CPABC

INFOCUS

5 Notes from the Leadership
23 BCU: Invest Survey Results
24 Indigenous Strategy Update
28 Ethics
32 Personal Development
36 Tax
42 Lifelong Learning
46 Kudos
50 Snapshot

MARCH/APRIL 2023

Investing in BC

Latest report assesses economic impact of high inflation and interest rates



PM 40069584

CPA CHARTERED PROFESSIONAL ACCOUNTANTS BRITISH COLUMBIA

Davidson & Company
CHARTERED PROFESSIONAL ACCOUNTANTS

Celebrating

OUR NEW PARTNERS



RESHMA MAHASE
CPA, FCCA (UK), CIA

Audit and Assurance Partner



HOWARD CHANG
CPA, CGA

Tax Partner

A member of Nexia International

WWW.DAVIDSON-CO.COM

Contents

Cover Story



14 Investing in BC
CPABC's *BC Check-Up: Invest* report looks at the impact of high inflation and interest rates on the provincial economy

24 CPABC's Indigenous Strategy: Progress Update



Recurring Columns

28 Ethics
How bias can affect decision-making



32 Personal Development
Breaking the cycle of perfectionism



36 Tax
Owning Canadian residential real estate – recent federal and BC developments



6 BC C-Suite Awards
7 Event announcements
9 Dues reminder & update
10 A thanks to our volunteers

Cover image:
Techa Tungateja/iStock/Getty Images

In Focus

5 Notes from the Leadership

6 Notes & News

23 This and That
Highlights from the latest *BC Check-Up: Invest* survey

42 Lifelong Learning
- PD Experts: Overcoming communication barriers
- PD Highlights: Upcoming in-person and online virtual Nexus Days, certificate programs, and in-house training services

46 Members in Focus
- Announcements and accolades
- CPAs in the community

50 Snapshot
Jonathan Wong, CPA, CA
Owner, Custom Car Posters



Photo by Bobo Zhao Photography

CPABC INFOCUS

March/April 2023, Vol. 11, No. 2

CPABC in Focus is the flagship magazine of BC's chartered professional accountants.

CPABC Board

Chair	Sheila Nelson, CPA, CA
First Vice-Chair	Chris Gimpel, CPA, CA
Second Vice-Chair	Peter Guo, CPA, CA
Treasurer	Andrew Sweeney, CPA, CA
	Bernard Achampong, CPA, CMA
	Craig Elliott, CPA, CGA
	Lisa Ethans, FCPA, FCA
	Tom Fink, CPA, CMA
	Wendy Ham, CPA, CGA
	J. Alain LeFebvre, FCPA, FCA
	Ken K.L. Leung (Public Representative)
	Josie Lim, CPA, CA
	John Mackenzie, CPA, CA
	Bijan Pourkarimi (Public Representative)
	Tiffany Snauwaert, CPA, CA
	Sandy Stedman, FCPA, FCA
	Peter Tingling, CPA, CGA
	Alicia Williams, CPA, CPA (Arizona)
	Grace Wong (Public Representative)

Executive Management Committee

President & CEO	Lori Mathison, FCPA, FCGA, LLB
EVP, Corporate Services & CFO	Amy Lam, FCPA, FCA
EVP, Regulation & Registrar	Jamie Midgley, FCPA, FCA
EVP, Learning and Engagement	Simone Leonard, FCPA, FCGA

CPABC in Focus

VP, External Affairs and Communications	Kerri Brkich
Managing Editor	Michelle McRae
Graphic Designer	Caroline Toth RGD
Communications Coordinator	Megan Hooge

Advertising

For advertising rates, contact Advertising In Print at 604 681.1811 or **info@advertisinginprint.com**. *CPABC in Focus* is the premier way to reach BC's professional accounting community. Advertising in *CPABC in Focus* does not indicate an endorsement of any business, organization, service, or product.

Inquiries and Letters

Contact us at **infocusmag@bccpa.ca**.

About

CPABC in Focus is published in British Columbia six times a year and is sent to approximately 30,000 CPA members, candidates, and students. Opinions expressed are not necessarily endorsed by CPABC. Copyright *CPABC in Focus* 2023. Visit us online at **bccpa.ca**.
Mailing address: #800 – 555 West Hastings St., Vancouver, BC, V6B 4N6

Publications mail agreement no. PM 40069584



Giving Back to the Profession and the Community



Sheila Nelson, CPA, CA, MBA
CPABC Chair

As winter winds down and we head into spring, the profession has much to celebrate and look forward to, with our events, both virtual and in person, back in full swing.

In November 2022, we were delighted to host the second Indigenous Gathering on Pathways in Business (see pages 24-26 for an update on CPABC's Indigenous strategy). We also had the pleasure of welcoming 10 members to Fellowship, recognizing one FCPA with the Lifetime Achievement Award and recognizing three members with the Early Achievement Award. The honourees' names appear on page 7, and you'll find their profiles in the May/June issue of *CPABC in Focus*.

These members set the bar within the profession and in their communities through their leadership, commitment to community, and professionalism. We look forward to celebrating their achievements in person at our Member Recognition event on April 4 (page 7).

Also taking place in April is Canada's National Volunteer Week (page 10). With this in mind, I'd like to remind you that there are many ways to volunteer within the profession, whether as a mentor, committee member, or ambassador. You can also give back through your local chapter. Our chapters are actively looking for volunteers to participate at the board level, help organize events, and arrange volunteer activities in the community. If you're a new CPA, getting involved at the chapter level is also a great way to network with colleagues in your area and gain valuable leadership experience.

Lastly, I'd like to congratulate *Business in Vancouver's* six newest C-suite award winners (page 6). CPABC was pleased to sponsor the February 3 awards gala, where executives were singled out for excellence in six distinct categories.

As you pursue excellence in your own right, be sure to take advantage of the many professional development opportunities available this spring and summer. Ultimately, whether you attend an event or conference, volunteer in the profession, or join a chapter, I encourage you to see 2023 as an opportunity to get involved in the profession and engage with your peers. ■

Recognizing and Retaining Talent



Lori Mathison, FCPA, FCGA, LLB
CPABC President & CEO

First off, I'd like to join Sheila in congratulating our 2022 Member Recognition honourees and the C-suite award recipients.

There's also another award I'd like to mention. In February, CPABC was once again recognized as one of BC's Top Employers (see page 46). This is the fourth year in a row that we've achieved this distinction, and I'm extremely proud of our organization and our people. Our high-performing and supportive organizational culture embodies CPABC's values. We know that sustaining this environment is an ongoing endeavour, and we are continuing to evolve in the era of remote and hybrid work to create a workplace that celebrates success, supports employees, and provides exceptional learning and training opportunities. We seek to bring out the best in our team as we deliver valuable and relevant member services and protect the public.

Attracting and retaining talent is, of course, a top priority—as it is for many employers. We understand employer concerns both from anecdotal information and from our ongoing research initiatives. One of our main initiatives is the *BC Check-Up* report and survey, and you'll find highlights from the latest *BC Check-Up: Invest* report in our cover story on pages 14-22. We also share the results of the *BC Check-Up: Invest* survey in this issue (page 23), with members providing their thoughts on the economic outlook for the province and their organizations. We'll be sharing these results with both the government and opposition caucuses in late March.

We will also be providing the provincial government with an update on other key initiatives being undertaken by the profession, including the Certification 2.0 project, our response to the recommendations included in the final report of the Cullen Commission, and progress made on CPABC's Indigenous strategy (page 24-26).

We value the role that our organization plays in providing unbiased, relevant, and thoughtful public policy recommendations that are focused on creating a prosperous, sustainable, and affordable province—one that meets the needs of British Columbians and allows businesses to thrive. ■

SPONSORSHIPS

BC C-Suite Awards: Celebrating Leadership in Business



CPABC was pleased to once again partner with *Business in Vancouver* to recognize BC's leading CEOs and CFOs at the C-Suite Awards. The 2022 honourees were celebrated at a luncheon held at Vancouver's Terminal City Club on February 3, 2023.

We would like to congratulate the six award winners, each of whom was chosen by a panel of judges for their proven ability to help companies grow through sound business principles, financial reporting, and strategic decision-making.

Pictured above are the 2022 BC C-Suite Award winners (l to r): Philip Leong, CPA, CA; Jack Newton; Teara Fraser; Richard Pass; Sabrina Liak; and Rob McJunkin, CPA, CA. Photo courtesy of *Business in Vancouver*.

The CEO Award recipients are:

- **Large company category**: Jack Newton, co-founder and CEO, Clio
- **SME company category**: Teara Fraser, lead executive, Iskwew Air
- **Non-profit category**: Richard Pass, CEO, Ronald McDonald House Charities BC & Yukon

The CFO Award recipients are:

- **Private company category**: Rob McJunkin, CPA, CA, CFO, Anthem Properties Group
- **Public company category**: Sabrina Liak, co-founder and CFO, Kits Eyecare
- **Institutional category and transformation agent**: Philip Leong, CPA, CA, CFO, Insurance Corporation of British Columbia

NOMINATE A FELLOW CPA FOR A 2023 C-SUITE AWARD

Nominations will be open from March 18 to August 15, 2023. Visit **biv.com/c-suite-awards** for details.

AGM ANNOUNCEMENTS

Save the Dates: AGMs for CPABC and CPA Yukon

British Columbia: June 21, 2023

CPABC will hold its 2022-2023 annual general meeting (AGM) virtually on Wednesday, June 21, 2023.

Details and AGM meeting materials will be posted to **bccpa.ca** in late May.

Yukon: June 19, 2023

CPA Yukon will hold its 2022-2023 AGM in person in Whitehorse on Monday, June 19, 2023.

Details and AGM meeting materials will be posted to **bccpa.ca/yukon** in late May.

CONVOCATION

Save the Date: Convocation Is Just Around the Corner!

CPABC is delighted to announce that the Convocation ceremony for the September 2022 CFE passers will be held at the Vancouver Convention Centre West on Saturday, May 6, 2023. Everyone who is eligible to attend will receive an invitation with registration details by email in early spring.

Until then, you can find more details about the ceremony in the News & Events section of CPABC's website at **bccpa.ca**, under the Upcoming Events tab.

Questions?

Email CPABC's events team at **events@bccpa.ca**.



Cakewalk Media Inc., Sept. 2022

MEMBER RECOGNITION

CPABC's Member Recognition Event Is Back in Person—Register Now!

Join us in person on Tuesday, April 4, as we celebrate the accomplishments of CPABC's newest Member Recognition Program honourees! Family members, colleagues, and friends of the 14 outstanding individuals listed below are encouraged to attend the event and help us recognize their achievements. Event details and registration information are available in the News & Events section of our website at **bccpa.ca**, under the Upcoming Events tab.

Event details

Date: Tuesday, April 4, 2023
Time: 5:30 p.m. – 8:30 p.m.
Location: Fairmont Waterfront Hotel, Vancouver
Dress code: Business attire

CPABC's 2022 Member Recognition Honourees

Early Achievement Award

Paulina Cameron, CPA, CA
Mallory Denniston, CPA, CA
Jocelyn Li, CPA

Fellowship

Robert (Bob) Armstrong, FCPA, FCA
Warren Beach, FCPA, FCA
Gopi Chande, FCPA, FCA
Catherine Dahl, FCPA, FCMA
Kate Furber, FCPA, FCA
Amanda Hobson, FCPA, FCA
P. Angus Izard, FCPA, FCA, FCGA
Terry Krepiakevich, FCPA, FCA
E. Anne Macdonald, FCPA, FCA
Michael Macdonell, FCPA, FCA

Lifetime Achievement Award

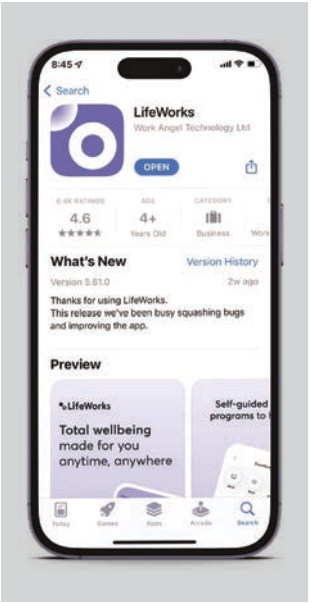
Eric Watt, FCPA, FCA



new look casting/iStock/Getty Images

BENEFITS

CPABC's Member Assistance Program: Wellness Support at Your Fingertips



As a reminder, CPABC's members, candidates, and students, along with their immediate family members, may access free wellness resources through the Telus Health (formerly LifeWorks) Member Assistance Program.

March and April can be busy months for many CPABC members and candidates, and taking the time for self-care can help you improve your quality of life by significantly reducing stress, anxiety, and depression. It can also help you better manage work pressures and adapt to life challenges.

In addition to providing access to 24/7 counselling and consulting services, Telus Health* offers a wide range of resources on a variety of wellness topics through its free app. Through the app, you'll find personalized recommendations, advice to help you reach your goals, and toolkits to help you navigate challenges and gain valuable tips related to your family life, health, finances, and career. You'll also be eligible for exclusive offers that can save you money on retail purchases, travel expenses, fitness facilities, and more.

To download the app, search for "LifeWorks" in Google Play (Android) or the App Store (iOS). Open the app, click "Log in," and enter your shared login credentials: *Username*: **bccpa** | *Password*: **Lifeworks**

***Note to readers:** On January 31, LifeWorks officially began its transition to Telus Health. At the time of this writing in early February, the name change had not yet been applied to the LifeWorks app.

REMINDER: CPD REPORTING

Members: Accurate Reporting of Continuing Professional Development Is Your Responsibility

As noted in the January/February 2023 issue of this magazine, it's important to carefully review your CPD activities before posting them to your CPD report—particularly those activities taken through CPABC's Professional Development Program.

When you register for in-person courses, live webinars, and online on-demand courses offered by CPABC, these activities are pre-populated into the online CPD reporting platform; however, they are *not* automatically posted to your CPD report. You must therefore manually post these activities to ensure their inclusion in your report.

You must also verify the accuracy of each CPD activity before reporting it, as members are bound by Rule 103 of the *CPABC Code of Professional Conduct* (False or Misleading Applications), which states that "a registrant shall not sign or associate with any letter, report, statement or representation relating to any application to CPABC which the registrant knows, or should know, is false or misleading." For example, if you were unable to attend a registered PD activity, or only able to attend part of the activity, you must amend the "hours attended" field in the online CPD reporting platform before posting the activity to your CPD report.

For more details about CPD requirements, visit **bccpa.ca/cpd** or email us at **cpd@bccpa.ca**.



NEW FOR 2023 CPD:
PRE-POPULATED ONLINE ON-DEMAND COURSES

As a reminder, when you (a CPABC member) successfully complete an online on-demand course through the CPABC Learning Management System on or after January 1, 2023, the activity will be pre-populated into the online CPD reporting platform. Note that you will still need to review and post the activity to your CPD report.

bobby2531/iStock/Getty Images

DUES REMINDER & UPDATE

IMPORTANT:
Deadline for 2023-2024 Member Dues and Corporation Permit Renewal Fees Is April 1, 2023

Member dues

An email notification was sent to each member in late February 2023 indicating that the deadline to pay 2023-2024 member dues is **April 1, 2023**.* Please log in to our secure online payment system at **services.bccpa.ca** to print your annual member dues notice and pay your dues online before the deadline.

Reminder: By default, member dues notices display full dues payable, without any reductions. Members seeking a dues reduction must declare, on an annual basis, that they meet the eligibility criteria. Please review the eligibility criteria for member dues reductions carefully by visiting **bccpa.ca/memberdues20232024** and choosing the "2023-2024 Member Dues Reduction Categories" option.

Fee increase: Given the unprecedented inflation seen in 2022, CPABC made the decision to increase the provincial portion of annual membership dues in 2023 to ensure continued delivery of the high-quality services members rely on, such as:

- Regulatory oversight and guidance, including advisory services;
- Professional development opportunities offered through an extensive catalogue of courses to help you keep current in the areas that matter most;
- Access to relevant and timely information on emerging trends affecting the profession through our podcast series and articles in the CPABC Newsroom and *CPABC in Focus*; and
- Provincial branding and recruitment initiatives and a commitment to equity, diversity, and inclusion, all of which help maintain and enhance the attractiveness of the profession.

