



## **SHAREHOLDER'S LETTER OF EXPECTATIONS**

### **BETWEEN**

**THE MINISTER OF TOURISM, SPORT AND THE ARTS  
(AS REPRESENTATIVE OF THE SHAREHOLDER,  
THE GOVERNMENT OF BRITISH COLUMBIA)**

### **AND**

**THE CHAIR OF TOURISM BRITISH COLUMBIA  
(AS REPRESENTATIVE OF TOURISM BRITISH COLUMBIA)**

## **PURPOSE**

This Shareholder's Letter of Expectations between the Shareholder and Tourism British Columbia (Corporation) is an agreement on the respective roles and responsibilities of each, and serves as the basis of agreement between the Shareholder and the Corporation on corporate mandate including high-level performance expectations, public policy issues and strategic priorities<sup>1</sup>. It will be reviewed annually and updated as required. This Shareholder's Letter of Expectations is the basis for the development of the Corporation's Service Plan for the fiscal period 2007/08 – 2009/10 and Annual Service Plan Report. The Letter applies to the Shareholder and the Corporation. This Letter does not create any legal or binding obligations on the part of the Shareholder or the Corporation but rather is intended to define and promote a positive and co-operative working relationship.

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<sup>1</sup> The Province of British Columbia's Crown Agency Accountability System (CAAS) ([http://www.gov.bc.ca/cas/down/crown\\_agencies\\_reader.pdf](http://www.gov.bc.ca/cas/down/crown_agencies_reader.pdf)) establishes guiding principles for the governance of Crown corporations. The CAAS also identifies roles and responsibilities for the Shareholder and Crown corporations, and provides for a Shareholder's Letter of Expectations (Letter) to be jointly developed.

## CORPORATION ACCOUNTABILITIES

The Corporation's mandate, as defined in the *Tourism British Columbia Act* and directed by the shareholder, is to be responsible for:

- marketing British Columbia as a tourism destination;
- providing information services for tourists;
- encouraging enhancement of standards of tourist accommodation, facilities, services and amenities;
- enhancing professionalism in the tourism industry;
- encouraging and facilitating the creation of jobs in the tourism industry;
- collecting, evaluating and disseminating information on tourism markets, trends, employment, programs and activities and on the availability and suitability of infrastructure and of services that support tourism activities; and
- generating additional funding for tourism programs.

In carrying out its mandate under the *Tourism British Columbia Act*, the Corporation should have regard for the following principles:

- the need to conduct business in a consultative, responsible and accessible manner;
- the importance of promoting all regions of British Columbia and all sectors of the tourism industry to help them to reach their full potential;
- the importance of observing and encouraging effective and efficient business practices; and
- the value of working cooperatively with the public and private sectors.

In responding to government's performance expectations and the general and specific frameworks and direction of the Shareholder, the Corporation will:

- conduct its affairs to achieve its mandate and the performance expectations and objectives of the Shareholder, including establishing and implementing corporate strategies, policies, programs, plans and financial outcomes that are consistent with the Shareholder's general direction and consistent with principles of efficiency, effectiveness, and customer service;
- prepare Service Plans with clearly articulated goals, objectives, strategies and performance measures and targets, and Annual Reports that detail progress toward achieving those goals, and post both documents on its website;
- display all annual Statement of Financial Information schedules prepared under the *Financial Information Act* in an easily accessible location on its website (some of this information is included in annual reports and does not need to be otherwise displayed);
- conduct its operations and financial activities in a manner consistent with the legislative, regulatory and policy framework established by the Shareholder;
- develop and implement strategies to manage risks identified in the Service Plan;
- provide the Shareholder with reports and other information that would enable the Shareholder to carry out its responsibilities;

- provide information to the Shareholder if the Corporation is unable to meet the targets identified in its Service Plan; and
- take appropriate action to ensure that if Shareholder-directed transactions affect the Service Plan or financial targets of the Corporation, the Shareholder is informed of any impacts.

In addition, the Shareholder directs the Corporation to take the following specific actions:

- in consultation with the Aboriginal Tourism Association of British Columbia and the Ministry of Tourism, Sport and the Arts, develop for the Shareholder's approval an implementation plan and implement the Aboriginal Tourism Strategy;
- develop a marketing plan, in conjunction with the Shareholder and industry, that supports the Shareholder's tourism strategy for achieving the strategic goal of doubling tourism revenue that is developed in conjunction and partnership with the Corporation, and implement the plan;
- based on the Shareholder's tourism strategy, continue to increase the focus of expenditures on key revenue generating markets and leverage private sector spending;
- develop a plan, for the Minister of Tourism, Sport and the Arts' review and approval, that will form part of the Shareholder's master plan for BC2008, to leverage the tourism opportunities presented by celebrating and commemorating the 150<sup>th</sup> anniversary of the founding of British Columbia as a crown colony;
- based on the Shareholder's tourism strategy and associated framework for industry key performance indicators, monitoring performance and reporting, develop a plan and work with the Shareholder to implement the framework;
- ensure annual expenditures do not exceed annual revenue;
- participate in a review of the process for nominating directors for appointment to the Corporation's Board of Directors to be led by the Shareholder and support implementation of the results of the review; and
- where the Corporation provides funding to the regional tourism associations and destination marketing organizations, request them to reflect the provincial contribution with a suitable form of recognition.

