

Minister Rick Thorpe
Speech to the Vancouver Board of Trade
October 17, 2006

Good afternoon and thank you, Moe, for your introduction, and let me first start off by thanking the Certified General Accountants for hosting this event today.

As some of you may know, I am a CMA and I see they are represented here today at one of the tables.

In my work in government, I get a chance to speak to a lot of young people and I tell them it is my belief there is no better designation to pursue than an accounting designation – whether it's a CMA, CGA or CA.

I am delighted to be here, on behalf of Premier Gordon Campbell and the Government of British Columbia, to celebrate Small Business Week with the Vancouver Board of Trade.

Today, British Columbians have more reasons to celebrate our thriving small business sector than ever before.

Our economy is booming – and we are seeing this in every region throughout British Columbia.

This year, under the leadership of Premier Gordon Campbell, British Columbia's unemployment rate is at a 30-year low.

INSTEAD OF PEOPLE CHASING FOR JOBS, WE HAVE JOBS CHASING FOR PEOPLE.

Last month's Credit Union Central of B.C. report predicts the Lower Mainland unemployment rate will fall from 4.6 per cent this year to 4.1 per cent in 2007 – less than half the 8.3 per cent unemployment the region endured in 1996 and 1997, or the 9.3 per cent Metro Vancouver saw in 1993.

Since December 2001, 306,700 new jobs have been created in British Columbia – more than 94 per cent of them full-time.

In fact, British Columbia added 34,000 new jobs since the start of 2006.

This figure is above the national average – and it's a key result of our government's commitment to make British Columbia the best place to do business.

This is Small Business Week, so I'd like to focus on your role, as small business owners and operators, in this economic revitalization.

Small Business Week recognizes the immense importance of small business to our economy, our families and our communities.

Yesterday, while I was in Quesnel, I released the annual Small Business Profile, produced through a partnership of Western Economic Diversification and the Ministry of Small Business and Revenue.

This year's profile illustrates, more than ever before, how British Columbia's growth and success relates to small business.

Small business is big business in British Columbia.

We have 364,000 small businesses in all – an increase of about 10 per cent since 2001.

They make up over 98 per cent of all our businesses, and **now employ more than one million British Columbians** – 57 per cent of our private-sector workforce.

Here in the Mainland/Southwest region, we've seen an average increase of 1.8 per cent – or about 3,400 – new small businesses every year over the last five years.

In 2005, small businesses in British Columbia created jobs at more than four times the national rate – 3.8 per cent compared to 0.9 per cent nationally or a net increase of 37,200 new jobs since 2004.

British Columbia's small businesses account for more than 26 per cent of total provincial Gross Domestic Product – **THE HIGHEST LEVEL IN CANADA.**

These great results reflect the efforts of small business and government alike.

Our government, under the leadership of Premier Gordon Campbell, is committed to the success of small business.

In fact, my ministry, the Ministry of Small Business and Revenue, was created to further our government's commitment to the small business community.

The revitalized health of small business in British Columbia is all the more striking when you consider where we were just five years ago.

In 2001, British Columbia's economy was in deep trouble. A decade of decline in the 1990s made us a have-not province – taking us from first place to worst in Canada.

While the rest of North America was enjoying a boom, British Columbia was over-regulated and overtaxed and in a downward spiral.

By 2001, we faced many tough decisions – but British Columbians like you have turned the economy around.

In 2005, British Columbia's economy grew by 3.5 per cent – ahead of the national average of 2.9 per cent – and is on track for an even stronger performance this year.

For the first time ever, retail sales in British Columbia topped \$50 billion in 2005 – great news for one of our largest employment sectors.

In fact, between 2000 and 2005, jobs in the retail industry in British Columbia increased by 13.5 per cent – a total of 10,000 new jobs for the sector.

The number of business incorporations increased 14 per cent last year to over 29,000.

That's nearly 10,000 more business incorporations – 50 per cent more – than we had in British Columbia in fiscal 2001.