This is the first increase in provincial fees since unification in 2015, despite annual inflationary increases in costs. In fact, in 2017/2018, CPABC decreased member dues by $25 and public practice fees by 5%. Additionally, PD prices were lowered by 20%, on average, during the pandemic to support members.



atakan/iStock/Getty Images

Corporation permit renewal fees

A separate email notification was sent out in late February 2023 to members with professional accounting corporation permits. This email advised recipients that the deadline to pay 2023-2024 corporation permit renewal fees is **April 1, 2023**.*

Questions?

For more information on your 2023-2024 member dues, visit **bccpa.ca**, click on the Member Services tab, and choose 2023-2024 Member Dues. You can also contact CPABC's finance department by email at **finance@bccpa.ca**.

If you have any questions about renewal and payment for the professional accounting corporation permit, please email **finance@bccpa.ca**. Address changes related to professional accounting corporation permits can be sent to **publicpracticelicensing@bccpa.ca**.

If you did not receive your 2023-2024 CPABC annual member dues notification or your 2023-2024 corporation permit renewal reminder (if applicable) by email, contact **memberrecords@bccpa.ca to ensure that we have your current email address or log in to **services.bccpa.ca** to update your member profile. Please note that you are required to update your contact information immediately with any changes.*

NEW: VOLUNTARY MEMBER CENSUS

CPABC is committed to supporting equity, diversity, and inclusion (EDI) within the profession. With this in mind, we are conducting a voluntary member census in 2023 to better understand the composition of our membership and to measure progress. We encourage you to help us with our EDI efforts by participating in the census. Your confidential responses will not be associated with your member profile. A link to the voluntary census questions will be provided to you after you complete the annual dues process this year. FAQs are available at **bccpa.ca/member-services**, under the "Equity, Diversity and Inclusion" tab.

A THANK YOU TO OUR VOLUNTEERS

Working Together: A Salute to CPABC's Volunteers as National Volunteer Week Nears

Canada's National Volunteer Week is an annual campaign that celebrates the commitment, dedication, and generosity of community volunteers across the country.

Themed "Volunteering Weaves Us Together" (see right), this year's campaign will celebrate volunteers across the nation for their commitment to building a stronger Canada. The campaign will run from April 16 to 22.

CPABC encourages members, candidates, and students to support the national campaign where they can. You can learn more at **volunteer.ca**. We'd also like to take this opportunity to recognize CPABC's volunteers, including those serving on the board and those who contribute to regulatory committees, member forums, and chapters, for their contributions. To all CPA members, candidates, and students who continue to volunteer in the profession and in the community: Thank you for all that you do!



Want to volunteer with the profession?

Here are just some of the ways to get involved (for a full list of volunteer opportunities, visit **bccpa.ca/volunteer):**

Volunteer through a CPABC chapter

CPABC's 16 regional chapters are seeking member, candidate, and student volunteers to support in-person events. If you'd like to volunteer with your local chapter, including as a board member, email **chapters@bccpa.ca** for details.

Become a financial literacy presenter

The CPA Financial Literacy Program offers free sessions on a range of topics. If you're interested in becoming a presenter, visit **bccpa.ca/finlit** or email our financial literacy team at **finlit@bccpa.ca**.

Volunteer as an income tax preparer

The CRA's Community Volunteer Income Tax Program offers tax preparation clinics for low-income Canadians. More information is available at **canada.ca/guides-taxes-volunteer**.

Help with student recruitment efforts

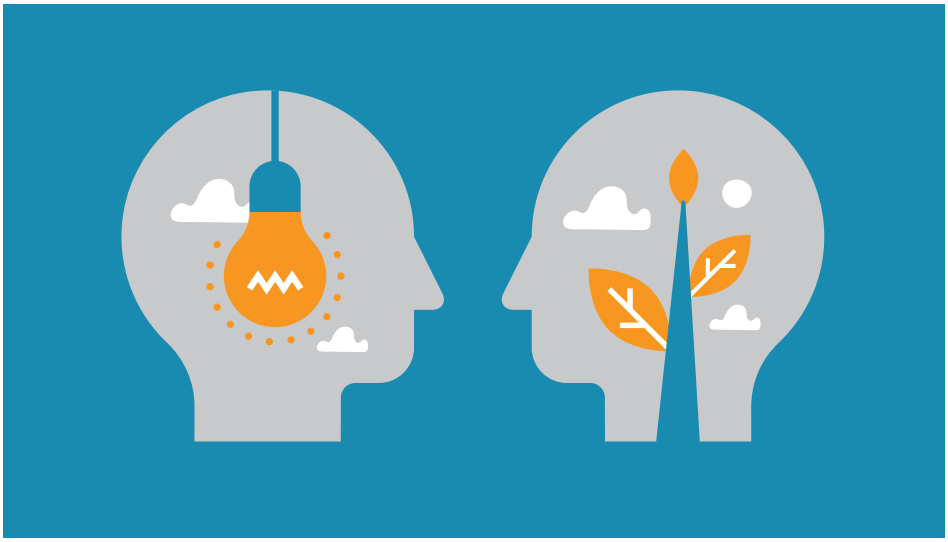
CPABC's student recruitment and employer relations team is always looking for keen CPA members and candidates to join their volunteer roster. Sharing your time and experience with prospective students is a great way to stay engaged with the profession and help shape the next generation of CPAs. Current opportunities include serving as a CPA Ambassador and as a guest speaker for presentations given to high school students.

Volunteer opportunities for member ambassadors include attending networking events, representing CPABC at career fairs, speaking about your CPA career path at high school information sessions, and being a panellist or keynote speaker at gala dinners and other events. Visit **bccpa.ca/ambassador** to sign up.

Guest speakers join the student recruitment team to give presentations to high school students throughout the school year. For more information about being a guest speaker, email Larry Jung, student recruitment officer, at **ljung@bccpa.ca**.

MENTORSHIP

CPABC's Latest Mentor Mingle Event Highlights How Mentors Can Add Value to the Goal-Setting Process



Images by Scarl984/iStock/Getty Images

CPABC's quarterly Mentor Mingle events give CPA mentors an opportunity to get some tips on the mentoring process and connect with their peers to share best practices.

These sessions are hosted as one-hour Zoom meetings with whole-group presentations and smaller breakout rooms. Topics are chosen to help mentors become more effective in their roles and enhance their experience of being a mentor.

The most recent event took place in December 2022 with a session on helping mentees set and reach their goals. This session discussed how mentors can help their mentees achieve their practical experience requirements (PER) by using the "GPS" goal-setting framework:[1]

- **G**oal selection;
- **P**ursuit of strategies; and
- **S**hifting gears.

The presentation outlined how the framework can be applied to a PER-related goal, such as improving a mentee's leadership skills. It also highlighted the types of questions mentors could ask their mentees at each stage of the goal-setting process and the areas where mentors can add the most value. (See sidebar for a list of resources from the presentation.) Mentors then had the chance to reflect on how they've approached goal setting in the past and what new approaches they'd like to try in future mentoring conversations.

You can learn more about on upcoming Mentor Mingle events by visiting the News & Events section of **bccpa.ca**, under the Upcoming Events tab.

Note: Attendance at a Mentor Mingle event qualifies for one hour of verifiable CPD.

[1] Ed Bowers, *Becoming a Better Mentor: Strategies to Be There for Young People* (110), mentoring.org.



RESOURCES TO HELP SUPPORT YOUR MENTEE IN REACHING THEIR GOALS

Mentors: If you missed the event in December, check out these resources to learn more about how to help your mentee reach their goals:

- Becoming a Better Mentor: **mentoring.org**.
- GPS 2 Success: **gps2success.com**.
- Grit: The Power of Passion and Perseverance by Angela Duckworth: **ted.com**.
- Most Leaders Don't Even Know the Game They're In by Simon Sinek: **youtube.com**.
- NeuroLeadership Institute: **neuroleadership.com**.

CPABC ONLINE

Follow CPABC on Social Media

Linkedin.com/company/cpabritishcolumbia

Facebook.com/cpabc

Twitter.com/cpa_bc

Instagram.com/cpabc

Access Resources on the CPABC Website

Newsroom



bccpa.ca/newsroom

Anti-Money Laundering



bccpa.ca/aml

Financial Literacy



bccpa.ca/finlit

Public Practice Knowledge Base



bccpa.ca/kbase

Chapters



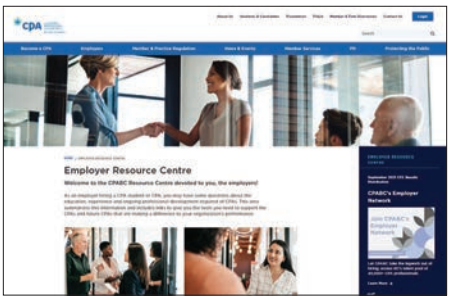
bccpa.ca/chapters

Protecting the Public



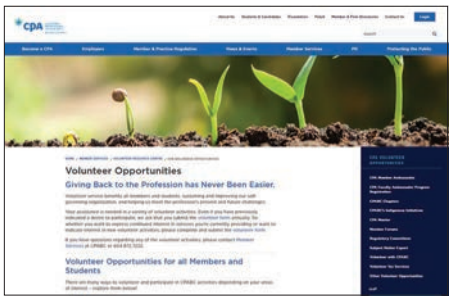
bccpa.ca/protecting_public

Employer Resource Centre



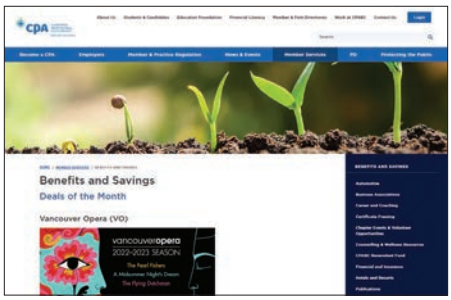
bccpa.ca/employer

Volunteer Resource Centre



bccpa.ca/volunteer

Benefits and Savings



bccpa.ca/benefits



Do you need financial assistance?

Support is available

The Benevolent Fund of the
Chartered Professional Accountants of British Columbia
provides short-term financial assistance
to members in need.

Visit **bccpa.ca/benefits** and
select “CPABC Benevolent Fund” for details.

CPA CHARTERED PROFESSIONAL ACCOUNTANTS' BENEVOLENT FUND OF BRITISH COLUMBIA

Investing in BC

Insights from CPABC's latest *BC Check-Up: Invest* report

By Aaron Aerts

BC's investment climate has shifted considerably over the past three years. Although a period of significant uncertainty in 2020 was followed by a strong recovery in 2021, the rapid rise in interest rates in 2022 (in response to record-high inflation) has slowed investment growth and introduced uncertainty.

Housing prices and sales have weakened from their record peaks in early 2022, a trend anticipated to continue this year. Building investment, which remained resilient in 2022, is expected to soften in 2023 and 2024 as investors re-evaluate new projects in light of higher capital costs.

The economic outlook for this year and next has also worsened, with some analysts forecasting a recession in Canada and BC in the first half of 2023. Given our weak labour productivity and GDP per capita, it is essential that governments focus on policies that boost productivity and improve the economic outlook.



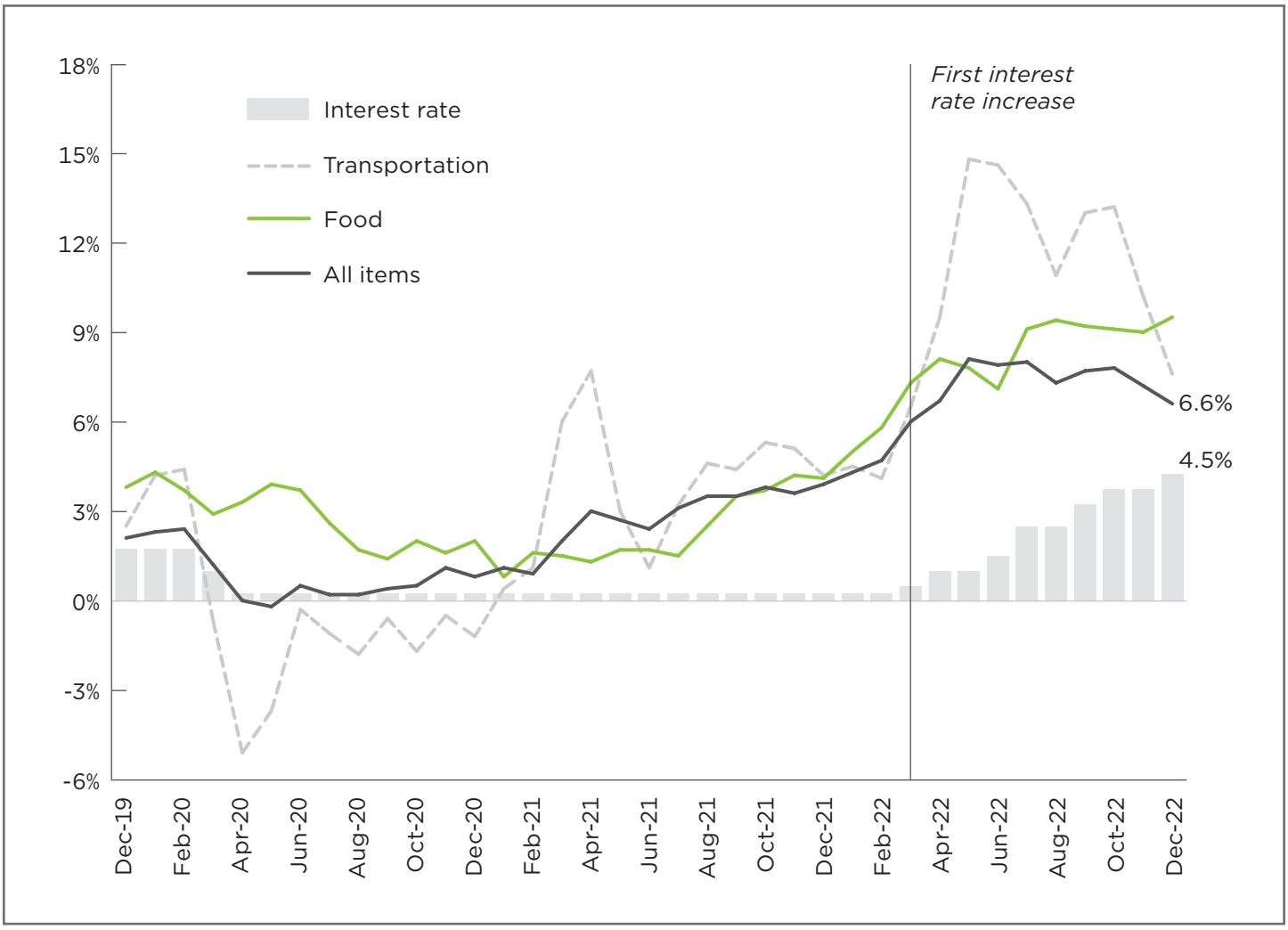
Techa Tungateja/iStock/Getty Images

Bank of Canada hikes interest rate in response to 40-year-high inflation

The price of goods and services began rising in the latter part of 2021, fuelled by supply chain disruptions, pent-up consumer demand, and higher commodity prices. By June 2022, inflation was increasing at rates not experienced for nearly 40 years, with Canada's consumer price index (CPI) rising 8.1% year over year (BC's annual CPI peaked at 8.1% in May 2022).

The Bank of Canada's (BoC) primary mandate is to keep prices steady and low, aiming for a target of 2% annual inflation.[1] When inflation started to rise quickly and showed no sign of easing, the BoC began increasing its policy interest rate—which sets interest rates for all other debt in Canada—from 0.25% in March 2022 to 4.50% as of the Bank's lastest increase on January 25, 2023 (see Figure 1).

Figure 1: BC CPI Annual Growth and Policy Interest Rate



Source: Statistics Canada, Table 18-10-004-01 and Bank of Canada.

Higher interest rates have moderated inflation, with annual CPI growth in BC ticking in at 6.6% in December 2022. Although food prices are still on the rise—up 9.5% in December 2022 compared to December 2021—the price of most other goods and services is easing, a trend that's expected to continue throughout 2023 and 2024.

