels/backpackers; the UK, New Zealand and Australia have good examples to study

(b) Enforcement

Eleven (11) of the individual/group submissions mentioned the need for greater enforcement of the current or amended Act and regulations. Nine (9) of these came from owners/operators of Bed & Breakfast establishments while the remaining two (2) came from campground owners/operators.

Specific suggestions related to enforcement included:

- ♦ The need to provide DTCH staff with the training, capacity and formal authority to lay charges for violations
- ♦ Minister should direct DTCH staff to enforce the Act; if those responsible for the enforcement of the Act "cannot or will not enforce the Act, they must be replaced immediately"
- ♦ Penalties and fines for non-compliance
- ♦ DTCH should change its interpretation that the current Act does not prohibit RVs from parking overnight in retail shopping mall lots and other parking areas

(c) Deregulation

Only three (3) of the individual/group submissions advocated for complete deregulation. Another four (4) submissions highlighted the need for a simplified, clear or less bureaucratic regulatory framework. By way of example, one submission expressed concern about over-regulation and associated costs. The submission noted that "inspections for renovations are cumbersome" and that the Minister "should not have to approve plans for the construction, renovation or reconstruction" of tourist accommodations.

(d) Quality

Definition of Quality

In terms of how quality is defined, some of the submissions advocated a broader definition that includes both physical environments and "soft" factors such as customer service, access to quality public resources and the overall environment.

Mandatory Rating Program

Twelve (12) submissions explicitly opposed the concept of mandatory participation in a quality rating system as a condition of licensing or participation in government-sponsored marketing programs. One of these submissions made the point that those presently required by the Province dealing with health and safety are sufficient. All but one of the twelve submissions were from B&B owners/operators.

Another B&B submission suggested that an expensive rating system was not required in that "word of mouth references bring in business not ratings." Another expressed concern that the cost of mandatory rating systems gets passed along to the customers and higher accommodation rates can discourage tourism.

One campground owner suggested that, through government policy, the DTCH could establish certain conditions that must be met by operators to participate in government sponsored marketing activities at no additional cost. The same submission suggested that existing businesses might be "grand-fathered" to protect "camping establishments from further regulations that cause additional costs, fees or mandatory development or renovations on a time sensitive schedule." Another submission suggested that compliance with a provincial code of ethics and the Act itself should be conditions of participating in government-sponsored marketing programs.

Finally, one submission noted that "mandatory quality assurance regulations favour parties who would mould all accommodations in their likeness, they destroy the prospect of unique experiences by individual operators."

Choice of Rating Program

Seven (7) submissions raised concerns about the scope and relevance of the current Canada Select rating system. Comments included:

- ♦ "Rating standards don't fit the type of accommodations (e.g. TVs in rooms of heritage properties)."
- ♦ The trend with Canada Select has been to "fit us all into the same mould."
- ♦ "Opted out of Canada Select because that organization keeps moving the goal posts."
- ♦ "The rated elements are not the most important elements to B&B visitors who value tranquility, friendly hosts and great breakfasts."

One submission included the following analysis of the current system's deficiencies:

<i>Canada Select addresses reasonably well:</i>	<i>Canada Select does not address at all:</i>
<ul style="list-style-type: none"> ♦ Range of facilities and amenities provided ♦ Some qualitative features of those facilities ♦ Range of services provided ♦ State of repair and cleanliness 	<ul style="list-style-type: none"> ♦ Scope of guest programming and customized services offered ♦ Uniqueness, appeal or quality of the setting ♦ Quality of meals served, quality of china, table linens, etc. ♦ Standard of hospitality and guest services (professionalism, friendliness, knowledge of the property's services, things to do in the area, etc.) ♦ Ambience of the property, heritage value of the property, etc. ♦ Price or value received ♦ Overall guest experience

One of the submissions noted that participation in a rating system should be optional for operators and that the DTCH should allow membership in ANY quality rating service to be advertised in the Doers and Dreamers Guide and on the website.

