

Premier Gordon Campbell
Address at P3 Transportation Conference
Vancouver
July 8, 2002

Check Against Delivery

It's not unusual for governments to say to people, "Well, come in, and we'll tell you what's going on." What we're saying to you today is that we want to create a true partnership in which we learn from you about the challenges you face, and you learn from us about the tasks we've set for ourselves. We don't do your business; we do the public's business. We set goals, standards and a course for action that will make a difference in the long term. Then we come to you and say, "Tell us how we can accomplish these goals."

We are at a time crossroads in the province. If you think back, you'll recognize how far we've come over the last 50 years. But you'll also recognize that over the last little while, we haven't made the investments in infrastructure that we need to.

Many of the investments that were made in the '50s and the '60s – and even to some extent in the '70s – we've taken for granted. We've taken advantage of them, and we've worked them almost to the ground. If we want to have the kind of bright and prosperous future that British Columbians deserve, we have to find new ways of investing in our infrastructure.

Fifty years ago in British Columbia, there were no paved roads north of 100 Mile House. How many in this room live in the North? There are paved roads there now, right?

The fact of the matter is that there was a commitment of the government of the '50s to build roads to resources. They said: "We are going to build roads that will open our province up to opportunity, to a new social infrastructure and to a new economic infrastructure." That's why we have the province we have today.

I've travelled around the province for the last decade now, and there hasn't been a time when I've visited a region and they haven't talked to me about a transportation problem.

Different regions have different transportation problems, and there are different scales of problems. I was on the board of BC Transit a long time ago when I was mayor of Vancouver. We were talking about whether we were going to build a \$190-million Skytrain trench up the hill to Surrey. It probably took us two to three hours to discuss that and reach whatever brilliant decision we came to. We then had to deal with another challenge: Were we going to invest \$35,000 in a new transit route in Kelowna? After another two or three hours we had it figured out.

We need to create solutions that meet particular needs of particular regions of the province. That's one of the goals that we've set for ourselves as a government. We want

to have people say we invested in our public transportation infrastructure in a way that made sense to them.

A little while ago there was a classic discussion about whether or not there should be a toll on the road from Vancouver to Whistler. One of the people who commented said, “I don’t have any money; why doesn’t the government just do it?” But there is no such thing as government money. It’s all your money – money we take out of the public’s pocket to provide public services.

Right now we are about at our limit in British Columbia. When I graduated from university a generation ago, the entire public debt laid on me and my generation was \$2.8 billion. When my son graduated from university, he faced a \$40-billion debt.

One of our goals is to give the next generation of British Columbians the same kind of hopes, the same kind of opportunities and the same kind of vision for themselves as we inherited from our parents.

We know that creates some significant financial challenges for us today. I look out across this room today, and I see faces I know. We’ve aged as a generation, and guess what else has happened? Our entire transportation infrastructure has aged right along with us.

We are going to have to revitalize it. We are going to have to renew it. We are going to have to create the kind of transportation infrastructure that provides economic opportunity, one that recognizes the enormous wealth of economic development that can springboard off a strong transportation investment. That’s one of the goals we have set for ourselves as a government as we move into our second year of office.

In our first year we sent a message out to people that things had changed in British Columbia. This is a province that is open for business. We are not threatened by private-sector investment: in fact, we want to encourage private-sector investment because we believe that with private-sector investment come jobs. With jobs come prosperity and stability. With that prosperity we have the resources to provide the public services that are essential in creating quality of life that is second to none.

As we did that, we had a couple of choices. We could move slowly – what I would call timidly – and hope we could get where we wanted to go. Or we could move boldly. We chose to move boldly, and a lot of people think it would be better if we had gone a little slower.

In our society we are open to debate, and as we develop a public framework for public-private partnerships, there will be lots of debate – and that’s healthy. But at the end of the day, we will make decisions and choices, and we will be held to account for those decisions and choices.

On our first day in government, we made a decision to create a dramatic personal income tax cut because we wanted people in this province to know this at least: If you are willing to work hard – if you are willing to commit yourself – then you can get ahead.

Today in British Columbia we have the lowest base rate for personal income tax of any jurisdiction in the country for the first \$60,000 of income. We have the second-lowest marginal income tax rate in this province.

I really don't like being second that much. I tried being second in 1996 and first in 2001 – I like first way better.

We want to be first in our province; we want to get out front; we want this to be the place where people want to invest. That's why it's so critical for you to recognize that when we invite you to tell us what we need to do, we mean that.

People had no trouble when I was in opposition telling me exactly what we were doing wrong and exactly what we had to do to fix it. We need you to feel exactly the same way about us when we're in government.

If we're doing something that isn't working, tell us. If we're doing something that doesn't make very much sense, tell us. We won't be able to fix it if you don't take the time to tell us. Both (Transportation Minister) Judith (Reid) and (Finance Minister) Gary (Collins) recognize that they don't have all the answers but that we do have a commitment to find them.

We have a commitment to making decisions that will allow us to move ahead. Over the last year we have had 17 separate tax reductions leaving \$1.1 billion in people's pockets and \$400 million in investors' pockets. We are going to continue to improve our tax regime.

We've reduced regulations in the province by more than 7,000. We have to maintain public safety and environmental standards, but there are other things that make no sense and that provide no public benefit that we can get rid of. Our goal over the next two years is to eliminate thousands and thousands more regulations that are a burden and a cost to society but provide no benefit.

