

Destination British Columbia

2022/23 Annual Service Plan Report

August 2023



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Board Chair's Accountability Statement



The Destination BC 2022/23 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2022/23 – 2024/25 Service Plan published in 2022. The Board is accountable for those results as reported.

Signed on behalf of the Board by:

A handwritten signature in black ink, appearing to read 'Scott Fraser', written over a faint, light-colored background.

Scott Fraser
Board Chair, Destination BC
August 25, 2023

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Letter from the Board Chair & CEO

In 2022, B.C.'s tourism industry was impacted by labour shortages, the ongoing COVID-19 pandemic, and related travel and public gathering restrictions. Despite these challenges, Destination BC continued to deliver on the Province's five foundational principles, and other specific needs, as outlined in its [2021/22 Mandate Letter](#).

The COVID-19 pandemic impacted B.C.'s valuable tourism industry, which is now showing strong signs of recovery. Throughout fiscal 2022/23, Destination BC continued to support industry with the latest resources, information and messaging guidance, funding and development programs, and marketing campaigns, as circumstances and restrictions evolved. Destination BC worked in partnership with the Government of B.C. and industry partners to ensure alignment in collective COVID-19 pandemic recovery efforts and plans.

Destination BC engaged with the Ministry of Tourism, Arts, Culture and Sport to ensure ongoing alignment with ministerial direction, Public Health Orders, and Destination BC's [2021/22 Mandate Letter](#). This included quarterly meetings between the Minister and Chair, regular meetings between the Deputy Minister and CEO, and weekly meetings between the Assistant Deputy Minister and Vice Presidents to discuss strategic priorities, performance measures, and emerging opportunities.

To ensure alignment on emerging industry and public engagement needs, ongoing discussions were held between the Province's Government Communications and Public Engagement team and Destination BC's Corporate Communications. Additionally, Destination BC actively participated in other cross-government coordination efforts.

Destination BC's executive team provided frequent updates and opportunities for input from staff, to ensure day-to-day activities were aligned with our corporate strategy and goals, and hosted regular industry updates to keep B.C.'s tourism industry apprised of the latest activities.

Accountability to the public is a priority for Destination BC's Board of Directors, executives, and staff. Efforts for fiscal 2022/23 included:

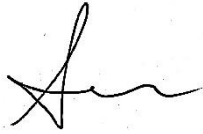
- Code of Conduct materials in orientation packages for new Board members, [Standards of Conduct](#) training for new staff, and disclosure of any potential conflicts of interest.
- Training on 'Working Effectively with Indigenous Peoples' for all new employees and new Board members to build a foundational understanding about the history and rights of Indigenous Peoples.
- All new Board members completed the 'Governing in the Public Interest' certificate program, which provided them with the foundational knowledge needed to fulfill their governance responsibilities.
- Development of a three-year [Diversity, Equity, Inclusion, and Accessibility \(DEIA\) Strategy](#).

Destination BC remains committed to transparency with industry partners and the public. We make every effort to communicate our strategic approach and activities through our

employees, our industry-facing online channels including our [corporate website](#), and social media ([LinkedIn](#) and [YouTube](#)), public presentations, and [newsletters](#).

Destination BC implemented its corporate strategy and business plan to maximize the return on taxpayer resources entrusted to us, and contributed to a strong, sustainable tourism industry. We are committed to increasing the social, cultural, environmental, and economic benefits of tourism for all British Columbians by sharing the transformative power of B.C. experiences with the world.

Scott Fraser



Board Chair, Destination BC
August 25, 2023

Richard Porges



President & CEO, Destination BC
August 25, 2023

Purpose of the Annual Service Plan Report

This annual service plan report has been developed to meet the requirements of the [Budget Transparency and Accountability Act](#) (BTAA), which sets out the legislative framework for planning, reporting, and accountability for Government organizations. Under the BTAA, a Minister Responsible for a government organization is required to publish a public report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

Strategic Direction

The strategic direction set by Government in 2020 and expanded upon in the Board Chair's [2021/22 Mandate Letter](#) from the Minister shaped the goals, objectives, performance measures, and financial plan outlined in the Destination BC 2022/23 – 2024/25 Service Plan and the actual results reported in this annual report.

Purpose of the Organization

The tourism industry generates economic, social, and cultural benefits for all British Columbians by supporting the viability of local economies, jobs, and amenities, and by increasing international exposure to our heritage, cultures, education system, trade opportunities and immigration prospects.

Destination BC, operating under the [Destination BC Corp. Act](#), plays a critical role in:

- Maximizing long-term tourism industry growth by providing unifying and consistent brand and marketing strategies that motivate travellers from around the world to visit while also encouraging B.C. residents to travel within their province.
- Providing leadership and direction for the expansion and strengthening of B.C.'s tourism destinations, products, and experiences, including Indigenous cultural tourism. Destination BC delivers branding, marketing, and destination development activities directly and through contracted third parties.

Destination BC's programs help to improve the visitor experience, support businesses and communities across the Province, and strengthen B.C.'s worldwide reputation as a destination of choice. These services that support thousands of businesses to host millions of guests, make a significant economic and social contribution to the Province.

Tourism revenue draws from several industries: accommodation, food and beverage, retail, transportation, and other service sectors.

Our [Corporate Strategy](#) outlines how we help B.C. reach its full potential as a tourism destination, and market the *Super, Natural British Columbia*® brand to the world.

We are accountable to the taxpayers of British Columbia through the [Minister of Tourism, Arts, Culture and Sport](#).

As Destination BC continues to navigate the ongoing impacts of the COVID-19 pandemic in B.C. and around the world, it will continue to play a vital role in the recovery of the industry, marketing B.C. domestically and internationally as a remarkable destination, while promoting the development, enhancement, and growth of the tourism industry throughout the Province.

Operating Environment

Over the long run, sustainable tourism industry growth is the key indicator of success. However, year-to-year, there are many factors, both positive and negative, that may affect the industry's performance.

In 2022, B.C.'s tourism industry showed strong signs of recovery. Once travel restrictions were lifted on September 7, 2021, for fully vaccinated international travelers, and with the removal of all Canadian entry restrictions in October 2022, the majority of tourism indicators improved in 2022 compared to 2021. However, B.C.'s tourism industry recovery has been uneven across the sector. B.C.'s tourism industry continued to face challenges because of ongoing COVID-19 pandemic impacts, rising inflation, and labour shortages resulting in higher operating costs and businesses being unable to operate at full capacity.

In 2022/23, Destination BC remained engaged with partners at regional, national, and international levels to support the tourism industry and actively participated in ongoing dialogues and planning for the successful recovery of the sector. Destination BC focused its efforts on supporting industry via a variety of initiatives including regular webinars, messaging guidance, online resource hubs, weekly research roundups, revised program guidelines, and consumer-facing marketing initiatives.

Destination BC continually tracks factors that affect the tourism industry and adjusts its strategies to capitalize on opportunities and manage risks as they arise. Destination BC continues to monitor factors that may impact visitor experience or visitation from key markets such as weather-related emergencies, global geopolitical events in key markets, disruptions in traveller air access, B.C. resident sentiment toward welcoming visitors, visitor confidence in the travel experience, and fluctuations in the value of the Canadian dollar.

In 2022/23, Destination BC increased its capacity and resources in digital marketing, industry training, and destination development. Destination BC also continued support for the Regional Destination Management Organizations (RDMOs), Indigenous Tourism BC (ITBC), and Co-operative Marketing Partnerships Program partners.

Economic Statement

After rebounding rapidly in 2021, British Columbia's economy saw slower yet strong growth in 2022. B.C.'s real GDP growth of 3.6 per cent last year was the fourth highest among provinces (tied with Ontario) and grew at the same pace as the national average, following growth of 6.2 per cent in 2021. Growth in B.C.'s real GDP was mostly supported by service-producing industries such as transportation and warehousing, accommodation and food services, and

professional, scientific, and technical services. Goods-producing industries also experienced growth led by construction.

