

DESTINATION GREATER
VICTORIA
2020 Annual Report



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Message From The Chair



Kimberly Hughes
Chair, Board of Directors

My first year as Destination Greater Victoria Chair was unlike any other in our organization's history. It began with tremendous promise. The previous year was a success by many metrics, and we were looking to carry that momentum into 2020. A full slate of meetings, events, and conferences was booked. We introduced stretch targets and multiple year targets, and continued our work on sustainability.

In March everything changed. The onset of the COVID-19 pandemic resulted in the closure of the Canada-US border to non-essential travel, discouragement of domestic travel by government officials, and restrictions on large gatherings designed to curb transmission of the virus. The effects were devastating for our industry. Destination Greater Victoria stopped marketing the destination and began to lead as an advocacy and destination management organization. Thousands of people were out of work and our member businesses needed government support. As a member of the Greater Victoria Tourism Rescue and Recovery Task Force, I am proud of the work of our industry leaders who stepped up, worked together and helped to shape the direction of our provincial government in terms of creating a restart plan.

Despite the greatest setback in the history of the Greater Victoria visitor economy, there were some areas where we were able to advance our mandate. The creation of the Sustainability Advisory Committee within the governance framework and reporting into the Transportation and Destination Management Committee is an excellent initiative. Driven by visitor economy leaders, the Sustainability Advisory Committee formalizes a conversation many in our industry have had for years: how do our businesses implement social, economic, and environmental values while remaining competitive in the marketplace? The Sustainability Advisory Committee had its first meetings in 2020 and will continue to be a valuable body within Destination Greater Victoria's governance framework.

With 2020 behind us and as we move into 2021, I am proud of our industry and I am proud of our community. As vaccines roll out, the return to travel is just around the corner. We are so lucky to have the incredible business leaders in Victoria who banded together during these challenging times. I am proud of Paul and the team at Destination Greater Victoria who ensured that our organization would be poised and ready when travel to our incredible city resumed. Brighter days are around the corner. Let's work together to welcome our visitors back to Victoria!

Sincerely,

A handwritten signature in blue ink that reads "K Hughes".

Kimberly Hughes

Chair, Board of Directors

Message From The CEO



Paul Nursey
CEO, Destination Greater Victoria

As CEO of Destination Greater Victoria, I am pleased to deliver its 2020 Annual Report. As is well known, despite an optimistic start in January and February 2020 our industry faced the worst downturn in its history. In March, due to the COVID-19 pandemic and the implementation of travel restrictions, as well as restrictions on large gatherings, group and leisure travel to our destination fell precipitously. We quickly pivoted Destination Greater Victoria away from its traditional core function of marketing the destination to one of advocacy and enhanced support for our members. We moved to a flexible operational model, where the organization's reduced staff took on multiple responsibilities to ensure we could fulfill its mandate. Our financial balance sheet stabilized following some initial uncertainty as well. Spring 2020 was a very difficult time for me and Destination Greater Victoria employees working hard on behalf of our struggling member-businesses, but we persevered and were able to achieve some success – even if that definition of success had changed dramatically since the beginning of the year.

As the year progressed and some domestic travel was allowed, we re-engaged in the marketplace. Traditional indicators of the health of the industry such as hotel room occupancy and revenue per available room (RevPAR) increased. The industry was able to create some revenue and hire back some workers. But as COVID-19 transmission rates increased in the fall and restrictions returned, our industry once again became dormant. The creation of vaccines has brought renewed hope. As difficult as 2020 was, we look forward to welcoming visitors to our destination again.

I cannot say enough about our members. They brought forward ideas during the pandemic for paths forward, supported each other when a helping hand was needed, and advocated tirelessly for our industry. It is because of their work we are positioned strongly when travel restrictions are lifted. The same is true for dedicated Destination Greater Victoria staff team members who shared in the personal sacrifices of industry through reduced pay and hours for a considerable period until the organization was on a solid financial footing for survival and recovery.

Lastly, I would like to thank the Board of Directors and Chair Kimberley Hughes. This was Chair Hughes' first year as Chair of the Destination Greater Victoria Board of Directors. Under her leadership and steady presence, the Board of Directors governed the organization effectively. Destination Greater Victoria has always had talented and engaged Board members who contribute their time to the organization. A positive reputation is set at the top of any organization. Destination Greater Victoria is no different. Through a very difficult period, they governed effectively. Our organization and industry are in a better place because of them.

Sincerely,

A handwritten signature in black ink that reads "Paul Nursey". The signature is fluid and cursive, with a long horizontal stroke at the end.

Paul Nursey
CEO



Our Mission

We inspire the world to experience our destination.

Our Vision

Destination Greater Victoria will be internationally recognized as a leader in sustainable tourism development, ensuring Greater Victoria remains one of the top destinations in the world.

Giving Back To The Community

Historically, Destination Greater Victoria (DGV) supports many community organizations and causes related to the local visitor economy. As non-essential travel was discouraged for most of 2020, Destination Greater Victoria was unable to contribute in the same manner as previous years. However, a few organizations were supported with small amounts where possible. These include:

Capital Region Food and Agriculture Initiatives Roundtable (CRFAIR): \$10,000. Destination Greater Victoria partnered with CRFAIR in 2020 on their Flavour Trails program to mobilize organizational resources towards the promotion of Greater Victoria agritourism.

Destinations International (DI) Foundation: \$2,000. The DI Foundation helps secure the continued growth of the visitor economy worldwide. Investment in the DI Foundation directly supports innovation and incubation, ensuring that people working at destination organizations are supported with knowledge, programs, and powerful tools so they can continue to drive growth, job creation, and build quality of life for their community.

Carbon Offsets: \$5,500. Destination Greater Victoria offset its flight emissions for 2018 and 2019 and moved to offsetting all material emissions through financial contributions to the Great Bear Rainforest Project in 2020, achieving Carbon Neutral status in 2021.

Greater Victoria Acting Together (GVAT) - Membership and Sponsorship: \$7,200. GVAT is a diverse alliance of groups and peoples across Greater Victoria that advocate for social issues of common concern together. It has 32 member organizations with over 100,000 members across Greater Victoria, including unions, student societies, conservation groups, religious organizations, and frontline service organizations.





Delivering On A Five-Year Strategy

In 2017, Destination Greater Victoria launched its 2017-2021 Rolling Strategic Plan. This plan aligns with Destination Greater Victoria's Municipal and Regional District Tax (MRDT) five-year funding cycle. Guided by goals in Destination Greater Victoria's 2017-2021 Rolling Strategic Plan, 2020 was on track to be stellar, if not a record year. This all changed with the COVID-19 pandemic. In many ways, 2020 was to be the culmination of hard work from previous years.

At the beginning of 2020, there were 66 major conferences contracted with ten additional meetings pending for Q3 and Q4. Major sporting events were planned as well. Highlights of the year were a sold-out IMPACT Sustainability Travel and Tourism Conference in January and welcoming visitors from China for a Chinese New Year's event. The Chinese New Year event occurred mere weeks before borders closed, reminding us that travel is at the end of the day about people-to-people connections.

However, by February 2020 it became clear that the hard work from previous years, such as building an impressive book of meetings and conferences, as well as sports tourism business was at serious risk. As the health and business crisis worsened through the spring of 2020, efforts pivoted to rebooking affected meetings and conferences.

Destination Greater Victoria's 2017-2021 Rolling Strategic Plan was successful until the onset of the pandemic. But no plan in travel and tourism can withstand a global pandemic. In response, Destination Greater Victoria and its partners created the Greater Victoria Tourism Rescue and Recovery Task Force to advocate for the industry and plan for recovery. Destination Greater Victoria focused its marketing efforts on regional and pan-Canadian travel for the 17 weeks when travel was permitted between communities from July to November 2020.

The 2017-2021 Rolling Strategic Plan served Destination Greater Victoria and most importantly, our community very well. Even before the COVID-19 pandemic struck, all significant targets were achieved from the 2017-2021 Plan, and significant progress was made on the four strategic pillars of the Plan. Even though the COVID-19 pandemic severely affected the 2017-2021 Rolling Strategic Plan, it was a success by every measure.

Destination Greater Victoria has analyzed the challenges of the COVID-19 pandemic to inform its 2022-2026 Strategic Plan. The 2022-2026 Strategic Plan achieved broad stakeholder support and was formally approved by the City of Victoria and the Capital Regional District. As of June 2021, it sits with the Province of British Columbia and Destination BC. Once approved it will steer and guide us for five years as we recover from the COVID-19 pandemic.

Business Discussion & Analysis

This section is an overview of business issues and key areas of focus for Destination Greater Victoria in 2020. Although the severe impacts of the COVID-19 pandemic throughout the tourism industry were predominant and the prime concern during 2020 (and continuing into 2021), partnerships, alignment, social license, sustainability and strategic planning were also important areas of focus.

Partnerships and Alignment

Despite the significant business challenges brought about by COVID-19 during 2020, Destination Greater Victoria continued to work strategically and effectively with a myriad of partners to advocate for and advance Greater Victoria's visitor economy. As shown below, these stakeholders included industry partners (particularly DGV's membership), municipal, provincial and federal governments, other DMOs, tourism organizations, Greater Victoria business associations, citizen's groups and local communities.



Community alignment continues to be central to Destination Greater Victoria's objectives. In September 2020 Destination Greater Victoria surveyed residents of the city of Victoria about their perceptions of tourism as well as priorities for tourism into the future. The survey was part of broad engagement leading into the next five-year strategic planning process, especially to assess citizen sentiment and perspectives in light of the COVID-19 pandemic's impacts. When asked whether tourism is important for Greater Victoria, an overwhelming 98% of respondents stated it is very important or important, particularly because of the industry's economic and quality-of-life contributions.

The large majority of residents surveyed agreed that tourism generates jobs, supports small business, provides positive exposure for Victoria, and creates new business opportunities; tourism also provides activities, experiences and facilities which residents can enjoy, brings diversity and different cultures into the region, and makes Victoria a good place to live and work. Overall, 82% of citizens believe the benefits of tourism outweigh any potential disadvantages.

The resident survey also showed that most Victoria citizens feel the top priority going forward is rebuilding tourism as soon as safely possible from the impacts of COVID-19, particularly to revive economic benefits and jobs. Respondents ranked the five most important areas of focus for tourism into the future as:

1. Building a year-round economy that supports businesses and jobs all year.
2. Enhancing tourism’s environmental, social and cultural sustainability.
3. Ensuring tourism provides benefits for residents and local communities.
4. Increasing tourism’s economic impacts to build jobs, sales and contributions to taxes.
5. Providing more or new opportunities for businesses and jobs in Victoria.



Industry alignment is also central to Destination Greater Victoria’s work. As a membership-based organization, Destination Greater Victoria represents, supports and advocates for almost 1,000 businesses and associations in Greater Victoria’s tourism industry. DGV greatly values input and feedback from its membership and in October 2020 conducted an online survey of members about priorities and where to perform better going forward. Sharing the view of most city of Victoria residents, the survey showed that industry recommends tourism should focus on developing a year-round visitor economy that:

- supports businesses, jobs and the broader economy,
- enhances environmental, social and cultural sustainability,
- encourages best practices to ensure sustainable tourism outcomes, and
- fosters a positive visitor-resident interface to deliver benefits to local communities.

DGV’s members also felt it would be very important for COVID-19 recovery to promote Greater Victoria as a vibrant and diverse destination, and to encourage visitors to stay longer and spend more, because these directly drive positive business outcomes. In turn, positive outcomes for tourism businesses typically benefit the wider community through jobs and economic contributions.

These important engagements with Victoria’s citizens and industry members in 2020 confirmed there is strong alignment between residents and industry about the value of Greater Victoria’s tourism economy and the best ways forward, particularly leading out of the COVID-19 pandemic. The insights from residents and industry during 2020 have informed the process of developing Destination Greater Victoria’s strategy for 2022 to 2026. Further details of the 2022 to 2026 Strategic Plan, as well as the resident survey and DGV’s other research, are available on Destination Greater Victoria’s website.

Priorities for Tourism Going Forward

Victoria’s citizens and tourism-industry members have confirmed that going forward the key focus should be building a year-round visitor economy that supports businesses and jobs while also ensuring tourism is conducted sustainably with direct benefits to residents and local communities.



Focusing on the Visitor Economy, Sustainability and Diversity & Inclusion

During 2020 Destination Greater Victoria continued its focus on the 'visitor economy' rather than the narrower 'tourism economy'. A traditional approach equates tourism with leisure travel and defines the tourism economy as revenues from these travellers' in-destination activities. As the wide-ranging impacts and business losses of the COVID-19 pandemic have demonstrated, this perspective fails to capture many of the interactions and economic benefits that occur when people visit a destination by, firstly, overlooking the many visitors who are not leisure travellers and, secondly, not accounting for the social, cultural and environmental components of an economy.

