



DESTINATION
BRITISH COLUMBIA®

2020/21 – 2022/23 SERVICE PLAN

February 2020



**BRITISH
COLUMBIA**

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Board Chair Accountability Statement



The 2020/21 - 2022/23 Destination British Columbia (Destination BC) Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan, and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of January 30, 2020, have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, Destination BC mandate, goals and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of Destination BC's operating environment, forecast conditions, risk assessment and past performance.

A handwritten signature in black ink that reads "Dawn Black". The signature is written in a cursive, flowing style.

Dawn Black
Board Chair

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Strategic Direction and Alignment with Government Priorities

The Government of British Columbia remains focused on its three strategic priorities: making life more affordable, delivering better services, and investing in a sustainable economy. Crowns are essential to achieving these priorities by providing quality, cost-effective services to British Columbia families and businesses.

Additionally, where appropriate, the operations of Crowns will contribute to:

- The objectives outlined in the Government's newly released A Framework for Improving British Columbians' Standard of Living,
- Implementation of the *Declaration on the Rights of Indigenous Peoples Act* and the Truth and Reconciliation Commission Calls to Action, demonstrating support for true and lasting reconciliation, and
- Putting B.C. on the path to a cleaner, better future – with a low carbon economy that creates opportunities while protecting our clean air, land and water as described in the CleanBC plan.

By adopting the Gender-Based Analysis Plus (GBA+) lens to budgeting and policy development, Crowns will ensure that equity is reflected in their budgets, policies and programs.

Destination BC is already contributing to some of the above-mentioned priorities by:

- Working towards making tourism more inclusive and accessible through the creation and implementation of a provincial three-year tourism accessibility action plan;
- Building on an established and ongoing relationship with Indigenous Tourism BC (ITBC). In addition, Destination BC will continue to support ITBC's activities for the next 3 years; and,
- Continuing to work with the Regional Destination Marketing Organizations on the implementation and reporting of the Destination Development Program to drive visitation, increase tourism revenues and create long-term competitiveness of B.C.'s tourism industry.

Destination BC's *2020/21-2022/23 Corporate Strategy* (to be released in March 2020), related Global Marketing and Destination Development Strategies, and the *Super, Natural British Columbia*[®] brand all align with Destination BC's purpose, as articulated in the [Destination BC Corp. Act](#).

Destination BC is committed to working with the Minister to achieve the specific priorities outlined in the [2020/21 Mandate Letter](#):

- Ensure Destination BC programs and investments are aligned with the Strategic Framework for Tourism in British Columbia, and other emerging government priorities.
- Create opportunities for strategic alignment of marketing and data technologies across tourism organizations and businesses in all regions of B.C. to advance marketing capabilities to drive long term competitiveness of British Columbia's visitor economy.
- Continue to work with the Ministry of Tourism, Arts and Culture and the Regional Destination Marketing Organizations on the strategic planning and reporting of the Destination Development Program to ensure alignment with provincial tourism priorities outlined in the Strategic Framework for Tourism in B.C.
- Enable greater seasonal and geographic dispersion of visitors and responsible travel by promoting travel routes with strong dispersion potential throughout rural B.C.
- Help make British Columbia a more inclusive and accessible tourism destination.

- Champion tourism as a leading export industry with diverse, well-paying jobs and support government’ commitment to represent British Columbia’s tourism sector on trade missions.
- Continue to address the Truth and Reconciliation Commission (TRC) Calls to Action in the areas of: professional development and training for public servants (#57) and business and reconciliation (#92).