While B.C.'s recovery broadened in 2022, it remained uneven as sectors such as transportation and warehousing; accommodation and food services; and arts, entertainment and recreation have yet to fully recover to pre-pandemic levels. B.C.'s labour market continued to grow in 2022, with employment growth of 3.2 per cent and an average unemployment rate of 4.6 per cent, while wages and salaries increased by 10.8 per cent. Consumer spending on goods grew slowly after a rapid expansion at the beginning of the recovery and nominal retail sales posted overall growth of 3.1 per cent. Last year, prices rose dramatically as strong demand for goods and services was met with lingering supply-chain challenges and high prices for global commodities following Russia's invasion of Ukraine.

In 2022, B.C.'s inflation rate averaged 6.9 per cent, the fastest annual rate since 1982, and up from 2.8 per cent in 2021. B.C. housing starts totaled 46,721 units in 2022, down 1.9 per cent compared to the previous year. Despite the decline, housing starts in 2022 were the second highest on record. Home sales fell sharply in 2022 as they adjusted to higher mortgage rates not seen since 2008. B.C. MLS home sales decreased by 35.2 per cent in 2022 compared to 2021. Meanwhile the MLS average home sale price rose by 7.4 per cent in 2022 because of strength early in the year, despite monthly declines in 9 of the last 10 months of the year.

On the external front, B.C.'s international merchandise exports grew by 20.4 per cent, boosted by strong commodity prices in the first half of 2022.

Report on Performance: Goals, Objectives, and Results

Destination BC continues to focus on achieving the following results:

- Growing the tourism sector through high impact, innovative, and creative marketing;
- Enhancing visitor experiences through destination planning and industry development;
- Developing and maintaining strong collaborative relationships with the tourism industry, communities, Indigenous and cross-government partners; and
- Managing Destination BC with accountability, efficiency, and effectiveness.

Goal 1: Growth of Overnight Visitor Expenditures

To increase industry revenue, a critical component of the tourism industry's recovery from the COVID-19 pandemic, B.C. needs to continue to attract high-yield visitors – international visitors who contribute higher-than-average expenditures per visit than domestic visitors.

In 2022/23, B.C.'s marketing strategy was sequentially designed to encourage travel by British Columbians, followed by other Canadians, and then aimed to attract high-yield international visitors. Increased visitation generates increased revenue for B.C. businesses, and employment for B.C.'s residents.

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

Key results

- Launched the 'British Columbia Effect – Find Yourself' Campaign – the first global brand campaign in two years putting the *Super, Natural British Columbia*® brand back into the hearts and minds of global travellers. The creative concept and campaign were developed collaboratively by Destination BC and Indigenous Tourism BC.
- Delivered comprehensive consumer marketing campaigns in domestic and international markets, inspiring fall getaways from B.C. and Alberta; winter bookings from Washington and California states; and spring and summer travel from the United Kingdom, Australia, and Germany.
- Developed a joint marketing action plan with Indigenous Tourism BC.
- In collaboration with Indigenous Tourism BC, produced an Indigenous storytelling series, 'Illahee.' The series formed a key part of Destination BC's global marketing efforts and supported the organization's strategic goal of elevating Indigenous voices and perspectives within creative content.
- In support of Destination BC's inclusive marketing action plan, we completed the development of guidelines and training for inclusive language, visuals, and production, with a focus on authentically and accurately reflecting the diversity in B.C.'s people, places, and experiences in our marketing.

Summary of progress made in 2022/23

Other 2022/23 key results:

- Hosted 30 key Travel Trade familiarization tours, allowing key tour operators and travel agents to experience B.C. tourism products.
- Supported over 50 key Travel Trade co-ops in our international markets with itinerary development support, product knowledge, training and education, familiarization tours, and joint marketing initiatives, to drive future business.
- Raised awareness in our international markets with high-profile partnerships, including Waitrose, Vodaphone, Schoffel, Condor Qantas, Air Canada Australia, Air New Zealand, and a project with Nanshan Ski Resort in China.
- Hosted over 350 travel journalists, including 15 international group press trips covering all regions of the province, with an emphasis on showcasing seasonal and geographic diversity.
- Through earned media initiatives, B.C. secured top placement in travel lists with key North American outlets including Conde Nast Traveler, Matador Network, Time, and the New York Times.

Performance measure(s) and related discussion

Performance Measure	2021/22 Actual & Baseline	2022/23 Target	2022/23 Actual
1.1a Consumption of B.C. travel content promoted by Destination BC (in million [M]) ^{1,3}	31.1 M	Maintain or Improve	69.7 M
1.1b B.C. tourism industry revenue ^{2,4}	\$13.5 B	+50% ⁵	Available January 2024

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

²Data source: Tourism industry revenue data is provided by BC Stats on an annual basis, with a 2-year lag, and reflects a calendar year. Annually, typically in January, Destination BC develops an updated revenue forecast that is included in the Service Plan for the following fiscal year based on information provided from BC Stats.

³PM 1.1a targets were stated in the 2022/23 service plan as Maintain or Improve for 2023/24 and Maintain or Improve for 2024/25. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

⁴PM 1.1b targets were stated in the 2022/23 service plan as +60% for 2023/24 and +10% for 2024/25. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#). The 2022 tourism industry revenue data is expected to be released by BC Stats in January 2024. Data published prior to 2023 was recently updated by BC Stats and will not align with values published in the 2023/2024 Service Plan.

⁵PM 1.1b target for 2022/23 was changed in the 2023/24 service plan from +50% (Target) to +40% (Forecast) due to updated information from Statistics Canada which informed BC Stats revenue estimate for 2021/22, Destination BC's updated forecasts for the recovery of international markets, and due to border travel restrictions being removed later in the year on October 1, 2022.

1.1a: The success of motivating potential visitors and increasing their sense of urgency to visit B.C. is measured through the consumption of and engagement with content promoted by Destination BC, leading to greater visitor volumes and expenditure. Measurement of content

consumption includes video ads watched to completion, engagements on social media, and website pages read on Destination BC's consumer website.

In 2022/23, the content consumption target was surpassed as travel restrictions were lifted, enabling Destination BC to resume marketing campaign activities in international markets, particularly in the United States (California and Washington states), the United Kingdom, and Australia. Additionally, Destination BC achieved strong performance with campaigns targeting the domestic markets of B.C. and Alberta. Destination BC also received \$2 million in additional provincial government funding to invest in international marketing, leading to a significant over-achievement compared to the original target.

1.1b: Tourism industry revenue measures the money received by businesses, individuals, and governments due to tourism activities. Changes in tourism industry revenue reflect increases or decreases in visitor expenditures, which is an indicator of performance relative to Goal 1 and an indicator of all related objectives. Positive growth in tourism industry revenue reflects the growth of tourism, which is a key economic driver of B.C.'s economy.

Economic performance measures released by BC Stats for 2021 show that the tourism industry generated \$13.5 billion in revenue, an increase of +22.7 per cent over \$10.97 billion in 2020, but still had not recovered to pre-pandemic levels (-33.5 per cent compared to 2019). The results were better than originally forecasted in the 2022/23 Service Plan as the tourism industry benefited from more domestic travel resuming and public health restrictions being eased in 2021 than originally anticipated.

Travel restrictions eased domestically in mid-2022 and internationally on October 1, 2022 (i.e., Canadian border restrictions were removed), therefore tourism industry revenue is expected to increase in 2022/23 and 2023/24.

Objective 1.2: Destination BC's work amplifies traveller advocacy for British Columbia

Key results

- Established a network of social media content creators located across B.C. to create short-form, authentic content about their local communities, which can be shared on our digital channels. The program works with creators of underrepresented communities in B.C. that share a unique perspective and identity outside of the dominant lens in the travel content that is traditionally shared on social media channels. Launched in February 2023, the network already included 13 creators that generated 50 content assets and over 36 thousand impressions on their published stories by the end of 2022/23.
- Created 'Love for B.C.' video series, designed for Instagram, Facebook, and YouTube, where locals tell their own stories – specifically, their pride of place and love for where they live. The series showcases diverse voices, highlighting everything from an adventurer's passion for the local mountains to an Indigenous entrepreneur's deep connection to the land. The video series generated over 555,000 views in 2022/23.