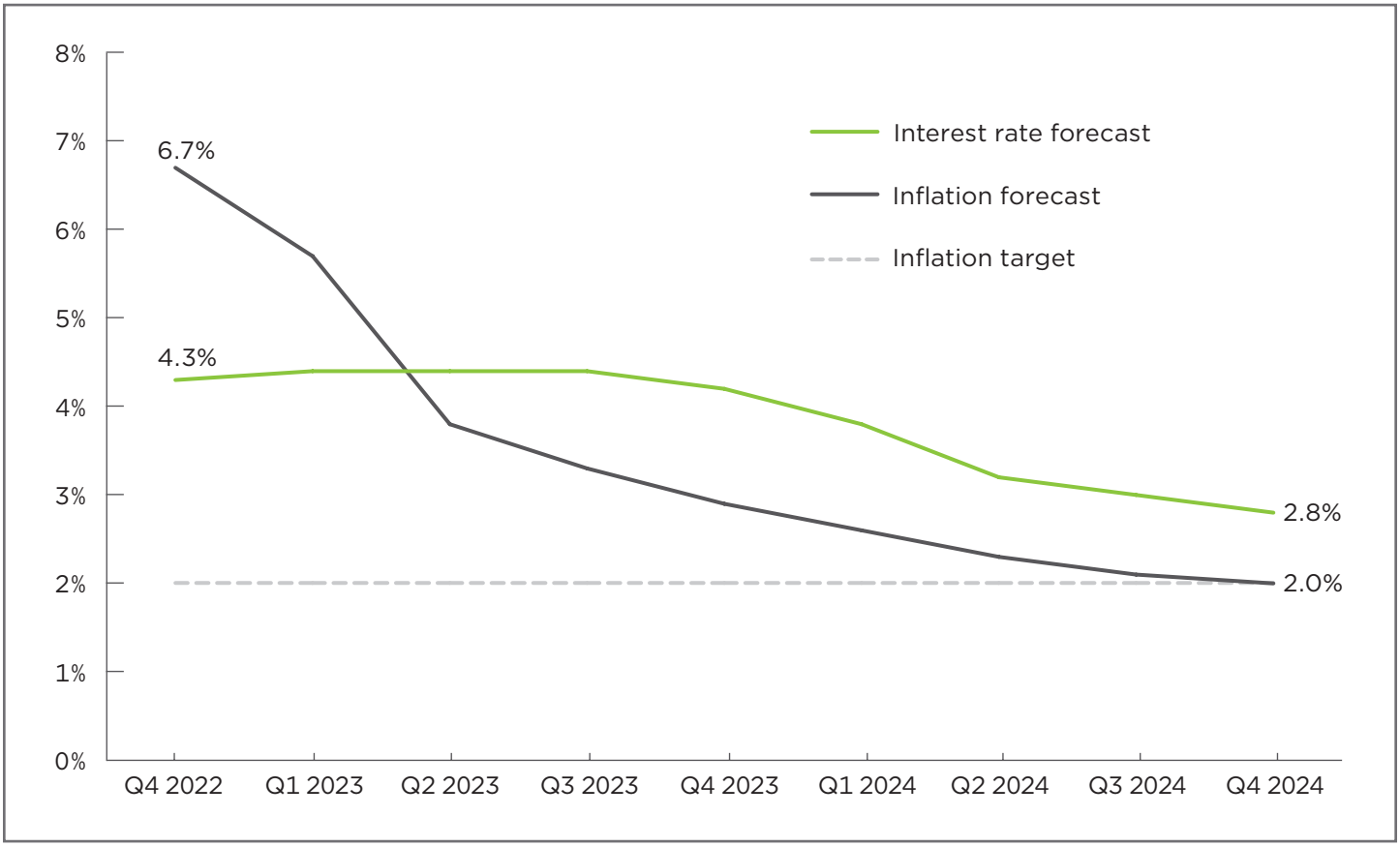
[1] The Bank of Canada aims to keep inflation at the 2% midpoint of a target range of 1%-3%, and adjusts its policy interest rate to achieve that target within a horizon of six to eight quarters. Bank of Canada, "Inflation-Control Target," accessed January 27, 2023.

Declining inflation should allow central banks to lower interest rates

After raising the policy rate by 25 basis points on January 25, 2023, the BoC became the first central bank in an advanced economy to signal that it will pause interest rate increases over the short term to monitor the effectiveness of higher rates at reducing inflation.[2]

Many forecasters anticipate that inflation will ease over the next 24 months, with the average forecast of Canada's big five banks predicting inflation will return to the BoC's 2% target by the end of 2024 (see Figure 2). If inflation does continue to trend downward, interest rates should also start falling in 2023, lowering to around 2.75% by Q4 2024.

Figure 2: CPI Annual Growth and Interest Rate Forecast



Source: Statistics Canada, Table 18-10-0004-01 and Bank of Canada. Forecasts for Q1 2023 to Q4 2024 are based on the average of Canada's five major banks (BMO, CIBC, RBC, Scotiabank, and TD). Forecasts were made in December 2022.

Home purchase prices in decline since February 2022

Rising interest rates have also affected housing prices and sales, with both declining over the past year. As of December 2022, the average house price was 14.8% lower than the February 2022 peak—although this was still 21.0% higher than the average price in December 2019.

The housing market is expected to continue weakening in 2023. A recent TD Economics report forecast that housing prices and sales will decline by an additional 9.7% and 22.8%, respectively, in 2023 compared to 2022.[3]

[2] Steve Scherer and David Ljunggren, "Bank of Canada Hikes Rates, Becomes First Major Central Bank to Signal Pause," **reuters.com**, January 25, 2023.

[3] Beata Caranci, Derek Burleton, Rishi Sondhi, "Provincial Economic Forecast: Provinces to Struggle Under the Weight of Higher Rates," **economics.td.com**, December 19, 2022.

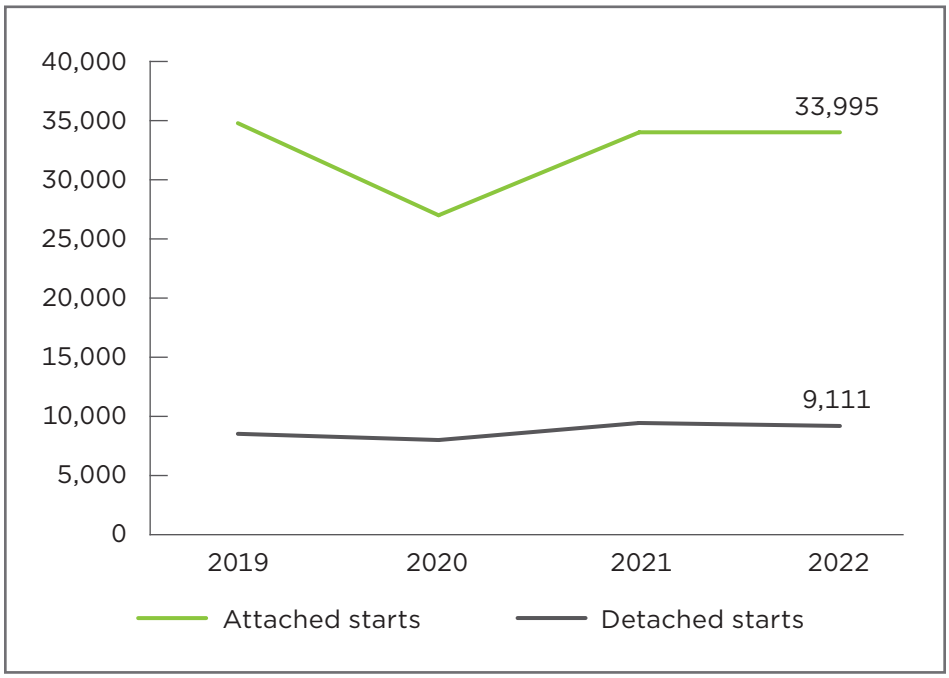
BC housing starts strong in 2022, but expected to weaken this year

Despite rising interest rates in 2022, building investment remained resilient in BC. In 2021, 43,360 housing units started construction in BC, a record that was almost matched in 2022 with 43,106 units beginning construction (see Figure 3).

This recent growth in housing supply is important for housing affordability,[4] particularly given that demand will only continue to increase. Canada welcomed a record number of new residents in 2022, and the country is targeting similar levels of immigration over the next few years.[5]

Unfortunately, the high interest rate environment will likely reduce housing investment. Scotiabank forecasts that the number of housing units started in BC will fall by 22.2% in 2023 compared to 2022 and remain at a similarly subdued level in 2024.[6] This, coupled with increased demand from population growth, will put upward pressure on housing prices over the longer term.

Figure 3: Housing Units Started in BC



Source: Canada Mortgage and Housing Corporation, Housing Starts, Completions and Units under Construction, accessed January 28, 2023. Captures aggregate housing starts for all municipalities with at least 10,000 people.

[4] This topic will be covered in more detail in the July/August 2023 issue of *CPABC in Focus*. For more information, see: CMHC, "Canada's Housing Supply Shortage: Restoring Affordability by 2030," **cmhc-schl.gc.ca**, June 23, 2022; and Government of British Columbia, "New Premier Delivers Action to Expand Housing Supply within First Days," press release, **gov.bc.ca**, November 21, 2022.

[5] Government of Canada, "Canada Welcomes Historic Number of Newcomers in 2022," news release, **canada.ca**, January 3, 2023.

[6] Laura Gu, "Scotiabank's Provincial Outlook: Growth to Grind to a Halt Next Year in Most Provinces," **scotiabank.com**, December 19, 2022.

MAKING A DIFFERENCE
FOR CLIENTS FOR
100 YEARS

ODLUM BROWN
Investing for Generations®

This year, Odlum Brown celebrates 100 years of helping clients achieve their financial goals. Through disciplined investment advice, objective research and a focus on clients' total financial wellness, Odlum Brown offers an exceptional full-service experience to grow and preserve your wealth.

I would welcome the opportunity to share more about our independent approach and proven results; please contact me today.



Ross Turnbull, CPA, CA, CBV, CFA, ICD.D
Vice President, Director, Portfolio Manager
T 604 844 5363 | rturnbull@odlumbrown.com
odlumbrown.com/rturnbull

Member-Canadian Investor Protection Fund

Non-residential investment up, although new building permits fell

From January to November 2022, $5.74 billion was invested into non-residential building construction in BC, up 2.6% compared to the same period in 2021 (see Table 1). Although private non-residential building investment increased by 5.6% in 2022 compared to 2021, this growth is expected to slow as projects that were originally considered financially worthwhile in a lower interest rate landscape may no longer be as attractive in today's more expensive capital environment.

Table 1: Non-Residential Building Investment in BC

	2022-YTD*	1-year change (2021)	2-year change (2020)	5-year change (2017)
Total	$5,739,643,607	2.6%	-5.1%	24.5%
Private	$4,205,444,114	5.6%	-9.4%	25.1%
Industrial	$638,002,000	-6.9%	-14.0%	17.4%
Commercial	$3,567,442,114	8.2%	-8.5%	26.6%
Institutional and government	$1,534,199,493	-4.9%	9.0%	22.8%

Source: Statistics Canada, Table 34-10-0175-01. Seasonally adjusted and adjusted for inflation.
*January to November 2022; compared to the same period in prior years.

Institutional and government building investments were down slightly in 2022 from the record levels set in 2021. Government capital projects are typically less sensitive to short-term variability in the cost of capital than private projects, which should provide some stability in overall building investment in 2023.

The value of building permits is a good leading indicator for building construction investment. Since March 2022, when interest rates first began rising, overall building permit value has declined by 22.7% (see Figure 4). The largest decline was in non-residential permit values, which fell 30.1% from March to December 2022, while residential permit values decreased by 19.1% over that same period.

In the commercial sphere, another weight on new investment may be the increase in office vacancies in many downtown cores, as many office workers have continued to work from home. A CBRE study reported that the office vacancy rate in downtown Vancouver at the end of 2022 was more than four times what it was before the pandemic.[7]

Overall, the decline in permit activity is one important signal that economic activity related to building construction will weaken in the year ahead.

[7] Kenneth Chan, "Downtown Vancouver Office Space Vacancy Rate Increases to 10%," *Daily Hive*, January 10, 2023.

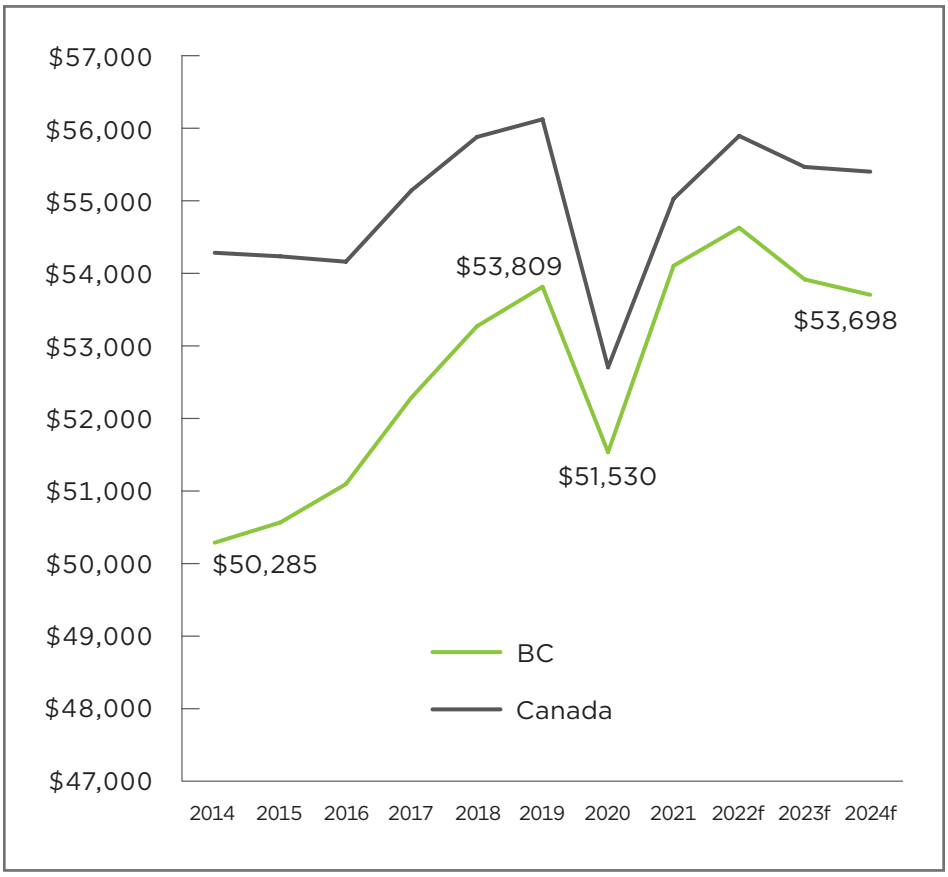
Figure 4: Value of Building Permits in BC



Source: Statistics Canada, Table 34-10-0066-01. Seasonally adjusted and adjusted for inflation.



Figure 5: Real GDP per Capita Growth in Canada and BC



Source: Statistics Canada, Table 36-10-0222-01. Population data is from BC Stats Population Projections. The 2022-2024 GDP growth rates are based on an average forecast of Canada's five major banks (BMO, CIBC, RBC, Scotiabank, and TD). Forecasts were made in December 2022.

BC could enter mild recession in first half of 2023

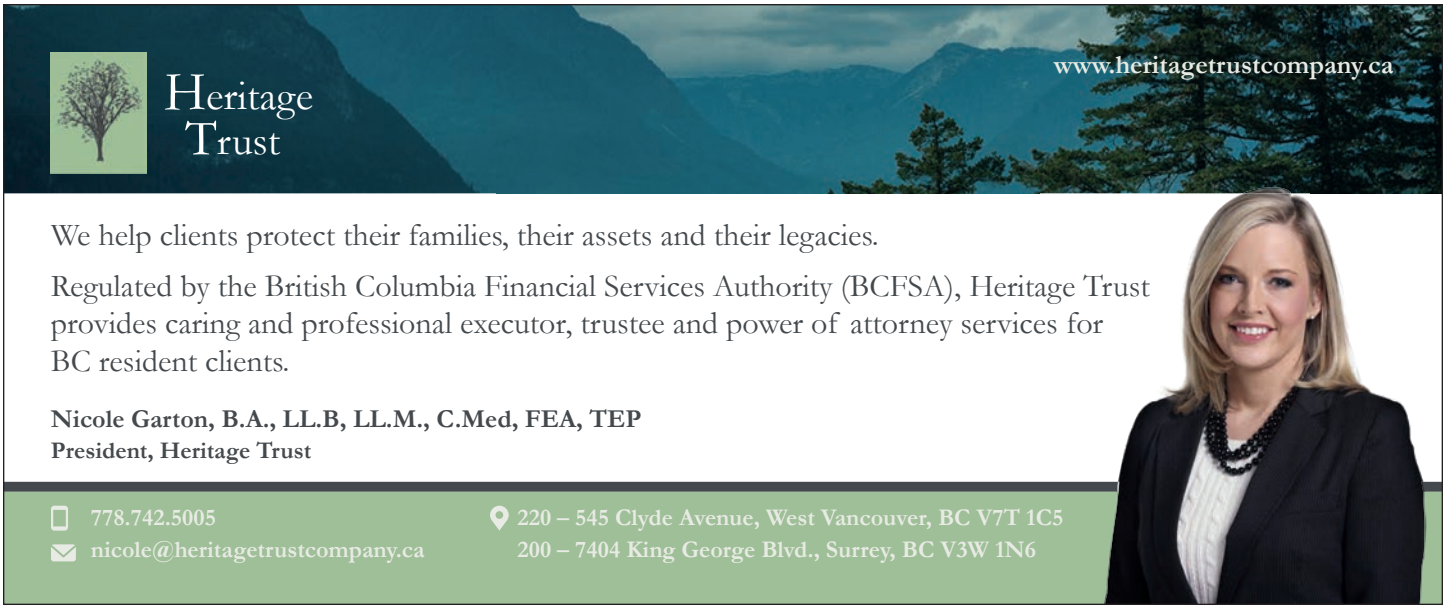
In 2021, BC's overall GDP rebounded above pre-pandemic levels as pent-up consumer demand, low interest rates, and government stimuli boosted economic activity. Despite rising interest rates, BC's real GDP growth was forecast to be 2.9% in 2022,[8] a strong showing.