Destination BC is aligned with the Government’s key priorities:

Government Priorities	Destination BC Aligns with These Priorities By:
Making life more affordable	<ul style="list-style-type: none"> • Facilitating growth of overnight visitor expenditures (to generate economic and social benefits for all British Columbians). (Goal 1)
Delivering the services people count on	<ul style="list-style-type: none"> • Assisting tourism businesses to meet and exceed guest needs and expectations. (Objective 2.1) • Creating a Powerful Marketing Network. (Goal 3)
A strong, sustainable economy	<ul style="list-style-type: none"> • Facilitating growth of overnight visitor expenditures. (Goal 1) • Collaborating with stakeholders, partners and communities to align and focus on collective marketing and development efforts. (Objective 3.1) • Continuing to work with the Ministry of Tourism, Arts and Culture and the Regional Destination Marketing Organizations on the strategic planning and reporting of the Destination Development Program to ensure alignment with provincial tourism priorities outlined in the <i>Strategic Framework for Tourism in B.C.</i> (Objective 3.1)

Operating Environment

Tourism industry growth is a key indicator of the success of the province’s tourism sector and Destination BC’s activities; however, from year to year, many factors may affect the tourism industry’s performance. Looking forward, in 2020/21, these factors may include:

- Weather, flooding and wildfires or other emergency events that may occur during the year, which can significantly impact the tourism industry and could require a shift in Destination BC’s marketing plan;
- Fluctuations in the value of the Canadian dollar, which can have impacts on visitation from British Columbia’s international markets;
- Changes in the price of oil, which could affect the Alberta economy and visitation from that market, as well as transportation costs for all visitors;
- Known and unknown global geopolitical events in priority markets that may impact international visitation to British Columbia; and,
- Disruptions in traveler air access such as temporary airport closures, security issues, changes in visa requirements, etc. which may cause short term impacts on visitation to British Columbia.

Destination BC tracks such factors and adjusts its strategy to capitalize on opportunities and manage risks as they occur.

In 2019/20, Destination BC increased its capacity and resources in digital marketing and destination development. In 2020/21, Destination BC will continue to review its activities to ensure that taxpayers' dollars are spent to maximize impact and cost-efficiency.

Performance Plan

This Service Plan outlines Destination BC's goals for the 2020/21 to 2022/23 fiscal years and the strategies to achieve them. The goals, objectives, strategies, performance measures and targets are reflective of Destination BC's mandate and the input of Destination BC's [Tourism Marketing Committee](#), which provides advice to the organization on marketing matters. In addition, regular communication will continue to take place between Destination BC and the Ministry of Tourism, Arts and Culture in order to ensure ongoing alignment with ministerial direction and the [2020/21 Mandate Letter](#).

Destination BC's goals, objectives and strategies are closely aligned with our *2020/21-2022/23 Corporate Strategy* and its four pillars – Marketing Network Expansion, Destination Competitiveness, Destination Stewardship, and Unified Ecosystems – as well as with our related Global Marketing and Destination Development Strategies. They are also closely aligned with the *Strategic Framework for Tourism in B.C.* and support the tourism industry to generate economic and social benefits for all British Columbians.

Goal 1: Growth of Overnight Visitor Expenditures

To increase industry revenue, British Columbia needs to attract a growing number of high yield visitors^A. Destination BC's marketing strategy is designed to attract more of these visitors, generating revenue for British Columbian businesses and employment for British Columbia's residents.

^A Note: High yield visitors are those international visitors who contribute the most to the British Columbia economy through higher than average expenditures on BC produced goods and services.

Objective 1.1: Our B.C. travel content captivates travelers and creates emotional urgency to visit British Columbia.

Key Strategies:

- Provide captivating travel content through online and offline channels that will inspire potential visitors to British Columbia.
- Promote travel within British Columbia to residents with a focus on the shoulder season and encouraging travel to all areas of the province.
- Respond to changing market conditions locally and globally (e.g. air routes, visa requirements, natural disasters, competition, etc.).
- Enable greater seasonal and geographic dispersion of visitors and responsible travel by promoting travel routes with strong dispersion potential throughout rural BC.

Performance Measures		2018/19 Actual	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
1.1a	Consumption of B.C. travel content promoted by Destination BC (in million [M]) ¹	46 M ^B	30 M	32 M	Maintain	Maintain
1.1b	B.C. tourism industry revenue ²	4.9%	+5.0%	+6.0%	+6.0%	+6.0%

¹ Data Source: Numbers aggregated by Destination BC based on reporting from Destination BC, its digital marketing agencies and marketing partners.