- Jointly hosted a camping event in China, with online travel agency Tuniu [toon-ee-oh], where activities were amplified through an influencer campaign and social media, reaching over 13 million people.
- Cultivated a community of brand advocates for B.C. to recommend travel to B.C. through their networks.

Summary of progress made in 2022/23

Other 2022/23 key results:

- Executed new follower acquisition campaigns resulting in new Facebook and Instagram followers from key markets.
- Reached 2.2 million followers across Destination BC’s consumer facing social media accounts.
- In compliance with provincial guidelines, Destination BC launched its branded account on TikTok to organically reach new audiences of B.C. brand advocates and amplify diverse voices and communities in B.C.

Performance measure(s) and related discussion

Performance Measure	2021/22 Actual & Baseline	2022/23 Target	2022/23 Actual
1.2 Size of Destination BC’s global social media community of brand advocates (in million [M]) ^{1,2}	2.1 M	2.1 M	2.2 M

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

²PM 1.2 targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 2.3 M and 2.5 M, respectively. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

1.2: Word-of-mouth referrals and recommendations are the most powerful marketing tools in the travel industry and influence trip planning. The size of Destination BC’s global social media community of brand advocates is a key measure of the success of programs designed to encourage people to advocate for B.C. as a travel destination to their family, friends, and colleagues.

Accordingly, Destination BC works to ensure real life stories and positive experiences from travellers to B.C. are heard. This measure indicates the number of followers on all of Destination BC’s consumer-facing social media channels (which currently includes Facebook, Instagram, Twitter, Weibo, and WeChat).

In 2022/23, Destination BC successfully achieved its goal by strategically targeting new Facebook fans and Instagram followers in key target markets, such as Mexico, to increase follower acquisition.

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

Key results

- Developed dynamic geo-targetable content on HelloBC.com, enabling personalization and geo-targeting capabilities to deliver the right content, to the right person, at the right time.
- Amplified the on-the-ground expertise of our tourism partners and connected international and domestic travellers to businesses across the province through the 'BC Story Network'. The 'BC Story Network' allows partners to create mobile-first, visually immersive content in a vertical story format, and instantaneously publish the content to multiple distribution channels. In 2022/23, 57 tourism partners in the 'BC Story Network' created 886 stories highlighting B.C. travel businesses and experiences. These stories generated 7 million impressions in Google Search results and 1.7 million impressions across a network of B.C. tourism partner websites.
- Advanced the ability to deliver personalized content recommendations in emails by integrating traveller audiences across Destination BC's consumer website (HelloBC.com) and e-mail channels. This unification of audiences across marketing channels enables a better understanding of the user's travel needs and interests, leading to more personalized content recommendations and improved performance of business-to-consumer emails. Since initiating the unification of traveller audiences across Destination BC's consumer web (HelloBC.com) and email channels in November 2023, we have established an audience of over 25 thousand unified travellers.

Summary of progress made in 2022/23

Other 2022/23 key results:

- Developed Destination BC's first, automated email campaign with personalised content recommendations targeting subscribers who have expressed an interest in skiing in B.C. Email content was personalized to subscribers, meaning that each subscriber would see different ski-related content in their emails, tailored to their level and specific areas of interest for skiing in B.C. This personalization was based on their recent behavior and consumption of ski-related content on HelloBC.com.
- Created and launched a new email template design that featured tourism business listings that are personalized to a user's interest in specific destinations and tourism experiences in B.C., based on their behaviour and consumption of content on HelloBC.com. This new email template performed extremely well, seeing a 17.9 per cent direct referral rate to Destination BC's tourism partners, which represents a 300 per cent increase over the average direct referral rate of 4.53 per cent for emails in 2022/23.

Performance measure(s) and related discussion

Performance Measure	2021/22 Actual & Baseline	2022/23 Target	2022/23 Actual
1.3 Number of customer leads for industry generated directly by Destination BC through digital marketing activities. ^{1,2}	740,500	845,000	1,344,100

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

²PM 1.3 targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as Maintain or Improve and Maintain or Improve, respectively. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

1.3: The number of leads for industry through Destination BC’s digital marketing activities measures success in generating leads for tourism businesses, online travel agencies and the travel trade, which may then be converted into bookings.

In 2022/23, Destination BC was actively marketing to both domestic and international markets via the HelloBC.com website, e-mail, and ‘BC Story Network’ channels. Destination BC also received additional provincial government funding in 2022/23 to invest in international marketing, which contributed to a 59 per cent increase from the target to the actual.

Goal 2: Remarkable Guest Experiences

The current pace of change and digital disruption in the tourism industry requires that businesses stay up to date on visitor motivations, experience development, marketing best practices, social media platforms, and digital readiness to build a competitive advantage for the province in the global tourism landscape. Destination BC assists industry to deliver a world-class guest experience and secure the highest [Net Promoter Score®](#) (NPS) in North America for B.C.

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

Key results

- Delivered two intakes of a newly revised ‘Tourism Digital Academy’. The program was updated to reduce hours of live workshop delivery, creating more flexibility and convenience for participants. The program leverages hybrid learning, incorporating pre-recorded learning modules and live virtual access to industry experts.
- Developed a ‘Digital & Social Media Playbook’ to help community Visitor Centre teams across the province optimize and maximize opportunities on several popular platforms so they can effectively connect with potential visitors.

- Provided one-time Indigenous learning project grants supporting the Visitor Services Network. This application-based grant program helped Visitor Centres enhance relationships and enable partners to work collaboratively on projects, activities, and training that will create a deeper understanding of Indigenous culture, history, and tourism products.
- Developed a ‘Crisis Communications Planning’ training series for B.C. tourism organizations. The free, two-day training session coached participants on a step-by-step approach to develop a crisis communication plan.
- Developed a deeper connection with several First Nations interested in tourism and facilitated introductions to tourism organizations, government ministries, and other Nations with established or similar tourism products.

Summary of progress made in 2022/23

Other 2022/23 key results:

- Launched seven mentorship and grant programs across the province, which matched selected applicants with a tourism mentor and provided additional partner support to help take their new tourism ideas to the next level of development.
- Launched an experience development program in the Columbia Valley. The intensive program supports a set of businesses in designing, crafting, scripting, staging, and delivering unforgettable customer experiences.

Performance measure(s) and related discussion

Performance Measure	2021/22 Actual & Baseline	2022/23 Target	2022/23 Actual
2.1a Visitor satisfaction with visitor information services ^{1,3}	83.1%	N/A	N/A
2.1b Competitive ranking of British Columbia’s Net Promoter Score ^{2,4,5}	Ranked #1 in 3 of 5 key North American markets	Establish New Baseline	Ranked #1 in 2 of 5 key North American markets

¹Data 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 therefore no target for 2022/23.

²Data source: Destination BC’s Key Performance Indicator Study (conducted by independent third-party research firm). measures the likelihood of visitors to recommend B.C. to their friends or family.

³PM 2.1a targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as Maintain or Improve and N/A, respectively. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

⁴PM 2.1b targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as Maintain or Improve and Maintain or Improve, respectively. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

⁵PM 2.1b target for 2022/23 to Establish New Baseline was accomplished in 2021/22 instead of 2022/23. We anticipated to Maintain or Improve 2021/22 Actual & Baseline in 2022/23.

2.1a: Visitor satisfaction with visitor information services measures whether visitors were able to access the information and services they needed while travelling in B.C. from sources

supported by Destination BC. Examples include community Visitor Centres, the HelloBC.com website, and social media channels.

Destination BC's 'Visitor Satisfaction with Visitor Information Services' is measured every two years thus a result is not available for 2022/23.

2.1b: B.C.'s ranking by other 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. This measure is closely aligned with Destination BC's corporate goal to be "the most highly recommended destination in North America." B.C.'s key North American markets include B.C., Alberta, Ontario, and Washington and California states.