Quality Assurance

One of the submissions suggested that both the minimum standards for licensing and the star rating compliance under a quality rating system need to be enforced. Another noted that "meeting a certain level of standards and requirements would be a good idea for tourist accommodations, as would a complaint mechanism for unsatisfied tourists."

Another submission suggested using mystery shoppers as a quality assurance strategy, while another suggested training local municipal building inspectors in quality assurance and having them be the QA inspectors.

(e) Unlicensed Properties

Four (4) submissions advocated strongly in favour of allowing high end vacation property owners renting for less than 31 days to do so without being taxed at commercial property rates. These submissions noted that such an approach is harmful to rural or local tourism markets. They suggested that owners of beautiful residential oceanfront properties (homes or cottages) should be encouraged to make their homes available to visitors given the economic spin-off to local artists and businesses.

These submissions noted that:

- ♦ The type of tourist attracted to private residences or cottages is not interested in staying at a hotel, motel or B&B; they want their own private environment
- ♦ No other province in Canada assesses such homes or cottages at commercial property rates
- ♦ The result of such a policy is the withdrawal of private homes/cottages from the rental markets
- ♦ Consequences include:
 - Loss of opportunity to experience these wonderful properties by tourists
 - Decisions not to visit Nova Scotia because tourists cannot find the type of accommodation being sought
 - No word of mouth referrals to friends and associates about a Nova Scotia experience
 - Thousands of dollars not spent in rural Nova Scotia to the detriment of local artists, restaurants, gas stations, leisure activity operators, etc.

- Loss of opportunity to consider buying land and building homes here
- If coastal property owners cannot rent their property to offset some of the costs, it may affect decisions to buy and build properties in rural Nova Scotia
- ◆ The rental of these properties is an Internet-driven business and therefore very difficult to enforce; why waste resources shutting down what tourists are looking for?
- ◆ The 30-day differentiator does not make sense
- ◆ DTCH should immediately advise the Assessment Department not to charge commercial rates before notices are sent out in May

Another six (6) submissions offered the following suggestions or observations regarding unlicensed properties:

- ◆ Cottage rentals should be included in the requirement for licensing and standards
- ◆ "Can unlicensed properties be marked in some way as a "use at your own risk" indicator?"
- ◆ All properties operating as tourist accommodations should both be licensed by the Province and listed in the registry of Joint Stocks
- ◆ The rating system debate does not address the major problem of unlicensed properties
- ◆ Query whether requiring proof of insurance as a condition of participation in government-sponsored programs would control unlicensed properties
- ◆ Imposing conditions for participation in government-sponsored marketing programs does not eliminate the problem of private home owners competing against established tourist businesses

(f) Indiscriminate Camping

The submissions of three (3) campground owners dealt specifically with the issue of indiscriminate camping. Their suggested approaches ranged from enforcing the current Act to amending the Act to enable the enforcement of a prohibition against indiscriminate camping.

The lone RV owner who filed a submission suggested that Nova Scotia's approach to indiscriminate camping is causing the province to be labeled "RV-unfriendly" in various forums on the Internet. He submitted that this reputation is causing a loss of tourism resulting in increased taxes or loss of services or both to Nova Scotians.

While he agreed with including indiscriminate camping in licensing and regulation, he noted that too strict an enforcement will turn off recreational vehicle owners from coming to Nova Scotia. He also noted the need for local campgrounds to upgrade their properties to accommodate larger RVs and to maintain current information on their web sites and in the Doers and Dreamers Guide.

(g) University Accommodations

Two (2) of the submissions received addressed the issue of university accommodations. One submission focused on the inapplicability of current rating programs to university accommodations. The submission indicated that the universities do not have the resources to devote to the development of a rating system specific to university accommodations. It also suggested that in the event of de-regulation and the requirement to participate in a rating system, a third party should be involved in regulating quality standards so that tourists can be assured of the same quality and standards as they enjoy now.