We have tried to balance our Labour Code. We are looking at creating flexibility in employment standards to make sure workers and employers can work together so they can compete and be successful.

Is there anyone here who doesn't like competition – who doesn't think competition brings out the best in people so they look for innovation and imagination and say, "Let's challenge ourselves so we can move forward"?

Most people understand the importance of competition in our lives. In British Columbia we have the resource base, the talent base, the creativity, the imagination and the

innovation. If we create the necessary level playing field, the people and enterprises in this province will succeed and win – and that’s one of the goals that we’ve set for ourselves.

There are no end of people who come to Gary in his office or Judith in her office and occasionally to me in my office and say something like this: “You know, Mr. Premier, with my brains and your money, we’re going to make a wonderful future together.”

Public-private partnerships are not about your brains or our money: they are about our mutual commitment to one another. They are not a silver bullet. Sometimes they are presented like this: “If we just do everything as a P3, it’s not going to cost anything.” We know that’s not the case.

One of the things that is critical is that the public has to benefit and the private-sector investors have to benefit. If both of those things can be brought together with open dialogue, with honest exchange and with a full understanding of the commitments that we made to one another, I believe we can create a vibrant, robust and healthy means of delivering public services that benefit everyone. That’s the challenge we face today.

In transportation, we have literally billions of dollars of demands for improvements across this province. Highway 3, Highway 97, Highway 16, the Peace River Country, here in the Lower Mainland – we’ve invested billions of dollars already, and there’s billions more that people want. Unfortunately we’ve only been able to invest a little over \$200 million in transportation improvements up front.

Two hundred million dollars is a lot of money when you’re trying to save \$4.4 billion. We inherited an enormous structural deficit. We believe that to build the kind of economic future we want, we have to have financial discipline.

We have to balance our budget, and we have committed ourselves to doing that by 2004. We believe that by using your creativity and imagination and by us setting goals that we can reach for together, we will be able to provide billions of dollars of additional infrastructure development that will meet the public tests of a fair return to you and a cost-effective delivery of services.

When a citizen says to me, “I pay enough taxes,” what they’re saying to me is “Find different ways of delivering a service to provide me with more value. Surely when I’m sending in as much as I am to you for the services I am demanding, you can be creative enough to deliver those services in a more cost-effective way.”

In our private lives, we each have gone through enormous changes in value ratios. I had a friend who was an electrical engineer and ended up being city manager for Vancouver. One day Chris brought out a huge, heavy pocket calendar and started tapping in some numbers. I said, “Chris, what is that?” and he said, “This is the newest calculator.” I said, “That’s amazing; you don’t have to use that slide rule any more. How much did it cost?” “Over \$500,” he said.

Today we have that calculator and much more for \$9.95. That is a huge change in value quotient, and people expect us to do that in government too.

So one of the challenges that we face is to change the value quotient that we give to the public in terms of how we deliver public services. That means we are going to do things differently.

If you keep doing exactly the same thing in exactly the same way, there's a good chance you're going to get exactly the same results. If we keep doing things in exactly the same way, it's exactly the same investment. With the changes taking place in the world around us, we know our results are going to continue to deteriorate. So that's the challenge as we look at how to develop private-public partnerships that work for everyone.

Public-private partnerships generate economic activity up front, and they provide long-term infrastructure for the generation to come. They create the environment that says to people in British Columbia: "We want to invest because we have the public framework that's necessary for us to deliver our goods."

We are at a crossroads in time, but we are also at a crossroads in geography between Asia and the North American market. We can deliver services through rail, air and road services that will be second to none if we grasp that opportunity together.

We think there is enormous opportunity and enormous potential in our province, and we want to liberate it. We want to liberate your creativity, and we want to liberate your investment so you can get a fair return as we build a stronger, more prosperous province.

In our first year in government, we identified a number of problems, which on many days seem like very big problems: \$4.4 billion is easier to say than it is to save. Those challenges are structural; they are societal; they are cultural.

But if we want to give a province to the next generation that is healthier, that does offer more opportunities to our children than we inherited from our parents, we are going to have to be brave and bold enough to step out and to do some exciting things.

We have to do some things differently, to do some things that are leadership – in the vanguard. Leadership is also easy to say, but leadership often means you're doing things first. We are going to learn from the past: we are going to learn from the challenges that others have had as they've tried to develop public-private partnerships.

We think we have learned those lessons. We hope Partnership BC will be something you can examine, give your own due diligence and come forward with recommendations on how to improve if necessary. We hope we will be able to work together to build a strong, leading institution in the development of public-private partnerships.

Judith is going to have a chance to chat with you, and – equally important – you’re going to have a chance to talk with her about the Transportation Investment Act. Although that act is on the table of the legislature, we are asking for your input, knowledge, comments and constructive criticism because we know if we put it through the ringer of public debate and discussion it will be a better piece of legislation and a better framework for transportation investment.

I hope you all know that this is sincere. We want to work with you, we want to build true partnerships, and we want to build partnerships that both the public and private sectors can be proud of. We want to build partnerships that are recognized for their leadership.

I want to thank Judith and her ministry for the leadership they have show and Gary and his ministry for the leadership they have shown to make sure we do create that public framework.

If we get it right at the start, we know it will build momentum, we know it will build success, and we know it will build prosperity. Thank you for joining us, and I hope you have an excellent couple of days as we move forward together to build an even better British Columbia.