In 2022/23, B.C. ranked first in Net Promoter Score amongst competitors in Alberta and BC, second in Washington state and Ontario, and third in California. B.C. continues to be a destination of choice for short-haul travellers and ranks highly in our key U.S. markets. B.C. ranks third behind Hawaii and California for Californians and ranks second (behind Washington) for short-haul travellers from Washington state. In Ontario, the overall Net Promoter Score rating for B.C. increased from last year, but a significant shift in ratings for Nova Scotia resulted in B.C. ranking a very close second in 2022/23. While rankings have shifted, overall values for Net Promoter Score for B.C. have increased from last year for travellers from B.C., Alberta, Ontario, and Washington state. The results indicate the travel experience is positive for B.C., but travellers increasingly have other potential vacation destinations that are worth recommending.

Goal 3: A Powerful Marketing Network

For the purpose of this goal, the term 'marketing' is used in the broad sense, including destination and experience development as well as distribution, advertising, and promotion. In alignment with provincial tourism priorities, Destination BC worked with partners and communities to collaboratively focus on marketing and development efforts, reduce duplication of efforts, and amplify B.C.'s competitive position in the global marketplace.

Objective 3.1: Collaborate with Regional Destination Management Organizations (RDMOs), and other key partners and communities to align and focus on collective marketing and destination development efforts

Key results

- Developed the 'Iconics Destination Development' framework and action plan in partnership with Indigenous Tourism BC and the Regional Destination Management Organizations (RDMOs), resulting in a shared roadmap to create and/or enhance visitor experiences, encounters, and touchpoints that align with the dispersion strategy ('Invest in Iconics') place brands.

- Provided \$4.8 million in funding to support 84 projects through Destination BC’s Co-operative Marketing Partnerships Program, effectively leveraging public and private funds, enhancing Destination BC’s marketing capacity, and driving greater alignment and coordination of marketing efforts across each of B.C.’s six tourism regions.
- Worked with Indigenous Tourism BC to infuse Indigenous values and cultures into the *Super, Natural British Columbia*® brand, which reaches over 100 million people globally.
- Continued to develop the industry-leading co-operative Tourism Data Hub that enables a collaborative, digitally-savvy, insight-driven tourism network across the province. The outputs of the Tourism Data Hub are used to provide richer predictive insights into website users, create custom audiences for activation across the Google Marketing Platform, and inform media planning. One project resulted in 29 million shared audiences and achieved a 32 per cent increase in bookings.

Summary of progress made in 2022/23

Other 2022/23 key results:

- Developed a Destination Stewardship framework and action plan to advance Destination BC’s commitment to sustainable tourism management best practices.
- Developed updated market profile publications for key international and domestic markets, summarizing the size of the market, volume and expenditures in B.C., traveller and trip characteristics, market insights, and top trends.
- Developed an updated ‘Value of Tourism in BC’ snapshot including insights into the economic value of tourism in B.C. The data includes tourism-generated gross domestic product (GDP), tourism sector revenue, provincial and municipal tax revenue, the number of businesses directly providing services to visitors, employment information, and wages and salaries.

Performance measure(s) and related discussion

Performance Measure	2021/22 Actual & Baseline	2022/23 Target	2022/23 Actual
3.1a Tourism businesses’ satisfaction with Destination BC programs and services ^{1,4}	7.8 (out of 10)	Improve	7.6 (out of 10)
3.1b Net Promoter Score of Participants (combined score) in all ongoing Destination BC delivered workshops or webinars ^{2,5}	69.1 (out of 100)	50.0 or greater	73.3 (out of 100)
Performance Measure	2021/22 Actual	2022/23 Target	2022/23 Actual
3.1c a) Number of communities and sectors participating in	184 (total)	120 (total)	183 (total)

Destination BC's application-based co-op marketing program b) number of participating communities outside Metro Vancouver, Victoria, and Whistler ^{3,6}	144 (regional)	100 (regional)	147 (regional)
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¹Data source: Destination BC's Tourism Industry Partners Survey (conducted by independent third-party research firm). Tourism businesses comprise one of the six strata (i.e. Destination Management Organizations, Industry Associations and Organizations, Travel Trade, Visitor Centres, Travel Media, and Tourism Businesses) whose satisfaction is tracked through the survey. Scores of the other strata are reported elsewhere and used to inform corporate planning and program evaluation.

²Data source: Overall evaluation of Destination BC's learning program.

³Data source: Destination BC's program area confirming participants and funding.

⁴PM 3.1a targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as Improve and Improve, respectively. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

⁵PM 3.1b targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 50.0 or greater and 50.0 or greater, respectively. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

⁶PM 3.1c targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 120 (total) / 100 (regional) and 120 (total) / 100 (regional), respectively. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

As part of the Crown's performance-based funding model, Destination BC is required to report annually on its corporate performance. The [2022/23 Service Plan](#) included four measures of corporate performance, specifically measures 1.2, 1.3, 3.1b, and 3.1c.

3.1a: Destination BC's annual Tourism Industry Partners Survey enables evaluation and improvement of the quality of programs and services delivered, and the effectiveness of communication with partners. Destination BC continues to review, revise, and improve programs and services based on feedback from tourism businesses and other partners, and anticipates incremental improvements in tourism businesses' satisfaction over time.

In 2022/23, results of the annual Tourism Industry Partners Survey, which is conducted annually in May, continued to reflect Destination BC's strong overall performance as rated by tourism businesses. The 2022/23 result of 7.6 (out of 10) showed a slight decrease (down from 7.8 in 2021/22), but remained higher than 2020/21 and all other previous years the survey has been conducted.

3.1b: The workshops or webinars' Net Promoter Score is a key measure of success in assisting tourism businesses and Destination Management Organizations (DMOs) in their efforts to deliver outstanding guest experiences, increase their digital marketing skill sets, become better prepared to respond to crises and emergencies, and learn how to work more effectively with Indigenous Peoples and communities.

In 2022/23, Destination BC hosted workshops and webinars that supported experience/product development, digital marketing, crisis communications and 'Working Effectively with Indigenous Peoples'. These programs helped operators to plan and implement tactics to assist in creating new experiences, become more competitive in the global marketplace, be more responsive when crises occur, and increase Indigenous cultural knowledge and understanding. Destination BC exceeded the '2022/23 Target' with a Net Promoter Score of 73.3 for all workshops and webinars.

3.1c: The success of the application-based Co-op Marketing Partnerships Program is measured by the number of community and sector participants. The Program drives marketing alignment across Community Destination Management Organizations (CDMOs) and collaboration in accessing funds, providing access to matching dollars. These components are embraced by industry, which contributes to the Program's success. High levels of participation can also be attributed to the requirement for participants to align with the *Super, Natural British Columbia*® brand.

In 2022/23, Destination BC exceeded the '2022/23 Target' with 183 total overall participants, of which 147 represented communities located outside Metro Vancouver, Greater Victoria, and Whistler.

Goal 4: Business Efficiency

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

Objective 4.1: Conduct business efficiently to ensure cost effective provision of support services that meet evolving business requirements

Key results

- Implemented a new budget and forecasting platform reducing manual processes and enabling more timely reporting.
- Implemented an internal communications platform enhancing information sharing, collaboration, and ensuring timely employee updates.

Summary of progress made in 2022/23

Other 2022/23 key results:

- Destination BC continued to identify and implement overall operational efficiencies to reduce support services costs, thereby increasing the funds available for industry-facing programs. The organization made programs, systems, and knowledge more accessible, user-friendly, and shareable for tourism partners, while simplifying application processes and accountability reports to make it easier to do business with Destination BC.

Performance measure(s) and related discussion

Performance Measure	2021/22 Actual & Baseline	2022/23 Target	2022/23 Actual
4.1 Percentage of Destination BC funds allocated to support services ^{1,2}	7.7%	<10%	8.0%

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

²PM 4.1 targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as <10% and <10%, respectively. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

4.1: The percentage of funds allocated to support services measures Destination BC's ability to ensure cost effectiveness in meeting business requirements, while improving the ability to compete in the global tourism market by dedicating more funds to branding, marketing, and destination development activities. Support services costs include accounting operations, facilities, administration, human resources, the Chief Executive Officer's office, and Board expenses.