And the picture looks very positive for the coming year.

A September report by the Canadian Federation of Independent Business says 65 per cent of small businesses in British Columbia expect to do well this coming year – 2 per cent ahead of our friends in Alberta.

Furthermore, 41 per cent of small businesses intend to add to their full-time workforce over the coming year.

And just last week, a Scotiabank survey revealed small business owners in British Columbia are the most optimistic about the national economy.

In British Columbia, 38 per cent of the respondents believed general economic conditions will rise in the next 12 months, compared to just 28 per cent nationally.

All of these great results show British Columbia is back – and our government is working in partnership with British Columbians to maintain this momentum.

I'd like to talk to you about some of the key goals my Ministry has been working on – many of which relate to British Columbia's thriving small business sector.

We've made strides on each of them – and I'm personally taking responsibility for advancing them further.

WE ARE COMMITTED TO CUSTOMER SERVICE EXCELLENCE FOR ALL BRITISH COLUMBIANS – and my ministry continues its work to make British Columbia the most small-business-friendly jurisdiction in Canada.

This is a cornerstone of creating more opportunities for small business – and, in turn, more jobs per capita than anywhere else in Canada.

Our government has taken important steps to create a supportive business climate for these vital enterprises.

Since 2001, we've brought in **53** tax reductions, putting over **\$2-billion** in tax savings into the pockets of consumers and businesses.

We've raised the threshold for small business income tax to \$400,000 from \$200,000, allowing more business income to qualify for the lower, 4.5 per cent small business tax rate.

Today, British Columbia's small businesses enjoy the second-highest threshold in the country, and the third-lowest small business tax rate.

We've also reduced the corporate income tax rate from 16½ per cent to 12 per cent.

British Columbia has the lowest effective personal income tax rate in Canada for an individual earning up to \$70,000 per year.

And the second lowest personal income tax rate for those earning more.

We've also eliminated unnecessary regulations that do not impact British Columbians' health, safety or the environment, so government does not get in the way of small business growth.

In fact, we have reduced red tape by over 157,000 regulatory requirements, or 41.15 per cent.

What's more, earlier this month, Moody's Investor Service gave British Columbia back its AAA credit rating – the highest possible – which it lost 23 years ago.

As Moody's pointed out, regulatory reforms, tax reductions and our prudent forecasts and disciplined approach have restored British Columbia's place as a leader in Canada.

Today, British Columbia and Alberta are the only provincial governments to hold an AAA rating.

All our tax measures have helped to restore British Columbia's economic leadership – and we know there is more to do to encourage opportunities for small business.

One of the things I hear repeatedly, in my role as chair of the Small Business Roundtable, is the need to ensure we have enough skilled and skillable workers in British Columbia.

Between 2000 and 2005, jobs in construction went up over 31 per cent – that's a whopping 16,000 new jobs in the construction sector alone.

Research predicts there will be more than a million job openings over the next 12 years in British Columbia.

Recently, I read an article in the Automotive Retailers Association magazine about a projected skills shortage in automotive technicians.

A 2005 employer survey done by the BC Automotive Sector Council reported 27 per cent of employers have at least one unfilled position for every qualified journeyman automotive service technician.

Our government recognizes we need to – as I like to refer to it – **managing our success**.

Budget 2006 includes a \$400-million investment to address the skills shortage – that is, **to turn skillable workers into skilled workers**.

Over the next three years, government will set aside \$90 million to develop a new system of tax credits.

This program is being designed with input from industry representatives and other advisory boards, including the Small Business Roundtable.

The budget also includes \$39 million in additional funding to the Industry Training Authority to expand and support apprenticeship training.

Our government has also invested \$14.5 million in the B.C. Skills Connect for Immigrants program.

This program helps highly skilled immigrants to move more quickly into jobs matching their qualifications.

Over the next three years it is anticipated Skills Connect will help 5,000 immigrants find jobs to match their training and experience, which will in turn help us ensure we have enough skilled workers.

