

Speaking Notes For

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Minister of Small Business and Revenue and  
Minister Responsible for Regulatory Reform

Prince George Chamber of Commerce  
Monday, October 17, 2005

Good Morning.

I am delighted to be here in Prince George with the Prince George Chamber of Commerce to kick off Small Business Week with you on behalf of Premier Gordon Campbell and the Government of British Columbia

I would like to acknowledge the work of your Prince George MLAs Pat Bell, Shirley Bond and John Rustad who are working hard on your behalf in Victoria and who wanted to be here, but must be in Victoria today, where I will join them later this afternoon.

We are celebrating how British Columbians are working together to return economic prosperity to all regions of British Columbia

And I am excited to be here in Prince George where over the past four years, we have seen tremendous economic growth

Since forming government in 2001, under the leadership of Premier Gordon Campbell, our government has been very committed to the success of small businesses.

We understand the enormous contributions small businesses make to our communities and our families

The Ministry of Small Business and Revenue was created to further strengthen our commitment to the small business community

Before sharing what we can look forward to, I want to quickly review how far British Columbia has come in the past 4 years.

In 2001, British Columbia's economy was in deep trouble. A decade of decline in the 1990's took us from 1st to 10th and made us officially a "have not" province.

Prince George knows this better than many other parts of British Columbia

Prince George area business incorporations saw 4 consecutive years of decline between 1997 and 2000

Prince George housing starts experienced 5 consecutive years of decline between 1996 and 2000

British Columbia was over regulated and over taxed to the point where our economy was in decline while the rest of North America was enjoying a boom

We faced many tough decisions, but British Columbians working together have turned the economy of British Columbia around.

And now, British Columbia leads the nation in job growth, economic growth, resource industry growth, housing starts and small business growth

There are more people employed today in British Columbia than ever before - over 2.1 million people are working right now!

The unemployment rate in British Columbia is now 5.7 per cent - the lowest rate since January 1981 and well below the national average of 6.7 per cent

Since December 2001, 238,000 new jobs have been created in every region of British Columbia

Including Prince George where the 2004 annual unemployment rate in the region is below ten per cent - the first time in more than 15 years this number has dropped to a single digit

And for the first time in almost a decade, more people are moving to British Columbia than leaving.

And many of these people are making their home right here in Prince George

Housing starts in Prince George have increased every year since 2001 and are now 4 times their 2001 level

Prince George business incorporations increased by 15 per cent in 2004 compared to 2003. This represents the first annual increase since 1997, and the largest since 1993

By working together it is our goal to keep British Columbia moving forward

Under the leadership of Premier Gordon Campbell, we have established 5 Great Goals:

1. To Make British Columbia the best educated, most literate jurisdiction on the continent
2. To lead the way in North America in healthy living and physical fitness
3. To build the best system of support in Canada for people in need; seniors, those with disabilities and our children
4. To lead the world in sustainable environmental management
5. To lead the nation in job creation

In addition to our government goals, I'd like to talk to you about some of the key goals set out for the Ministry of Small Business and Revenue over the next three years:

1. To encourage small business development
2. To support a regulatory climate that encourages economic and business competitiveness
3. To provide fair, efficient and equitable tax administration that meets taxpayers' needs and
4. To continually improve performance and accountability

We also have one over-arching goal – to maintain and continually build on our reputation as a centre of customer service excellence

Our first goal is to encourage small business development, making British Columbia the most small business friendly jurisdiction in Canada

This is a cornerstone of creating more jobs per capita than anywhere else in Canada

Small Business is big business in British Columbia

People from every walk of life, from every age group, from every ethnic group operate small businesses in every region in British Columbia

They make up over 98 per cent of all businesses in British Columbia

Our small business sector leads all other provinces in gross domestic product

These small business jobs represent 57 per cent of the private sector workforce

Our government has already taken some important steps to create a supportive business climate where small businesses can grow and prosper

We have made it easier and less expensive to do business in British Columbia

In the past 4 years, we have brought in 44 tax-related measures that are returning over \$1 billion in annual tax savings to consumers and businesses

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

When we formed government the business income tax rate was 16 ½ per cent. In Minister Taylor's recent budget update our government reduced this tax for 20,000 businesses from 13 ½ to 12 per cent.

And we eliminated unnecessary regulation so that government does not get in the way of small business growth

Our Government and my Ministry will continue to take the necessary actions to encourage opportunities for small business

We are today establishing a permanent Small Business Roundtable and I am pleased to speak to you, today in Prince George, about the details of this roundtable

I want to hear directly from you, the Small Business community about your issues and priorities and how we can work together to improve the economic prosperity of small businesses in British Columbia

The Roundtable consists of small business stakeholders who will provide advice to government on issues facing small business

I have the honor of chairing this roundtable, and I would like to announce today that joining me as vice chairs will be Kevin Evans and Linda Larson.

Kevin Evans is the Western VP of Retail Canada and the Chair of the Coalition of BC Businesses. I met with Kevin this summer and he has great ideas for the future of small business in British Columbia. He has been a strong voice for the small business community and his experience and knowledge of small business will be a great asset to our roundtable and to British Columbia.