Destination BC has continued to find efficiencies and increase workforce productivity through the execution of a digital workplace strategy, including the implementation of digital tools and processes in support of a hybrid environment.

In 2022/23, Destination BC's support services accounted for 8.0 per cent of the annual operating expenses and met the '2022/23 Target'.

Goal 5: Our People

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

Objective 5.1: Attract, retain, and develop highly skilled and engaged people

Key results

- Collected valuable employee insights through an annual evaluation of employee satisfaction and engagement to assist the Board of Directors and senior management in identifying opportunities to enhance engagement and gain better understanding of the experiences of equity deserving groups.
- Provided employees with additional anti-discrimination and anti-racism training opportunities. Over 100 employees have completed training related to Safe and Brave Spaces, Unconscious Bias, Microaggressions, Intro to Inclusion, Inclusive Marketing, Inclusive Leadership, and Working Effectively with Indigenous Peoples.
- Created Destination BC's first '[Diversity, Equity, Inclusion, and Accessibility Strategy](#)', a significant step towards fulfilling the commitments we have made to truly

represent our province’s beauty, strength, identity, and the diversity of the people who live here.

- In alignment with the requirements set out in the [Accessible British Columbia Act](#), Destination BC initiated the establishment of an Accessibility Committee, Accessibility Plan and feedback mechanism on accessibility.

Summary of progress made in 2022/23

Other 2022/23 key results:

- Supported employees as the organization transitioned from a remote to hybrid work model ensuring employees had access to required resources including hybrid work best practices training, technology tools, and health and wellbeing supports.
- Re-established in person annual All-Staff engagement meetings focused on team building, learning, collaboration, and inspiration.

Performance measure(s) and related discussion

Performance Measure	2021/22 Actual & Baseline	2022/23 Target	2022/23 Actual
5.1 Employee engagement ^{1,2}	4.10 (out of 5)	Maintain or Improve	4.04 (out of 5)

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

²PM 5.1 targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as Maintain or Improve and Maintain or Improve, respectively. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

5.1: Destination BC’s annual Employee Engagement Survey enables the organization to measure success in attracting, retaining, and developing highly skilled and engaged people. The findings also inform the development and implementation of programs and training to enhance the collective capabilities of people in the organization. The Survey assists the Board of Directors and senior management in identifying opportunities to sustain and enhance a thriving workplace.

In 2022/23, the latest survey results, which is conducted annually in April for the previous fiscal year, continued to demonstrate a high level of employee engagement at Destination BC. 2022/23 results showed a slight decrease (down 0.06 from 4.10 in 2021/22), however, results are in line with the survey results reported prior to the COVID-19 pandemic. In 2022/23, employee experienced another year of change as they transitioned from working remotely during the COVID-19 pandemic to a hybrid working model. The continued strong results reflect Destination BC’s focus on monitoring and supporting the emotional wellness, training needs, and technology support for employees.

Financial Report

For the auditor's report and audited financial statements, see [Appendix B](#). These documents can also be found on the Destination BC website.

Discussion of Results

The 2022/23 fiscal year was Destination BC's tenth year of operation. Destination BC closed 2022/23 with an operating surplus of \$391,000 based on total revenues of \$63.54 million, and total expenses of \$63.15 million. An accumulated operating surplus of \$2.206 million is identified in Destination BC's Statement of Financial Position.

Financial Summary

(\$000s/\$m)	2021/22 Actual	2022/23 Budget	2022/23 Actual	2022/23 Variance
Revenues				
Contributions from Province	56.400	54.793	62.448	7.655
Contributions from Other Governments	0.990	0.000	0.209	0.209
Deferred Capital Contributions	0.256	0.223	0.224	0.001
Other Revenue	0.130	0.120	0.661	0.541
Total Revenue	57.776	55.136	63.542	8.406
Expenses				
Marketing	37.489	36.094	37.124	1.030
Destination Management	12.925	10.930	18.592	7.662
Strategy, Research & Communications	2.756	3.383	2.826	(0.557)
Corporate Services	3.989	4.401	4.279	(0.122)
Amortization	0.361	0.328	0.330	0.002
Total Expenses	57.520	55.136	63.151	8.015
Net Income	0.256	0.000	0.391	0.391
Total [Liabilities/Debt]	11.568	7.386	9.859	2.473
Capital Expenditures	0.005	0.290	0.016	(0.274)
Accumulated Surplus	1.815	1.558	2.206	0.648

¹ The above financial information was prepared based on current Generally Accepted Accounting Principles.

Variance and Trend Analysis

In 2022/23, Destination BC received additional one-time government funding to implement key recovery programs providing financial and business support for the tourism industry. Provincial government contributions included an additional investment of \$2 million for international marketing and \$7.17 million for program expansions. Federal government contributions of \$209,000 focused on investment in programs to support tourism businesses with strategic planning and the development of experience programming. Budget variances within the Marketing and Destination Management divisions reflect the costs associated with the additional 2022/23 government contributions. Capital expenditures came in below budget as the pandemic delayed the implementation of planned projects.

Risks and Uncertainties

Destination BC operations are funded through provincial government appropriations. Destination BC allocates this funding to programs that deliver on its mandate, as described in the [2022/23 Service Plan](#).

Destination BC is subject to financial pressures resulting from the increasing costs of digital marketing world-wide and the impact of the depreciation of the Canadian dollar on the cost of marketing in the U.S. and other international markets. These pressures are managed by finding efficiencies, including investing in continual improvement of workforce productivity; developing innovative new marketing partnerships; and improving program delivery.

Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2021/22 Mandate Letter from the Minister Responsible.

2021/22 Mandate Letter Priority	Status as of March 31, 2023
<p>1. Ensure Destination BC programs and investments, including its Pandemic Response, Recovery, and Resilience marketing approach, are aligned with the Strategic Framework for Tourism in B.C., and other emerging Government priorities.</p>	<ul style="list-style-type: none"> • Launched the ‘British Columbia Effect – Find Yourself’ Campaign – the first global brand campaign in two years putting the <i>Super, Natural British Columbia®</i> brand back into the hearts and minds of global travellers. The creative concept and campaign was developed collaboratively by Destination BC and Indigenous Tourism BC. • Successfully delivered comprehensive consumer marketing campaigns in domestic and international markets, inspiring fall getaways from B.C. and Alberta; winter bookings from Washington and California states; and spring and summer travel from the United Kingdom, Australia, and Germany.

<p>2. Continue to 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 B.C.'s visitor economy.</p>	<ul style="list-style-type: none"> • Provided \$4.8 million in funding to support 84 projects through Destination BC's Co-operative Marketing Partnerships Program, effectively leveraging public and private funds, enhancing Destination BC's marketing capacity, and driving greater alignment and coordination of marketing efforts across B.C.'s six tourism regions. • Continued to develop the industry-leading co-operative Tourism Data Hub that enables a collaborative, digitally-savvy, insight-driven tourism network across the province. The outputs of the Tourism Data Hub are used to provide richer predictive insights into website users, create custom audiences for activation across the Google Marketing Platform, and inform media planning. The Tourism Data Hub now supports 15 clients and 32 members. One project resulted in 29 million shared audiences and achieved a 32 per cent increase in bookings. • Developed a Digital and Social Media Playbook to help the Visitor Centre teams connect visitors to their communities. • Supported over 50 key Travel Trade co-ops in our international markets with itinerary development support, product knowledge, training and education, familiarization tours, and joint marketing initiatives, to drive future business. • As part of the Powerful Marketing Strategy and building out shared technology, Destination BC continued to on-board partners to the Digital Asset Management platform, further building our content commonwealth. To date 13 partners have been onboarded, making more B.C. content
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2021/22 Mandate Letter Priority	Status as of March 31, 2023
	<p>available to industry and media from around world.</p> <ul style="list-style-type: none"> Developed dynamic geo-targetable content on HelloBC.com, enabling personalization and geo-targeting capabilities to deliver the right content, to the right person, at the right time.
<p>3. Continue to work with the Ministry of Tourism, Arts, Culture and Sport, and the Regional Destination Marketing Organizations, to ensure that investments in destination development and tourism infrastructure align with provincial tourism priorities, support the industry’s recovery from the COVID-19 pandemic, and increase the long-term global competitiveness of the B.C. tourism industry.</p>	<ul style="list-style-type: none"> Developed a destination development (‘Invest in Iconics’) framework and action plan in partnership with Indigenous Tourism BC and the Regional Destination Management Organizations, resulting in a shared roadmap to create and/or enhance visitor experiences, encounters, and touchpoints that align with the dispersion strategy (‘Invest in Iconics’) place brands. Developed a Destination Development communications framework in partnership with the Regional Destination Management Organizations to provide a cohesive and consistent approach to communicating the value and impact of destination development activities in B.C. Developed a Destination Stewardship framework and action plan to advance Destination BC’s commitment to sustainable tourism management best practices.