A visitor economy is much more inclusive and far-reaching in its economic outcomes than a tourism economy, and is based on exchanges between visitors and the destination, including its citizens. Visitors are not only leisure travellers but also conference and meetings delegates, business travellers, event-specific visitors, and temporary residents such as students and contract workers. When Destination Greater Victoria commenced its next five-year strategic planning process in late 2020 it ensured the visitor economy perspective was front and centre.

Sustainable tourism remained a priority for Destination Greater Victoria in 2020, as it was well before the COVID-19 pandemic. Being a leader in sustainable tourism development is central to DGV's vision statement. Destination Greater Victoria's commitment to sustainability recognizes that making sustainability a strategic and operational priority not only aligns with shared community values but is also good business. The sustainability lens will modernize the tourism industry and make it more efficient, promote a strong sense of shared purpose, and help build a positive visitor-resident interface.

In January 2020 Destination Greater Victoria and partners held the third IMPACT Sustainability Travel & Tourism Conference, with 25% further growth in attendance compared to 2019. IMPACT's profile continues to grow globally as a key forum to learn about sustainability and regenerative tourism developments, and share insights and experiences.

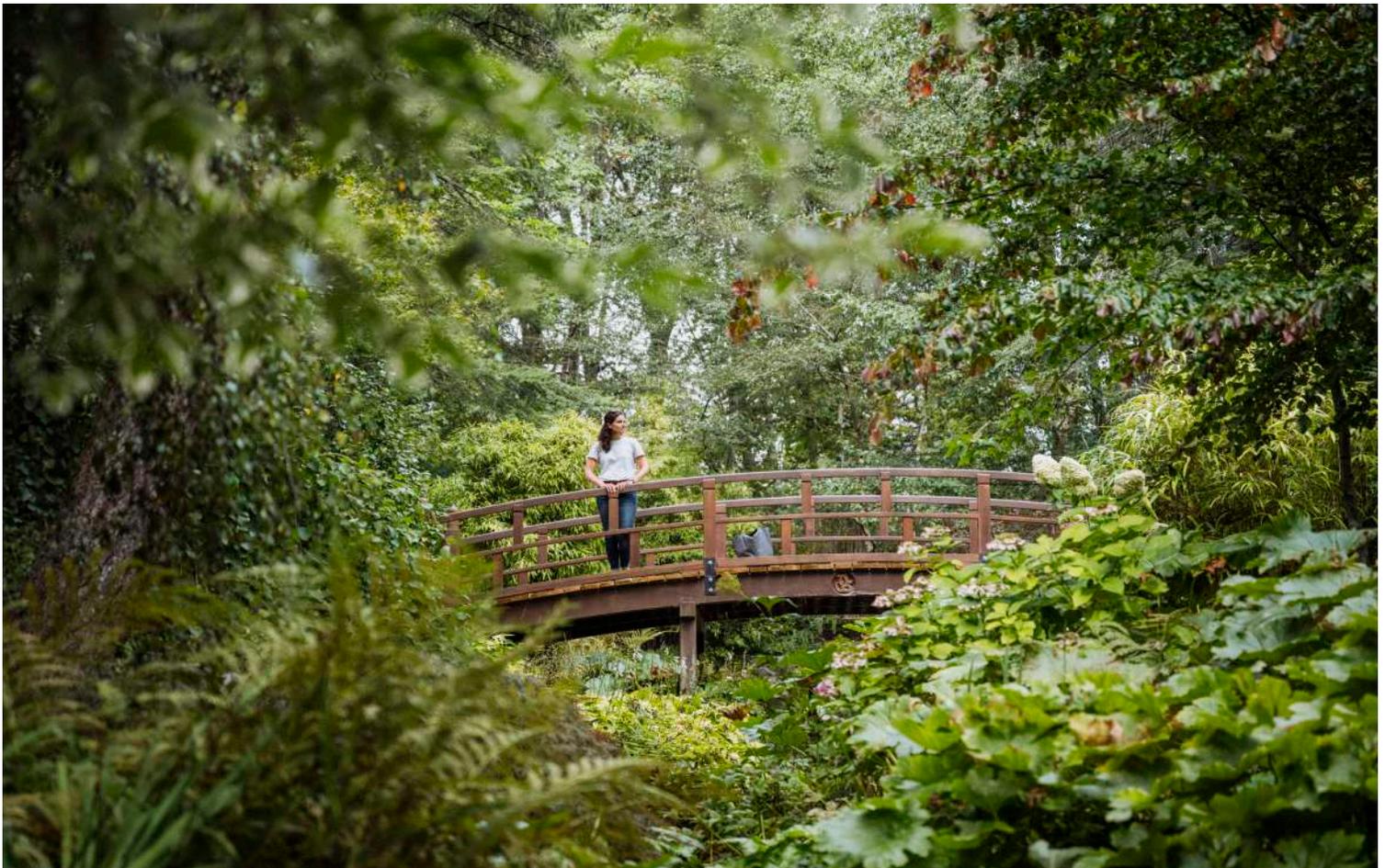
Recognizing that its leadership and actions can set the tone for industry, in 2020 Destination Greater Victoria worked diligently to reduce its own carbon footprint. DGV was certified Carbon Friendly by Offsetters and in early 2021 achieved carbon neutrality, making it the only major North American Destination Organization to be a certified Carbon Neutral operation. This not only aligns with community expectations but also reflects the values of our members who are operating carbon neutral as standard business practice.

In 2020 Destination Greater Victoria established its Sustainability Advisory Committee within its governance structure. The Committee's initial terms of reference include advising about environmental, social and cultural sustainability issues and opportunities for the tourism sector, disseminating industry's sustainability success stories and lessons learned, and helping to coordinate sustainable tourism initiatives within Greater Victoria. A major area of work for the Committee will be supporting DGV's strategic objective to achieve and maintain a world-leading third-party sustainability accreditation for the destination. The Sustainability Committee will also be highly involved in Destination Greater Victoria's efforts to integrate circular economy and regenerative tourism best practices into Greater Victoria's visitor economy. Going into 2021 the Committee will add several new members from key partners, ensuring broad stakeholder representation.

As Destination Greater Victoria started developing its next five-year strategic plan in 2020 it was clear that a core component will be supporting initiatives to improve diversity and inclusion within the organization and its governance structures, in DGV's relationships with stakeholders and vendors, and throughout Greater Victoria's visitor economy. Enhancing diversity and inclusion is not only best practice, but also strategically makes good business sense. Destination Greater Victoria's work in this area will draw upon insights from Destinations International's Equity, Diversity and Inclusion Committee, which undertook benchmarking of equity, diversity and inclusion (EDI) practices in North American Destination Organizations in 2019 and 2020, highlighting opportunities to improve. This includes a CEO pledge to support EDI initiatives, which Destination Greater Victoria's CEO Paul Nursey committed to in 2020. DGV executive Miranda Ji has been appointed to Destination International's Equity, Diversity and Inclusion Committee.

Also in 2020, close links were established with the Intercultural Association of Greater Victoria and its Community Partnership Network, which provides further access to resources and training for promoting and supporting cultural diversity locally. Destination Greater Victoria became a founding supporter of Innovation, Science and Economic Development (ISED) Canada's 50-30 Challenge, which aims for gender parity (50%) and significant participation (30%) for less-represented groups in senior management and governance structures.

Destination Greater Victoria has also continued to focus on supporting and working collaboratively with Indigenous partners, including improving DGV's capacity to engage through Indigenous-led training. For example, as Explore Songhees continues to develop, build further capacity and execute on their tourism strategy, this will be an important component of DGV's marketing and brand initiatives. Collaboration with the Indigenous Tourism Council of Canada (ITAC) remains important to Destination Greater Victoria's strategy going forward, leveraging each organization's strengths and resources towards developing and promoting Indigenous tourism. Aligning closely with the perspectives of Indigenous tourism partners will also be vital in DGV's work to position the destination as a leader in environmental sustainability and promote sustainable tourism operations.



Municipal and Regional District Tax (MRDT) Program

The MRDT agreements with the City of Victoria and District of Saanich have been reliable sources of revenue for Destination Greater Victoria. Although the provincial government allowed remittances of MRDT to be put on hold for a considerable portion of 2020, these remittances resumed late in the year. As a direct consequence of COVID-related travel restrictions and severe declines in business for commercial accommodation providers, revenues received by DGV through MRDT in 2020 were markedly reduced compared to previous years. This led to significant resource reductions and constraints on activities for Destination Greater Victoria for most of 2020.

During Q4 2020 Destination Greater Victoria commenced developing its 2022 to 2026 Strategic Plan as well as gathering support from the accommodation sector and other industry partners for DGV to continue its role as the destination's DMO. These are core parts of the process to renew Destination Greater Victoria's MRDT mandate for a further five years from 2022. The MRDT renewal process will be completed in 2021.

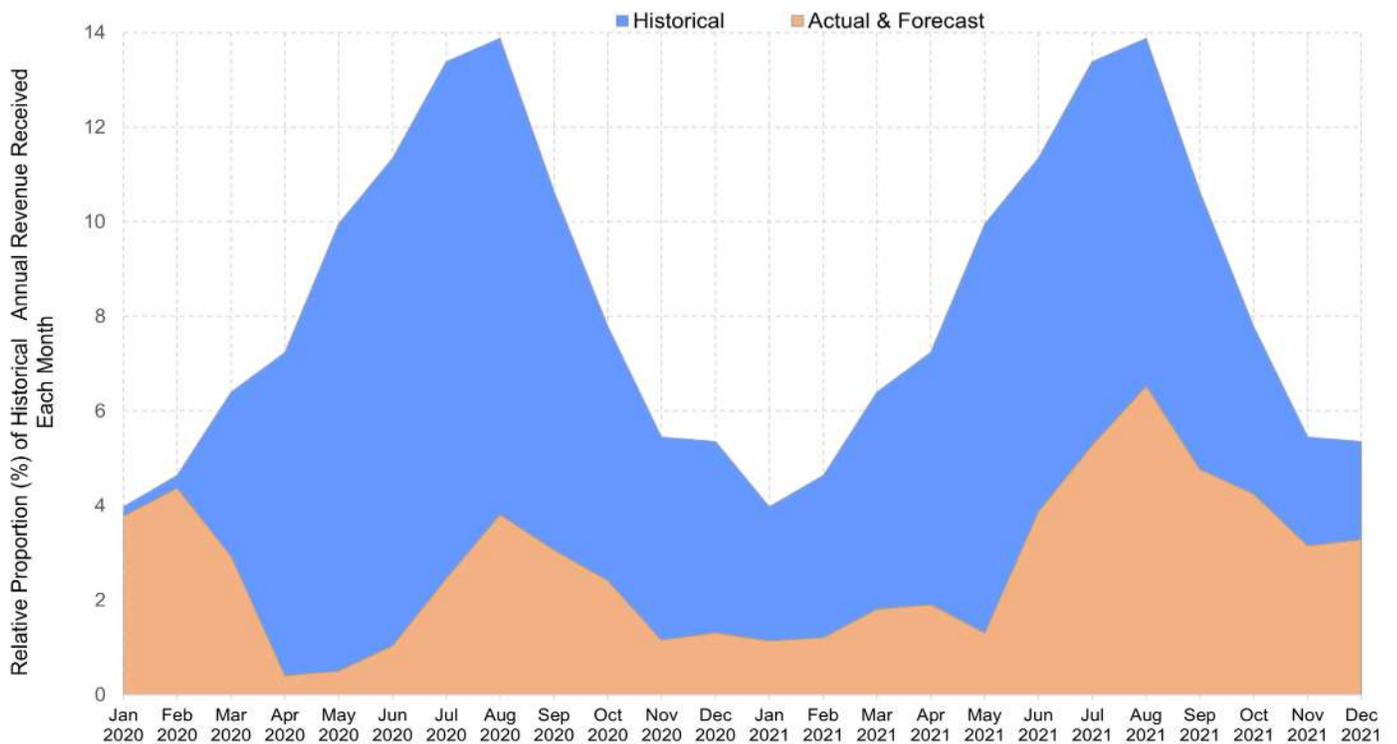


Impacts of the COVID-19 Pandemic

2020 was a year of unprecedented and severe industry-wide impacts from the COVID-19 pandemic. There were very strong levels of business on the books as 2020 commenced, building from the significant growth that Greater Victoria’s visitor economy achieved from 2017 to 2019.