Also, in May of this year, Premier Campbell announced a provincial investment of \$2 million to help expand Junior Achievement programs throughout British Columbia in order to enhance the business education and entrepreneurial programs available to British Columbia youth.

This funding will support expanded entrepreneurship, small business and financial education for students in grades 3 to 12.

It will also help Junior Achievement to involve more business leaders and entrepreneurs like you in their programs.

Currently, Junior Achievement of British Columbia offers programs to 25,000 students in 271 schools across 27 school districts.

The goal of our investment is to help Junior Achievement ensure their programs are available in every school district by 2010.

I know this investment will continue to build on these successes.

In turn, it will support the future of small business, which drives British Columbia's economy.

It's one more way our government is planning for the future.

One year ago, Premier Gordon Campbell asked me to establish the permanent Small Business Roundtable.

The Small Business Roundtable is a forum for government and small business to build a stronger partnership to make British Columbia the most small business friendly jurisdiction in Canada.

As I previously mentioned, I chair the Roundtable, and the other members are small business representatives from communities in every part of British Columbia who are talking to government about issues and opportunities facing small business.

The roundtable has been busy since its creation – we've held 18 consultations across British Columbia, including one here in Vancouver earlier this year.

Today, I'm pleased to note Kevin Evans and Linda Larson, who co-chaired the Small Business Roundtable, are here to present me with the first-year report of this permanent roundtable.

Based on the discussions we've had, I know the report is going to provide valuable input on building on our efforts to:

support and expand skills and trades development training

further simplify taxes, and

reduce the red-tape burden for small business.

And I'd like to stress the roundtable is permanent.

I look forward to reading the Small Business Roundtable's first annual report.

If any of you have suggestions and solutions for enhancing British Columbia's small business climate, I encourage you to go to our website and send us your ideas, or give me a call at 250-356-6611 or email me at sbr.minister@gov.bc.ca.

Our government is committed to working with small business to promote investment and help create more jobs per capita than anywhere else in Canada, and to make British Columbia the most small business friendly jurisdiction in Canada.

As you may know, another one of our government's Great Goals is to lead North America in healthy living and physical fitness.

This will pay dividends for each of us, for our families, and for our businesses – for example, by reducing absenteeism.

I would like to encourage you to participate in the Conversation on Health Premier Campbell is leading.

This will focus not only on our health care system, but our proactive efforts toward a healthier population.

More details are available at www.bcconversationonhealth.ca

Another goal of my Ministry is **to ensure a streamlined and simplified regulatory environment.**

YOU WILL RECALL PREMIER GORDON CAMPBELL ESTABLISHED A GOAL IN 2001 TO REDUCE RED TAPE IN BRITISH COLUMBIA BY A THIRD OVER 3 YEARS.

WE'VE EXCEEDED THAT GOAL – WITH OVER 157,000 REGULATORY REQUIREMENTS ELIMINATED, A REDUCTION OF 41.15 PER CENT, AS OF SEPTEMBER 30, 2006 – AND WE'VE BECOME A MODEL FOR JURISDICTIONS ACROSS CANADA.

As Minister Responsible for Regulatory Reform, I lead this effort for our government.

Through the Regulatory Reform Initiative, we will continue to modernize, streamline and simplify our regulatory system while preserving regulations that protect public health, safety and the environment.

We have developed a two-track regulatory reform system.

Track 1 is the Regulation Count.

Over the next 3 years, we have a goal of zero net increase in regulations.

We've already eliminated many procedures, forms, licences and regulations.

Track 2 is Citizen Centered Regulatory Reform.

This focuses specifically on saving time from the perspective of the individual, small business and industry – whether they are accessing government services or complying with regulations.

This reflects our goal to make regulations and processes more user-friendly and less complex.

Through the roundtable, small business owners have shared examples of how the federal, provincial and municipal levels of government can work in partnership to save small businesses valuable time.

