

Premier Gordon Campbell
Address to the Coalition of B.C. Businesses
December 13, 2001

Check Against Delivery

This past six months has been pretty exceptional for me and for the 76 other MLAs who were elected. We have enormous challenges in the province, but they're not challenges we didn't expect. The degree and depth of some of the challenges is certainly far greater than we may have anticipated, but they weren't unexpected.

We face a \$3-billion deficit next year as a result of the previous administration, and it's rising to \$3.8 billion the year after that. The health-care system has grown by 13 per cent, and we're going to have to fix that.

Our taxation regime used to be one of the things that held us back. We have made the first steps in dealing with our tax system. I want to underline that: they're first steps, but they are important first steps. Our government is going to continue to do the right thing for the right reasons. We're going to do it as quickly as we possibly can so we can liberate the investors, the businesses and the entrepreneurial minds of British Columbia so we can start this economy growing once again.

One of the challenges the coalition faces is to remind people about why the private sector is so important. Be involved. Remind the government of what it has to do and remind the public of how important your various areas of endeavour are. Whether it's tourism or transportation, small business or construction, what you do in our province is create the lifeblood for the public services that are essential in British Columbia. Never forget it; never stop standing up for it – because when you do, we'll start to lose the economic advantages we should have in this province.

In our first six months of office, we have taken some significant steps that I believe reflect some of the areas the coalition has advocated. On the first day of office, we had a dramatic personal income tax cut. That dramatic personal income tax cut was no small social benefit to British Columbians.

We also decided we were going to start to liberate the private-sector investor and encourage productivity again. So we cut one half of the corporate capital tax, and by September of 2002 the capital tax – which pushed investment out of this province – will be eliminated.

We reduced the corporate income tax from 16.5 per cent to 13.5 per cent. Again, we were trying to send a message: "We know about the work you do, we know about the effort it takes to create wealth, and we want you to be able to benefit here in British Columbia as you would in other jurisdictions."

We followed through and passed balanced budget legislation. We ensured that we were going to keep our books according to generally accepted accounting principles.

There are people in the business community who say, “Maybe you shouldn’t worry about balancing your budget.” I want everyone to understand this: if we did nothing to get our financial house in order, it would take just four years to increase our debt by \$15 billion for no additional public services. That is not sustainable.

In its March budget, the previous government increased its health-care budget by \$900 million – almost eight per cent. Within six weeks of the previous budget being established, health care services were looking at a \$400-million deficit. That is not sustainable.

Believe me, it is not comfortable to have to deal with some of these changes, but we have to make them if we are going to secure health-care services. If we are going to secure education services, we have to get our financial house in order in British Columbia. We intend to do that, as difficult as it may be.

And as we work on getting our financial house in order on the one side of the agenda, there’s another side of the agenda that I don’t want us to lose track of. We have to get our private-sector economy moving again.

I do not go to a community in this province or talk with someone who’s involved in creating jobs and creating wealth in this province without hearing the WCB mentioned. The WCB in British Columbia is in a mess and has been in a mess for years. Frankly, the previous government wasn’t willing to deal with it. So costs continued to rise, services continued to fall, and British Columbia’s competitive position continued to deteriorate.

We are going to change that. We have replaced the WCB board with a new panel of administrators who are going to recommend a new governing structure. They are going to recommend a new appeal system so we can get the costs under control. We are going to impose accountability measures on the WCB.

The reports are due on January 15th. We need you to have a good hard look at those reports to help us take those issues and start dealing with them step by step by step. Nothing is going to happen overnight: we’re going to have to do it deliberately and consistently. But if you’re willing to work with us, we’re willing to work with you. We believe we can reform the WCB so injured workers and employers are protected, but I need your help.

I also need your help on employment standards. The Employment Standards Act is an opportunity for us to recognize that the world has changed and that employers and employees want to work together.

Employees want to have the flexibility to shape their work lives to meet their families’ needs and their personal needs. We can’t have a government that’s constantly imposing

what someone thinks is the best way for someone else to go to work. In the technology industry you may want to work 16 hours a day for seven days because that's the project you've got to do. If we want a creative economy, we've got to allow those creative juices to work the way those people want them to work. So how do we open up the Employment Standards Act and allow that to happen while we maintain high standards of employment in British Columbia?

In tourism there are seasonal industries. There are times when people have to work six days a week and seven days a week because that's when they can get the work. When the season's not there, they can take the time off. How do we deal with that in a way that's thoughtful, constructive, protects employees and creates an environment for employers and employees to work together?

