

Speaking Notes For
HONOURABLE RICK THORPE
Minister of Small Business and Revenue and
Minister Responsible for Regulatory Reform

Vancouver Board of Trade
Tuesday, October 18, 2005

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Good afternoon

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

I know that many Board of Trade members are involved in small businesses in British Columbia and that your Small Business Council is working hard to help businesses succeed through a variety of workshops and programs.

I'd also like to congratulate board member Don Rix on receiving the Ernst and Young Entrepreneur of the Year award for the Pacific region for his work in health sciences – specifically for his work with Cantest.

All week we are highlighting the tremendous contributions small businesses make to British Columbia

We are celebrating how British Columbians are working together to continue to grow economic prosperity in all regions of British Columbia

Since forming government in 2001, under the leadership of Premier Gordon Campbell, our government has been 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.

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

In fact the latest Stats Canada numbers show British Columbia is the number one job generator in the nation with employment growing 2.2 per cent.

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

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

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

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 whether it be our seniors, those with disabilities or 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:

- To encourage small business development.
- To support a regulatory climate that encourages economic and business competitiveness.
- To provide fair, efficient and equitable administration of our tax code and that it meets taxpayers' needs, and
- 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

Almost 1 million people are employed by small businesses in British Columbia. These small business jobs represent 57 per cent of the private sector workforce

Our government has already taken important steps to create a supportive climate where small businesses can invest, 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 1/2 to 12 per cent.

That's right – from 16 ½ per cent to 12 per cent in 4 short years impacting on 20,000 businesses throughout British Columbia

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 steps to encourage opportunities for small business

Yesterday I was in Prince George to announce the establishment a permanent Small Business Roundtable that I will be chairing.

I also took that opportunity to announce who the 2 Vice-Chairs are that will help me guide this Roundtable. They are Kevin Evans and Linda Larson.

I am pleased that Kevin could be here today. As most of you know, he 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 this roundtable.

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'. Linda has also been a small business owner and operator

I thank both of them for accepting this new role and look forward to working with them over the coming years.

This is a commitment we made during the 2005 Campaign and is one of the ways we will use to achieve our goal to be the most small business friendly jurisdiction in Canada

We want to hear directly from the Small Business community about their 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

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

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

The Roundtable will visit communities in all regions of British Columbia and seek feedback from the small business community

In fact I will visit and hold roundtables in 16 communities from late November to April

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 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 one-third over three years.

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

Jurisdictions across Canada such as Newfoundland and Labrador, the Yukon and the city of Winnipeg have shown interest in adopting this government's regulatory reform strategies. In addition, I recently met with senior officials from Alberta to discuss their 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

To improve quality, all new revised regulations will be developed in compliance with the Regulatory Reform Policy - a set of ten criteria based on internationally recognized principals of good regulatory design while ensuring that our safety, environment and health are not compromised.

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 a successful businesses and you guessed it – creating more jobs

Another goal of our Ministry is to 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, which we announced 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
- A 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

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 have already achieved this goal.

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

This is a direct response to the concern heard from taxpayers and small business owners

And we are committed to continued improvements to the Taxpayer Fairness and Service Code.

With that, I announce today we are launching Phase 2 of the Taxpayer Fairness and Service Code

Phase Two introduces customer service standards to ensure your issues, questions and concerns are addressed in a timely manner which furthers our commitment to be a centre of customer service excellence.

Once again, these improvements to our Taxpayer Fairness and Service Code were developed by working in partnership with several small business organizations such as the Canadian Federation of Independent Business, the British Columbia Chamber of Commerce and the Retail Merchants Association of British Columbia.

It is only through a partnership of working together that we can develop things like the Code and streamline and simplify the customer service systems for all British Columbians and I look forward to working with the Vancouver Board of Trade on future enhancements

These standards were identified as ones that were the most beneficial to the small business community of British Columbia.

We will strive to achieve the following Phase 2 service standards:

- Correspondence sent to me, my deputy minister and assistant deputy ministers will be answered within 14 business days.
- General sales tax e-mail inquiries will be answered within 2 business days.

- Complex sales tax-e-mail inquiries and written rulings will be answered within 20 business days.
- Sales and hotel tax account registrations will be responded to within 2 business days.
- Sales and hotel tax account clearances will be done within 5 business days,
- And sales, hotel, fuel or tobacco tax refunds will be processed within 30 calendar days.

These service standards are the lynchpin for continuous improvement in the ministry and will provide customers with a clear set of specific targets and expectations.

We will work closely with customers, asking for feedback and suggestions, to ensure we identify problems early, find solutions sooner and most importantly, attempt to prevent problems before they occur.

The Taxpayer Fairness and Service Code can be found on our website at www.sbr.gov.bc.ca/fairness

We are working hard to continue to be an economic leader by creating an environment where business can thrive, and the Taxpayer Fairness and Service Code Phase 2 is one more step in that direction

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, 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

In closing, I would like to take a moment to recognize the Vancouver Board of Trade. The Board has taken a real leadership role and we are committed to working closely with you. I met with Darcy in August and I look forward to a positive and effective partnership with him and leaders like Jason McLean, the Chair of the board's Small Business Council and the rest of the board. Thanks to all members of the Vancouver Board of Trade for all your hard work and contribution toward creating a British Columbia that is a leader in Canada.

Thanks 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