² Data Source: BC Stats. Measured on a calendar year basis. **Note:** This performance measure’s targets have been amended from the 2019/20-2021/22 Service Plan. Please see ‘Discussion’ section below for more information.

^B Note: The ‘2018/19 Actual’ of 46 M exceeded the ‘2018/19 Forecast’ of 29 M due in part to increased marketing investments in short haul markets: British Columbia, Alberta, and Washington State as part of wildfire recovery efforts. The cost of generating content consumption is much lower in these markets compared with longer haul U.S. and international markets, thus content consumption during 2018/19 was higher than anticipated for the original, pre-wildfire, marketing plan. As such, the 2018/19 result should be interpreted as a one-time increase due to the investment in wildfire recovery marketing efforts. Future targets have not been revised in light of the 2018/19 performance which was artificially high due to a one time increase in investment in short haul markets.

Linking Performance Measures to Objectives:

1.1a: The consumption^D of, and engagement with, content promoted by Destination BC measures our success in captivating potential visitors, which increases their sense of urgency to visit British Columbia, and hence visitor volume and expenditure.

^D Note: Content consumption includes video ads watched to completion, engagements on social media, and web pages read on our website.

1.1b: Tourism revenue measures the money received by businesses, individuals and governments due to tourism activities. It reflects increases in visitor expenditures, which is our overall Goal 1 and indicator of all related objectives.

Discussion:

1.1a: Destination BC anticipates content consumption will rise in 2020/21 because of improvements to content quality and distribution efficiency, and then remain stable as content quality and distributional efficiency will have been optimized. Destination BC expenditures on content consumption and distribution are planned to be stable during 2020/21 - 2022/23, assuming no future changes in Destination BC’s annual appropriation. Destination BC expects to meet the ‘2019/20 Target’ of 30 million and future targets.

1.1b: Tourism industry revenue serves as an overall indicator for the growth of the tourism sector. In 2018, the growth of BC’s tourism industry revenue was affected by the severe wildfires experienced in the province. BC’s tourism industry revenue is a preliminary estimate and may be revised by BC Stats. For 2020/21 onwards, the *Strategic Framework for Tourism in B.C.* has set a target of six percent growth in tourism revenues annually. Destination BC anticipates the sector will achieve future targets pending any unforeseen economic factors that could affect the industry’s performance.

Objective 1.2: Our work amplifies traveler advocacy for British Columbia.

Key Strategies:

- Cultivate a community of brand advocates for British Columbia to recommend travel to B.C. through their networks.
- Forge new relationships with both tourism and non-tourism partners to increase awareness and distribution of the [Explore BC](#) message promoting travel within the province by B.C. residents.

Performance Measure	2018/19 Actual	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
1.2a Size of Destination BC's global social media community of brand advocates (in million [M]) ^{1, A}	1.5 M	1.6 M	1.9 M	2.1 M	2.3 M

¹ Data Source: Numbers aggregated by Destination BC based on reporting from Destination BC, its digital marketing agencies and marketing partners. Note: This performance measure has been amended from the 2019/20-2021/22 Service Plan. Please see 'Discussion' section below for more information.

^A Note: This measure indicates the number of followers of all Destination BC's social media channels (currently including YouTube, Facebook, Instagram, Twitter, Pinterest, Weibo, WeChat).

Linking Performance Measures to Objectives:

1.2a: The size of Destination BC's global social media community is a key measure of the success of programs designed to encourage people to advocate for British Columbia as a travel destination to their family, friends and colleagues.

Discussion:

1.2a: The #ExploreBC uses by Destination BC's brand advocates in the global social media community' performance measure used in the 2019/20-2021/22 Destination BC Service Plan has been discontinued due to changing consumer behaviour regarding hashtag use. An engaged global social media community is a more appropriate measure for advocacy, therefore the existing measure above better captures Destination BC's brand advocates. For 2019/20, Destination BC anticipates meeting its target, and increasing its global social media community of brand advocates to 1.6 million from its previous score of 1.5 million. Future targets have been set with the expectation of continued growth.