Pre-COVID, tourism was Greater Victoria’s second-largest industry, delivering \$2.3 billion in economic impact annually and bringing \$1.4 billion in new revenue from visitors into the local economy each year. This revenue sustained many small and medium-size businesses which underpin the sector. Cross-border travel and business events and conferences accounted for more than 45% of visitors to Greater Victoria and 55% of total visitor expenditure. Because tourism is seasonal, many tourism businesses receive two-thirds of their annual revenue from May to September each year and then rely on this to continue operations over the remainder of the year. Due to the travel and health restrictions required to address COVID-19 there was minimal tourism activity in Greater Victoria in 2020, with limited access to most Canadian source markets and no access to key USA and international markets. Revenues for tourism businesses as well as Destination Greater Victoria were therefore very modest in 2020 and far below historical levels.

The chart below shows historical revenue flows (averaged for 2018 and 2019) for commercial accommodation providers in Greater Victoria (blue) and their actual and forecast revenue flows for 2020 and 2021 due to the impacts of COVID-19 (orange). The huge loss of revenue, particularly during peak seasons, is clear.



Although recovery is expected to commence in 2021, it is likely that pre-COVID levels of revenue might not return until 2022 or 2023. Revenue outcomes will be greatly influenced by how effectively and efficiently a pathway to recovery evolves over the next two years. Moving from 2020 to 2021, Destination Greater Victoria’s work is firmly grounded in the urgent need to build pathways to reopening and recovery. There is a strong foundation of strategic alignment, engaged partners, diverse year-round business opportunities, a high-profile global brand, and enviable destination attributes to build from. There is also an opportunity to rebuild in new and better ways to ensure positive, sustainable outcomes for communities as well as industry.

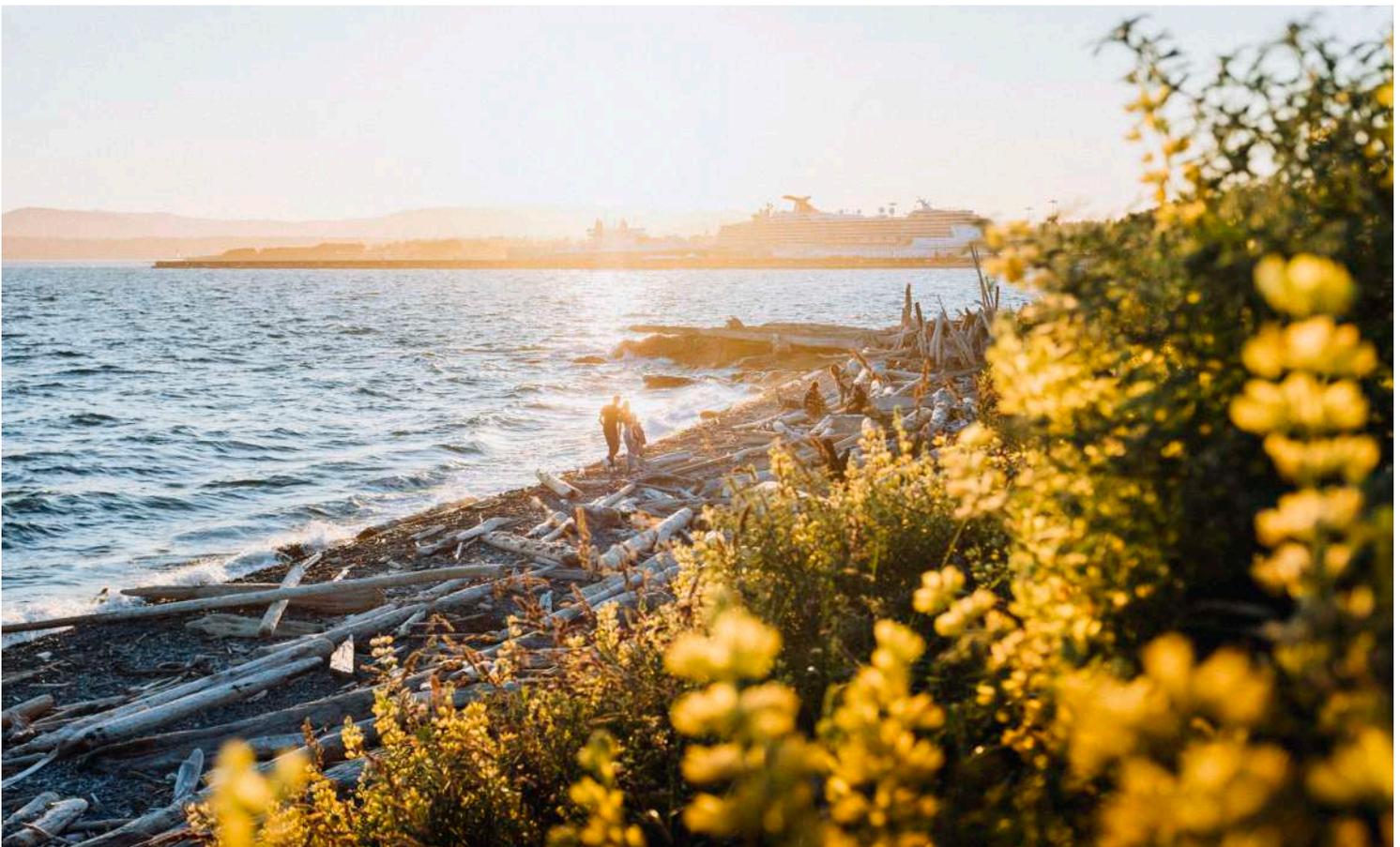
Looking forward from 2020, Destination Greater Victoria’s marketing initiatives will aim to penetrate further into Canadian and US short-haul markets while also building international visitation. Short-haul markets such as Vancouver, the BC Lower Mainland, Seattle and Calgary are primary markets due to easy connections to Victoria, market size, customer profile, return on investment, and effectiveness of digital marketing. The strategic value of US and international markets should not be under-estimated; pre-COVID data showed that (on average) visitors from the USA spend 70% more than Canadian visitors in Greater Victoria, while international visitors spend up to 133% more. When surveyed in October 2020 regarding source market priorities leading out of the COVID-19 pandemic, Destination Greater Victoria’s members nominated five short-haul and Canadian markets as most important:

1. Vancouver and Lower Mainland
2. Seattle and Washington State
3. Calgary, Edmonton and Alberta
4. British Columbia beyond Vancouver and Lower Mainland
5. Toronto, Ottawa and Ontario

Also looking forward, Destination Greater Victoria will use nuanced segmentation to seek high-yielding customers attuned to local values across all business channels. There will also be a strong focus on building rate and volume for accommodation partners to provide sector-wide benefits, as well as continued work to build compression and dispersion, reduce seasonality, and tell tourism’s story to increase appreciation for the industry. Underpinning this will be a commitment to sustainability as well as diversity and inclusion.

The following four pages of this report provide a month-by-month timeline for 2020, summarizing the main events, developments and actions that impacted the tourism industry and Destination Greater Victoria over the course of the year.

Throughout 2020 Destination Greater Victoria allocated significant time and resources to advocacy for its members and the industry generally. A major part of this work was aimed towards securing support for tourism businesses to help offset the impacts of restrictions necessary to address the pandemic and help ensure as many businesses as possible could remain solvent and viable. A key forum for this advocacy work was – and continues to be – the Greater Victoria Tourism Rescue & Recovery Task Force, which Destination Greater Victoria established and facilitated in 2020. Further information about the Task Force is provided on page 20.



2020 Key Events, Developments and Actions Timeline

Key External Events

Jan. 28

First presumptive case of COVID-19 is announced in B.C.

Feb 3

Cruise ship Diamond Princess is quarantined in Japan due to COVID-19 cases onboard.

Mar. 5

First case of community transmission of COVID-19 not linked to travel is announced in B.C.

Jan. 30

World Health Organization (WHO) declares COVID-19 a Public Health Emergency of International Concern.

Feb 9

Deaths from COVID-19 exceed those from SARS in 2003, with 813 deaths worldwide.

Mar. 11

WHO declares COVID-19 a pandemic.

Occupancy: 45.34% (-13.3% vs. 2019)
RevPAR: \$60.62 (-13.0% vs. 2019)

Occupancy: 63.79% (-0.1% vs. 2019)
RevPAR: \$92.43 (5.4% vs. 2019)

Occupancy: 34.92% (-53.4% vs. 2019)
RevPAR: \$47.87 (-56.2% vs. 2019)

January

February

March

Jan. 19-22

The third annual IMPACT Sustainability Travel & Tourism Conference held at Victoria Conference Centre (VCC), with 345 attendees and 532 room nights along with continued growth in international exposure.

VCC Business on Books for 2020

39 Citywide Conferences (most ever)
72 Total Conferences
122,000 Delegate Days
\$54.9 million Estimated Economic Impact

Mar. 4-6

B.C. Tourism Industry Conference held at VCC, with 420 attendees and generating 527 room nights.

Destination Greater Victoria launches 2020 Spring Campaign ("The World Can Wait").

Mar. 10-12

DGV team attending GM Missions in Toronto, Montreal and Ottawa.

DGVs 2020 Spring Campaign ("The World Can Wait") continues.

Legend

- Advocacy
- Industry Indicators
- Marketing
- Public Health
- Public Safety

COVID-19 Pandemic Continues...

Key External Events



DGV Action

Staffing

- DGV commences staff reductions in response to COVID-19 impacts.
- Destination Greater Victoria's Visitor Centre on Wharf Street closes on March 18.

Advocacy

The Greater Victoria Tourism Rescue & Recovery Task Force (GVTR&R) is formed. It is comprised of 12 tourism business leaders who propose solutions for rescuing Greater Victoria's tourism industry from the impacts of the COVID-19 pandemic, as well as developing ways forward for business recovery once necessary public health restrictions are lifted. The focus of the GVTR&R is to:

Seek policy initiatives and financial support to ensure survival of Greater Victoria's tourism industry through the COVID-19 pandemic.

Position Greater Victoria's tourism industry for economic recovery as pandemic restrictions are relaxed, with a focus on an 18-month survival and recovery strategy.

Event Cancellations

- Numerous sports event cancellations occur in March and April 2020, including the FIBA Olympic Qualifying Basketball Tournament.
- Capital City Comic Con is postponed on March 12 due to the ongoing coronavirus pandemic.
- VCC closes to meetings business indefinitely on March 14.

Marketing

DGV launches the "#MyVictoriaMoment" social media promotion encouraging travelers to share their memories of past visits to Greater Victoria using the hashtag #MyVictoriaMoment. Business Events Victoria launches a similar "#MyVictoriaMeeting" social media promotion.

Legend

- Advocacy
- Industry Indicators
- Marketing
- Public Health
- Public Safety

Apr. 17

B.C. health officials announce that measures have reduced transmission of COVID-19 and some restrictions could soon be lifted.

Apr. 27

Applications for the Canada Emergency Wage Subsidy (CEWS) open to help employers keep and re-hire workers.

Occupancy: 12.49% (-83.5% vs. 2019)

RevPAR: \$11.44 (-90.7% vs. 2019)

April

Apr. 6

DGV launches the "Open for Business Blog" to showcase businesses that are still operating in innovative ways and restaurants that are providing take-out and delivery services.

Apr. 29

DGV applies for Canada Emergency Wage Subsidy (CEWS) and Canadian Emergency Rent Subsidy (CERS).

Legend

 Advocacy

 Industry Indicators

 Marketing

 Public Health

 Public Safety

May 19

B.C. announces that businesses may begin to safely re-open on May 19, as part of Phase 2 of the BC Restart Plan. This includes all retail stores, salons, restaurants, libraries, museums, child-care facilities and parks.

Occupancy: 15.78% (-80.3% vs. 2019)

RevPAR: \$16.23 (-90.1% vs. 2019)

May

May 12

The GVTR&R Task Force issues its first report and recommendations for industry support.

May 17

DGV receives first CEWS payment.

May 20

- DGV memberships, as well as with member buy-ins for advertising and the 2020 Vacation Guide are extended to the end of 2021.
- Business Events Victoria (BEV) hosts its first Virtual Client Event.

May 25

DGV receives funding from the Ministry of Finance in recognition of paused PST payments, which affected Municipal and Regional District Tax (MRDT) remittance.

Jun. 24

B.C. enters Phase 3 of its Restart Plan, allowing non-essential travel throughout the province.

Jun. 30

Residents of long-term care and assisted living facilities in B.C. are allowed in-person visits.