When we deal with the construction industry, how do we create an environment that's safe and secure for those workers but allows the industry to get on with creating wealth and opportunities?

We don't believe one-size-fits-all solutions work. There are some large economic decisions we can and will make. But when it comes to regulatory codes, if we keep following the practices of the past, we're going to keep getting the results of the past.

Let's remember how we got here. We had a government and policies that gave us the wrong results. We had an economy that went from the best in the country to the worst. We had investment fleeing the province – the lowest per capita investment of any jurisdiction in the country. Fifty per cent of the jobs created by our technology industry were created outside B.C. We had a health-care system that was deteriorating. We really don't have any choice but to change things.

We are going to reduce our regulatory impacts on business by a third over three years. Do you know how many regulations and rules are imposed? There are 400-and-some-odd thousand. We had 35,000 regulations and related policies in the Workers Compensation Act, 5,000 in the Employment Standards Code, and over 10,000 in the Forest Practices Code.

Think of how overwhelming that can be and think of what we have to do to get a regulatory system that's based on results and is understandable to the people you're trying to regulate fairly and equitably across the province.

Does it make sense for a government to tell someone in the automobile body repair shop business how often they have to dust their blinds on their windows? I can't imagine who thought of that regulation, but he or she thought it up. And now there's someone enforcing that, wandering around checking blinds all throughout the province. That is not sensible. We're going to change those kinds of regulations – and there are thousands of them – if we're going to break free of the past.

We have to do other things. We have an enormous asset called Crown lands. The previous government was holding up economic activity on Crown lands. Their own report suggested we'd lost \$1 billion of economic activity and 20,000 jobs because of the way the province was managing its Crown lands.

We have committed that the backlog of applications on Crown lands will be eliminated by the spring of 2002. We want to use our Crown lands so they are an economic asset to all British Columbians and provide jobs and opportunity for communities all over this province. That will have a huge impact on small business throughout British Columbia.

Something happened on September 11th that was enormously influential, even though it happened outside our borders. All of us in this room must continue to push to make sure that the 49th parallel stays open. The free flow of goods and services is critical, not just to British Columbians, but to all of us as Canadians. It's equally critical to our American friends south of the 49th parallel.

Our total trade with the U.S. is worth over \$580 billion a year. It's the largest single trading relationship in the world. It's very important that all of us do everything we can to maintain pressure at the federal level, both in Canada and in the United States. With our friends across the border, whether it's the Seattle Chamber of Commerce or the Washington Tourism Association, we should make those connections and remind them of our mutual benefits in maintaining an open border. We have to be equally diligent with our federal representatives.

Thousands of people go back and forth across our border, and billions of dollars in goods: \$6.8 billion in softwood lumber alone flows south to the United States from B.C. Our tourists go down to Washington, but their tourists come up to British Columbia in equal numbers.

The flow of people, goods and services back and forth is one of our great economic advantages in British Columbia and in Canada. If we maintain that advantage, it's easier to go out and remind the world of what we have to offer.

I was just in Asia, and they see using British Columbia as a crossroads for investment, trade and cultural exchange. We have a huge opportunity to open up that market to our wood products. China is looking for safe housing for a growing middle class in the largest populated country in the world, and British Columbia is at the door ready to go. That's the kind of thing we're going to have to do as we push British Columbia products, talent and creativity around the globe.

When I went to Hong Kong I told them about the new investment climate in British Columbia, and they're excited about looking at our province again. They may invest in public-private partnerships, they may invest in the energy industry, and they may invest in retail. We need that private-sector investment to encourage activity so we can move ahead.

I did a fair amount of travelling in the fall. I went to Asia, and I did a Team Canada West tour in Dallas and California. As I travelled and told our story, people were interested in British Columbia. They know about our province, and they have the wrong impression of it. It's an impression based on 10 years of experience that we have to erase.

But if we all work together to erase it, our province's economy is going to take off. We have the people, the talent and the resources for our province's economy to be Number 1 in this country.

In oil and gas alone, British Columbia accounts for 17 per cent of the Western Canada Basin, but only six per cent of total wells. We can increase that. We need to create an oil and gas industry that creates jobs and additional investment over the next five years. That in itself will create 8,000 new jobs in British Columbia. And that doesn't count offshore oil and gas, the potential for the Mackenzie pipeline or the Alaska pipeline. That doesn't count the enormous number of independent power producers who want to be part of our electricity generating capacity in this province.

If we face those challenges together, we will succeed. We will succeed not just in creating an economic platform for today but an economic future for tomorrow that is ripe with hope, opportunity and jobs for everyone. I need your help to get there.

Thank you very much.