<p>4. Support COVID-19 recovery efforts of the B.C. visitor economy by:</p> <p>a) working to deliver on the recommendations of the Tourism Task Force;</p> <p>b) promoting areas of greatest need to enable seasonal and geographic dispersion of visitors;</p> <p>c) enhancing industry’s skills and capacity through the Industry Learning Centre and help businesses adapt their products and experiences;</p> <p>d) providing research and insights on tourism industry performance and outlook;</p> <p>e) implementing Destination British Columbia’s Corporate Strategy; and,</p> <p>f) continuing to champion tourism as a leading export industry with diverse, well-paying jobs.</p>	<p>a) Supported the Ministry of Tourism, Arts, Culture and Sport in the development of the updated Strategic Framework for Tourism in British Columbia.</p> <p>b) Completed all resident, industry, and Indigenous Tourism BC-led Indigenous engagement related to creating place brands for the dispersion (‘Invest in Iconics’) strategy. The strategy supports visitor dispersion and encourages travellers to consider traveling to more rural and lesser-known places in B.C., or to travel during non-peak seasons to mature destinations within B.C.</p> <p>c)</p> <ul style="list-style-type: none"> • Launched seven mentorship and grant programs across the province, which matched selected applicants with a tourism mentor and provided additional partner support to help take their new tourism ideas to the next level of development. • Launched an experience development program in the Columbia Valley. The intensive program supports a set of businesses in designing, crafting, scripting, staging, and delivering unforgettable customer experiences. • Developed a Crisis Communications Planning Training Series for B.C. tourism organizations. The free, two-day training session coached participants in a step-by-step approach to develop a crisis communication plan. • Completed the delivery of two intakes of a newly revamped Tourism Digital Academy. The program was updated to reduce hours of live workshop delivery,
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2021/22 Mandate Letter Priority	Status as of March 31, 2023
	<p>creating more flexibility and convenience for participants. The program leverages hybrid learning, incorporating pre-recorded learning modules and live virtual access to industry experts.</p> <p>d)</p> <ul style="list-style-type: none"> • Developed a new performance measurement framework, and an updated 2022 Environmental Scan document to support the development of the new 2023-25 Corporate Strategy. • Developed updated market profile publications for key international and domestic markets, summarizing the size of the market, volume and expenditures in B.C., traveller and trip characteristics, market insights, and top trends. • Presented Destination BC's Diversity, Equity, Inclusion, and Accessibility Research Framework at the International Travel and Tourism Research Association Conference in Victoria. <p>e) Successful development and launch of Destination BC's new three-year 2023-2025 Corporate Strategy.</p> <p>f) Developed an updated 'Value of Tourism in BC' snapshot including insights into the economic value of tourism in B.C. The data includes tourism-generated GDP, tourism sector revenue, provincial/municipal tax revenue, the number of businesses directly providing services to visitors, employment information, and wages and salaries.</p>

<p>5. Continue to help make B.C. a more inclusive and accessible tourism destination, ensuring responsible travel, and addressing the Truth and Reconciliation Commission's calls for action and further UNDRIP.</p>	<ul style="list-style-type: none"> • Worked with Indigenous Tourism BC to infuse Indigenous values and cultures into the <i>Super, Natural British Columbia® brand</i>, which reaches over 100 million people globally. • Worked in partnership with Indigenous Tourism BC to evolve the 'BC Effect' into the new global campaign 'Find Yourself'. • Completed and launched a series of Indigenous stories, known as Illahee, developed in partnership with Indigenous Tourism BC. • Developed a joint marketing action plan with Indigenous Tourism BC. • Created Destination BC's first 'Diversity, Equity, Inclusion, and Accessibility Strategy', a significant step towards fulfilling the commitments we have made to truly represent our province's beauty, strength, identity, and the diversity of the people who live here. • Developed a deeper connection with several First Nations interested in tourism and facilitated introductions to tourism organizations, government ministries, and other Nations with established or similar tourism products. • Destination BC was identified as a 'prescribed organization' in the Accessible British Columbia Regulation which came into effect September 1, 2022. In alignment with the requirements set out in the Accessible British Columbia Act, Destination BC initiated the establishment of an Accessibility Committee, Accessibility Plan, and feedback mechanism on accessibility. • Provided one-time Indigenous learning project grants supporting the Visitor Services Network. Projects reflected partnerships with over 50 First Nations, and ranged from Indigenous-led
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2021/22 Mandate Letter Priority	Status as of March 31, 2023
	training programs for staff, Indigenous welcome and land acknowledgement signage, interpretive kiosks, digital content development, art installations, Indigenous storytelling for visitors, and product knowledge tours to local First Nations tourism products.

Appendix B: Auditor's Report and Audited Financial Statements

Destination BC Corp.

Financial Statements

Year Ended

March 31, 2023

And Independent Auditor's Report thereon

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Management's Report

Management's Responsibility for the Destination BC Corp. Financial Statements

The Destination BC Corp. financial statements have been prepared by management in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the Destination BC Corp. financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the Destination BC Corp. financial statements. A summary of the significant accounting policies are described in Note 2 to the Destination BC Corp. financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board reviews internal Destination BC Corp. financial statements on a quarterly basis and external audited Destination BC Corp. financial statements yearly. The Board also discusses any significant financial reporting or internal control matters prior to their approval of the Destination BC Corp. financial statements.

The external auditor, KPMG LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the Destination BC Corp. financial statements. The external auditor has full and free access to financial management of Destination BC Corp. and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Destination BC Corp. financial statements.

Approved on behalf of Destination BC Corp.:



Richard Porges
Chief Executive Officer



Lesley Christian
Chief Financial Officer

May 17, 2023



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Destination BC Corp., and to the Minister of the Ministry of Tourism, Arts, Culture and Sport, Province of British Columbia

Opinion

We have audited the financial statements of Destination BC Corp. (the "Corporation"), which comprise:

- the statement of financial position as at March 31, 2023;
- the statement of operations and accumulated surplus for the year then ended;
- the statement of changes in net financial asset (debt) for the year then ended;
- the statement of cash flows for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements as at and for the year ended March 31, 2023 of the Corporation are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 2(a) to the financial statements which describes the applicable financial reporting framework and the significant differences between that financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

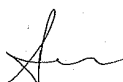
Vancouver, Canada
May 17, 2023

Destination BC Corp.
Statement of Financial Position
March 31, 2023, with comparative information for 2022
(Expressed in thousands of dollars)

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Financial assets			
Cash and cash equivalents	4	9,967	11,303
Accounts receivable		1,018	665
		<u>10,985</u>	<u>11,968</u>
Liabilities			
Accounts payables and accrued liabilities	5	8,190	9,937
Due to Public Service Agency	6	1,284	1,021
Deferred capital contributions	7	385	609
		<u>9,859</u>	<u>11,567</u>
Net financial assets		<u>1,126</u>	<u>401</u>
Non-financial assets			
Tangible capital assets	8	905	1,219
Prepaid expenses		175	195
		<u>1,080</u>	<u>1,414</u>
Accumulated surplus	9	<u>2,206</u>	<u>1,815</u>
 Contractual obligations	 10		

The accompanying notes are an integral part of these Destination BC Corp. financial statements.