Occupancy: 21.00% (-76.6% vs. 2019)

RevPAR: \$29.16 (-85.4% vs. 2019)

June

Jun. 24

DGV launches the "Reconnect in Victoria" Campaign, inviting visitors to reconnect in Greater Victoria with family and loved ones. Visitors booking a two-night stay at participating Destination Marketing Fee (DMF) hotels received a \$75 Visa Reward Card.

Jul. 22

COVID-19 outbreak in Kelowna forces 1,000 people into self-isolation and prompts tighter restrictions for bars and nightclubs.

Jul. 29

B.C. health and education officials outline plans for the 2020-21 school year.

Occupancy: 35.78% (-58.3% vs. 2019)

RevPAR: \$63.61 (70.3% vs. 2019)

July

Jul. 1

Destination Greater Victoria's Visitor Centre on Wharf Street reopens.

Jul. 17

DGV receives first CERS payment.

Jul. 24

Destination Greater Victoria partners with Air Canada and Air Canada Vacations to promote visits to Greater Victoria.

Jul. 28

GVTR&R Task Force issues its second phase priorities for industry support.

Aug. 21

The Province ramps up enforcement of COVID-19 public health orders.

Sep. 17

The Province releases details of the \$1.5 billion economic plan, StrongerBC, to recover from the impacts of COVID-19.

Oct. 19

B.C. health officials announces the province has entered a second wave of the COVID-19 pandemic.

Nov. 19

B.C. health officials orders prohibit gatherings other than immediate households and introduce mandatory wearing of face masks in indoor public spaces.

Dec. 7

B.C. health officials ban gatherings through the holiday season.

Occupancy: 51.04% (-42.5% vs. 2019)
RevPAR: \$93.46 (-57.8% vs. 2019)

Occupancy: 46.10% (-43.3% vs. 2019)
RevPAR: \$78.17 (-55.0% vs. 2019)

Occupancy: 51.04% (-45.5% vs. 2019)
RevPAR: \$93.46 (-52.5% vs. 2019)

Occupancy: 51.04% (-52.3% vs. 2019)
RevPAR: \$93.46 (-56.5% vs. 2019)

Occupancy: 51.04% (-59.8% vs. 2019)
RevPAR: \$93.46 (-66.1% vs. 2019)

Dec. 9

The Pfizer-BioNTech vaccine is the first COVID-19 vaccine approved in Canada.

August

September

October

November

December

Aug. 24

DGV launches the "Flavour Trails" webpage, promoting local agritourism businesses.

Sep. 22-24

Victoria Conference Centre hosts the Union of BC Municipalities Virtual Conference.

Oct. 6

Greater Victoria is recognized as #8 Best Small City for 2020 by readers of Condé Nast Traveler.

B.C. Motor Coach Coalition formed to advocate for the motor coach industry, which is welcomed by DGV and its members.

DGV's Board of Directors approves the 2021 Business Plan.

Sep. 16

Initial meeting of DGV's new Sustainability Advisory Committee.

Oct. 9

DGV granted the World Travel & Tourism Council Safe Travels Stamp.

Greater Victoria Sport Tourism Commission (GVST) announces the membership plan for 2020, 2021, and 2022.

DGV starts developing its 2022-2026 Strategic Plan for the MRDT Renewal mandate.

DGV develops a "Winter in Greater Victoria" campaign aimed at Canadian sun-seekers who cannot travel south for vacations this year.

Oct. 11

DGV's Visitor Centre on Wharf Street closes for the season.

DGV and the BC Restaurant & Foodservices Association (BCRFA), Victoria Branch partner to organize the popular Dine Around & Stay in Town Victoria 2021 event.

DGV's Business Events team works with members to create a safety video highlighting Greater Victoria's adaptations to safety protocols.

DGV surveys residents of the City of Victoria as well as its members regarding priorities for tourism over the next five years, in support of development of DGV's 2022-2026 Strategic Plan.

DGV joins the Inter-Cultural Association of Greater Victoria's Community Partnership Network program as part of its commitment to diversity and inclusion initiatives.

Dec. 15

A 64-year-old health-care worker is the first person in B.C. to receive a COVID-19 vaccine.

Legend

- Advocacy
- Industry Indicators
- Marketing
- Public Health
- Public Safety

Greater Victoria Tourism Rescue & Recovery Task Force

The onset of the COVID-19 pandemic and the significant negative impacts it created for the Greater Victoria visitor economy meant Destination Greater Victoria pivoted its primary focus from marketing to advocacy. A framework was required to effectively communicate the needs of Destination Greater Victoria members to government decision-makers. The result was the formation of the Greater Victoria Tourism Rescue & Recovery Task Force (Task Force).

The Task Force comprises twelve tourism business leaders working together to propose solutions for the Greater Victoria tourism industry impacted by the COVID-19 pandemic, and also develop ways forward for business recovery. Collectively these business leaders have 400 years of experience in the tourism and hospitality sector as well as more than 200 years contributing to Greater Victoria's communities. All members care deeply about their community.

The specific focus of the Task Force is two-fold:

1. To seek policy initiatives and financial support to ensure the survival of Greater Victoria's tourism industry through the COVID-19 pandemic, and
2. To position Greater Victoria's tourism industry for the expected economic recovery as restrictions related to the COVID-19 pandemic are relaxed.

On May 12, 2020, the Task Force issued the First Phase Priorities for Immediate Support, outlining five requests:

1. Extending the Canada Emergency Wage Subsidy (CEWS) well into 2021.
2. Extending the 16-week period before severance is required for staff on temporary layoff, as well as flexibility on group lay-off provisions for tourism's highly seasonal workforce.
3. Interest-free loans, grants, subsidies, or similar financial supports.
4. Support for COVID-19 safety-oriented and physical social-distancing measures.
5. Redirection of Destination Canada and Destination BC marketing funds from traditional international source markets to domestic source markets at the community level for the short term upon approved restart.

Despite these measures, tourism businesses continued to struggle. On July 28, 2020, the Task Force issued its Second Phase Priorities for Immediate Support. Building on the First Phase Priorities, this document outlined the next series of priorities for urgent industry support:

1. Extension of CEWS beyond December 2020 and into 2021.
2. Measures to support liquidity and avoid insolvency.
3. Deferred or installment payments for 2020 property taxes.
4. Clear, consistent messaging from governments welcoming visitors from other provinces to BC.
5. Financial support for health and safety requirements.
6. Addressing shortfalls of the Regional Relief & Recovery Fund (RRRF) program.

Greater Victoria Tourism Rescue & Recovery Task Force Members

The Task Force met through 2020 and continues to meet in 2021. In 2020 it was key a piece of Destination Greater Victoria's advocacy efforts, providing clear communication to the public and government officials, as well as a structure where initiatives could be considered and discussed.

The 12 members of the Task Force in 2020 were:

- Frank Bouree – CEO, Bouree & Associates
- Dave Cowen – CEO, The Butchart Gardens
- Anthony Everitt – CEO, Tourism Vancouver Island
- Suzanne Gatrell – General Manager, The Oswego Hotel
- Kimberley Hughes – General Manager, Delta Hotels by Marriott Victoria Ocean Pointe Resort
- Dan Kukat – Owner and President, Springtide Whale Watching & Eco Tours and Member of the Pacific Whale Watch Association
- Bill Lewis – General Manager, The Magnolia Hotel & Spa
- Paul Nursey – CEO, Destination Greater Victoria
- Brenda Ollis – General Manager, Chateau Victoria Hotel
- The Rev'd Canon Ian Powell – General Manager, Inn at Laurel Point and Managing Director, Paul's Restaurants Ltd.
- John Wilson – President and CEO, The Wilson's Group of Companies
- Randy Wright – President, The Harbour Air Group



World Travel & Tourism Council Safe Travels Stamp

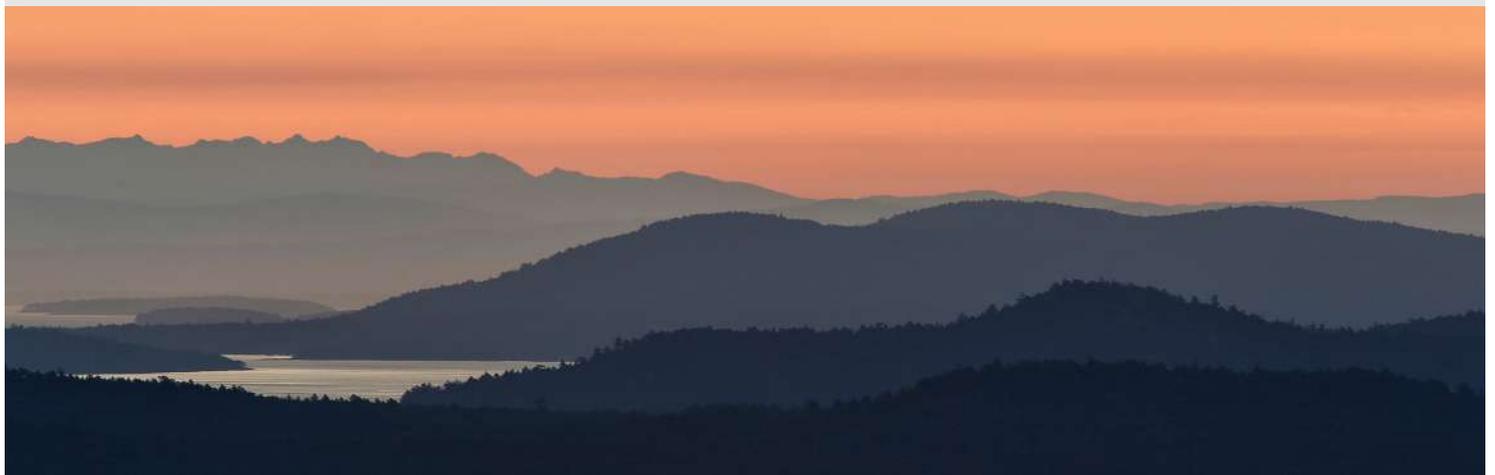
The COVID-19 pandemic created many issues, but one specific issue related to the visitor economy was consumer confidence. If people are to travel to and from a destination, they needed to know the hotel, restaurant, or attraction they are visiting has appropriate safety protocols in place.

To resolve this issue and increase consumer confidence in Greater Victoria, Destination Greater Victoria partnered with the World Travel & Tourism Council (WTTC), who granted the use of its Safe Travels stamp to Greater Victoria through Destination Greater Victoria. This stamp allows travellers to easily recognize destinations and tourism businesses around the world that have adopted globally standardized health and hygiene protocols to ensure visitors have a safe and enjoyable experience.

Destination Greater Victoria members apply for use of the Safe Travels stamp through the Destination Greater Victoria website. Eligible businesses can use the stamp for their promotion once they have met the health and hygiene protocols outlined by the WTTC. To date, 70 Destination Greater Victoria members are approved to use the Safe Travels stamp, many of whom proudly display it to customers and guests to show they are taking public health protocols seriously and using best practices.



To date, 70 Destination Greater Victoria members are approved to use the Safe Travels stamp





Corporate Communications and Destination Management

Corporate communications and destination management were very important in 2020 as governments enacted restrictions on the non-essential movement of people. Before the onset of the COVID-19 pandemic, Destination Greater Victoria maintained regular and robust corporate communications as part of its goal of being a valued community asset. Examples of this work include Greater Victoria Flower Count and Dine Around and Stay in Town Victoria. However, as the COVID-19 pandemic unfolded Destination Greater Victoria needed to focus heavily on advocacy for its members and the industry. This advocacy took the form of regular communication and interaction with elected and non-elected officials, frequent local media interviews, and working in concert with other local stakeholders - amplifying each others' messages to ensure government and the public was aware of the needs of our industry. Social media platforms were regularly utilized to amplify advocacy efforts.

Destination Greater Victoria worked closely with the Greater Victoria Harbour Authority, the Greater Victoria Chamber of Commerce, Downtown Victoria Business Association, Hotel Association of Greater Victoria, Victoria International Airport, local governments, and many others. Destination Greater Victoria also maintains strong working relationships with Western Economic Diversification Canada, Destination Canada, and Destination British Columbia.

The traditional core mandate of Destination Greater Victoria is marketing. In recent years destination management has become increasingly important as well. The COVID-19 pandemic brought an increased focus on how Destination Greater Victoria and its members operate. As Destination Greater Victoria advocated for government support it was important to align its goals with the values and goals of various levels of government as well as the community. New initiatives also commenced, such as the creation of the Sustainability Advisory Committee and diversity and inclusion policies.