Objective 1.3: Increase direct and indirect customer leads to tourism businesses.

Key Strategies:

- Facilitate purchases, once interest is captured, by connecting visitors (directly or indirectly through third parties) to B.C.'s tourism products and services, thus generating customer leads for British Columbia's tourism businesses.
- Deliver programs to drive tourism sector marketing innovation to help create well-paying jobs in every region of the province.

Performance Measure	2018/19 Actual	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
1.3a Number of customer leads for industry generated directly by Destination BC through digital marketing activities ¹	807,000	1.2 M	Maintain	Maintain	Maintain

¹ Data Source: Numbers aggregated by Destination BC based on reporting from diverse sources including Destination BC, its digital marketing agencies and marketing partners. Note: This performance measure has been amended from the 2019/20-2021/22 Service Plan. Please see ‘Discussion’ section below for more information.

Linking Performance Measures to Objectives:

1.3a: The number of customer leads for industry through Destination BC’s digital marketing activities measures our success in generating leads for tourism businesses, online travel agencies and the travel trade, enabling them to translate those leads into bookings.

Discussion:

1.3a: Since the 2019/20-2021/22 Destination BC Service Plan, calculations for this performance measure no longer include indirect leads. Destination BC has found indirect leads to be a volatile and inaccurate measurement of performance because ongoing changes and disruption in advertising technology can lead to changes in results outside of Destination BC’s control and, increasingly stringent consumer privacy regulations around the world could render the indirect measure non-trackable in the near future. Therefore, moving forward, only direct leads generated by Destination BC’s owned digital channels will be reported. While a previous target had not been set for direct leads for fiscal 2019/20, Destination BC forecasts 1.2 million customer leads. Future targets will remain as ‘Maintain’.

Goal 2: Remarkable Guest Experiences

Assist industry to deliver a world-class guest experience and secure the highest [Net Promoter Score®](#) in North America for British Columbia.

Objective 2.1: Work in partnership with industry and training organizations to assist tourism businesses to meet and exceed guest needs and expectations.

Key Strategies:

- Deliver industry training in regions across the province, including rural communities that are diversifying, growing and strengthening their economies.
- Work collaboratively with Visitor Services Network members, community stakeholders, local businesses, and Government partners to create more contemporary, innovative, and authentic approaches to meeting guests’ information needs as they travel throughout the province.
- Encourage communities to continue to adopt visitor services with enhanced accessibility and promote the hiring of persons with disabilities into the tourism sector.
- Help make British Columbia a more inclusive and accessible tourism destination.

Performance Measures		2018/19 Actual	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
2.1a	Visitor satisfaction with visitor information services ¹	83.9%	NA	Maintain or Improve	NA	Maintain or Improve
2.1b	Competitive ranking of British Columbia's Net Promoter Score ²	Ranked #1 in 3 of 5 key North American markets	Maintain or Improve	Maintain or Improve	Maintain or Improve	Maintain or Improve

¹ Data Source: Destination BC's Visitor Satisfaction with Visitor Services Information Study (conducted by independent third-party research firm). Visitor satisfaction with visitor services is measured every second year.

² Data Source: Destination BC's Key Performance Indicator Study (conducted by independent third-party research firm). [Net Promoter Score®](#) measures the likelihood of visitors to recommend B.C. to their friends or family.

Linking Performance Measures to Objectives:

2.1a: Visitor satisfaction with information services measures the success of the Visitor Services Network members in assisting travelers to have memorable trips in British Columbia.

2.1b: British Columbia's ranking by key North American markets measures our success, relative to competing destinations, in assisting tourism businesses to create remarkable on-the-ground experiences for their guests in today's fiercely competitive global tourism market.

Discussion:

2.1a: Destination BC expects to 'Maintain or Improve' its previous visitor satisfaction score of 83.9 percent in 2020/21.