Approved on behalf of the Board:



Scott Fraser
Board Chair



Joel McKay
Finance & Audit Committee

Destination BC Corp.
Statement of Operations and Accumulated Surplus
Year ended March 31, 2023, with comparative information for 2022
(Expressed in thousands of dollars)

	<i>Notes</i>	2023 Budget	2023	2022
		<i>(note 2(k))</i>		
Revenues				
Government transfers	12	54,793	62,657	57,390
Other revenue	13	120	661	130
Amortization of deferred capital contribution	7	223	224	257
		<u>55,136</u>	<u>63,542</u>	<u>57,777</u>
Expenses				
	14			
Global Marketing		36,094	37,124	37,489
Destination Management		10,930	18,592	12,925
Strategy, Research and Communications		3,383	2,826	2,756
Corporate Services		4,401	4,279	3,989
Amortization		328	330	361
		<u>55,136</u>	<u>63,151</u>	<u>57,520</u>
Annual operating surplus		-	391	257
Accumulated surplus, beginning of year		<u>1,815</u>	<u>1,815</u>	<u>1,558</u>
Accumulated surplus, end of year		<u>1,815</u>	<u>2,206</u>	<u>1,815</u>

The accompanying notes are an integral part of these Destination BC Corp. financial statements.

Destination BC Corp.
Statement of Changes in Net Financial Assets (Debt)
Year ended March 31, 2023, with comparative information for 2022
(Expressed in thousands of dollars)

	Budget <i>(note 2(k))</i>	2023	2022
Annual operating surplus	-	391	257
Acquisition of tangible capital assets	(290)	(16)	(5)
Amortization of tangible capital assets	328	330	361
	38	314	356
Acquisition of prepaid expenses	-	(175)	(195)
Use of prepaid expenses	-	195	118
	-	20	(77)
Change in net financial assets	38	725	536
Net financial assets (debt) at beginning of year	401	401	(135)
Net financial assets at end of year	439	1,126	401

The accompanying notes are an integral part of these Destination BC Corp. financial statements.

Destination BC Corp.
Statement of Cash Flows
Year ended March 31, 2023, with comparative information for 2022
(Expressed in thousands of dollars)

	2023	2022
Cash provided by (used in):		
Operating transactions:		
Annual operating surplus for the year	391	257
Non-cash items included in surplus:		
Amortization of tangible capital assets	330	361
Amortization of deferred capital contributions	(224)	(257)
Changes in non-cash operating working capital:		
Accounts receivable	(353)	5,060
Accounts payable and accrued liabilities	(1,747)	(7,217)
Due to Public Service Agency	263	49
Prepaid expenses	20	(77)
	(1,320)	(1,824)
Capital transactions:		
Acquisition of tangible capital assets	(16)	(5)
Decrease in cash and cash equivalents	(1,336)	(1,829)
Cash and cash equivalents at beginning of year	11,303	13,132
Cash and cash equivalents at end of year	9,967	11,303

The accompanying notes are an integral part of these Destination BC Corp. financial statements.

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2023
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

1. Nature of Operations

Destination BC Corp. (the “Corporation”) is a provincial Crown corporation initially created under the *Business Corporations Act* (British Columbia) on November 2, 2012, and subsequently confirmed under the *Destination BC Corp. Act*, which received Royal Assent in March 2013.

The Corporation reports to the Legislative Assembly through the Ministry of Tourism, Arts, Culture and Sport (the “Ministry”). The accumulated operating surplus includes 1 issued share of the Corporation, value \$1, which is held by the Province of British Columbia (the “Province”).

The purposes of the Corporation are to:

- a) market British Columbia domestically, nationally and internationally as a tourist destination;
- b) promote the development and growth of the tourism industry in British Columbia to increase revenue and employment in, and the economic benefits generated by, the industry;
- c) provide advice and recommendations to the minister on tourism-related matters; and
- d) enhance public awareness of tourism and its economic value to British Columbia.

The Corporation commenced operations on April 1, 2013.

The Corporation is exempt from federal and provincial income taxes but is subject to the federal goods and services tax and provincial sales tax.

In 2022/23, similar to 2021/22, the combination of weather-related emergencies, continued and increasing labour shortages, the COVID-19 pandemic, and related restrictions on travel and public gatherings, all had a significant impact on B.C.’s tourism industry. In partnership with the provincial and federal government, the Corporation has implemented key recovery programs providing much needed financial and business support. Destination BC will continue to actively engage with industry partners and key stakeholders regionally, nationally, and internationally to support the industry, stay engaged with key international partners, and actively participate in the ongoing dialogue for the successful rebuilding of the tourism sector.

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2023
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

2. Summary of Significant Accounting Policies

a) Basis of accounting

These financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province supplemented by Regulations 257/2010 and 198/2011 issued by the Province Treasury Board, referred to as the financial reporting framework (the “framework”).

The *Budget Transparency and Accountability Act* requires that these financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations to adopt Canadian public sector accounting standards (“PSAS”) issued by the Canadian Public Sector Accounting Board (“PSAB”) without any PS 4200 series.

Regulation 198/2011 requires that contributions for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset, in each case for use in providing services, are recorded and, referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services. If the depreciable tangible capital asset funded by a deferred capital contribution is written down, a proportionate share of the deferred capital contribution is recognized as revenue during the same period.

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with Canadian public sector accounting standard PS3410. As a result, revenue recognized in the statement of operations and accumulated surplus, and certain related deferred capital contributions would be recorded differently under Canadian public sector accounting standards.

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2023
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

2. Summary of Significant Accounting Policies (continued)

b) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Contributions restricted for specific purposes other than those for the acquisition of depreciable tangible capital assets are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contributions have been met.

Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are recorded in accordance with Regulation 198/2011 which requires that they be recorded and referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.

Revenue related to fees or services received in advance of the fee being earned or the service being performed is deferred and recognized when the fee is earned or service performed.

c) Tangible capital assets

Tangible capital assets are initially recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Furniture and equipment	5 years
Websites, hardware and software	5 years
Leasehold improvements	Lesser of useful life or term of the lease

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2023
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

2. Summary of Significant Accounting Policies (continued)

c) Tangible capital assets (continued)

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Corporation's statement of operations and accumulated surplus.

Intangible assets, such as copyrights, trademarks, etc. are not recognized in these financial statements.

d) Employee future benefits

- i. The employees of the Corporation belong to the Public Service Pension Plan, which is a multi-employer joint trustee plan. This Plan is a defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding.

The Joint Trustee Board of the Plan determines the required plan contributions annually.

The Corporation's contribution to the Plan is recorded as an expense for the year.

e) Prepaid expenses

Prepaid expenses include items which are charged to expenses over the periods expected to benefit from them.

f) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed, and services received during the year is expensed.

Transfers include entitlements, grants and transfers under shared cost agreements. Grants and transfers are recorded as expenses when the transfer is authorized, and eligibility criteria have been met by the recipient.

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2023
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

2. Summary of Significant Accounting Policies (continued)

g) Foreign currency

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions.

Monetary assets and liabilities included in the fair value measurement category denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the financial statement date.

h) Cash and cash equivalents

Cash and cash equivalents consist of cash, highly liquid money market investments, and short-term investments with maturities of less than 90-days from date of acquisition. The Corporation's cash and cash equivalents are entirely funds in bank accounts and therefore subject to an insignificant risk of change in value.

i) Financial instruments

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and due to Public Service Agency. All financial instruments are measured initially at fair value and subsequently at cost or amortized cost. Due to the short-term nature of these instruments, their fair values approximate book value.

Unrealized gains and losses from changes in the fair value of financial instruments would be recognized in the statement of re-measurement gains and losses until such time that the financial asset is de-recognized due to disposal or impairment. At the time of de-recognition, the related realized gains and losses are recognized in the statement of operations and accumulated surplus. The Corporation does not carry financial instruments at fair value and there are no unrealized gains or losses as at March 31, 2023 (2022 - nil). As a result, the Corporation does not have a statement of re-measurement gains and losses.