Destination Marketing

In early 2020, Destination Greater Victoria continued its always-on approach to target consumers and move them down the path to purchase. Marketing campaign programs were disrupted and paused by the COVID-19 pandemic, but resumed at certain times in 2020 as permitted by public health restrictions.

Destination Marketing Campaigns

Destination Greater Victoria's Destination Marketing department had several successful consumer campaigns in 2020: Dine Around & Stay in Town Victoria, Reconnect in Victoria, and the Greater Victoria Flavour Trails. Additionally, the Destination Marketing team worked on a spring campaign that launched in February but paused in March. A fall/winter campaign was ready for shoulder-season promotion and to support local tourism businesses heavily impacted by the COVID-19 pandemic restrictions.

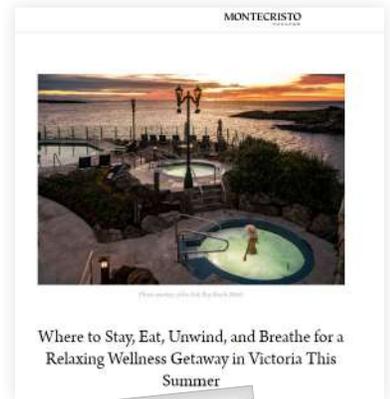
The 2020 Reconnect in Victoria summer marketing campaign's overarching message to visitors was to "Reconnect with friends, family, and travel." The Reconnect in Victoria campaign included an incentive for travellers; a \$75 VISA gift card when booking two or more consecutive nights at participating hotels. Marketing efforts encouraged travellers to use the \$75 VISA gift card at local Greater Victoria businesses to put money directly into the city and support the economy. Advertising and promotion ran from June to September 2020, and included many key themes of the destination, such as outdoor adventure, culinary, romance, and attractions.

The Reconnect in Victoria campaign included a mix of digital and media advertising including display, print, native, Facebook, Instagram, radio, and TV. The campaign's primary target markets were British Columbia and Alberta. The secondary target market was Toronto. The campaign was very successful. From June to September, there were 1,827,554 digital ad impressions and 90% completion rate of pre-roll ads - well above the industry average of 24%. The Destination Marketing team was incredibly proud of this initiative and the direct support provided to local tourism businesses and hospitality partners.

In response to the COVID-19 travel restrictions and health orders, the Destination Marketing team paused all campaigns and social media messages that encouraged travel to Greater Victoria. The team shifted its focus to encouraging people to reduce transmission of COVID-19 and support local businesses.



Examples of Advertising for Marketing Campaigns



Social Media and Content Marketing

Content Strategy

Destination Greater Victoria's content strategy aims to motivate potential visitors by publishing and promoting inspirational content about Greater Victoria that speaks to target travellers. The goal is to shift travellers' thinking from "a place I'll go someday," to "I'm going to plan my next trip there." Due to the pandemic, the content strategy was modified to awareness and to inspire the world to travel to Greater Victoria when the time is right. The content objectives were to continue advocating for our members and stakeholders, supporting local businesses, and showcasing the safety measures implemented by tourism businesses.

Social Media

KEY CHANNELS AND PERFORMANCE: CONSUMER-FACING

Destination Greater Victoria used audience growth, engagement, impressions and reach as key indicators of performance on leisure travel-focused social media channels. Through consistent posting of timely, informative and aspirational content, Destination Greater Victoria saw growth across all audiences. Destination Greater Victoria also adapted strategies across platforms to reach more people. For example, Facebook saw a 211% increase in engagement, an 11% increase in audience growth, and a 103% increase in impressions compared to 2019. There was a total increase of 17,774 followers across all social channels.

Going Local Blog

The Going Local blog served as a platform to inspire and inform travellers about the range of activities available in Greater Victoria. In 2020, blogs were shared across social media channels to an audience of 175,800 followers and further promoted through the Visit Victoria eNewsletter. By utilizing key partnerships with members, Destination Canada and Destination British Columbia, blogs were further amplified. In 2020, Destination Greater Victoria focused on content to support members and local businesses, and share safe, socially-distanced activities when travel was permissible. The Going Local blog was a key resource for locals to find up-to-date information regarding businesses that were open and operating during the COVID-19 pandemic.

The Going Local blog had 210,828 pageviews in 2020 - a slight decrease from total pageviews in 2019. Destination Greater Victoria also worked to refresh and publish blogs that performed well historically. The most popular blog of the year generated 15,833 views and in total, more than 45 blogs were created or refreshed in 2020.

2020 was a year of growth, resilience and inspirational content shared with the world when travel was permitted. The content evolved over the year to support our members, stakeholders, and businesses as public health restrictions shifted.



Travel Media & Influencer Relations

The role of the Travel Media team at Destination Greater Victoria is to achieve positive editorial and influencer coverage of the destination to drive visitation to the region. In 2020, the Travel Media team focused on securing earned coverage on television and in print, online and social channels that focused on inspirational stories of visiting Greater Victoria when the time was right.

The Travel Media team reached out to influencers and media with whom they had worked in previous years to repurpose content created during recent visits to Greater Victoria. The aim of this exercise was to continue to share awareness and inspirational content of Greater Victoria and keep the destination top of mind for potential travellers once public health restrictions permitted.

Due to the COVID-19 pandemic, the GoMedia 2020 conference was postponed. The Travel Media team worked closely with Destination Canada to develop an intimate familiarization tour that consisted of key travel writers across the province to write about Greater Victoria. Themes for the familiarization tour were wellness, culinary, ocean sciences, off the beaten path experiences and exploring the outdoors. The familiarization tour was a success as several pieces of earned coverage were a result of the visit including stories in the Vancouver Sun and Globe and Mail.

Media highlights from 2020 include: Two television mentions on CHCH, a six-page culinary and soft adventure feature in Foodism Magazine, online coverage in Montecristo Magazine highlighting wellness and relaxation in Greater Victoria. Existing influencer relations remained strong in 2020. Destination Greater Victoria hosted Vancity Wild, a well-known Vancouver-based couple who worked on several assignments with the Travel Media team to promote safe travel and provide well-written, thoughtful blog posts and social posts throughout the year.

The Travel Media team responded to COVID-19 pandemic restrictions by pausing all stories set to be published from earlier visits to the destination. Their release was staggered to align with the public health restrictions, but also amplified at appropriate times. 2020 was a year of “back to basics” and sharing stories that inspired safe travel. The Travel Media team continued to nurture meaningful relationships with media and influencers and relied on one another to keep the industry alive with stories and images of travels to Greater Victoria from previous years.



Major Events & Conferences

2020 was the third year of the IMPACT Sustainability Travel & Tourism Conference (IMPACT), created by Destination Greater Victoria and partners to address seasonality and increase predictable business in the off season.

IMPACT SUSTAINABILITY TRAVEL & TOURISM

January 19-22, 2020

The 3rd annual IMPACT conference was held at the Victoria Conference Centre (VCC) from January 19-22, 2020. This conference was created to address the desire for broader and deeper discussions about sustainable tourism in Canada. The goal of the conference is to unite the tourism industry around the values of sustainability, as well as inspire delegates to make positive changes in their communities and businesses. In 2020 there were 345 delegates at IMPACT, which was a 25 per cent increase year-over-year, generating over 532 room nights. Attendees included representatives of destination management/marketing organizations (DMOs), tourism business operators, accommodations, service providers, tourism industry associations (TIAs), non-profits, government officials, students, media, academics, and clean technology businesses. Powerful stories were told, creating conversations that inspired conference attendees. As a destination for global travellers who crave authentic, local experiences, Canada is in a unique position to lead the world in discussions on sustainability. Municipal, provincial and nationally elected representatives and government officials shared their visions, listened to the industry and continued to address the opportunities and challenges sustainable tourism brings.

- Increased attendance by 25% over 2019
- Growing national partnership with Indigenous Tourism Association of Canada (ITAC) and Travel and Tourism Research Association (TTRA)
- Delegates from various Canadian provinces and territories were represented at IMPACT in 2020 making it a truly national conference.

Some 2020 Delegate 'Aha Moments':

"Advocate for the value of tourism beyond the economics - also measure and report on the social, cultural and environmental contribution and positive impact."

"Tourism can be an agent of change for the good."

" More learning. More sharing. More discussion."

" To build a community of conscious travellers who share a greater understanding of people, places and cultures."

Notable IMPACT Attendees

ELECTED OFFICIALS

- Hon. Lisa Beare, British Columbia's Minister of Tourism, Arts and Culture
- Hon. Jeanie Dendys, Yukon's Minister of Tourism and Culture
- Terry Duguid, MP – Parliamentary Secretary to the Minister of Economic Development
- Elizabeth May MP – Saanich – Gulf Islands
- Adam Olsen, BC MLA – Saanich North and The Islands
- Mayor Lisa Helps, City of Victoria
- Councillor Jeremy Loveday, City of Victoria

NON-ELECTED OFFICIALS

- Claire Avison, Government of BC
- Lisa Christensen, Government of Yukon

- Ken Craig – Province of BC
- Suzanne Ferguson – Province of BC
- April Froment - District of Tofino
- Mike Furey, Resort Municipality of Whistler
- Kathy Krawchuk, Town of Calmar
- Michelle Lavoie, Town of Calmar
- Andrew Little – Province of BC
- Wendy Magnes, Government of BC
- Sarah Marsh, Government of Yukon
- Toni Metcalf, Resort Municipality of Whistler
- Eleanor Miclette, Town of Canmore
- Kealey Pringle, Government of BC
- Valerie Royal, Government of Yukon
- Rob Seeley, Town of Canmore
- Lori Rissling Wynn, Town of Canmore

2020 HIGHLIGHTS



Continued Growth in Attendance



National Engagement Participation from every Province



Continuing national partnership with ITAC and

Business Events Victoria

Business Events Victoria (BEV) began 2020 on track for a record-breaking number of citywide conferences and meetings in the destination. BEV hosted its second annual in-person meeting with its Customer Advisory Board to focus on developing and refining the destination’s meeting selling features, as well as exploring a feasibility plan for the expansion of the Victoria Conference Centre. In the first quarter of 2020, the BEV team attended key industry tradeshows such as Tete-a-Tete and the Global SITE Conference, showcasing the destination and generating new business opportunities. The annual general manager (GM) mission for client events in three key markets of Toronto/Ottawa/Montreal occurred before the COVID-19 pandemic as well.

As the marketplace changed rapidly with the onset of the COVID-19 pandemic in March 2020, activities and plans for the remainder of 2020 were altered as well. BEV adapted quickly to a 'virtual world', engaging clients and marketing the destination through a variety of virtual platforms. The team engaged with Clients through virtual events with MPI, PCMA, CSAE, SITE, CanSPEP, CONNECT, and ICCA.

As public health restrictions on gatherings were enacted, the BEV Team connected with clients in creative ways, including hosting virtual cooking events with Victoria chef Dan Hayes. Chef Hayes led entertaining and interactive cooking lessons online, highlighting local ingredients. BEV also hosted cooking events with clients in Toronto, Ottawa, Montreal, Seattle, and Vancouver.

A substantial portion of BEV’s work in 2020 involved responding to COVID-19 restrictions and health orders, especially those applying to gatherings. The Victoria Conference Centre implemented many changes in its operations, ensuring adherence to health and safety guidelines. BEV worked with Destination Greater Victoria members to create a safety video to highlight Victoria’s adaptation to safety protocols, as well as creating marketing material to summarize and promote COVID safety guidelines. BEV completed a project to create a suite of 360-degree photographs of key meeting spaces. These, along with some physical capacity updates to the Victoria Conference Centre, were added to the Victoria Conference Centre’s website.

A destination safety video and virtual site visit tours helped clients familiarize themselves with the destination. The BEV team embarked on various training and certification courses to become knowledgeable on planning virtual and hybrid meetings, as well as the various platforms used for virtual meetings. A virtual presentation stage was created at the VCC to cater to these events. BEV hosted its first virtual conference for the Union of BC Municipalities from September 22-24, 2020, with more than 1,000 virtual delegates attending.

As part of BEV’s role in supporting Destination Greater Victoria in advocacy efforts, BEV was involved with the work of two key groups: Meetings Mean Business Canada and the BC Meetings and Events Industry Working Group. These organizations are working on the safe reopening of the meetings industry.

KEY RESULTS				
	2020 Confirmed Events Pre-Covid-19 (as of Feb 21st, 2020)	2020 Actualized Events	2020 Events Cancelled	2020 Events Rebooked for Future Years
Number of Events	68 (39 Citywide)	12	31	17
Number of Delegate Days	117,791	15,756	-62,980	18,790
Number of Room Nights	35,940	6,652	-15,050	9,858



Greater Victoria Sport Tourism Commission

The Greater Victoria Sport Tourism Commission (GVSTC) is pleased to have the support of more than 60 community-minded partners. This membership-powered organization helps our region bid on and win sport tourism events.