The other submission to deal with university accommodations raised the following key points:

- ♦ Universities should not be licensed as general tourism accommodations; they are publicly subsidized, do not charge HST and are not taxed commercially; consequently, their pricing is lower and this results in an unfair advantage over private operators
- ♦ Universities are increasing their supply of rooms at the same time that demand for accommodations has decreased across the province; this exacerbates the excess supply situation and drives down private sector profitability and viability
- ♦ Universities should not be listed in the Doers and Dreamers Guide nor should they be listed with Check-In

(h) Occupancy Statistics

One of the submissions urged the Department to commission an independent audit of occupancy statistics as there "seems to be a disconnect between operators and the official department stats."

Another submission felt that Options 3 and 4 (de-regulation) would deprive the government of occupancy statistics thereby removing its ability to gauge the health of the tourism industry in Nova Scotia. If statistics are only being collected from those establishments wanting to participate in government-sponsored marketing program, the results will only present a partial picture of the tourism industry.

(h) Role of the Department

One submission highlighted the importance of the Department's role in the tourist accommodations sector. Another submission criticized the Department's competence, vision and leadership and noted a perception that certain bodies within the industry appear to have an "unjustifiable influence" on the Department.

(i) Industry Involvement

Suggestions for industry involvement included:

- ♦ Creating a standing advisory board to the DTCH that would "solicit and collect input from all stakeholders and would ensure an ongoing and vigorous discussion of quality and the regulation of the sector"
- ♦ Setting up a committee to explore Option 2, with members from government and the tourism industry represented on the committee
- ♦ "Industry should have a guarantee from the Department that it would have strong input into the new wording for definitions"

(j) Other Issues

A range of concerns or issues were identified in the individual/group submissions. These included:

- ♦ Rural operators very concerned about decline in tourism
- ♦ Unfair advantage of small B&Bs that don't pay commercial property taxes or collect HST
- ♦ The tourism industry is in crisis; discouraging
- ♦ Predict a mass exodus of licensed operators due to excessive burdens placed on their shoulders; current sector is not sustainable
- ♦ The objectivity of an industry association was questioned
- ♦ Agencies that exist only to serve their own agendas should be disbanded
- ♦ The impact of discussion (both positive and negative) of Nova Scotia accommodations, campgrounds and regulatory environment on Internet forums
- ♦ The unnecessary complexity of the licensing package sent to new operators
- ♦ The bureaucratic nature of some of the regulations (e.g. approval of renovations)

- ♦ Local municipal building inspectors should replace DTCH inspection of licensed properties – there is no need for two levels of inspection
- ♦ Disagreement with inspectors wearing two hats (licensing and Canada Select)
- ♦ Recent rating changes for high-end B&Bs and non-response of QVS to industry input proves there will be no dialogue between property owners and the people involved in their licensing
- ♦ Licensing fees, advertising costs and reservation system fees are significant for small seasonal businesses – could result in the closure of small rural campgrounds
- ♦ The commercial taxation of all licensed roof accommodations that do not rent by the month; the formula should be revised to include fair assessment value, market assessment value, days per year of operation or days per year of operation as a percentage of the business year
- ♦ Revenue Canada's willingness to continue to allow claims for past expenses and accrued depreciation if decline in tourism industry results in continuous losses for operators

(k) Consultation Process

Two of the submissions criticized the consultation process. Key points raised include:

- ♦ "Selection of organizations/councils with "invited" individuals is a puzzle"
- ♦ QVS involvement is a conflict of interest
- ♦ "Quite certain that DTCH has already decided to make the Canada Selection participation mandatory and that QVS has been established as the group that will deliver this and do inspections"
- ♦ Concern about the consultation process and the limited distribution of the Discussion Paper

All of which is respectfully submitted this 9th day of May, 2007.

Sincerely,

Maureen Reid
 President
 BoardWorks Consulting Inc.