However, given the combination of high inflation and interest rates, softening investment levels, and significant uncertainty, many analysts are forecasting a mild economic downturn in the first half of 2023. BC real GDP is forecast to grow by only 0.3% in 2023 and 1.1% in 2024, compared to an average of 2.9% annual real GDP growth between 2010 and 2019.

BC's GDP per capita forecast to be lower than pre-pandemic levels

Canada's GDP growth has been driven primarily by a growing population rather than improved productivity. It's no coincidence that BC, which witnessed the country's fastest population growth over the past decade, has also been a top province when it comes to growth in GDP.

[8] At the time of this writing in early February, full-year data for 2022 was not yet available.



In 2021 and 2022, BC's GDP per capita rebounded above pre-pandemic levels (see Figure 5). However, with population growth forecast to exceed GDP growth over the next two years, real GDP per capita is projected to decline. The $53,698 GDP per capita forecast in 2024 represents a small decline compared to 2019 levels.

Weak labour productivity and last-place outlook

Canada's GDP per capita growth is hampered by low labour productivity, which is much weaker than that of our peers, such as the United States. Between Q3 2014 and Q3 2022, Canada's labour productivity increased by 2.5%, whereas the US saw an increase of 11.1%.

The Organisation for Economic Co-operation and Development (OECD) forecasts that Canada will have the lowest real GDP per capita growth among 38 advanced countries between 2020 and 2030, at an annual rate of just 0.7% (see Table 2). Canada also ranks last within the G7, tied with Italy, for the lowest anticipated growth rate over this same period. For comparison, US real GDP per capita is forecast to grow by 1.2%, 0.5 percentage points higher than Canada—a difference that is further amplified when compounded over the full decade.

Table 2: Real GDP per Capita Growth Forecast, OECD Rankings 2020-2030

Rank	Country	Growth
1	Turkey	3.1%
2	Estonia	2.9%
3	Latvia	2.8%
4	Lithuania	2.6%
5	Hungary	2.4%
6	Poland	2.4%
7	Costa Rica	2.0%
8	Ireland	2.0%
9	Czech Republic	1.9%
10	Korea	1.9%
11	Slovakia	1.8%
12	Colombia	1.6%
13	Portugal	1.6%
14	Slovenia	1.6%
15	Chile	1.4%
16	Greece	1.3%
17	Israel	1.3%
18	New Zealand	1.3%
19	United States	1.2%
20	Denmark	1.1%
21	Finland	1.1%
22	Iceland	1.1%
23	Mexico	1.1%
24	Spain	1.1%
25	Sweden	1.1%
26	Belgium	1.0%
27	Japan	1.0%
28	Australia	0.9%
29	France	0.9%
30	Luxembourg	0.9%
31	Netherlands	0.9%
32	Switzerland	0.9%
33	Austria	0.8%
34	Germany	0.8%
35	Norway	0.8%
36	United Kingdom	0.8%
37	Italy	0.7%
38	Canada	0.7%

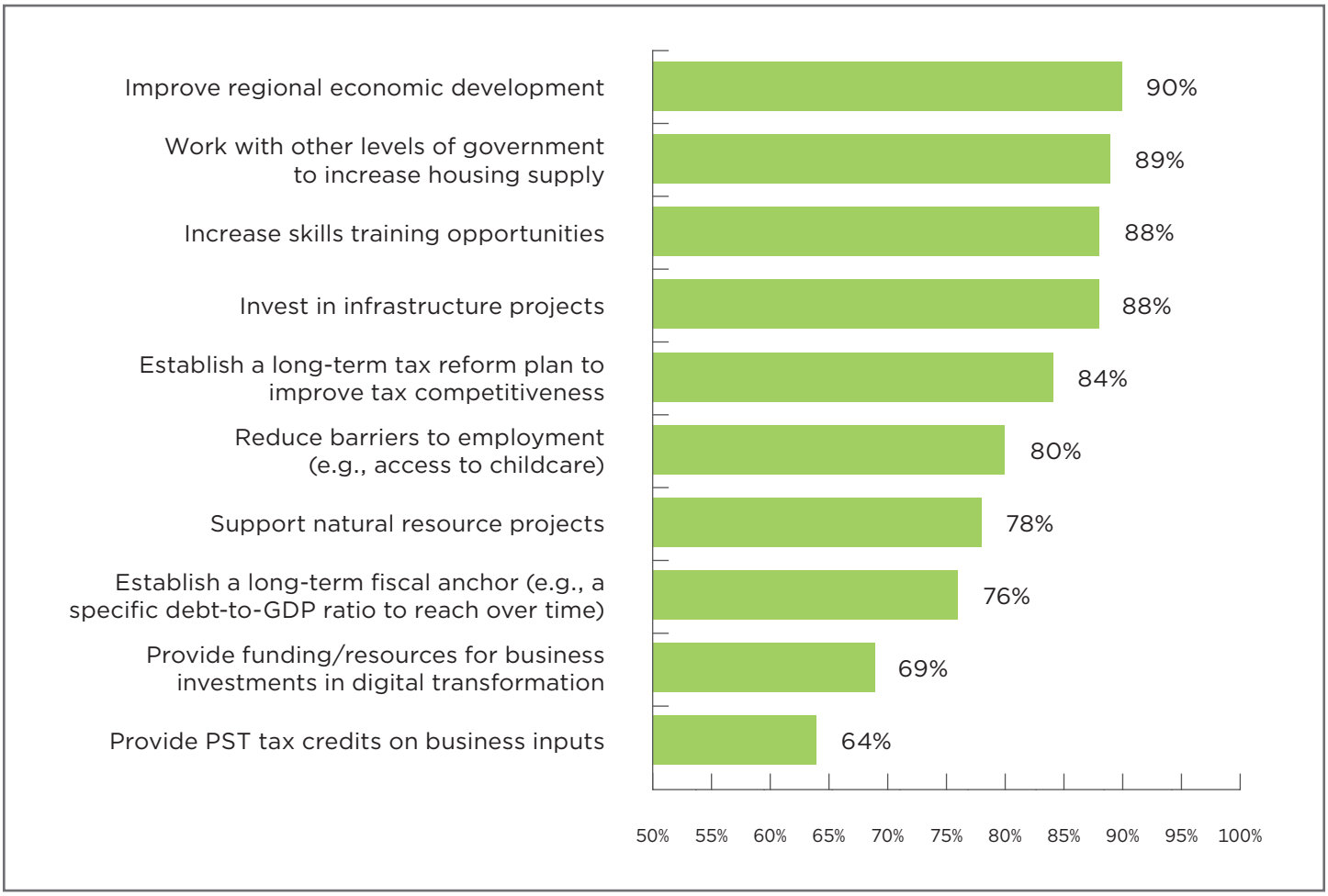
Source: OECD, *Economic Outlook*. G7 countries are highlighted in green.

The single biggest difference between Canada and the United States is the level of capital investment. Canada derives around 75% of its GDP growth from population growth,[9] a far greater proportion than is the case for the US. Turning things around could be difficult: With relatively higher interest rates, it may be challenging for Canadian organizations to adopt technologies or make investments that boost productivity.

Government priorities to improve economic outlook

With low productivity growth, falling GDP per capita, and a challenging economic landscape, all levels of government must prioritize policies to strengthen our economy. We need to focus on boosting private investment by improving the regulatory and tax regime, investing in public infrastructure to connect goods and services across the province, and increasing opportunities for skills training. Given the significant housing affordability crisis facing BC residents, we also need to increase housing supply, particularly to include more affordable units. All of these policies were recently identified by CPAs in BC as high-priority strategies to create the conditions that support economic growth and productivity (see Figure 6).

Figure 6: CPABC *BC Check-Up: Invest Survey:* Policies Identified as a "High Priority" to Improve BC's Economic Growth and Productivity



Source: CPABC *BC Check-Up: Invest* survey, December 2022, n = 704.

Going forward, CPABC will advance these ideas to government as part of a strategy to attract greater capital investment and improve the province's economic outlook. ■

Aaron Aerts is CPABC's economist.

[9] "Infographic: Immigration and Economic Growth," Government of Canada, accessed January 27, 2023.

Highlights from CPABC's BC Check-Up: Invest Survey

CPABC's *BC Check-Up* survey is conducted three times a year to measure members' perception of BC as a place in which to work, invest, and live. More than 700 CPABC members responded to the most recent survey, *BC Check-Up: Invest*, which was conducted in November and December 2022. We asked members for their thoughts on the economy and the investment climate, and here's what they told us:

ON BC'S ECONOMIC OUTLOOK:

- **27%** of respondents said they expect BC's economic performance to be "poor" in 2023, a seven percentage point increase compared to the results of the *BC Check-Up: Work* survey conducted in August 2022. However, **73%** said they expect the economy to be "average" or "good."
- **42%** anticipate a decline in regional capital investment in 2023, almost twice the number of respondents who expect to see an increase (**23%**). The balance (**35%**) expect it to remain the same.
- The top three challenges identified for BC businesses in 2023 were labour compensation (**81%**), the ability to attract labour (**80%**), and housing prices (**74%**). Notably, this is the first time labour compensation was ranked as the top concern.

ON THEIR ORGANIZATION'S OUTLOOK:

- **52%** of respondents said they're confident in their organization's economic prospects in 2023. Only **11%** expressed a lack of confidence.
- At the same time, however, **35%** of respondents said their confidence in their organization's prospects had dropped over the past year, while only **20%** said their confidence had increased.
- **89%** of senior CPAs expect their organization's operating expenses to increase in 2023, and **79%** of them expect to raise prices in 2023 to offset these increases.
- **39%** of senior CPAs think their organization's profits will decrease in 2023, while **23%** expect to see profits rise.
- **46%** of senior CPAs intend to increase technology investments in 2023. Only **6%** plan to invest less in technology this year.
- **33%** of senior CPAs plan to expand their workforce in 2023. Only **10%** expect to reduce their workforce.



SURVEY DEMOGRAPHICS

Who are they?
704 CPABC members

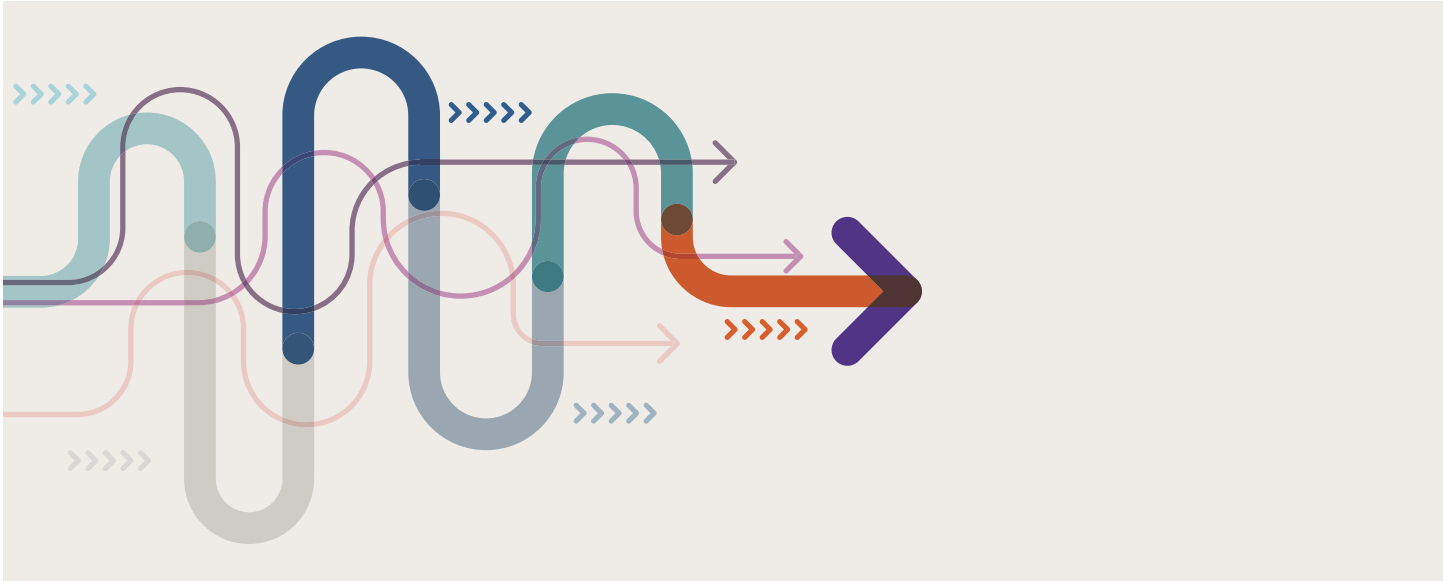
Where are they from?*
Mainland/Southwest BC: 66%
Vancouver Island/Coast: 16%
Thompson-Okanagan: 10%
Rest of BC: 6%
Outside of BC: 1%

**percentages do not sum to 100 due to rounding.*

CPABC commissioned Leger Marketing to conduct a web-based survey of CPA members about their impressions of the economy and their region. A total of 704 surveys were completed between November 29, 2022, and December 20, 2022, representing an overall response rate of 10%.

CPABC's Indigenous Strategy: Progress Update

By Lori Mathison, FCPA, FCGA, LLB



natrot/iStock/Getty Images

Since we first shared information about CPABC's Indigenous strategy in the January/February 2021 issue of *CPABC in Focus*,[1] we've made considerable progress on two of our medium-term goals: 1) to raise awareness among Indigenous students of the value of careers in business and finance, and of the value of the CPA designation; and 2) to work with Indigenous communities to demonstrate the value a CPA provides with regard to financial management capacity and overall nation building.

We set out a multi-phased approach in recognition that the journey toward our long-term goal—increasing the number of Indigenous students obtaining the CPA designation—would be complex. It's still early in this process, but we are pleased to have moved into a trusted partnership role.

When CPABC began this work there was only anecdotal information about the number of Indigenous CPAs in the profession. We now have more data. As of December 31, 2022, 286 members and 53 BC candidates in the CPA PEP program had self-identified as Indigenous. Respectively, these numbers represent just over 0.6% of the total membership and less than 1% of BC's total candidate population.

While more work must be done to attract Indigenous learners to the profession and the program, there are specific areas in which we've made progress over the past three years. What follows is an overview of these areas.

Research and consultation

To better understand the current environment and the needs of Indigenous members, candidates/students, and prospects, research was done at both the provincial and national levels.

Provincially, we conducted focus groups and one-on-one interviews with Indigenous members and found strong support for CPABC's Indigenous strategy. Indigenous members told us that CPABC should seek to increase awareness of the CPA designation and CPA careers, profile Indigenous role models, build talent pathways and mentorship opportunities, address barriers, and create Indigenous CPA communities.

Research conducted by CPA Canada focused on understanding the journey of Indigenous students when earning business and accounting credentials. CPA Canada also explored supports and mentorship models that could facilitate success for Indigenous students.