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2023
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

2. Summary of Significant Accounting Policies (continued)

j) Measurement uncertainty

The preparation of the Corporation's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the Corporation financial statements and the reported amounts of the revenues and expenses during the period. Areas requiring the use of management's estimates include the useful life of tangible capital assets for purposes of amortization.

Estimates are based on the best information available at the time of preparation of the Corporation's financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

k) Budget information:

The budget information reported in the statements of operations and accumulated surplus and changes in net financial asset (debt), have been derived from the 2022/23 Service Plan as approved by the Board of Directors on January 17, 2022.

l) Segmented information:

As the Corporation operates as one segment, no segmented disclosures are presented.

3. Adoption of PS 3280 Asset Retirement Obligations Standard

On April 1, 2022, the Corporation adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The standard was adopted on the modified retroactive basis at the date of adoption. The adoption of this standard did not have an impact on the amounts presented in these financial statements.

4. Cash and Cash Equivalents

	<u>2023</u>	<u>2022</u>
Royal Bank of Canada - CAD	9,967	11,303

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2023
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5. Accounts Payable and Accrued Liabilities

	2023	2022
Accounts payables and accrued liabilities	7,615	9,318
Accrued vacation pay	575	619
Total	8,190	9,937

6. Employee Future Benefits

The Corporation and its employees are subject to the *Public Service Act* and benefits are managed through the Public Service Agency (“PSA”). The Corporation makes contributions to the PSA who administers payment of benefits to employees to whom the act applies.

Other employee benefits available to employees of the Corporation are:

a) Retirement benefits

The employees of the Corporation belong to the Public Service Pension Plan (the “Plan”), which is a multi-employer joint trustee plan. The Public Service Pension Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. Basic pension benefits are based on a formula. The Plan has 68,387 active plan members, 53,694 retired plan members and 22,466 inactive members.

The latest actuarial valuation as at March 31, 2020, indicated a funding surplus of about \$2.7 billion for basic pension benefits. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

The next valuation will be as at March 31, 2023, with results available in early 2024.

No pension liability is included in the Corporation’s financial statements.

The Corporation’s contribution of \$870 thousand (2021/22 - \$842 thousand) to the Plan was expensed during the year.

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2023
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6. Employee Future Benefits (continued)

b) Other employee future benefits

Workplace safety and insurance board obligations

The Corporation is an employer under the Workers Compensation Act part 2 (the "Act") and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Corporation does not fund these obligations in advance of disbursement.

7. Deferred Capital Contribution

Deferred capital contribution relates to capital contributions from the Province for the purpose of acquiring tangible capital assets. The amount recorded as revenue matches the amortization expense for the year of the related tangible capital assets acquired.

	2023	2022
Balance, beginning of the year	609	866
Amortization during the year	(224)	(257)
Balance, end of year	385	609

8. Tangible Capital Assets

	Furniture and Equipment	Websites, Hardware and Software	Leasehold Improvements	2023 Total
Cost:				
Opening Balance	234	3,811	1,061	5,106
Additions	-	16	-	16
Closing balance	234	3,827	1,061	5,122
Accumulated amortization:				
Opening balance	80	3,606	201	3,887
Amortization	47	165	118	330
Closing balance	127	3,771	319	4,217
Net book value	107	56	742	905

Destination BC Corp.
Notes to the Financial Statements
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8. Tangible Capital Assets (continued)

	Furniture and Equipment	Websites, Hardware and Software	Leasehold Improvements	2022 Total
Cost:				
Opening Balance	234	3,806	1,061	5,101
Additions	-	5	-	5
Closing balance	234	3,811	1,061	5,106
Accumulated amortization:				
Opening balance	33	3,410	83	3,526
Amortization	47	196	118	361
Closing balance	80	3,606	201	3,887
Net book value	154	205	860	1,219

9. Accumulated Operating Surplus

	2023	2022
Invested in tangible capital assets	520	610
Unrestricted	1,686	1,205
Total	2,206	1,815

Destination BC Corp.
Notes to the Financial Statements
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10. Contractual Obligations

The Corporation has entered into a number of contractual arrangements for the delivery of services in the future and property leases. The property lease amounts are payable to the Province of British Columbia. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

	2024	2025	2026	2027	2028	Thereafter
Property leases	1,298	1,298	1,298	1,298	1,298	1,298
Other contractual arrangements	34,760	11,582	675	-	-	-
Total contractual obligations	36,058	12,880	1,973	1,298	1,298	1,298

11. Financial Risk Management

The Corporation is exposed to certain risks from the Corporation's financial instruments. Qualitative and quantitative analysis of the significant risks from the Corporation's financial instruments is provided below by type of risk.

a) Credit risk

The Corporation has limited exposure to credit risk associated with its cash, and accounts receivable. The Corporation is not exposed to significant credit risk as the receivables are due from governments. Cash is held with reputable financial institutions, from which management believes the risk of loss to be remote. The Corporation's maximum exposure to credit risk is limited to the carrying amount of these balances in these financial statements.

b) Liquidity risk

Liquidity risk is the risk that the Corporation will not meet its financial obligations as they become due. The Corporation manages liquidity risk by continually monitoring actual and forecasted cash flows from operations to meet its liabilities when due. Accounts payable and accrued liabilities are all due within one year.

c) Market risks

The Corporation is not subject to any significant interest rate risk or foreign currency risk.

There has been no significant changes to the risk exposures from the prior year.

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2023
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12. Government Transfers

	2023	2022
Revenue		
Province of British Columbia	62,448	56,400
Federal Government	209	990
	<u>62,657</u>	<u>57,390</u>
Expenses		
Shared cost agreements	22,233	15,745

In 2022/23, revenue from the Province included \$2 million (2021/22 - \$4 million) for International Marketing to support the tourism industry impacted by COVID-19.

In 2022/23, revenue from the Province included \$7.17 million for Program Expansions.

Also, in 2022/23, revenue from the Federal Government to support the tourism industry impacted by COVID-19 included \$209 thousand from PacifiCan (2021/22 - \$990 thousand).

Shared cost agreement expenses include transfers to municipalities, local governments and service providers.

13. Other Revenue

The Corporation earned the following other revenues during the year:

	2023	2022
Program Revenue	30	30
Interest income	631	100
	<u>661</u>	<u>130</u>

Destination BC Corp.
Notes to the Financial Statements
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14. Expenses

The following is a summary of expenses by category:

	<u>2023</u>	<u>2022</u>
Government transfers (note 12)	22,233	15,745
Advertising	13,666	15,901
Salaries and wages	9,332	8,912
Professional services	6,702	7,020
Information systems	4,118	3,943
Office and business	2,157	1,767
Employee benefits	2,349	2,222
Rental expenditures	1,270	1,098
Amortization	330	361
Travel	380	63
Materials and supplies	63	80
Other	98	78
Board expenses	95	71
Support services	358	259
Total expenses	<u>63,151</u>	<u>57,520</u>

15. Related Party Transactions

The Corporation is related through common ownership to all Province ministries, agencies and Crown corporations. Transactions with these entities considered to be in the normal course of operations, are recorded at the exchange amounts, predominantly under prevailing trade terms.

Destination BC Corp.
Notes to the Financial Statements
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15. Related Party Transactions (continued)

The Corporation had the following transactions with the government and other government-controlled organizations:

	2023	2022
Grants from the Province (note 12)	62,448	56,400
Amounts paid or due to the Ministry of Finance:		
Payroll	11,633	11,151
Building Occupancy Costs	1,272	1,098
Information Technology Services	801	767
Legal Services	184	154
Visitor Experience Support	58	56
BC Stats	65	38
Postage, Supplies, Printing	4	4
Insurance Premiums	20	19
Corporate Communications	10	11
Other (including bank charges)	3	3

In 2022/23, grants from the Province included \$2 million (2021/22 - \$4 million) for International Marketing to support the tourism industry impacted by COVID-19.

In 2022/23, grants from the Province included \$7.17 million for Program Expansions.

16. Comparative information

Certain comparative information has been reclassified to conform to this year's current financial statement presentation. There was no impact on the prior year operating surplus, net financial assets (debt) or accumulated surplus.