Our other vice-chair is Linda Larson. She is currently the Mayor of Oliver and was instrumental in developing Oliver into the 'Wine Capital of Canada'. Most of these wineries are or started as small businesses and she has worked closely with other local businesses over the years to develop Oliver and the surrounding areas. Linda has also been a small business owner.

I thank Linda and Kevin for accepting this new role and look forward to working with them.

Over the coming weeks, I will be announcing additional roundtable members,

These members will represent all sectors of small business from across British Columbia.

Today I am pleased to announce that Bruce Sutherland, of Prince George Mills Supplies, someone you all know well, will be a member of our Roundtable.

As a former President of the Prince George Chamber of Commerce, we know Bruce will make sure that your priorities, the priorities of small businesses in Prince George are heard at the table and I thank him for accepting this role

The Roundtable will visit communities in all regions of British Columbia, including 16 communities between now and next spring, and seek feedback from the small business community

And, because Prince George plays such an important role in the growth of the provincial economy I want to hear from you first. Yes the first roundtable will be held in Prince George.

We are coming to Prince George to hold the first meeting of the Small Business Roundtable and I hope you will be able to take the time and submit your priorities and your thoughts on how we can work together to improve the economic prosperity of small business in British Columbia

Another major commitment our Government made was to commit to a comprehensive review of our provincial sales tax code to seek revenue-neutral options that will focus on streamlining, simplifying and enhancing fairness in the administration of our provincial sales tax – this is critical for small businesses.

This review will begin in November

The second key goal of my Ministry is to support a regulatory climate that encourages economic and business competitiveness

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 have made great strides with over 150,000 regulations eliminated in British Columbia since 2001 - a reduction of 40 per cent.

Now jurisdictions across Canada such as Newfoundland and Labrador, the Yukon and the city of Winnipeg have shown interest in adopting our government's regulatory reform strategies.

Our Government will build on this success with the Regulatory Reform Initiative

To accomplish this goal, I have been charged to lead government's ongoing commitment to improve regulatory quality and reduce the regulatory burden

Over the next 3 years, we have a goal of 0 per cent net increase in regulations.

By reducing the impact of regulation on small business and cutting red tape, business owners can spend less time on paperwork and more time on what's important - running and building successful businesses

Another goal of our Ministry I would like to touch on today is to meet the needs of customers through fair, efficient and equitable administration of our tax codes

The goal of enhanced customer service led us to develop the Taxpayer Fairness and Service Code, first introduced in January 2005

This code was developed in partnership with the Canadian Federation of Independent Business, British Columbia Chamber of Commerce, Retail Merchants' Association of British Columbia, Retail Council of Canada, Institute of Chartered Accountants of British Columbia, and Sales Tax Practitioners Liaison Committee

Through it, we've formalized our commitment to our customers - the British Columbia taxpayer

It helps customers understand how they can expect to be treated and it reflects our commitment to be responsive to taxpayers

This code 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

When ministry decisions are appealed, it's important to resolve them in an impartial, fair and timely manner

We are committed to significantly improve the time we take to produce a final decision on appeals

Our targets are ambitious

In the first year, we have committed to reduce the time it takes for a decision by almost 50 per cent: from 11.4 months to 6 months. I am happy to report we are on target to achieve this goal.

In addition, our goal is to reduce the timeline from 6.0 months to 4.5 months in 3 years

We are continuing to pursue improvements to the Taxpayer Fairness and Service Code. In fact, I am announcing Phase 2 of the Taxpayer Fairness and Service Code this week.

Phase Two outlines 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 2 business days, and more complex inquiries and rulings will be answered within 20 business days

All correspondence sent to me, my deputy minister and assistant deputy ministers will be answered within 14 days.

We are also reviewing all of our tax bulletins so that they are written in "plain language"

That means our tax bulletins will be:

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

We're working to make British Columbia an economic leader by creating an environment where business can thrive, and the Taxpayer Fairness and Service Code is one more step in that direction

In closing, as the Minister of Small Business and Revenue, and Minister Responsible for Regulatory Reform, I would like to take this opportunity to congratulate British Columbians and their entrepreneurial spirit.

Under the leadership of Premier Gordon Campbell and with the work of MLAs like Shirley Bond, Pat Bell and John Rustad, we will continue focusing on customer service, cutting red tape and streamlining and simplifying processes so you, the small business operators can spend less time dealing with government and more time doing what you do best - creating, building and operating successful businesses

I was at the opening celebration of Prince George House in Vancouver – let me say that this is vision, this is leadership. Congratulations to Initiatives Prince George. When Prince George and area are successful, British Columbia is successful.

I would like to thank Myron Gordon (President of Chamber) and the Prince George Chamber of Commerce for holding this breakfast and congratulate the Chamber for all your work on behalf of the Small Business Community in Prince George

And I would like to thank you for taking the time to come out this morning and thank you for all your efforts. By working together, we will continue to build on British Columbia's reputation as the best place on earth to raise a family, live, work and invest.

Thank you