Collectively, the profession also held a workshop called "Barriers to Indigenous People Entering the Accounting Profession," which brought CPA Canada together with education leaders from provincial and regional CPA bodies (including CPABC and the CPA Western School of Business), Athabasca University, and various provincial chapters of the Aboriginal Financial Officers Association (AFOA). The output of this workshop formed the basis of recommendations that will guide the development of more inclusive Indigenous programming, after further vetting by Indigenous leaders from other organizations.

Moving forward, CPABC is working directly with Indigenous organizations such as AFOA BC, Métis Nation British Columbia (MNBC), and the First Nations Financial Management Board on many different initiatives to demonstrate the value of financial management capacity and to support Indigenous students. We're also shining a spotlight on Indigenous members through profiles.

[1] "CPABC's Indigenous Strategy: Building for a Stronger, More Inclusive Future," *CPABC in Focus*, Jan/Feb 2021 (28-35).

[2] "Increasing Indigenous Representation in the CPA Profession: CPABC Hosts Event to Discuss Pathways in Business," *CPABC in Focus*, Nov/Dec 2021 (6).

Lastly, CPABC has met with government staff and the Minister of Indigenous Relations and Reconciliation to advise them of our strategy and we have received positive feedback on our progress to date.

Activities, events, and initiatives

CPABC has also undertaken a variety of activities to connect directly with Indigenous youth and students and communicate the value of pursuing careers in business and finance.

As noted in the November/December 2021 issue of the magazine, CPABC took on a significant leadership role in designing and hosting a pilot event in October 2021 called the "Indigenous Gathering on Pathways in Business."[2] This event gave participants a chance to explore career pathways in an inclusive, informative, and multigenerational environment. All of the participating organizations agreed this was a positive and worthwhile event, and participants rated the event highly in a post-event survey. To build on this momentum, we held the event for a second time in November 2022, and it too received high praise from attendees and partnering organizations.

Also in 2022, CPABC was invited to be an exhibitor at the Cowichan First Nation Open House. Cowichan is the largest First Nation in BC, and it has undertaken a wide range of economic initiatives. This was an excellent opportunity to highlight our Indigenous strategy and our partnership with AFOA and the Certified Aboriginal Financial Manager program, and to promote the Indigenous Gathering on Pathways in Business event. We also exhibited at the staɬəw̓ pow-wow, a three-day event held at the Langley events centre, and served as one of the event's sponsors.

In January 2023, CPABC hosted a dinner at the University of British Columbia's Longhouse to facilitate knowledge sharing on careers in business, finance, and accounting for Indigenous students. The event took place in the Sty-Wet-Tan Great Hall.

CPABC staff members have been directly involved in these endeavours, and we've made a point of investing in staff education so that all CPABC staff can advance this awareness in the work they do with members and in their connections with Indigenous students. For example, we have CPABC staff members who provide career readiness workshops for Indigenous youth through Indigenous organizations.

Staff have also been involved in the delivery of financial literacy education. CPABC used existing modules in the CPA Financial Literacy Program to design two days of programming for MNBC career preparation programs. Presented by CPABC staff and volunteers, these sessions are now being offered to Friendship Centres and First Nations as well.

As many of our members also work with Indigenous communities, we are working to educate and inform them of our strategy and of the work CPABC is doing in support of this initiative. We've provided member education through our website at **bccpa.ca/about-cpabc/cpabc-indigenous-engagement** and through sessions offered at professional development conferences, and we are planning to expand our offerings. Additionally, CPA Canada has offered the course, "Introduction to Indigenous Peoples' Cultures," which provides insights, from an Indigenous perspective, on the history of First Nations, Métis, and Inuit Peoples and on the devastating effect of colonialism on Indigenous communities and economies. The course also explains how understanding the link between the two is critical to reconciliation.



CPABC's booth at the staɬəw̓ pow-wow in Langley.


The Sty-Wet-Tan Great Hall at UBC's Longhouse, where CPABC hosted a knowledge-sharing event in January.

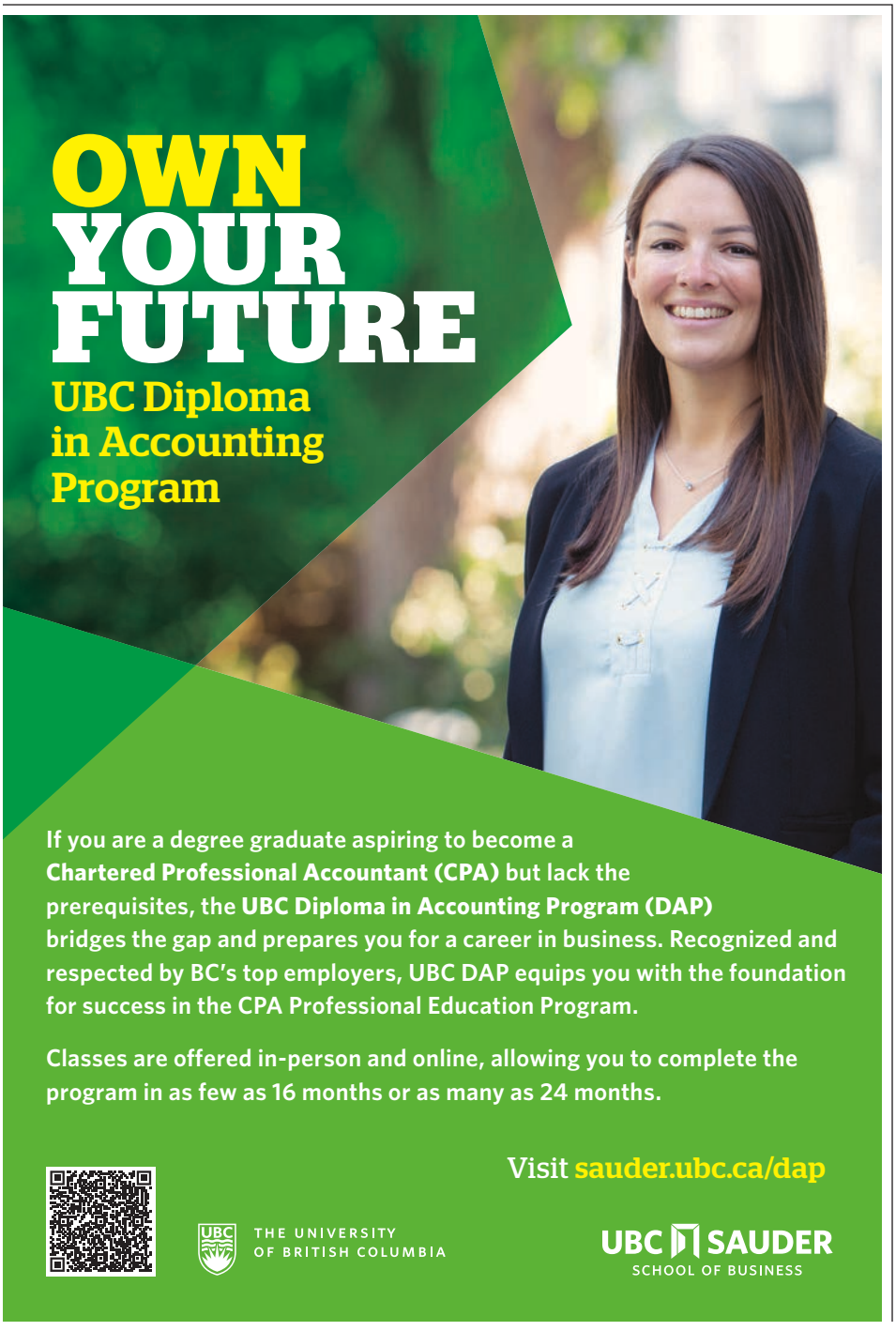
Want to get involved?

If you'd like to get involved with CPABC's Indigenous outreach initiatives or know of upcoming career events or opportunities for Indigenous students, contact us at **indigenous@bccpa.ca**.

Pre-certification education

Through research and interviews conducted by CPABC and CPA Canada, we've learned of the barriers faced by some Indigenous learners within the existing CPA program. CPABC representatives serve on the Certification 2.0 Steering Committee,[3] and one of the committee's goals is to make the new CPA program more accessible to Indigenous learners, among others, and to ensure that the new program incorporates Indigenous perspectives.

In addition, the CPA Western School of Business is currently partnering with AFOA Alberta to hold tailored offerings to meet the unique preferences and expectations of Indigenous learners and incorporate Indigenous culture and context in the program. You can learn more at **cpawsb.ca/empowering-indigenous-learners**.



How we're measuring progress

When CPABC began working on the Indigenous strategy, before being able to reach Indigenous students and communities we had to build trust and create relationships. This trust has been earned in part by the fact that our medium-term goals are not simply self-serving to the CPA profession. They are broader, incorporating business and finance, and are designed to contribute to financial management capacity and the nation building of Indigenous communities.

In evaluating CPABC's progress toward achieving its medium-term goals, we considered the framework set out in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the recommendations made by the Truth and Reconciliation Commission of Canada (TRC) in its *Calls to Action* (while the CPA profession is not specifically named in the *Calls to Action*, it certainly falls within the purview of Recommendation 92[4]).

We considered how the principles outlined in UNDRIP and the TRC's *Calls to Action* have shaped how CPABC interacts with Indigenous Peoples. We believe the initiatives we've undertaken over the past three years have enabled us to honour these principles while moving us significantly closer to the fulfilment of our medium-term goals.

We are very proud of the work that has been done so far, and of the reputation we've been able to establish for CPABC in this area. We will continue to contribute in a leadership capacity within the CPA profession as we implement our Indigenous strategy over the coming years. ■

[3] "Future-Proofing: Ensuring the Ongoing Attractiveness of the CPA Profession," *CPABC in Focus*, Jan/Feb 2023 (20-28).

[4] "A Call to Action: Business and Reconciliation," *CPABC in Focus*, Sept/Oct 2022 (31).

Crowe

Smart decisions. Lasting value.

Success Stories Start Here



Lana Lisak / Jack Morris / Aneesh Agrawal / Ashley Kidd / Niels Jensen / Nicole Kirubi / Sara Zacharias / Alvin Singh

Crowe MacKay LLP Welcomes
The New Partners of 2023

We are proud to announce our new Partners of 2023 and congratulate this exceptional group on the next chapter of their careers. Each individual exemplifies the skills and qualities that align with our corporate values, creating a strong foundation for our firm. Please join us in welcoming **Lana Lisak**, **Jack Morris**, **Aneesh Agrawal**, **Ashley Kidd**, **Niels Jensen**, **Nicole Kirubi**, **Sara Zacharias** and **Alvin Singh** to our Partnership.

Crowe MacKay LLP is a vibrant team of professionals providing innovative solutions and services to clients for over 50 years. We are a firm of diverse talent, delivering expert advice across a wide array of industries and organizations. Our team of trusted advisors value you and your community, and are committed to creating lasting value.

Connect with our Trusted Advisors 1 (844) 522 7693 / contactus@crowemackay.ca

Calgary | Edmonton | Kelowna | Surrey | Sunshine Coast | Vancouver | Whitehorse | Yellowknife

Audit / Tax / Advisory

crowemackay.ca

How Bias Can Affect Decision-Making

From CPABC's Professional Conduct Department



designer491/iStock/Getty Images

This article builds on concepts explored in "Objectivity is a Hallmark of the CPA Profession," published in the November/December 2019 issue of *CPABC in Focus*. It also draws from the discussion paper *Identifying and Mitigating Bias and Mis- and Disinformation*, published by CPA Canada in February 2022.

The *CPABC Code of Professional Conduct* (CPA Code) notes that objectivity is a fundamental ethical principle for our profession. The preamble to the CPA Code states: "Chartered Professional Accountants do not allow their professional or business judgment to be compromised by bias, conflict of interest or the undue influence of others."

To gauge objectivity, the CPA Code employs the following criterion: Would an educated, reasonable observer, armed with sufficient knowledge of the facts, conclude that an ethical situation or circumstance poses an unacceptable threat to a member's objectivity and professional judgment?

For CPAs, the key when making important decisions, especially when facing an ethical dilemma, is to gather and properly assess reliable and accurate information. If we don't gather information with due care and consideration, biases can enter into our decision-making.

Biases affecting decision-making

In February 2022, CPA Canada published the discussion paper *Identifying and Mitigating Bias and Mis- and Disinformation*—the third in a four-part series that explores ethical leadership in the modern era.[1] In addition to describing the ethical perils of misinformation and disinformation, the paper highlights the danger of cognitive bias (conscious or unconscious). It lists the following eight biases (as identified by the International Ethics Standards Board for Accountants) as posing threats to objectivity:

1. Anchoring bias

Anchoring bias is a phenomenon where people rely too heavily on the first pieces of information they receive when making decisions. Even if they're unreliable, these initial bits of information, or "anchors," can influence subsequent judgments about new or supplemental information. This can occur in negotiations as well—a 2001 study[2] found that the first party to make an offer in a two-party negotiation consistently achieved the most favourable outcome, regardless of whether they were offering to buy or sell, as simply making the first offer tended to "anchor" the negotiations in their favour.

2. Automation bias

As described in the CPA Canada discussion paper, automation bias is "a tendency to favour output generated from automated systems, even when human reasoning or contradictory information raises questions as to whether such output is reliable or fit for purpose."[3] As we increase our reliance on information generated from automated systems or machine learning, we need to consider the limitations in how that information was generated or gathered. As noted in the discussion paper, the creators of automated information systems could potentially apply their own biases to data sets, whether intentionally or not. So it is always appropriate to ask the question "Does this make common sense?" when assessing the results of information generated by automated systems.

3. Availability bias

Availability bias, also referred to as "recency bias," is the "tendency to place more weight on events or experiences that immediately come to mind or are more readily available than on those that are not."[4] It occurs when an individual relies only on recent or readily available information when making a decision rather than considering all relevant information. Consider, for example, an individual who makes an investment decision based on a breaking news story, even though they may not have the full picture.

4. Confirmation bias

Confirmation bias is the tendency to search for, interpret, favour, and recall information that confirms pre-existing beliefs or hypotheses, while giving less consideration to alternative possibilities and information.[5] It is perhaps the most insidious of biases, because it provides what every individual wants: validation. This can lead people to discount information that contradicts their beliefs and seek out only the information that supports their views, even if this information is neither factual nor objective. Confirmation bias also makes it difficult for people to change their minds, even when presented with new and convincing evidence.

5. Groupthink

Groupthink is the "tendency for a group of individuals to discourage individual creativity and responsibility and as a result reach a decision without critical reasoning or consideration of alternatives."[6] It occurs when the desire for harmony or conformity within a group is greater than the desire for independent thought. This is especially problematic if the group is insulated from outside perspectives and information. One infamous example of groupthink occurred at the Ford Motor Company in the 1950s, when the company designed and launched the Edsel, a new car model that was unusual looking, expensive to manufacture, and unreliable. Rather than paying attention to public opinion, the company relied solely on their own internal hype machine.[7] It was an expensive flop.

---

1 This series falls under the "Trust and Ethics" category of CPA Canada's Foresight initiative and can be accessed at **cpacanada.ca/en/foresight-initiative/trust-and-ethics/mindsets-professional-accountants**.

2 Adam Galinsky and Thomas Mussweller, "First Offers as Anchors: The Role of Perspective-Taking and Negotiator Focus," *Journal of Personality and Social Psychology*, October 2001.

3 CPA Canada (5).

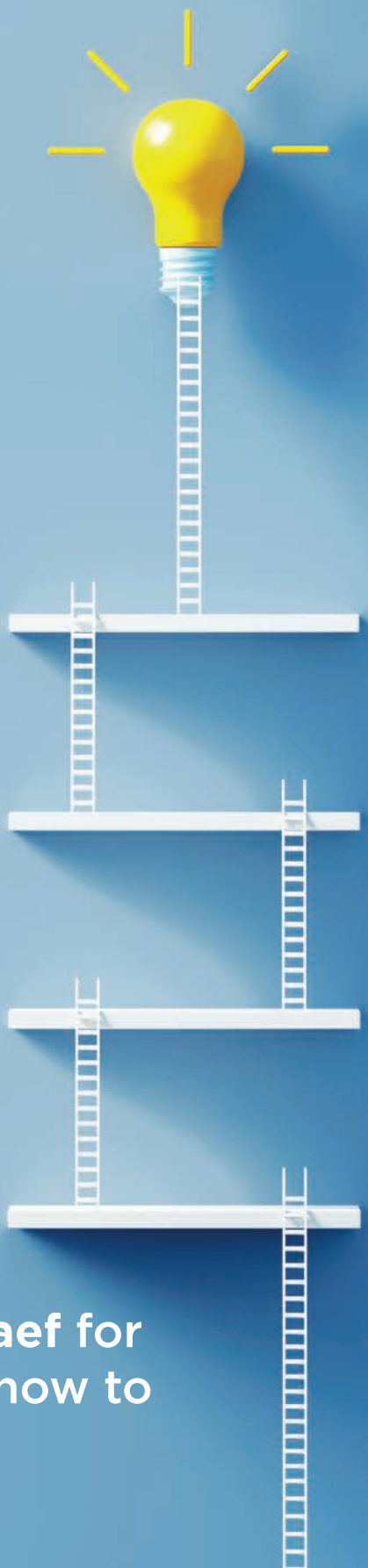
4 MasterClass, "Recency Bias Definition: How Recency Effect Impacts Decisions," **masterclass.com**, April 7, 2022.