2.1b: This measure is closely aligned with its corporate goal: to be the 'most highly recommended destination in North America'. B.C.'s key North American competitor markets include Alberta, Ontario, Washington and California. In 2018/19, British Columbians, Albertans and the Greater Toronto Area survey respondents ranked B.C. as #1. The '2019/20 Forecast' and future targets remain set at 'Maintain or Improve' because shifting perceptions (i.e. how likely people are to recommend B.C. as a travel destination versus other competing destinations) is a lengthy process and can be hindered, in the short-term, by factors beyond a marketing organization's control such as weather, price, etc.

Goal 3: A Powerful Marketing Network

For this goal, the term 'marketing' is used in the broad sense, including destination and product development as well as distribution and advertising and promotion. In alignment with the provincial tourism priorities, Destination BC will collaborate with stakeholders, partners and communities to align and focus collective marketing and development efforts, in order to amplify British Columbia's competitive position in the global marketplace.

Objective 3.1: Collaborate with Regional Destination Marketing Organizations, and other key stakeholders, partners and communities to align and focus on collective marketing and destination development efforts.

Key Strategies:

- Continue to work with the Ministry of Tourism, Arts and Culture and the Regional Destination Marketing Organizations on the strategic planning and reporting of the Destination Development Program to ensure alignment with provincial tourism priorities outlined in the *Strategic Framework for Tourism in B.C.*
- Continue Destination BC’s Co-Op Marketing Partnerships Program to effectively leverage public and private funds, enhance the Corporation’s marketing capacity, and drive greater alignment and coordination across each of British Columbia’s six tourism regions.
- Work with B.C.’s Indigenous cultural tourism sector by providing support for Indigenous Tourism BC (ITBC) to activate the implementation of their Indigenous tourism strategy to increase revenues and jobs and the number of market-ready Indigenous tourism businesses across the province.
- Create opportunities for strategic alignment of marketing and data technologies across tourism organizations and businesses in all regions of B.C. to advance marketing capabilities.
- Demonstrate achievement of key program outcomes, including supporting tourism marketing and industry development activities that improve industry’s ability to compete globally.

Performance Measure	2018/19 Actual	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
3.1a Tourism businesses’ satisfaction with Destination BC programs and services ¹	7.19 (out of 10)	Improve	Improve	Improve	Improve
3.1b Net Promoter Score of Participants in all Destination BC delivered workshops or webinars ²	55.5 ^A	50.0 or greater ^B	50.0 or greater	50.0 or greater	50.0 or greater
3.1c a) Number of communities and sectors participating in Destination BC’s application-based co-op marketing program b) Number of participating communities outside Metro Vancouver, Victoria and Whistler ³	157 (total) 124 (regional)	120 (total) 100 (regional)	120 (total) 100 (regional)	120 (total) 100 (regional)	120 (total) 100 (regional)

¹ Data Source: Destination BC’s Annual Stakeholder Survey (conducted by independent third-party research firm). Tourism businesses comprise one of the six strata whose satisfaction is tracked through the corporate stakeholder survey. Scores of the other strata are reported elsewhere and are used to inform corporate planning and program evaluation.

² Data Source: Destination BC survey of workshop and webinar participants.

³ Data Source: Destination BC’s program area [public document](#) confirming participants and funding.

^A Note: The ‘2018/19 Actual’ measured the ‘Net Promoter Score of Participants in the Remarkable Experiences Program’.

^B Note: The ‘2019/20 Forecast’ measures the ‘Net Promoter Score of Participants in the Experience Design Module of the Remarkable Experiences Program’ only. This is due to program changes that were underway during this period – see 3.1b in ‘Discussion’ section below.