As for many organizations and sectors, 2020 was a significant challenge for the sport tourism industry. Of the 17 GVSTC-sponsored events scheduled for 2020, only three were completed before the shutdown.

Online meetings occurred for the Sport Tourism Committee, GVSTC's advisory board to Destination Greater Victoria's Board of Directors. The Sport Tourism Committee is chaired by Pacific Institute for Sport Excellence (PISE) CEO Robert Bettauer. Industry updates from the GVSTC's broad group of stakeholders were helpful during the period of necessary public health restrictions on large gatherings. One positive result of the pause on sporting events was increased communication and collaboration with other provincial and national sport tourism organizations.

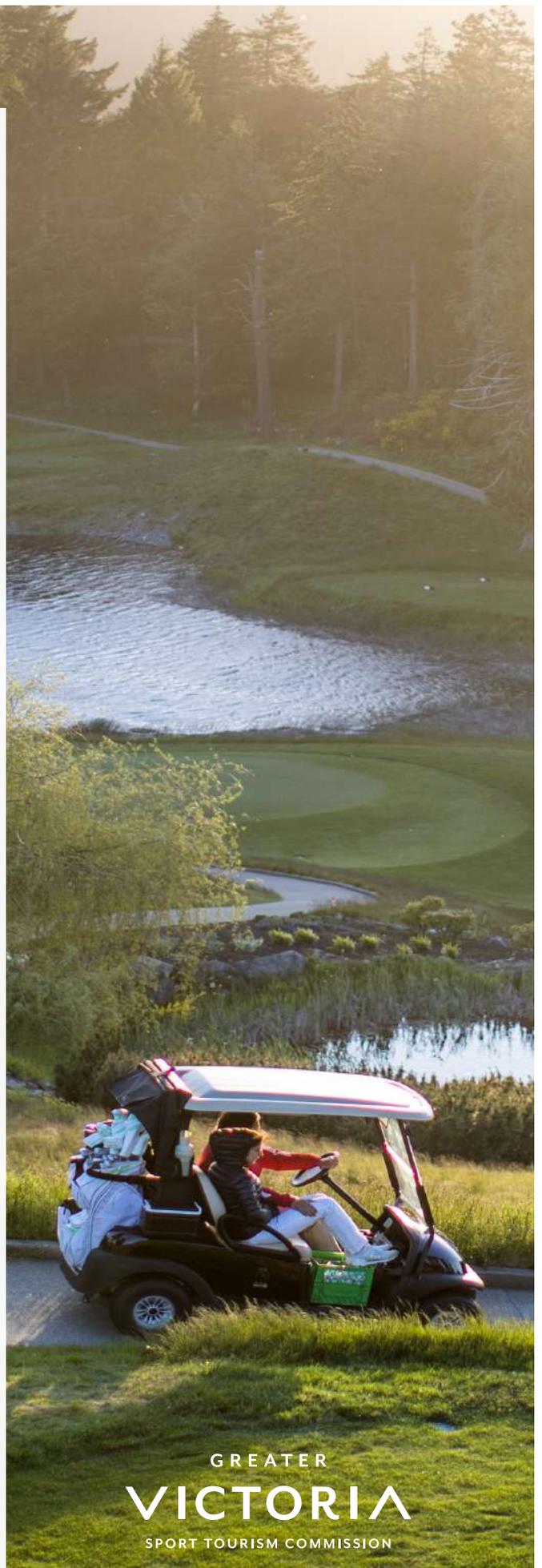
Work continues to maintain Greater Victoria's enviable position as a premier provincial, national, and international sports tourism destination.

2020 GVSTC Sponsored events included:

- BC High School Provincial Gymnastics
- USPORTS Swimming National Championships
- Pan Am Cross Country Championships

Major events in 2021 & beyond include:

- 2021 FIBA Olympic Qualifying Basketball
- 2021 Canadian National Cyclocross
- 2022 55+ BC Games
- 2025 Invictus Games bid



GREATER
VICTORIA
SPORT TOURISM COMMISSION

Member Services

As for the industry generally, 2020 was an extremely difficult and challenging year for Destination Greater Victoria's members. Commencing the year with almost 1,000 member businesses and stakeholders, due to the impacts of the COVID pandemic a total of 33 member businesses discontinued their DGV membership because they ceased trading. However, during 2020 an additional 13 businesses joined as new members, confirming that membership of Destination Greater Victoria continues to be perceived as beneficial through the many challenges of the pandemic.

Destination Greater Victoria works in partnership with its diverse range of member businesses and related stakeholders, recognizing that each operates a unique business with unique needs. Although our Member Services team unfortunately had to be significantly reduced early in 2020 in direct response to pandemic impacts on DGV's revenues and operations, Member Services remains a cornerstone of the organization. Similarly, many member engagement and learning events, such as mixers, workshops and coffee-talks, as well as DGV's annual Open House and Christmas Luncheon, could not occur during 2020. Destination Greater Victoria looks forward to resuming these popular value-added activities for members once COVID-related restrictions are lifted and recovery gains traction.

In May 2020 Destination Greater Victoria's Board of Directors approved extending 2020 DGV memberships through to the end of 2021. In the spirit of partnership, flexibility and fairness, and recognizing that many members were enduring significant cash flow challenges while not gaining full use of the benefits of their DGV membership, it was agreed that 2021 DGV membership is included with 2020 membership, merging two years of membership into one period and payment of membership dues. This extension to December 31, 2021 not only applied to membership dues but also other benefits or services in existing membership agreements, such as website and Vacation Guide advertising. It was also agreed to extend use of the 2020 Vacation Guide to the end of 2021. This action was taken to support members and maintain a robust and engaged membership base that can take advantage of tourism recovery opportunities in 2021 to ensure we return to being a vibrant, aligned and sustainable industry.

Despite the many pandemic-related challenges throughout Greater Victoria's visitor economy in 2020, and which are continuing into 2021, DGV has worked diligently with available resources to continue providing value, support, benefits and services for its members. The Member Services team continues to recruit new members and prepare for when it is possible to increase member engagement and learning opportunities.

Over the latter half of 2020 work commenced on reviewing and streamlining DGV's membership renewal systems, which when launched will include online invoicing, forms and payments to simplify processes for members considerably. It is anticipated that these enhancements will be implemented in late 2021. Work towards developing required membership criteria to help ensure appropriate standards and safe, quality experiences for visitors also continued during 2020. These criteria will add value for members by ensuring those who do not meet industry standards cannot position or present themselves as endorsed members of Destination Greater Victoria. Criteria are likely to evolve over time and will be incorporated into DGV's member recruitment and renewal processes.





Visitor Services

Visitor Services' mandate is to apply destination knowledge and outstanding customer service for visitor information and booking services, helping create unforgettable travel experiences and extend lengths of stay. This mandate is fulfilled by Destination Greater Victoria staff at the Visitor Centre, located at 812 Wharf St.

Visitor Centre COVID-19 Response

Destination Greater Victoria's Visitor Centre is the 'front desk' of the destination and allows Destination Greater Victoria to engage visitors face-to-face. The Visitor Centre's staff provide excellent service and enhance the experience of visitors to the destination.

Conforming to public health restrictions to address the COVID-19 pandemic, the Visitor Centre closed from April 2020 to June 2020. The Visitor Centre reopened on July 1, 2020, and remained open to mid-October 2020, when it then closed for the remainder of the year. When open, the Visitor Centre supported visitors and Destination Greater Victoria member businesses by informing travelers about products and services, as well as selling tickets for member businesses. During this period Visitor Centre staff adhered to WorkSafeBC guidelines and safety protocols, including new plexiglass dividers, social distancing signage, and enhanced cleaning procedures.

Destination Greater Victoria received the Canada Emergency Wage Subsidy (CEWS), which allowed the organization to maintain frontline visitor services with reduced Visitor Centre staffing in order to deliver on its mandate. Maintaining this function meant Destination Greater Victoria could help member businesses create revenue during the most difficult period Greater Victoria's visitor economy has ever experienced.

2020 was a difficult year for our members. Destination Greater Victoria is proud that members were supported at the Visitor Centre, helping create revenue for their businesses.

Finance and Corporate Services

Destination Greater Victoria and its members were optimistic at the beginning of 2020. In March 2020, the World Health Organization declared the COVID-19 pandemic. Destination Greater Victoria experienced the following financial impacts and undertook the following actions due to the COVID-19 pandemic:

- Accommodation tax revenues were significantly reduced in 2020.
- Business units such as Travel Trade, Business Events, and Sports Tourism were disproportionately impacted by public health restrictions.
- Membership benefits were extended to the end of the 2021 calendar year.
- 25 staff members were laid off, four of which were later recalled. The remaining 21 staff members were severed.
- Compensation reduced to 80% for remaining staff for the remainder of 2020.
- Applied for and granted the Canada Emergency Wage Subsidy and rent relief under the Canada Emergency Rent Subsidy.

2020 was a year of financial uncertainty and decreased revenue because of the COVID-19 pandemic and the concomitant public health restrictions. Destination Greater Victoria's top-line revenue decreased 44% in 2020 compared to 2019. There was no 'playbook' for many organizations to navigate a global pandemic of this size. Ultimately, Destination Greater Victoria balanced costs and revenues, maintaining its balance sheet and human resource capacity to support member businesses.

Destination Greater Victoria became a leaner organization with significantly reduced structural overhead costs. The organization ended the year with an excess of revenues over expenses of \$727,590. Promoting travel was significantly restricted in November and December, which resulted in unspent funds for marketing initiatives at the end of 2020. Destination Greater Victoria's positive revenue over expenses for 2020, healthy restricted reserves and untouched credit facilities means the organization is in a strong financial position for 2021 and beyond.

Destination Greater Victoria is a not-for-profit organization. Its mandate does not include generating large surpluses and management is committed stewards of stakeholders' funds. Expenditures occur when appropriate and aligned with the organization's core mission and strategic objectives.

Destination Greater Victoria is also a member-based organization. The organization is the eligible entity for City of Victoria Municipal and Regional District Tax (MRDT) funds. The agreement with the City of Victoria to become the eligible entity came into effect on January 1, 2017. It has the full support of industry and government partners, providing funding stability for Destination Greater Victoria's sales and marketing programs. Destination Greater Victoria's revenues will continue to show some variations from internal forecasts, but they will be monitored monthly - allowing as much time as possible for corrective action to be implemented if necessary.

MUNICIPAL AND REGIONAL DISTRICT TAX

The purpose of the MRDT program is to assist designated recipients to fund tourism marketing, programs and projects. Affordable housing was added as a permissible use of funds in *Budget 2018*.

The MRDT program is jointly administered by the Ministry of Finance, the Ministry of Tourism, Arts and Culture, and Destination British Columbia. The MRDT program is one of a number of supports available to enhance tourism marketing in BC.

The MRDT program is intended to help grow BC revenues, visitation and jobs, and amplify BC's tourism marketing efforts in an increasingly competitive marketplace.

To promote a coordinated and efficient use of funds, the following **MRDT program principles** have been adopted:

- Effective tourism marketing, programs and projects;
- Effective local-level stakeholder support and inter-community collaboration;
- Marketing efforts that are coordinated and complementary to provincial marketing strategies and tactics; and
- Fiscal prudence and accountability.

From: Municipal and Regional District Tax Program Requirements – Summer 2018 (Government of British Columbia)

Management Financial Analysis

Destination Greater Victoria is a not-for-profit, member-based organization. Visitor Services and Member Services are funded predominantly by membership fees, member-exclusive advertising opportunities on Destination Greater Victoria's website and print publications, as well as at the Visitor Centre. Revenue is also generated from member events.

Revenues

MUNICIPAL AND REGIONAL DISTRICT TAX

MRDT revenue decreased by 67% - from \$5,855,000 in 2019 to \$1,954,000 in 2020. Destination Greater Victoria receives MRDT from the City of Victoria and the District of Saanich, and these funds form most of the destination marketing budget.

The incremental MRDT revenue related to the "online accommodation platform" (or Airbnb) revenues was \$182,000. These funds are committed to municipal affordable housing initiatives and therefore have no net impact on the revenues of Destination Greater Victoria.

DESTINATION MARKETING FEE

The DMF is administered by the Victoria Hotel Destination Marketing Association (VHDMA) as a 1% voluntary marketing fee applied to the hotel rate for guests. Approximately 20 hotels in Greater Victoria voluntarily joined the program, which began June 1, 2011. The funds generated from this fee go to Destination Greater Victoria exclusively for sales and marketing initiatives with the express purpose of generating room nights.