5 Gordon Scott, "Confirmation Bias Definition," *Investopedia*, September 29, 2022. See also: Chu Xin Cheng, "Confirmation Bias in Investments," *International Journal of Economics and Finance*, vol. 11, no. 2, 2019.

6 CPA Canada (5). See also: Will Kenton, "What Is Groupthink? Definitions, Causes, and Characteristics," **investopedia.com**, December 5, 2022; and Fred C. Lunenberg, "Group Decision Making: Potential for Groupthink," *International Journal of Management, Business, and Administration*, vol. 13, no. 1, 2010.

7 Richard Feloni, "4 Lessons from the Failure of the Ford Edsel, One of Bill Gates' Favorite Case Studies," **insider.com**, September 5, 2015.

Support the advancement of accounting education



Visit **bccpa.ca/cpaef** for details, including how to donate.

CPA CHARTERED PROFESSIONAL ACCOUNTANTS BRITISH COLUMBIA

6. Overconfidence bias

The Edsel story (see #5) is also an example of overconfidence bias, which occurs when a decision-maker is too confident in their own abilities or in the accuracy of their own predictions to consider the potential for error or ambiguity.[8] Overconfidence can lead individuals to make decisions that are ill-informed or based on flawed assumptions. It can also lead to tunnel vision.

7. Representation bias

Representation bias, sometimes referred to as "sample selection bias," is "a tendency to base an understanding on a pattern of experiences, events or beliefs that is assumed to be representative."[9] Consider, for example, if individuals assume that a sample of data accurately reflects the population, but certain groups or individuals are actually underrepresented or overrepresented.[10] This kind of bias can lead to inaccurate conclusions or generalizations, and it can also lead to the development of policies, practices, and tools that are neither effective nor inclusive.

8. Selective perception

Selective perception is the "tendency for a person's expectations to influence how the person views a particular matter or person."[11] This can happen unintentionally when an individual notices and pays greater attention to information that confirms their pre-existing beliefs or attitudes, or intentionally, when an individual chooses to ignore information that contradicts their beliefs. In essence, this is a form of confirmation bias.

[8] MasterClass, "What Is Over Confidence Bias? 3 Types of Overconfidence Bias," **masterclass.com**, June 2, 2022.

[9] CPA Canada (5).

[10] Mary Reagan, "Understanding Bias and Fairness in AI Systems," *Towards Data Science*, March 24, 2021.

[11] CPA Canada (6).

Suggested approach to meeting professional obligations

CPA Canada has suggested a layered approach to decision-making when meeting professional obligations. These layers are:

1. Taking care to produce information that is accurate, objective, and unbiased;
2. Ensuring that information is reliable;
3. Not passing along misinformation and disinformation; and
4. Proactively countering bias and misinformation and disinformation.

In an upcoming issue of *CPABC in Focus*, we'll explore the perils of misinformation and disinformation in greater depth and describe how to apply each of these four aforementioned layers to relevant situations.

Do you need guidance?

The guidance in the CPA Code is designed to help you understand how the rules should be applied. CPABC's professional standards advisors are also here to help. You can consult them for confidential guidance to ensure that you stay compliant with the CPA Code and the *CPABC Bylaws* when navigating difficult situations. Contact our professional standards advisors by email at **professionaladvisory@bccpa.ca**, or call them toll-free at 1-800-663-2677. ■



Master Your Cross-Border Tax Strategy

Get customized tax advice and practical solutions for all sides of the cross-border puzzle.

Talk to Andersen in Canada, the best-in-class cross-border tax professionals.

1.855.448.0200 Toll-free | ca.Andersen.com
Vancouver | Calgary | Edmonton | Montréal

ANDERSEN



Jessica Metcalfe is an award-winning international speaker, bestselling author, and an expert on self-intelligence. Her practice as a strategic leadership and workplace culture consultant is informed by her work with other high achievers and businesses, her own mental health journey, her background as a dental oncologist, and her experience as an education director for a world-renowned cancer centre. For more from Jessica, see "The Question Women CPAs Should Stop Asking in 2023," published in the CPABC Newsroom on January 11, 2023.

Breaking the Cycle of Perfectionism

By Dr. Jessica Metcalfe



WoodenheadWorld/E+/Getty Images

You're no doubt familiar with the concepts of impostor syndrome and burnout. Across many different professions, these concepts have become buzzwords for a reason—they resonate. What often doesn't get discussed, however, is how these two phenomena are, in fact, linked.

Impostor syndrome, at its root, is a feeling of self-doubt coupled with a fear of being found out. It has been studied extensively since 1978, when the term was first coined, and research has consistently found that women—and particularly women of colour—tend to be the most intensely affected by it and for longer periods of time.[1,2,3]

This doesn't mean they're the *only* people who experience it, of course. Impostor syndrome is essentially a form of negative self-talk, which most people have experienced in some form or another. This is why in my coaching work I choose to teach and unpack not just impostor syndrome, but also what I like to call the "High-Achiever-with-the-loud-inner-Critic" (or "HAC") cycle.

1 P.R. Clance and S.A. Imes, "The Impostor Phenomenon in High Achieving Women: Dynamics and Therapeutic Intervention," *Psychotherapy: Theory, Research & Practice*, 1978, vol. 15, no. 3 (241-247).

2 Jaruwan Sakulku and James Alexander, "The Impostor Phenomenon," *International Journal of Behavioral Science*, 2011, vol. 6, no. 1 (73-92).

3 Basima A. Tewfik, "The Impostor Phenomenon Revisited: Examining the Relationship Between Workplace Impostor Thoughts and Interpersonal Effectiveness at Work," *Academy of Management Journal*, June 1, 2022, vol. 65, no. 3.

> "... the drive for perfection can have a ripple effect, creating a pattern of overwork that can cause you to spread yourself too thin."

I modified and adapted the HAC cycle from concepts described in the book *The Imposter Cure* by Dr. Jessamy Hibberd[4] and from my own years of study on impostor syndrome and burnout among high achievers.

At its most basic, the HAC cycle starts out with a nondescript, seemingly harmless statement like, "I don't know." This statement can create discomfort in your body without you even realizing it, and this discomfort can ultimately activate your inner critic to start using destructive phrases like "I'm not good enough" or "Why did I think I could do that?" Left unchecked, your inner critic may play these demoralizing phrases on repeat.

The inner critic of a high achiever typically drives a desire for perfection, because when things (or people) are "perfect," the high achiever believes they have finally succeeded. If you're a high achiever, you know that the drive for perfection can have a ripple effect, creating a pattern of overwork that can cause you to spread yourself too thin, say "yes" to too many projects, sacrifice sleep, and/or work at a pace that's unsustainable.

What's more—even when high achievers with loud inner critics are successful, the *feeling* of success doesn't last long. These individuals typically move quickly to the next goal or item on their checklist, and they often discount what they've just accomplished. Does this resonate with you? Or maybe you've seen this behaviour in others, whether at work or at home? This tendency to underestimate or undervalue achievements completes the HAC cycle and closes the circle of negative self-talk.

[4] Dr. Jessamy Hibberd, *The Imposter Cure: How to Stop Feeling Like a Fraud and Escape the Mind-Trap of Imposter Syndrome*, Aster: 2019.

D&H GROUP LLP WELCOMES A NEW PARTNER



NANCY LUM

Nancy works closely with our clients to assist them in a wide range of income tax matters including personal and corporate income tax planning, business succession planning, non-residents carrying on business in Canada, purchasing and selling a business, and dealing with income tax authorities on objections to income tax assessments.

D&H

D&H Group LLP
Chartered Professional Accountants
10th Floor, 1333 West Broadway
Vancouver, BC V6H 4C1

dhgroup.ca
t 604.731.5881
f 604.731.9923

D&H Group LLP is a Vancouver-based firm of Chartered Professional Accountants who have, since our partnership was formed over 60 years ago, set a standard of excellence that is recognized across the industry. D&H Group LLP offers our clients, whether privately held businesses, First Nations organizations, or not-for-profit enterprises, a unique combination of industry leading insight and expertise in tax and accounting combined with highly appreciated levels of personal service and attention.

> Burnout is a combination of exhaustion, mental distance, and dissatisfaction with self—specifically, the feeling that you haven't achieved enough. That's where impostor syndrome comes in, creating a toxic combination.

Glossing over successes also makes it easy for any high achiever to use the same nondescript language to start the HAC cycle the next time a challenge or transitional period presents itself. Every rotation you take around the HAC cycle causes psychological distress, bringing you closer and closer to burnout.

Many people know what burnout *feels* like, but what is it, really? Researchers have separated burnout into three categories: 1) exhaustion, which may be emotional, mental, physical, and/or spiritual; 2) mental distance, which includes cynicism, irritability, and detachment; and 3) the feeling of a lack of personal accomplishment.[5,6]

This third category is where impostor syndrome can insert itself. If you consistently tear yourself down, diminish your confidence, or convince yourself that you need to keep proving your worth, you can stay stuck repeating the same patterns over and over again.

Breaking these patterns requires introspection, because if you don't look for answers inside yourself, you'll likely place the blame solely on external factors, like your job, your work culture, or even your family. This was a piece of "the Great Resignation" puzzle during the pandemic—COVID-19 gave individuals more opportunity to reflect, and many switched jobs in the hopes of finding something better.[7] Here's the thing: Job jumping won't fix the problem if the problem is internal to you. The honeymoon phase will pass, and old patterns will re-emerge. And without introspection, the high achiever might again assume the environment is to blame and set about finding yet another new job.

[5] Christina Maslach, *Burnout: The Cost of Caring*, Prentice-Hall Press: New York: 1982.

[6] World Health Organization, "Burn-Out an 'Occupational Phenomenon': International Classification of Diseases," news item, **who.int/news**, May 28, 2019.

[7] Edward Segal, "Predicting How, When or If 'The Great Resignation' Will End," **forbes.com**, February 20, 2022.

[8] Lauri Nummenmaa, Enrico Glerean, Ritta Hari, and Jari K. Hietanen, "Bodily Maps of Emotions," *Proceedings of the National Academy of Sciences*, January 14, 2014, vol. 111, no. 2 (646-651).

[9] Arno van Dam, "A Clinical Perspective on Burnout: Diagnosis, Classification, and Treatment of Clinical Burnout," *European Journal of Work and Organizational Psychology*, 2021, vol. 30, issue 5 (732-741).

Since "introspection" is a vague and broad term, I've created six checkpoints to help make it more tangible. These checkpoints are designed to help you "HACk" the HAC cycle:

1. **Do a body check –** A study done in 2014 that asked participants to "body map" their emotions confirmed the correlation between emotional feelings and bodily sensations.[8] For example, emotions like anxiousness caused parts of the body to become activated, similar to "butterflies in the stomach" or a hot sweat, while emotions like sadness caused parts of the body to lose sensation, more so in the legs and arms. Doing a body check is a way to identify when physical discomfort is being caused by uncomfortable emotions—once you recognize the correlation, you can address the root cause of your distress. Doing regular body checks will also help you recognize that these kinds of physical sensations—although uncomfortable—aren't actually going to hurt you.

2. **Reframe your inner critic –** Just because your inner critic says something doesn't make it accurate or true. Start to activate your inner cheerleader by reframing what your inner critic is saying. For example, reframe "I learn more slowly than the rest of my new team at work" to something like "I can take my time and learn my new role at the pace that works for me until I become more proficient." These reframes are longer because your inner critic will always seek proof that you are capable before it backs off.

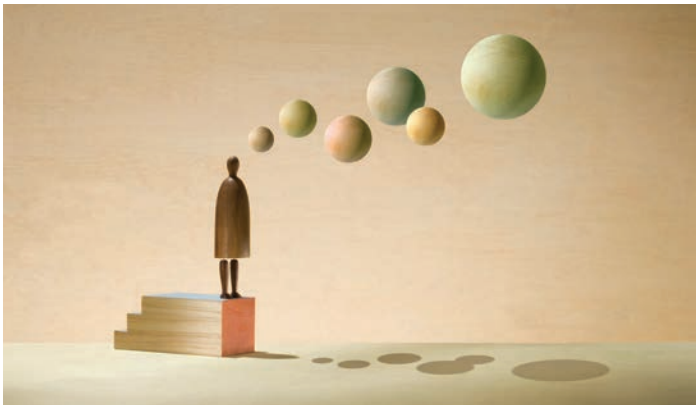
3. **Reset your expectations –** This is hard for the high-achieving perfectionist, but it's so important. You can still set big, lofty personal and professional goals, but you have to remind yourself of all the small steps in between, even if some of those steps involve failure. If you pitch an idea that doesn't go over well, that doesn't mean you should never pitch an idea again or that all of your ideas are bad—it just means that this one wasn't *the* one. Failure shouldn't change your overall goal. Give yourself permission to grow and learn outside of the perfection box.

4. **Block out time –** This helps prevent burnout. There will always be something important to do, but you should be the one who determines what your priorities are and how you truly want to spend your time. It's easy to say that everything is urgent, but that really isn't true, and the moment you realize this, you give yourself time back. When you do decide what is urgent, try dedicating a shorter amount of time to it than you would normally. If you're a perfectionist, you may spend more time on priorities than necessary in your quest to get things "just right," so experiment with different lengths of time for different tasks. Schedule this time into your calendar and stick to it. This even includes blocking out time to prioritize your health, your sleep, your eating habits, and your time with loved ones. Remember, time is finite—once gone, you can't get it back, so choose wisely where you want to spend that time.

5. **Acknowledge your successes –** This one is a favourite of mine. It helps you build your confidence by acknowledging your successes, regardless of whether they're big accomplishments or small ones. Start talking about the jobs or projects you've completed and are proud of—it isn't bragging, it's reminding yourself what you're capable of. You can even create an alternative resumé and add to it over time. You can then use this resumé to provide the evidence needed when reframing your inner critic (see checkpoint #2).

6. **Prep for the initial thought –** This is similar to reframing but is the hardest of all the checkpoints. Sometimes even after all the work we do to unravel negative patterns, we can't always prevent that initial bit of intrusive self-doubt or self-criticism from occurring. However, we *can* choose how we react to it. We can also prepare for it by knowing our triggers. For example, if you know that an email from someone often activates negative self-talk, prepare yourself for an intrusive thought before you even open the email. Give yourself permission to see the thought for what it is—part of the HAC cycle—rather than accepting it as truth. Don't allow this kind of thinking, or any accompanying bodily sensations of discomfort, to silence your inner cheerleader.

Once you've done your introspection, you may still feel burned out. That's not unusual—after the inner work comes the outer work. Now is the time to assess your environment to determine what's no longer working. There are different types of burnout, including workplace burnout, parental burnout, relationship burnout, and caregiver burnout. Assess all the areas of your life and determine if something needs to change, and then recognize that change will take time and won't happen overnight. In fact, in the case of more severe burnout, it can take two to four years to fully recover,[9] but that's okay—the day you decide to start your introspection is the day you start to change what's no longer working for you. ■



WoodenheadWorld/E+/Getty Images



Owning Canadian Residential Real Estate – Recent Federal and BC Developments

By Janice Hutchison, CPA, CGA, and Aurash Yazdgerdian, CPA



Janice Hutchison is a senior tax manager with DMCL's Canadian tax group in Vancouver, where she advises private enterprises and their shareholders on a broad range of Canadian tax matters.



Aurash Yazdgerdian is a tax manager with DMCL, where he specializes in Canadian personal and corporate tax compliance and planning.