Linking Performance Measures to Objectives:

- 3.1a: Destination BC’s annual corporate stakeholder survey enables us to measure our success in terms of stakeholder satisfaction with Destination BC’s programs and services, while strengthening communications and relationships with key industry stakeholders, and cross-government partners.
- 3.1b: The workshops or webinars’ Net Promoter Scores are a key measure of success in assisting tourism businesses in their efforts to either deliver outstanding guest experiences or increase their digital marketing skill sets – two key components of helping industry to increase their ability to compete globally.
- 3.1c: The level of participation in Destination BC’s application-based Co-op Marketing Partnership Program measures our success in encouraging the collaboration and alignment of marketing of community Destination Management Organizations across British Columbia.

Discussion:

- 3.1a: For 2019/20, Destination BC expects to ‘Improve’ its previous score of 7.19 out of 10. Destination BC will continue to review, revise and improve programs and services based on feedback from tourism businesses and other stakeholders and thus anticipates incremental improvements in tourism businesses’ satisfaction over time.
- 3.1b: Destination BC has discontinued its ‘Net Promoter Score of Participants in the Experience Design Module of the Remarkable Experiences Program’ performance measure (previously performance measure 4.2c in the 2019/20-2021/22 Destination BC Service Plan) and replaced it with ‘Net Promoter Score of Participants in all Destination BC delivered workshops or webinars’. This replacement was made because in 2019/20, Destination BC reduced its four-day comprehensive program format for the Remarkable Experience Program to two days, which retained the Experience Design Module portion of the previous program only. The new two-day workshop supports a more flexible delivery to small businesses. In addition, Destination BC added several other workshop subjects that replaced the digital marketing subjects that were previously delivered within the program. The new workshops are also shorter and more targeted, allowing operators to select programs that meet their current needs. Destination BC anticipates meeting the ‘2019/20 Forecast’ of ‘50.0 or greater’. Future targets remain consistent because 50.0 is a strong long run equilibrium score for these types of training programs.
- 3.1c: Destination BC’s investment will not change in 2020/21. Market penetration of the program is high as most communities and sectors already participate. Accordingly, Destination BC anticipates meeting its ‘2019/20 Target’ of 120 (total) and 100 (regional). Destination BC has kept its future targets consistent at ‘120 (total) 100 (regional), which are determined as a feasible level of participants for the equilibrium state of the program. Without changes in Destination BC’s budget, minor fluctuations in the number of participants from year to year will reflect isolated changes in the circumstances of community and sector participants, rather than changes in Destination BC’s funding or the reach of the program. Note: previously performance measure 4.2b in the 2019/20-2021/22 Destination BC Service Plan.

Goal 4: Business Efficiency

Conduct our business efficiently and improve productivity in a changing environment.

Objective 4.1: We conduct our business efficiently to ensure cost effective provision of support services that meet evolving business requirements.

Key Strategies:

- Lower support services costs to increase the funds available for tourism marketing.
- Make programs, systems and knowledge more accessible, user-friendly and shareable for tourism stakeholders, while simplifying application processes and accountability reports to make it easy to do business with us.

Performance Measure	2018/19 Actual	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
4.1a Percentage of Destination BC funds allocated to support services ¹	7.7%	<10%	<10%	<10%	<10%

¹Data Source: Destination BC's annual [Financial Statements](#) (Corporate Services expenditures).

Linking Performance Measures to Objectives:

4.1a: The percentage of funds allocated to support services measures our ability to ensure we are cost effective in meeting our business requirements while improving our ability to compete in the global tourism market by dedicating more funds to tourism marketing.

Discussion:

4.1a: For 2020/21, Destination BC anticipates meeting this measure's forecasted target of <10% of funds allocated to support services. Previous 'Actuals' demonstrate that we have been able to meet and exceed this target in the past.

Goal 5: Our People

Build a collaborative, insight-driven, results-focused team.

Objective 5.1: We attract, retain and develop highly skilled and engaged people.

Key Strategies:

- Maintain the annual evaluation of employee satisfaction and engagement to assist the Board of Directors and senior management in identifying opportunities to build employee engagement, continue talent development by providing employees with ongoing learning opportunities, increase our capacity to innovate, strengthen our ability to compete for top talent, and uphold our commitment to diversity and inclusion to maintain a stable and thriving workplace.