## **SHAREHOLDER'S RESPONSIBILITIES**

The Shareholder is responsible for the legislative, regulatory and public policy framework in which Crown corporations operate. In order to meet these responsibilities and support achievement of government's performance expectations, the Shareholder will:

- establish, review, revise and communicate Crown corporations' mandates;
- establish the overall and Crown-specific financial frameworks under which Crown corporations operate (borrowing, investment, and payment to the Shareholder);
- issue performance management guidelines, including guidelines for service planning and annual reports (<http://www.gov.bc.ca/cas/rpts/>);
- provide strategic input and advice to Crown corporations in the development of their Service Plans and Annual Reports;

- provide broad policy direction and confirmation of general frameworks/principles to Crown corporations, within which the Crown corporations may establish and apply specific policies/processes;
- advise Crown corporations of government's priorities, strategic decisions and public policy and performance objectives and expectations that may impact the Crown corporations; and
- issue directives or orders or sponsor submissions on behalf of Crown corporations that may be required to seek decisions or policy direction by the Executive Council or its committees, in order to facilitate Crown corporations fulfilling their mandates and achieving the performance targets outlined in Crown corporations' Service Plans.

The Shareholder has developed policies for ministries and Crown corporations for Capital Asset Management (<http://www.fin.gov.bc.ca/tbs/camf.htm>) and Board remuneration policies for Crown agencies. The shareholder has also issued Best Practice Guidelines for board governance and disclosure to be implemented by April 2006 (<http://www.fin.gov.bc.ca/oop/brdo/corporateguidelines.pdf>). During the term of this Letter, the Shareholder may provide policy direction to the Crown agency sector, and will communicate any such direction, including implementation expectations, to Crown corporations as decisions are made.

The Shareholder will also, on a continuing basis, monitor the achievement of the goals, objectives and targets identified in Crown corporations' Service Plans.

Specific to the Corporation, the Shareholder:

- approves the Corporation's mandate, as defined by the *Tourism British Columbia Act*;
- continues the Corporation as an agent of the Crown with the same rights and benefits as the Province;
- confirms the role of the Minister of Finance as fiscal agent to the Corporation, providing the Corporation with access to government financing and banking services;
- will review and approve an implementation plan for the Aboriginal Tourism Strategy developed by the Corporation in consultation with the Aboriginal Tourism Association of British Columbia and the Ministry of Tourism, Sport and the Arts;
- will develop a tourism strategy to achieve the strategic goal of doubling tourism revenue, and in the context of this strategy, will develop a framework for industry key performance indicators, monitoring performance and reporting;
- through the Minister of Tourism, Sport and the Arts, will review and approve the Corporation's plan for commemorating and celebrating the 150<sup>th</sup> anniversary of the founding of British Columbia as a crown colony, as part of the Shareholder's master plan for BC2008; and
- will review the process for nominating directors for appointment to the Corporation's Board of Directors.

## AREAS OF SHARED ACCOUNTABILITY

## **Communications**

It is agreed by both the Shareholder and the Corporation that, to ensure effective and efficient day-to-day communications and relationship building, officials representing both parties will be tasked with implementing the contents of this Letter and keeping the Minister Responsible and the Board of Directors informed of progress in a timely fashion.

## **Reporting**

The Shareholder and the Corporation are committed to enhanced transparency and accountability to the public. The Shareholder has put in place a public reporting structure set out in the *Budget Transparency and Accountability Act*, the *Financial Administration Act*, and the *Financial Information Act*. The Shareholder has provided the Corporation with a reporting calendar which sets out financial and performance reporting requirements (<http://www.gov.bc.ca/cas>). The Corporation agrees that it will meet these financial and performance reporting requirements. If government determines that changes to the reporting requirements are necessary, the Shareholder will communicate these to the Corporation.

It is agreed by both the Shareholder and the Corporation that there will be advance discussion and review of key strategic documents such as Service Plans, Quarterly Financial Reports and Annual Reports. These discussions will be completed sufficiently in advance of deadlines to ensure effective and timely input by the Shareholder.

In addition to these financial and performance reporting requirements, the Corporation agrees to provide information to the Shareholder related to risks and opportunities anticipated in achieving financial forecasts.

The Shareholder and the Corporation agree that, as a matter of course, each will advise the other in a timely manner of any issues that may materially impact the business of the Corporation or the interests of the Shareholder.

It is agreed that the Corporation will post the most recent signed copy of the Shareholder Letter of Expectations on its website. Crown Agencies Secretariat will also post a signed copy of the Letter on its website.

## **Review and Revision of this Letter**

In addition to co-ordinating the overall process for preparing this Letter on behalf of the Shareholder, the Crown Agencies Secretariat is accountable for undertaking reviews of this

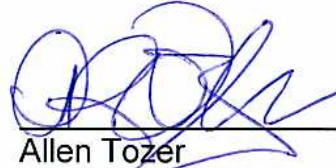
Letter and monitoring its implementation. If deemed necessary by either party, the Shareholder and the Corporation will discuss any issues and may agree to amend this letter.



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Honourable Olga Ilich  
Minister of Tourism, Sport and the Arts

24/7/06

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Date



\_\_\_\_\_  
Allen Tozer  
Chair of the Board  
Tourism British Columbia

24 July 2006

\_\_\_\_\_  
Date

cc. Honourable Gordon Campbell  
Premier

Jessica McDonald  
Deputy Minister to the Premier and Cabinet Secretary

Dana Hayden  
Deputy Minister, Strategic Policy, Natural Resources and the Economy

Tamara Vrooman  
Deputy Minister and Secretary to Treasury Board  
Ministry of Finance

Molly Harrington  
A/Chief Executive Officer  
Crown Agencies Secretariat

Bruce Okabe  
Deputy Minister  
Ministry of Tourism, Sport and the Arts

Rod Harris  
Chief Executive Officer  
Tourism British Columbia