Techa Tungateja/iStock/Getty Images

The new year brought more changes to the residential housing tax landscape, as the federal government introduced measures to mitigate the negative impacts of speculative investing, low supply, and tax avoidance. This article summarizes the new federal measures and provides a refresher on some existing federal and provincial measures applicable to residential real estate owners.

Federal measures

New: Two-year prohibition on non-Canadians purchasing residential property

Effective January 1, 2023, the *Prohibition on the Purchase of Residential Property by Non-Canadians Act* (the Act) came into force. It prohibits non-Canadians[1] from purchasing, directly or indirectly, a residential property[2] located in a census agglomeration or census metropolitan area in Canada for a period of two years. The Act may unintentionally catch certain commercial transactions with look-through rules,[3] and it may catch land that does not have a "habitable dwelling" if the land is zoned for residential or mixed use.

Exceptions include the following:

- If the purchase and sale agreement was made prior to January 1, 2023;
- If the purchase is a transfer from a trust that was created before January 1, 2023;
- If non-Canadian individuals jointly purchase residential property after January 1, 2023, with their spouse or common-law partner and their spouse or common-law partner is a Canadian citizen, a permanent resident, a temporary resident or refugee (certain categories only), or a person registered as an Indian under the *Indian Act*; and
- If an individual acquires an interest or right from a death, divorce, or separation, or as a gift.

Violations of the Act can result in a fine of up to $10,000 for each non-Canadian and other person who knowingly assists, directly or indirectly, in purchasing the property. Additionally, the government may ask for a court-ordered sale.

[1] This encompasses individuals, corporations, and other entities.

[2] A residential property may be a detached house, a duplex, a townhome, a condominium, etc.

[3] For example, not exempted are Canadian corporations, partnerships, and trusts (including REITs) with a very low threshold of 3% or more direct/indirect equity or votes held by non-Canadians. This catches more than entities controlled by a foreign person/corporation.



The enhanced trust reporting rules require most trusts to disclose extensive details about trustees, beneficiaries, settlors, and protectors to the CRA.

New: Residential property flipping rule

Effective January 1, 2023, a new tax rule applies to gains from flipping Canadian residential property (including rental property and rights, such as pre-construction contracts).

Historically the onus has been on the Canada Revenue Agency (CRA) to identify and audit taxpayers and factually determine whether a real estate sale results in a capital gain or business income. Generally, the CRA and the courts have held that the gain is business income if the property was sold within two years, unless the seller's circumstances changed after the purchase.

The "anti-flipping" rule in the new subsection 12(12) of the *Income Tax Act* is intended to be a bright-line test that deems a taxpayer to be carrying on business with respect to a flipped property, and the property to be business inventory, if:

- The property is sold for a profit and owned for less than 365 consecutive days (or the right to buy is assigned within 365 days); and
- None of the available exceptions apply.[4]

Effectively, this rule encourages tax preparers to report any profit on the sale of residential property held for less than 365 days as business income[5] and not as a capital gain to reduce the risk of a section 163.2 third-party penalty. Additionally, it prevents the taxpayer from claiming the principal residence exemption, and it prevents any loss on the sale from being categorized as a business loss.

[4] There are exceptions for property held less than 365 days where significant household changes are involved, such as a birth, the care of an elderly parent, a death, a marriage breakdown, a serious illness, or a job transfer.

[5] This may allow interest expense, property tax, and condo fees to be claimed.

[6] For pre-construction contracts, the Department of Finance Canada announced on November 4, 2022, that the 12-month clock would reset when the taxpayer secures ownership.

[7] NR4: Non-Resident Tax Withholding, Remitting, and Reporting.

[8] NR6: Undertaking to File an Income Tax Return by a Non-Resident Receiving Rent from Real or Immovable Property or Receiving a Timber Royalty.

The new rule prompts a number of questions. For example, will taxpayers and auditors be encouraged to conclude that owning a property for more than 365 days constitutes a capital gain even if the purchase was a speculative investment? When does the clock start for 365 days? What about new builds or pre-construction contracts?[6] The bottom line is that we still need to rely on case law and the CRA's assessment policy for guidance on interpreting this new rule.

New: Bare trust reporting obligations under the enhanced trust reporting rules

Effective for tax years ending after December 30, 2023, trustee(s) of a bare trust (a trust acting as an agent for its beneficiaries) will also have to file a *T3 Trust Income Tax and Information Return* under the enhanced trust reporting rules.

The new rules require most trusts to disclose extensive details to the CRA, such as the full name, address, date of birth, jurisdiction of residence, and tax identification number of all trustees, beneficiaries, settlors, and protectors. Non-compliance will result in penalties of $25 per day, up to a maximum of $2,500. Gross negligence or intentional non-compliance penalties start at $2,500 and could amount to 5% of the maximum value of trust property held during the taxation year.

Existing: Tax obligations for non-residents owning Canadian real estate

Renting Canadian real estate

Persons paying rent to the credit of a non-resident of Canada are required to:

- Withhold and remit 25% from the gross rent payment to the CRA on or before the 15th day of the month following the month the rental income is paid or credited to the non-resident; and
- File an NR4[7] return by March 31 for rent paid and withholding tax for the previous calendar year.

The withholding is a final tax. However, the non-resident may elect to file a Canadian section 216 tax return and pay Canadian tax on the net profit from the rental operation. Alternatively, if the non-resident landlord appoints a Canadian agent and files an NR6 form[8] with the CRA before the start of a calendar year:

- The person paying rent is not required to withhold and remit 25% tax to the CRA;
- The Canadian agent must remit 25% of the expected net rental income from the property to the CRA; and
- The non-resident must file a Canadian tax return within six months of the end of the calendar year to report the actual net rental income from the property.

Selling Canadian real estate

A person who purchases Canadian real estate from a non-resident of Canada is required to withhold between 25% and 50% tax from the payment of the purchase price, and remit it to the CRA within 30 days of the end of the month in which the property was acquired.

However, the non-resident vendor can apply to the CRA for a certificate of compliance to calculate the withholding tax on the gain (and recapture) rather than on gross proceeds. If the CRA accepts the application and the vendor provides the purchaser with a copy of the certificate of compliance before closing, the withholding tax that the purchaser is required to withhold and remit is reduced.

A non-resident who disposes of Canadian real estate but did not apply for a certificate of compliance must notify the CRA within 10 days of the disposition. Failure to do so is an offence under the *Income Tax Act*.

The non-resident vendor may file a Canadian income tax return to report the disposition to recover some of the withholding taxes paid as an instalment.



Techa Tungateja/iStock/Getty Images



Provincial measures

Existing: Additional BC property transfer tax

In addition to the regular property transfer tax (PTT) that purchasers must pay on title transfers of BC real estate,[9] there is an additional 20% PTT that a foreign national, foreign corporation, or taxable trustee[10] must pay when purchasing residential real estate within specified areas of BC,[11] based on their proportionate share of the residential property's fair market value.

Existing: BC Speculation and Vacancy Tax

The BC Speculation and Vacancy Tax was implemented in 2018 to encourage more residential rental supply and discourage housing speculation. It applies to residential properties situated in designated taxable regions, and as of January 1, 2023, its scope has been expanded to include the municipalities of North Cowichan, Duncan, Ladysmith, Lake Cowichan, Lions Bay, and Squamish.[12]

At December 31, all owners on title (including each spouse or common-law partner) must file a declaration, which is due March 31 of the following year. Any 2022 tax is due July 2, 2023. It is levied at a rate of:

- 0.5% for Canadian citizens and permanent residents, excluding members of a "satellite family" (a satellite family is generally one in which more than half of the family income is neither reported nor taxed in Canada); and
- 2.0% for a foreign owner or member of a satellite family.

Failure to pay the BC Speculation and Vacancy Tax may result in a 10% penalty of the unpaid tax. Failure to file a declaration may result in a penalty of up to $2,500. A false declaration and an attempt to evade the tax may result in fines of up to $100,000 and/or a 10-year minimum prison term.

There are some common exemptions for a particular year, including if:

- The property is the owner's principal residence;
- The property is rented long term (a minimum of six months) in increments of at least 30 consecutive days. Further, if the renter is a non-arm's length tenant of a foreign owner,[13] the tenant must be a Canadian citizen or permanent resident and their reported BC income for that particular year must be at least three times the annual fair market value rent for the entire property;
- The property was acquired in that year[14]; and
- The property is under development without undue delay.

For a complete list of exemptions, consult the BC government website at **gov.bc.ca**.

A lot to consider

Owners of residential real estate in BC may also need to consider the federal Underused Housing Tax,[15] which was introduced in 2022, and the Vancouver Empty Homes Tax, which was introduced in 2017. Collectively, the various federal, provincial, and municipal measures create a complex network of rules for property owners and their tax preparers. We advise everyone to tread carefully. ■

9 The regular PTT is 1% on the first $200,000, 2% on the amount between $200,000 and $2,000,000, 3% on the amount between $2,000,000 and $3,000,000, and 5% on the remaining fair market value

10 A taxable trustee could be a foreign national or foreign corporation holding title in trust for beneficiaries; or a Canadian citizen or permanent resident, if a beneficiary of the trust is a foreign national or foreign corporation and that beneficiary holds a beneficial interest in the trust's residential property.

11 For detailed maps, see **gov.bc.ca**.

12 Ibid.

13 An owner (i) who is not a Canadian citizen or permanent resident or (ii) whose global income (combined with that of their spouse or common-law partner) for the preceding year exceeds their income (combined with that of their spouse or common-law partner) reported to the CRA.

14 If PTT was paid or the property was exempt from PTT.

15 For more on this topic, see "A Look at the Federal Underused Housing Tax" by Nadeen Sakic, CPA, in the January/February 2023 issue of *CPABC in Focus* (52-54).

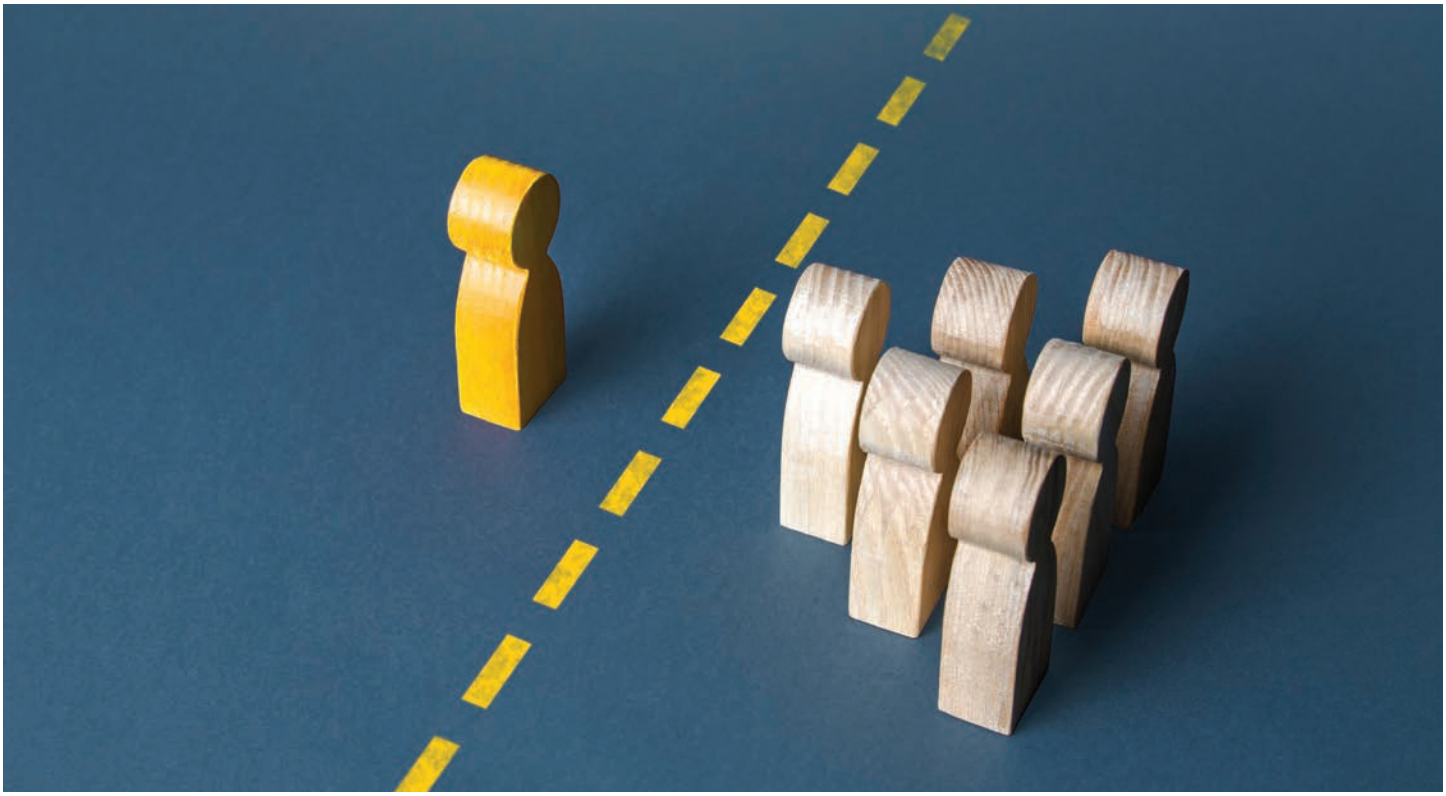



Canada's premier tax law firm.
Working together, we share an uncompromising commitment to excellence in everything we do.
THORSTEINSSONS LLP TAX LAWYERS
thor.ca

PD EXPERTS

Overcoming Communication Barriers

By Sharon Edwards



Andrii Yalanskyi/iStock/Getty Images

Effective communication instils confidence, demonstrates leadership, and builds trust. If you're looking to strengthen your skills in this area, be sure to check out CPABC's podcast "Communicating with influence" with presentation skills coach Sharon Edwards, part of our Coffee Chats with CPABC podcast series. In the interview, as in this article, Edwards shares helpful advice on how to communicate more effectively.

Sharon Edwards is an experienced presentation coach, facilitator, and writer who has helped many people overcome their personal barriers to communicate effectively and strengthen their confidence, presence, and influence. A recurring instructor for CPABC's PD Program, she most recently taught the live webinar "Communicating with Influence" on February 21 and 22, 2023.

When it comes to effective communication, being present is key. But that's easier said than done, because being present means being a good listener, which is where many people struggle.

Being a good listener is hard for a few reasons. For one thing, we think at a faster rate than we speak, which is why it can be difficult to focus when someone else is talking. We may find the wait to speak (which is often mere seconds) frustrating and begin rehearsing our response instead of paying attention. We may assume that we know everything the other person is going to say and zone out mentally. Or we may be tempted to multitask during conversations, openly using our smartphones or other devices.

But if the goal is to get good information, find a solution, or avoid having the same conversation over and over, then distractedness is the enemy. We can't be fully present and actively listening if our focus is split. And when we don't give people the opportunity to finish their thoughts, with our full attention, we risk missing vital information or making false assumptions that waste everyone's time. We also risk missing cues from body language and tone of voice.

Are you fully present? Are limiting beliefs holding you back? Do you know what drives your audience?

Personal belief systems can also hinder communication. These belief systems are influenced by a number of factors, including culture, background, and even birth order. For example, if you're the youngest among your siblings, perhaps you had to scream the loudest to be heard; if you're the oldest, maybe you were always "right" and your siblings rarely challenged you. How does this personal history affect your professional communication style? If you're the youngest, maybe you tend to speak over other people; if you're the oldest, maybe you're not great at receiving feedback.

Over the years, I've seen the power of deep-seated belief systems many times. As one example, I had a client who faced a big challenge when presenting company strategies at investor relations roadshows—nobody could hear him! He was the head of a multimillion-dollar corporation, but his quiet speaking voice led people to assume that he either lacked confidence or didn't believe what he was saying. When coaching him to speak louder didn't seem to help, I dug deeper by asking what messaging he'd received as a child. He told me he'd been raised to stay humble and never brag. Uncovering this belief system helped my client remove a barrier that had prevented him from truly making himself heard. He was then able to stand up in front of people and confidently explain why his company was worth investing in.

Now I always try to figure out what's driving someone's insecurity, nervousness, or anxiety before we start working on their communication skills. In my experience, identifying these beliefs and getting them off the table once and for all relieves a lot of pressure. And once people realize they can change their thinking, they're able to quickly improve their skills.

Being present and unravelling limiting beliefs are internally focused practices. Another practice that's key to effective communication is externally focused: understanding what drives your audience. Are they motivated to make money? Are they driven to innovate? Do they have a big deadline looming? Are they concerned about their financial future? What's their "currency"?