Performance Measure	2018/19 Actual	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
5.1a Employee engagement ¹	4.09 (out of 5)	Maintain or Improve	Maintain or Improve	Maintain or Improve	Maintain or Improve

¹ Data Source: Destination BC’s Annual Employee Engagement Survey (conducted by independent third-party research firm).

Linking Performance Measures to Objectives:

5.1a Destination BC’s annual employee engagement survey enables us to measure our success in attracting, retaining and developing highly skilled and engaged people as we strive to enhance the collective capabilities of the people in our industry and in our organization.

Discussion:

5.1a: Employee engagement remains very high at 4.09 (on a one to five scale). In 2020/21, Destination BC will continue working towards maintaining and increasing employee satisfaction and engagement. Future targets will remain as ‘Maintain or Improve’.

Financial Plan

Summary Financial Outlook

(\$m)	2019/20 Forecast	2020/21 Budget	2021/22 Plan	2022/23 Plan
Total Revenue				
Government Transfers	52.221	51.373	51.373	51.373
Deferred Government Contributions	0.321	0.196	0.196	0.163
Other Revenue	0.384	0.148	0.176	0.176
Total Revenue	52.926	51.717	51.745	51.712
Total Expenses				
Marketing	31.805	32.864	32.429	32.429
Destination & Industry Development	13.910	10.997	11.932	11.932
Strategy, Research & Communications	2.971	3.233	3.033	3.033
Corporate Services	3.919	4.339	4.005	4.005
Amortization	0.321	0.284	0.346	0.313
Total Expenses	52.926	51.717	51.745	51.712
Net Income	0	0	0	0
Total Liabilities	8.081	7.857	7.605	7.386
Accumulated Surpluses/Retained Earnings	1.205	1.205	1.205	1.205
Capital Expenditures	0.632	0.894	0.125	TBD
Dividends/Other Transfers	0.000	0.000	0.000	0.000

Key Forecast Assumptions, Risks and Sensitivities

Revenue and Expense forecasts for 2020/21-2022/23 include conservative estimates of Other Revenue. Destination BC will manage any fluctuations by implementing sound financial management practices that help ensure Government-funded program spending remains affordable and flexible within Destination BC's business planning. There have been no changes in assumptions from the 2019/20-2021/22 Service Plan. There are no substantive forecast risks to Destination BC's financial plan.

As part of the Crown's performance-based funding model, Destination BC is required to report annually on its corporate performance. The 2020/21-2022/23 Service Plan includes four measures of corporate performance, specifically measures 1.2a, 1.3a, 3.1b and 3.1c.

Management's Perspective on the Financial Outlook

Destination BC is primarily funded through Provincial Government appropriations. Provincial funding is expected to remain as identified in the 2020/21-2022/23 Summary Financial Outlook, thus limiting financial risks to Destination BC. As described in this Service Plan, Destination BC allocates this funding to programs that deliver on its mandate. Destination BC generates a small (less than one per cent of total budget) amount of revenue through cost recovery training programs provided to the tourism industry. Any variation from forecast training program revenue will be managed within the program.

Destination BC is subject to significant financial pressures from the effects of increasing costs of digital marketing world-wide and the depreciation of the Canadian dollar on the cost of marketing in the United States and other international markets. Destination BC works to mitigate these pressures by investing in continual improvement of workforce productivity, developing innovative new marketing partnerships and ensuring efficient cost-effective program delivery. If performance-based funding measures are achieved and base funding increases, the incremental resources will be applied to marketing and destination management programs.

Appendix A: Hyperlinks to Additional Information

Corporate Governance

Destination BC is governed by a Board of Directors that is responsible to the Minister of Tourism, Arts and Culture for the implementation of Government direction. The Board's direction is implemented by management, which carries out the day-to-day operations of Destination BC under the supervision of the Chief Executive Officer. For more information on Corporate Governance, please see the [Leadership](#) section of Destination BC's corporate website.

Organizational Overview

For an overview of Destination BC, please see Destination BC's [Organizational Overview](#).