For example, our government worked with the federal government and the city of Kamloops to pilot and introduce BizPaL earlier this year.

BizPaL is an innovative tool designed to help small businesses save time when accessing licensing and permit information from multiple levels of government.

We are now working with our federal partners to explore how we can roll this out in other cities throughout British Columbia.

As part of Small Business Week, I challenge municipalities and the federal government to take bold and meaningful steps to cut red tape and reduce regulations in meaningful ways, so small business in British Columbia can grow even more.

For our part, as we continue to reduce the impact of regulation on small business and cut red tape, business owners will have more time to devote to what's important: running and building successful small businesses.

The next goal I'd like to talk about relates directly to this Ministry's commitment to customer service excellence.

OUR MINISTRY WILL MEET CUSTOMER NEEDS THROUGH FAIR, EFFICIENT AND EQUITABLE TAX ADMINISTRATION.

In January 2005, I introduced the Taxpayer Fairness and Service Code.

WE DEVELOPED THIS IN PARTNERSHIP WITH THE BRITISH COLUMBIA CHAMBER OF COMMERCE, CANADIAN FEDERATION OF INDEPENDENT BUSINESS, RETAIL BC, RETAIL COUNCIL OF CANADA, INSTITUTE OF CHARTERED ACCOUNTANTS OF BRITISH COLUMBIA, THE SALES TAX PRACTITIONERS LIAISON COMMITTEE AND OTHER KEY BUSINESS ORGANIZATIONS.

This code reflects our commitment to exemplary customer service and responsiveness. It explains a customer's right to:

- Courtesy and respect
- Privacy and confidentiality
- Fair Treatment
- Obtain help
- Complete, accurate, clear and timely information
- Information about the steps the ministry takes in audits, collections and refunds
- Dispute resolution
- Timely appeal

In support of the last principle, we've already cut the time in half we take to reach a decision when a customer appeals a ministry decision – 11.4 months to 5.6 months.

And we want to see that turnaround time cut to 4.5 months in three years.

In October last year, we announced the second phase of the Taxpayer Fairness and Service Code.

Phase Two includes performance standards and service benchmarks to ensure your reports and concerns are addressed in a timely manner.

We will answer your general sales tax e-mail inquiries within two business days, and more complex inquiries and rulings within 20 business days.

Our goal for all correspondence sent to me, my deputy minister and assistant deputy ministers is to answer within 14 days.

As of August 31, 2006, our success rate is at 91 per cent.

And we're reviewing all of our tax bulletins so they are written in "plain language."

That means our tax bulletins will be:

- Easy to understand
- Clear and concise
- Reader-friendly

This second phase of the Taxpayer Fairness Code also reflects our commitment to **continually improve our performance and accountability to you** – the people who've made British Columbia the Number One economy in Canada again.

Later this week, I will be releasing multilingual versions of the Taxpayer Fairness and Service Code.

It will be printed in 8 different languages:

Traditional Chinese

Simplified Chinese

Punjabi

Korean

Vietnamese

French

Japanese

Tagalog, one of the languages spoken in the Philippines

A third phase of the Taxpayer Fairness and Service Code, which will outline the audit process, will be announced at the end of October.

Our ministry will continue to work with and listen to you, our partners, to provide a competitive environment for small business and investment, develop a modern regulatory system and ensure British Columbians are receiving excellent customer service.

In 2001, Premier Gordon Campbell and our government had a vision of working together with British Columbians.

Today I'm very proud of what all British Columbians have achieved in just over five short years.

We are seeing unprecedented growth and we are seeing unprecedented opportunity.

But I believe very strongly there's so much more we all can be.

I believe there are opportunities for all of us to reach even higher than we are reaching today.

When we work together, British Columbia will continue to be the best place on Earth to live, work, build your business and raise a family.

In closing, I want to thank you for taking the time to come out this afternoon and thanks to each of you for your contributions in British Columbia's achievement – together there is so much more we can achieve.