I find that experts often try to impart a lot of information without first identifying their audience's motivations and needs. This can waste time, money, and energy. When you start by determining what drives your audience, whether your audience consists of one person or hundreds, you can connect the dots between their currency and your content. This, in turn, can help ensure that your message not only gets through, but also resonates. Then you can start talking about solutions or strategy.

I call this *meeting people where they are*. When we do this, our expertise and influence can truly shine. ■

Save the Dates: Upcoming In-Person and Online Virtual Nexus Days

PD Nexus: Business & Leadership Insights

In Person: Hyatt Regency | July 11, 2023

EMBRACING THE NOW

The past three years have been unpredictable, and there are many new challenges on the horizon. This conference will help you "embrace the now" of this uncertainty by offering three streams of sessions on timely topics relevant to your current work environment.



Cecilie_Arcurs/E+/Getty Images

PD Nexus: Information Technology Insights

Online Virtual | July 25-26, 2023

KEEPING YOUR EDGE

This annual conference is designed for accountants who need to stay on top of technological advancements and decide which applications are worth their while. Participants will explore technologies that can help workers manage their hefty workloads.



fizkes/iStock/Getty Images

Visit us at **pd.bccpa.ca/conferences/pd-nexus-days** for up-to-date information on Nexus sessions and speakers.

PD PROGRAM HIGHLIGHTS

Back by Popular Demand! Don't Miss Out on These Two Certificate Programs

Certificate programs give participants the chance to learn in-depth information about a variety of important business subjects. Participants receive a certificate of completion after they've attended and successfully completed all required seminars.

CPA Firm Manager Leadership Skills Certificate Program

Wednesdays (2-4 pm), June 28-August 16



Created specifically for new managers working for CPA firms, this eight-part certificate program focuses on honing the abilities required to successfully manage teams. This insightful training program will help you build and strengthen the productivity and communication skills that are essential for people managers.

Module 1 – Leading teams in a hybrid work environment
Module 2 – Project management tools and techniques
Module 3 – Managing your managers and partners
Module 4 – Providing effective feedback to your staff
Module 5 – Business development and networking
Module 6 – Creative problem-solving for managers
Module 7 – Time-management tools
Module 8 – Professional ethics for managers

Details

- Eight weekly two-hour virtual sessions
- All modules will be recorded and made available on demand for a limited time for registered attendees
- Four hours of self-study assignments (total)

Virtual Presentation Design & Delivery Certificate Program

Thursdays (2-4 pm), July 6-August 10



Both images: courtneyk/E+/Getty Images

Many of the high-stakes virtual presentations delivered today fall short when it comes to purpose, engagement, and professionalism. It's not enough to take an in-person presentation and apply it to a virtual setting—designing and delivering effective virtual presentations requires a separate set of skills. This six-part certificate program will help you build these skills.

Module 1 – Virtual presentation basics
Module 2 – Technical requirements for virtual presentations
Module 3 – Instructional design for virtual presentations (Part 1)
Module 4 – Instructional design for virtual presentations (Part 2)
Module 5 – Virtual presentation delivery skills (Part 1)
Module 6 – Virtual presentation delivery skills (Part 2)

Special Features

- Six weekly two-hour virtual sessions
- Modules 1 through 5 will be recorded and made available on demand for a limited time for registered attendees
- Six hours of self-study assignments (total)
- One hour of one-on-one coaching
- Evaluation of your delivery of a live virtual presentation

Check out our complete program at **pd.bccpa.ca**, and email us at **pdreg@bccpa.ca** with any questions.

In-House PD Seminars Tailored Exclusively for Your Team

CPABC's in-house presentations are seminars tailored to fit your needs. They offer customized, high-quality training designed to help you boost employee productivity and broaden professional experience in a flexible and affordable way. You can tailor course delivery to your audience by offering these presentations in your own meeting spaces and at times that work for you.

CPABC experts successfully delivered more than 75 virtual courses to in-house clients between March 1, 2022, and February 28, 2023.



75+
sessions offered



2,100+
participants from 33 organizations (industry & public practice)



4.3/5.0
average course rating



300+
seminar titles to select from

"The Corporate Services Team at the City of Kamloops is a multi-focused group supporting the needs of the organization in the areas of risk management, finance, legislative services, procurement, and technology. Finding professional development opportunities, along with a chance to create team-building opportunities, can be challenging. The PD In-House Program offered by CPABC created an opportunity for our team to have a unique professional development experience and helped to strengthen the dynamics of the team. This is definitely a program we will be keeping on our radar for future development opportunities."
Dave Hallinan, FCPA, FCMA, Financial Planning and Procurement Manager, City of Kamloops

"In-house presentation of PD Program course material provided us with: well prepared material; customization to emphasize areas of particular interest; very knowledgeable instructors; and an economic delivery model that enabled us to include more staff in the learning experience."
Larry Guthrie, Director, Financial Services, Simon Fraser University, Burnaby, BC

"With the convenience of in-house PD, we're able to have more of the accounting team attend PD, by including team members that wouldn't normally attend if the sessions were out of town. Our team members like the in-house PD sessions because they feel comfortable asking questions and discussing issues specific to our clients. I think we get more out of the PD because of the discussions that result from those questions. It's also more convenient to have the course under our roof and to not have to go elsewhere for it. We definitely get more value out of in-house PD courses."
Brenda Kelm, CPA, CA, CGA, Partner, Presley & Partners, Courtenay, BC

For additional information about our in-house seminars and/or to request a quote, contact us at **pdreg@bccpa.ca**.

ANNOUNCEMENTS AND ACCOLADES

Kudos!



Ryan Barrington-Foote, FCPA, FCA, was recently appointed president of the Jim Pattison Group in Vancouver. Ryan has worked for the Jim Pattison Group for more than 20 years, most recently serving as the company's executive vice-president.



Mathew Merritt, CPA, was recently appointed as the director of finance for Nimbus Synergies in Vancouver. Prior to this appointment, Mathew served as the CFO of Bear's Blooms in Vancouver for two years.



Kathy Humphrey, CPA, CA, was recently appointed executive financial officer of the Legislative Assembly of BC. Prior to this appointment, Kathy served as the director of corporate services and CFO for the City of Kamloops for seven years.



Simone Sangster, CPA, CA, was recently appointed secretary-treasurer for Chilliwack School District 33. Prior to this appointment, Simone served as the assistant school superintendent of finance for Bellingham Public Schools in Washington state.

CPABC Named to 2023 BC Top Employer List

For the fourth consecutive year, CPABC has been recognized as one of BC's Top Employers.

"I am proud of every individual at CPABC, because this recognition honours the collective efforts of our entire team. CPABC continues to foster a collaborative, supportive culture that celebrates diversity in talent and individuality, and every employee helps this culture thrive," said Lori Mathison, FCPA, FCGA, LLB, president and CEO of CPABC. "CPABC is unquestionably driven by its diverse mix of people and the individual merits they all bring to the table."

CPABC was recognized for its hybrid work culture, which ensures organizational performance while providing flexibility for individuals, and its continuous commitment to supporting local communities and advancing equity, diversity and inclusion in the workplace to build a safe and supportive culture for staff.

"It's important to continue to foster awareness of the diverse voices and key issues in the world we live in, and to step up and positively impact our communities when we can. We want our employees to give back, and we want the organization to give back," said Mathison.

Employers on the BC Top Employer list were evaluated and selected based on eight criteria: physical workplace; work atmosphere and social; health, financial and family benefits; vacation and time off; employee communications; performance management; training and skills development; and community involvement.

Check out the complete list of BC Top Employers for 2023 at **canadastop100.com/bc**.



CPABC staff members (l to r): June Chow, professional development registration coordinator; Earl Moya, iMIS administrator and quality assurance specialist; Anthony Green, security operations and compliance manager; and Linda Lam, office manager. Photo by Bobo Zhao Photography.

CPAS IN THE COMMUNITY

Making a Difference

In November 2022, volunteers from CPABC chapters resumed in-person participation at two charitable events to support causes in their communities:

Covenant House Vancouver





On November 19 and 26, volunteers from the CPABC Vancouver Chapter sorted donations, wrote thank-you cards, and made calls to donors on behalf of Covenant House Vancouver.

Richmond RCMP Toy Drive





On November 19, volunteers from the CPABC Richmond/South Delta Chapter collected toys and monetary donations at the 8th Annual RCMP Toy Drive. All proceeds were donated to the Richmond Cares, Richmond Gives Christmas Fund. On December 14 and 20, additional CPABC Richmond/South Delta Chapter volunteers helped sort the toys for distribution.

Have some news to share?



If you have an announcement you'd like to share or you know of a fellow CPABC member, candidate, or student who's making an extra effort in the community, we'd love to hear from you! Email us at **infocusmag@bccpa.ca**.

SOCIAL EVENTS

CPABC Burnaby/New Westminster Chapter Strikes Up Some Fun









The CPABC Burnaby/New Westminster Chapter was thrilled to host its annual bowling event at REVS Bowling Centre in Burnaby on November 5, 2022, after a two-year hiatus. More than 40 members, candidates, and their guests attended the afternoon gathering, which also included networking, prizes, and a pizza lunch. The Burnaby/New Westminster Chapter would like to thank everyone who came out and looks forward to seeing more members and candidates at future events!

Want to get involved in upcoming chapter events?

Check **bccpa.ca/chapter-events** for upcoming community engagement opportunities and social gatherings. And if you have an idea for a charitable event, contact your local chapter online or email **chapters@bccpa.ca**.



courtneyk/E+/Getty Images

Financial Security

Personalized Fee-Only Portfolio Management & Comprehensive Financial Planning Since 1994



John S. Clark, CPA, CA, CFA, CFP
President

Pacific Spirit | Investment Management Inc
604-687-0123 | www.pacificspirit.ca | info@pacificspirit.ca

Dream It ... Plan It ... Live It!



Michelle Yau, RPR, PCP
James Kwong, CPA, CGA

SMART CHOICE
WE DO RECRUITMENT DIFFERENTLY.

Vancouver Recruitment Specialists

✓Areas of Expertise: Accounting | Payroll | HR | Administration
✓Finding the RIGHT People for the RIGHT Jobs at the RIGHT Time
✓Contingency Basis | No Exclusive Clause | Cost Effective | Competent

Ready to HIRE? Need to FILL a position?
Call 604.809.2383 or Email us TODAY to get started!
hiring@smartchoicepro.com | www.smartchoicepro.com

accountancy insurance audit shield

NOTICED THAT THE CRA HAVE STEPPED UP AUDIT ACTIVITY...AGAIN?

Let Audit Shield help you get paid in responding.





Austin Kay
Anita Chan, CPA, CA

The Real Estate Leaders. 27+ years of experience.

RE/MAX TEAM

W: austinkay.com
E: anita@anitachan.com

604.258.8866
For all your Real Estate needs

RE/MAX Austin Kay Realty & RE/MAX Anita Chan Realty

Canada's Leading Accounting & Tax Franchise

BRANCHING OUT ON YOUR OWN?

Since 1966 Padgett offers accountants a fresh yet proven alternative to the challenges of going it alone.

As a Padgett office owner, you will have access to state-of-the-art systems, time-tested marketing techniques, highly qualified professional support team in taxation, technology and marketing as well as ongoing courses and seminars.

It's time you start accounting for yourself.

Call us: 1-888-723-4388, ext. 222
www.padgettfranchises.ca

Padgett

Our discovery and wealth management approach is driven by what matters most to you
Start a conversation today.

TD



Russell J. Chew, CPA, CA, CFP®, CIWM
Senior Portfolio Manager, Senior Investment Advisor
Tel: 604-482-8404 | russell.chew@td.com

TD Wealth Private Investment Advice
10th Flr-700 West Georgia Street, Vancouver, BC V7Y 1A2
vsiwealthmanagement.com

VSI | Wealth Management Group

TD Wealth

VSI Wealth Management Group is a part of TD Wealth Private Investment Advice, a division of TD Waterhouse Canada Inc., which is a subsidiary of The Toronto-Dominion Bank. All trademarks are the property of their respective owners. ® The TD logo and other trademarks are the property of The Toronto-Dominion Bank or its subsidiaries.

Recruiting IN MOTION

HIRING? CALL THE EXPERTS!

- PERMANENT and TEMPORARY STAFFING
- 100% Satisfaction Guaranteed
- CPA Member Discounted Rates

CALL and SAVE! 604-639-1222
vancouver@recruitinginmotion.com | www.recruitinginmotion.com

welcome networks
www.welcomenetworks.com
info@welcomenetworks.com

Access Your Firm's
Data Securely
Anytime, Anywhere!

- Servicing Accounting Professionals for over 20 years
- Run all tax and accounting software on Virtual Desktops
- Reliable and Immediate support 24/7 365 days
- Free evaluation of your existing network

Call 866-549-2717 or 604-515-1700
Private Cloud provider for CPA firms in Canada

Partnership Opportunity in Victoria

Our multi-partner firm takes pride in truly making a difference in our clients' lives. We are well-known within the community for providing excellent and professional service. Our firm has grown rapidly through referrals from both clients and community professionals. We have exceptional staff who are all dedicated and passionate about what they do.

We are seeking a manager interested in a public practice career with the opportunity to advance to partner within one to three years. The ideal candidate would have quality public practice experience, a background in taxation, and an entrepreneurial spirit.

Salary and benefits to be commensurate with experience. Reply in confidence to **profoffice068@gmail.com**.

Practice for Sale. No Audits. No Reviews.

Experienced and competent office manager handles bookkeeping, personal tax preparation, and tax reviews. Average gross billing over the last 4 years of $302,000/yr in bookkeeping, NTR, corp. personal tax. Lower Mainland B.C. Lots of local foot traffic, good exposure. Contact **bcfirmforsale@gmail.com**.

Selling Your Accounting Firm?

Poe Group Advisors is the premier accounting practice intermediary firm in the industry. Selling a CPA firm is a significant venture and we help you transition with ease and for cash at close.

Discover your practice value: **poegroupadvisors.com/selling**. Email **bball@poegroupadvisors.com** or call today 888-246-0974.

Buying an Accounting Firm?

Let's find your next opportunity. Bank financing available! Visit our marketplace: **poegroupadvisors.com/buying/listings**.

Accounting Practice Academy (APA)

Join our virtual workshop and build a salable firm. "Our gross revenue is up six figures… the workload went down drastically." Bill & Chris Murphy, APA members. Visit: **AccountingPracticeAcademy.com**.

Partnership Opportunity in Burnaby

Long-established Burnaby CPA firm has a partner transitioning to retirement over the next 12 months. The firm is seeking a manager who is interested in a career in public practice with advancement to partnership. Salary and benefits commensurate with experience. Reply in confidence to **officetemp2011@gmail.com**.



SNAPSHOT:

Jonathan Wong, CPA, CA

The job: Owner of Custom Car Posters in Vancouver.

From hobbyist to business owner: A fan of both classic cars and design, Jonathan found a way to turn his hobbies into a career. “After some of my friends asked me to draw their cars for them, I realized there could be a market for this kind of art.”

Family designed: He and his wife Lily left their previous jobs to run the business and spend more time with their five-year-old son, Emerson. “We’ve built our careers to work around our family life, not the other way around.”

Self-driving: An appearance on *Dragon’s Den* in 2021 peaked the interest of all four judges, but Jonathan and Lily ultimately decided to decline their offers. “Taking on an external investment would have meant changing the dynamics of our business.”

Advanced steering: “Building this business has been both challenging and rewarding. I’ve had to draw on a wide range of skills and develop lots of new ones to make it work.”

Down the road: Jonathan looks forward to the day when he can team up with his son on an in-depth project. “Emerson’s also a car enthusiast, and I think it would be really amazing to do a big project together.”

Learn more about Jonathan at **bccpa.ca/newsroom**.



Bobo Zhao Photography


I give to my community and with Vancouver Foundation, my giving lasts forever.
79 years ago, a single gift started Vancouver Foundation and that gift is still making a difference in the community today.
We can help you create a fund that gives forever. Get started at go.vancouverfoundation.ca/CPABC or call Kristin at 604-629-5186.
vancouver foundation
VANCOUVER FOUNDATION
1943
79
2022
COMMUNITY INSPIRED

A place to belong

Live an amazing life fuelled by a rewarding career



Javier Bascur
Accountant

Grant Thornton
Audit | Tax | Advisory