VHDMA Destination Marketing Fee (DMF) administrators released revenue was \$608,000 in 2020, down from \$1,718,000 in 2019. This represents a 65% decrease. It is important to note that Destination Greater Victoria can only record DMF funds provided there is a corresponding expense to which the revenue can be matched. If more DMF funds are received than are expensed in a period, then the excess funds are recorded as deferred revenue liability on the balance sheet. The amount of DMF funds recorded as deferred revenue decreased from \$452,000 in 2019 to \$354,000 in 2020.

MEMBERSHIP SERVICES

Membership services revenues include fees for membership, advertising, events, and retail sales. Revenues in 2020 decreased by 59% compared to 2019. This includes the Greater Victoria Sport Tourism Commission, which is a separate member-based organization that operates within Destination Greater Victoria's legal structure and has its own membership revenue component.

RESERVATION AND TICKET COMMISSIONS

Destination Greater Victoria sells members' tickets, bus passes, maps, and special-event tickets at the Visitor Centre. In 2020, commissions on revenue from these activities decreased by 96% to \$8,000.

GRANTS

Municipal grants were received from both the City of Victoria (\$24,000) and the District of Saanich (\$18,000) in 2020. The funding was used to support operation of Destination Greater Victoria's Visitor Centre. Grant applications are submitted annually. Additionally, the following municipalities also support Destination Greater Victoria through membership: the City of Victoria, the District of Saanich, the District of Oak Bay, the Township of Esquimalt, the Town of Sidney, and the City of Langford.

Federal grants were provided through Western Economic Diversification Canada for the North Saanich Flavour Trails initiative for \$104,000.

Provincial Grants were provided through Destination BC for various co-op and COVID-19 pandemic response initiatives totaling \$1,119,000.

In 2020 Destination Greater Victoria leveraged the Canadian Emergency Wage Subsidy program for \$700,668.

Expenses

MARKETING SERVICES

Marketing Services include activities that promote Greater Victoria as a destination, such as advertising, media relations, travel trade, business events, website activities, and market research. 2020 Marketing Services expenditures were \$2,983,000, which was a 54% decrease from 2019. Public health restrictions resulting from the COVID-19 pandemic dictated Destination Greater Victoria's travel marketing and promotions activities. Additionally, business units such as Travel Trade, Business Events, and Sport Tourism were disproportionately impacted by public health restrictions.

GENERAL AND ADMINISTRATIVE

There was a decrease in general and administrative expenses from 2019 to 2020 by 28%. This reduction is not as large as other areas due primarily to costs associated with reduced staff levels and utilizing the CEWS program. 2020 saw Destination Greater Victoria become a significantly leaner organization in response to the COVID-19 pandemic. In 2016 Destination Greater Victoria committed \$1,000,000 over ten years to the David Foster Pathway. In 2020 Destination Greater Victoria paid \$95,000 towards this obligation and Destination Greater Victoria's remaining obligation was \$430,000 at the end of 2020.

INFORMATION SERVICES

Visitor and Information expenses include all personnel and overhead costs associated with the Visitor Centre. Expenses decreased by 65% from 2019 to 2020. Most of this decrease is a result of the Visitor Centre closure due to the COVID-19 pandemic.

MEMBERSHIP SERVICES

Membership Services expenses include all overhead costs associated with personnel who work in the Member Services area, as well as costs associated with member events, activities, and initiatives. Expenses in 2020 were 43% less than in 2019.

AMORTIZATION

Amortization expenses relate to the expensing of assets owned by Destination Greater Victoria, including furniture, computer equipment, significant marketing collateral, and leasehold improvements. Amortization expenses were 13% less in 2020 compared to 2019.



Balanced Scorecard

2020 was the sixth full year that Destination Greater Victoria deployed the Balanced Scorecard performance management framework. The Balanced Scorecard provides a clear and concise framework for implementing and tracking targets across multiple dimensions focused on each pillar of strategy. Below are targets and results for the 2016 to 2020 Enterprise Balanced Scorecards.

GREATER VICTORIA TOURISM INDUSTRY INDICATORS ¹						
Measure	Unit	2016 Result	2017 Result	2018 Result	2019 Result	2020 Result
Accommodation Occupancy Rate	%	74.2	73.4	76.4	73.52	36.39
Average Daily Room Rate	\$	159.55	169.19	184.20	189.10	149.10
RevPAR	\$	118.43	124.21	140.77	139.03	54.25
Conference Centre Delegate Days	#	106,808	108,836	121,430	118,661	15,756
YYJ Airport Arrivals	#	1,856,421	1,934,842	2,048,627	1,924,385	574,837

DESTINATION GREATER VICTORIA PERFORMANCE MEASURES											
1. FINANCIAL PERSPECTIVE											
Measure	Unit	2016		2017		2018		2019		2020	
		Target	Result	Target	Result	Target	Result	Target	Result	Target	Result
Marketing Campaign ROI	ratio	30:1	58:1	30:1	56:1	30:1	59:1	36:1	53:1	40:1	N/A ²
Business Events Confirmed Room Nights	#	11,500	12,169	13,000	22,966	20,000	34,184	23,500	37,951	35,000	7,305
Victoria Conference Centre Revenue	\$	N/A	1,132,846	995,000	1,330,263	1,100,000	1,508,427	1,200,000	1,350,171	1,300,000	243,945
Visitor Centre Ticket Sales	\$	1,650,000	1,595,939	1,675,000	1,855,703	1,800,000	1,994,912	2,500,000	1,753,500	2,000,000	78,000
Gross DGV Membership Services Revenue	\$	1,016,350	1,096,784	1,041,100	1,095,378	1,200,000	1,124,832	1,200,000	1,114,451	1,115,000	480,000
Gross GVSTC Membership Revenue	\$	---	---	---	---	---	121,879	100,000	82,250	100,000	0
Room Nights Attributable to Sport Tourism	#	---	---	---	---	---	---	8,000	16,486	10,000	500
Proportion of Gross Revenue Allocated to Labour	%	38.3	35.8	31.3	29.8	33.0	32.4	35.0	33.4	38.0	39.0
2. CUSTOMER PERSPECTIVE											
Measure	Unit	2016		2017		2018		2019		2020	
		Target	Result	Target	Result	Target	Result	Target	Result	Target	Result
Sessions on TourismVictoria.com – Total Digital Platform	#	N/A	2,133,963	2,000,000	1,836,529	2,000,000	1,942,040	2,000,000	2,623,025	2,000,000	926,564
Travel Media and Influencer Editorial Placements	#	300	319	325	329	325	328	250	439	285 ³	80
Incremental Overnight Tour Programs	#	15	16	18	12	20	37	20	35	25 ⁴	0

Continued overpage.

DESTINATION GREATER VICTORIA PERFORMANCE MEASURES

3. INTERNAL PROCESS PERSPECTIVE

Measure	Unit	2016		2017		2018		2019		2020	
		Target	Result	Target	Result	Target	Result	Target	Result	Target	Result
Experiences Strategy	---	---	---	---	---	---	---	---	---	Concept	Concept
Cascading Balanced Scorecard	---	---	---	---	---	---	---	Complete	Incomplete	Roll out	Incomplete

4. LEARNING & GROWTH PERSPECTIVE

Measure	Unit	2016		2017		2018		2019		2020	
		Target	Result								
Employee Engagement Composite Measure	%	65.0	63.3	65.0	65.7	68.0	68.6	70.0	71.4	71.0	N/A ²
Median Years of Employee Tenure	#	---	---	---	---	---	---	2.3	2.4	3.0	N/A ²

5. FOUNDATION

Measure	Unit	2016		2017		2018		2019		2020	
		Target	Result	Target	Result	Target	Result	Target	Result	Target	Result
Member Satisfaction Rate (Satisfied or Neutral)	%	90	97	90	90	90	90	90	93	90	N/A ²
Board and Committee Meetings Participation	%	---	---	---	---	---	---	80	70	80	77
Local Media Placements	#	115	134	115	118	115	117	115	119	125	121
Political Briefings or Opportunities	#	35	40	35	41	40	55	45	49	55 ⁵	37
Community Support for Tourism	---	N/A	N/A	N/A	N/A	Benchmark	98% Positive	Monitor	Monitor	Assess	Assess
DGV Environmental Carbon Offset and Reduction Plan	---	---	---	---	---	---	---	---	---	Measure	Carbon Friendly

¹ Source: Chemistry Consulting Group.

² Not assessed or not applicable due to impacts of the COVID-19 pandemic.

³ Target reflects one-time redirection of resources to GoMedia 2020.

⁴ Dependent on volatility of international markets.

⁵ Increase in target reflects higher profile through the Executive Director, Greater Victoria Sport Tourism Commission.





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INDEPENDENT AUDITORS' REPORT

To the Members of Greater Victoria Visitors & Convention Bureau

Report on the Financial Statements

Opinion

We have audited the financial statements of Greater Victoria Visitors & Convention Bureau (the Entity), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of operations for the year then ended
- the statement of changes in net assets 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, present fairly, in all material respects, the financial position of the Entity as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian Accounting standards for not-for-profit organizations.

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 “**Auditors’ Responsibilities for the Audit of the Financial Statements**” section of our auditors’ report.

We are independent of the Entity 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.



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Chartered Professional Accountants

Victoria, Canada
February 26, 2021

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,229,901	\$ 2,513,143
Investments (note 7)	982,522	-
Accounts receivable	545,374	1,491,522
Inventories	3,893	9,050
Prepaid expenses	31,312	186,251
	4,793,002	4,199,966
Capital assets (note 2)	138,025	169,542
Investments (note 7)	-	829,528
Investment in Canadian Tourism Legacy Conferences Ltd (note 6(a))	11,595	1,707
	\$ 4,942,622	\$ 5,200,743

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 3)	\$ 1,323,633	\$ 2,025,356
Deferred revenue (note 4)	761,750	911,794
Deferred destination marketing fees (note 5)	353,679	452,150
	2,439,062	3,389,300
Leasehold inducements	50,253	85,726
Net assets:		
Internally restricted reserve fund (note 7)	982,522	829,528
Unrestricted	1,470,785	896,189
	2,453,307	1,725,717
Commitments (note 8)		
COVID-19 (note 12)		
	\$ 4,942,622	\$ 5,200,743

See accompanying notes to financial statements.

On behalf of the Board:



Kimberley Hughes - Director



Allison Fairhurst - Director

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Statement of Operations

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Revenues:		
Municipal regional district tax	\$ 2,135,345	\$ 6,827,514
Less: Contribution towards affordable housing	(181,649)	(972,433)
	1,953,696	5,855,081
Destination marketing fee (note 5)	607,747	1,718,485
Membership services:		
Membership fees	230,929	572,846
Advertising fees	225,537	605,112
Retail sales	6,397	61,136
Sundry	79,226	69,001
Events	-	25,201
	542,089	1,333,296
Government grants:		
Provincial	1,128,600	-
Federal	103,930	-
Canadian Emergency Wage Subsidy	700,668	-
Municipal	42,000	36,760
Reservation and ticket commissions	7,776	193,403
	5,086,506	9,137,025
Expenses:		
Marketing services (note 9)		
Advertising and publications	1,783,446	2,986,059
Media relations	165,060	529,317
Travel trade	192,723	652,068
Research	116,924	208,514
Business events	583,195	1,805,765
Web marketing	142,085	363,013
	2,983,433	6,544,736
General and administrative	872,286	1,218,349
Information services	284,958	814,568
Membership services	146,615	255,569
Amortization	81,512	93,600
	4,368,804	8,926,822
Gain in Canadian Tourism Legacy Conferences Ltd (note 6(a))	9,888	10,085
Excess of revenues over expenses	\$ 727,590	\$ 220,288

See accompanying notes to financial statements.

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Statement of Changes in Net Assets

Year ended December 31, 2020, with comparative information for 2019

	Internally Restricted Reserve Fund	Unrestricted	Total
Balance, December 31, 2018	\$ 778,252	\$ 727,177	\$ 1,505,429
Excess of revenues over expenses	-	220,288	220,288
Transfer to reserve fund	51,276	(51,276)	-
Balance, December 31, 2019	829,528	896,189	1,725,717
Excess of revenues over expenses	-	727,590	727,590
Transfer to reserve fund	152,994	(152,994)	-
Balance, December 31, 2020	\$ 982,522	\$ 1,470,785	\$ 2,453,307

See accompanying notes to financial statements.

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 727,590	\$ 220,288
Items not involving cash:		
Amortization of capital assets	81,512	93,600
Amortization of leasehold inducements	(35,473)	(35,473)
Equity gains in related parties	(9,888)	(10,085)
	763,741	268,330
Changes in non-cash operating working capital:		
Accounts receivable	946,148	21,132
Inventories	5,157	4,336
Prepaid expenses	154,939	87,709
Accounts payable and accrued liabilities	(701,723)	935,636
Deferred destination marketing fees	(98,471)	(185,328)
Deferred revenue	(150,044)	(48,886)
	919,747	1,082,929
Investing:		
Purchase of capital assets	(49,995)	(62,041)
Increase in investments	(152,994)	(51,276)
	(202,989)	(113,317)
Increase in cash and cash equivalents	716,758	969,612
Cash and cash equivalents, beginning of year	2,513,143	1,543,531
Cash and cash equivalents, end of year	\$ 3,229,901	\$ 2,513,143

See accompanying notes to financial statements.

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements

Year ended December 31, 2020

Nature of operations:

Greater Victoria Visitors & Convention Bureau (the "Bureau") is registered under the Societies Act (British Columbia) as a non-profit organization as described in paragraph 149(1) of the Income Tax Act. The Bureau is exempt from income taxation. Its principal business activity is the promotion of tourism in the Greater Victoria area.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook. The Bureau's significant accounting policies are as follows:

(a) Revenue recognition:

The Bureau follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Revenue from membership dues is recognized on a straight-line basis over the term of the membership. Revenue from advertising spaces is recognized on a straight-line basis over the term of the contract. Government grants are recorded as revenue on a straight-line basis over the term of the grant. Reservation and ticket sales are collected on behalf of members and the net commissions are recognized as revenue when a service has been rendered for which a fee is chargeable. The municipal regional district tax revenue and online accommodation platforms revenues are recognized in the period in which the related room sales occur. Destination marketing fees are recorded as revenue in the period in which the related expenses have occurred.

(b) Capital assets:

Capital assets are recorded at cost, less accumulated amortization. Amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Office furniture and equipment	Straight-line	5 years
Computer equipment	Straight-line	3 years
Leasehold improvements	Straight-line	remaining lease term
Tradeshaw equipment	Straight-line	3 years
Computer software	Straight-line	3 years
Website development costs	Straight-line	3 years

When a capital asset no longer has any long-term service potential to the Bureau, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(c) Leasehold inducements:

Leasehold inducements are recorded at the cost of leasehold improvements paid for by the landlord and are amortized on a straight-line basis over the lease term.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Bureau has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Bureau determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Bureau expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Significantly influenced profit-oriented enterprises:

The Bureau accounts for its significantly influenced profit-oriented enterprise using the equity method. Under the equity method, the Bureau records its investment initially at cost and the carrying amount is adjusted thereafter to include the Bureau's pro rata share of post-acquisition earnings of the investee, computed by the consolidation method. The adjustments are included in the determination of net income by the Bureau, and the investment accounts of the Bureau are also increased or decreased to reflect the Bureau's share of capital transactions and changes in accounting policies and corrections of errors relating to prior period financial statements applicable to post-acquisition periods. Profit distributions received or receivable from investees reduce the carrying amounts of the investments. Unrealized inter-entity gains or losses are eliminated.

(f) Inventories:

Inventories are recorded at the lower of actual cost and net realizable value.

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(g) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the amortization period and rates for capital assets and provisions for impairment of accounts receivable.

2. Capital assets:

	2020		
	Cost	Accumulated amortization	Net book value
Office furniture and equipment	\$ 177,050	\$ 124,994	\$ 52,056
Computer equipment	83,229	72,678	10,551
Leasehold improvements	312,114	237,964	74,150
Tradeshow equipment	22,113	20,845	1,268
	594,506	456,481	138,025
Website development costs	127,199	127,199	-
	\$ 721,705	\$ 583,680	\$ 138,025

	2019		
	Cost	Accumulated amortization	Net book value
Office furniture and equipment	\$ 151,276	\$ 102,682	\$ 48,594
Computer equipment	80,392	66,060	14,332
Leasehold improvements	290,730	205,418	85,312
Tradeshow equipment	22,113	18,309	3,804
	544,511	392,469	152,042
Website development costs	127,199	109,699	17,500
	\$ 671,710	\$ 502,168	\$ 169,542

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements (continued)

Year ended December 31, 2020

3. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$14,575 (2019 - \$5,878 which includes amounts payable for payroll remittances, employer health tax, sales tax and workers' safety insurance).

4. Deferred revenue:

	2020	2019
Membership dues	\$ 242,397	\$ 517,350
Advertising fees and listing revenue	91,351	137,440
Marketing funds	299,500	-
Deferred vacation guide advertising	128,502	257,004
	\$ 761,750	\$ 911,794

5. Deferred Destination Marketing fees:

The Bureau has entered into an agreement with the Victoria Hotel Destination Marketing Association ("VHDMA") to conduct destination marketing funded by destination marketing fees collected from member hotels. The continuity of these revenues is as follows:

	2020	2019
Balance, beginning of year	\$ 452,150	\$ 637,478
Amounts received	380,227	1,256,450
Amounts receivable	129,049	276,707
	961,426	2,170,635
Revenue recognized	607,747	1,718,485
Balance, end of year	\$ 353,679	\$ 452,150

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements (continued)

Year ended December 31, 2020

6. Related parties:

(a) Canadian Tourism Legacy Conferences Ltd:

The Bureau has a 25% equity interest in the above for-profit company, which is accounted for using the equity method. The purpose of the company is to create a high quality conference (IMPACT Sustainability Travel & Tourism) that focuses on innovation, sustainability and creating a lasting legacy in the tourism industry.

The positive carrying value of \$11,595 (2019 - \$1,707) represents the Bureau's share of accumulated equity to date.

During 2020, the Bureau received \$5,735 from the company as reimbursements for certain costs incurred (2019 - \$17,347 was contributed to the company as sponsorship and support). Additionally, the Bureau contributed staff time, effort and expertise which are not recorded in these financial statements.

(b) Capital City Comic Enthusiasts Society:

The Bureau is one of three not-for-profit partners in the above society. The purpose of the society being to provide and support comic and gaming activities in the greater Victoria region. Most notably through the management of the annual Victoria Capital City Comic Convention.

During 2020, the Bureau contributed \$nil (2019 - \$20,000) to the society as 'seed' money and support. The intention being that \$100,000 will be repaid to the Bureau over the next 3-4 years. Additionally, the Bureau contributed staff time, effort and expertise which are not recorded in these financial statements.

(c) Victoria Military Sports Society:

The Bureau is one of five partners in the above society. The purpose of the society is to support the Victoria Military and sporting committee by bidding on the Invictus Games.

During 2020, the Bureau contributed \$4,315 (2019 - \$10,000) to the society as financial support for the bid. Additionally, the Bureau contributed staff time, effort and expertise which are not recorded in these financial statements.

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements (continued)

Year ended December 31, 2020

7. Internally restricted reserve:

To maintain Destination Greater Victoria's financial stability, an internally restricted reserve has been designated to provide for operating costs, for a period of up to six months, in the event of a significant economic decline. Given the effects of the COVID-19 pandemic this reserve was restructured with the intention to deploy in 2021 to support the tourism industry in Greater Victoria. These internally restricted funds are available only at the approval of the Board of Directors.

As at December 31, 2020, the amount accumulated in the internally restricted reserve was \$982,522 (2019 - \$829,528). Since December 2018, the Bureau has segregated the investments relating to the internally restricted reserve in a separate investment account. The account contains low-risk medium-term investments, which is accordance with the Bureau's Investment Strategy Statement.

The Internally restricted reserve investments are measured at fair value at each reporting date with all changes in fair value included in net income in the period in which they arise.

8. Commitments:

(a) Leases:

The Bureau leases the premises it occupies. The lease at Suite 200 - 737 Yates Street is for the period June 1, 2012 to May 31, 2022. The Bureau secured additional space at 737 Yates Street for the period March 16, 2017 to May 31, 2022. The lease for the Visitor Centre on Wharf Street is for the period January 1, 2016 to December 31, 2025. Minimum future lease payments over the next five years are as follows:

	Yates Street	Visitor Center	Total
2021	\$ 170,150	\$ 78,238	\$ 248,388
2022	80,958	81,457	162,415
2023	-	81,457	81,457
2024	-	81,457	81,457
2025	-	81,457	81,457

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements (continued)

Year ended December 31, 2020

8. Commitments (continued):

(b) David Foster Harbour Pathway:

The Bureau entered into an agreement in 2016 to contribute one million dollars to the building of the David Foster Harbour Pathway (“DFHP”). Payment will be made to the City of Victoria in the amount indicated in the following schedule. The Bureau may increase payment in any year and such increase shall count toward the total contribution.

During 2020, the Bureau contributed \$95,000 (2019 - \$175,000) to the City of Victoria for the DFHP (cumulative contributions to December 31, 2020 are \$570,000). The contribution is included on the statement of operations in general and administrative expenses.

These payments are firm and will not be adjusted with inflation:

	DFHP Contributions	Accumulated Contributions
2021	\$ 100,000	\$ 670,000
2022	100,000	770,000
2023	105,000	875,000
2024	105,000	980,000
2025	20,000	1,000,000

9. Allocated expenses:

The Bureau classifies expenses on the statement of operations by function. The Bureau allocates certain general and administrative support expenses to departments by identifying the appropriate basis of allocating and applying that basis consistently each year. Support salaries and benefits are allocated proportionately on the basis of activity in the department. Support expenses are allocated proportionately based on the square footage of office space in each department. The allocations are as follows:

	2020	2019
Advertising and publications	\$ 128,909	\$ 240,605
Media relations	89,824	168,496
Travel trade	103,456	193,972
Research	32,214	64,564
Business events	103,361	193,796
Web marketing	34,057	63,238
	\$ 491,821	\$ 924,671

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements (continued)

Year ended December 31, 2020

10. Financial risks and concentration of risk:

The Bureau believes that it is not exposed to significant interest rate or cash flow risk arising from its financial instruments. Liquidity risk is limited as all investments are held in instruments that are highly liquid and can be disposed of to settle commitments. The Bureau also maintains a line of credit arrangement to enable short term borrowing if needed.

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Bureau limits its exposure to credit risk on cash and cash equivalents and short-term deposits by investing in instruments issued by high credit quality financial institutions. The Bureau is also exposed to credit risk with respect to accounts receivable. The risks are minimal as the most significant receivables relate to amounts due from various governments. The Bureau monitors member and other receivables to ensure amounts remain current. Historically, the extent of receivables not recovered has not been significant.

The Bureau is exposed to interest rate risk on its fixed interest rate medium term deposits however all such investments are generally held to maturity as the Bureau does not trade in such securities.

The Bureau is exposed to financial risk as a result of exchange rate fluctuations and the volatility of these rates.

There has been no change to the risk exposures outlined above from 2019 other than the pervasive impact of COVID-19 as described in note 12..

11. Societies Act remuneration disclosure:

In 2020, the bureau paid 3 individuals (2019 - 9) with remuneration of \$75,000 or greater, and the total remuneration paid to these individuals was \$343,091 (2019 - \$972,467). No amounts were paid to directors as remuneration during 2020 or 2019.

GREATER VICTORIA VISITORS & CONVENTION BUREAU

Notes to Financial Statements (continued)

Year ended December 31, 2020

12. COVID-19:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. At the time of the approval of these financial statements, the Bureau has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Accommodation tax revenues significantly reduced in 2020 and continue to be constrained by travel restrictions and health orders.
- Certain business units, such as Travel Trade, Business Events and Sports Tourism continue to be disproportionately impacted by health orders.
- Membership benefits have been extended to cover the 2020 and 2021 calendar year.
- Lay off of 25 staff members, 4 temporary lay offs and 21 permanent lay offs.
- Reduced compensation to 80% for remaining staff for the majority of 2020.
- Receipt of the Canadian Emergency Wage Subsidy and rent relief under the Canadian Emergency Rent Assistance Program.

Potential future impacts on the Bureau could include continued reduced accommodation tax and membership revenues and continued risks associated with conference business obligations at the Victoria Conference Centre. As the situation is dynamic and the ultimate duration and magnitude of the impact on the economy are not know, an accurate estimate of the future financial effect on the Bureau is not possible currently.

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General Manager, Delta Hotels by Marriott Victoria
Ocean Pointe Resort



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General Manager, Abigail's Hotel
Accommodation – 25 Rooms or Fewer



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Accommodation – From 26 to 149 Rooms



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DESTINATION GREATER
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