

Premier Gordon Campbell
Announcement of Government's Three-Year Restructuring Program – Victoria
January 17, 2002

Check against delivery

Last spring the people of British Columbia elected our government on the basis of four fundamental commitments: we would restore sound financial management to the province, we would protect funding for public health care, we would protect funding for public education, and we would respect the taxpayer.

Today, after seven months of hard work throughout the public service, you have received the broad outlines of our government's three-year plan of fundamental restructuring of how government works in the province. That is done in keeping with our commitments of the last election. It is reasonable, it is responsible, and it is the right thing to do.

Over the last seven months we've tried to be open with you about the process we were undertaking, because at the end of the day, these three-year service plans that we've laid before you generally today and will be laying out in more detail on Feb. 19 are the plans we expect you to hold us to account for.

It was a long process, but it is a necessary one. Once we were elected, we appointed an independent financial review panel to look at the status of British Columbia's books and our financial position. What they found, to use their words, was this: we had a government that was fundamentally unsustainable.

The fiscal review panel pointed out that next year – 2002-2003 – we were facing a \$3-billion structural deficit. And when the fiscal review panel pointed that out, they were not privy to information like the \$200-million reduction in the contribution from BC Hydro to government coffers, and the \$175 million less in contributions from ICBC. They were not told that in June of this year we faced a \$400-million overrun in terms of our health-care costs.

In July, I presented to each cabinet minister – and to the public – a letter that outlined what we called a core services review. The fiscal review panel gave us this advice: They said, "Do not try and go across the board with all of your cuts. It is necessary in terms of reviewing the structure of government that you look at each individual ministry and the services they deliver, and you determine how those services can best be delivered."

Our core services review asked fundamental questions of government: Is this a service that government should be undertaking? If it is a service that government should be undertaking, are we doing it in the most cost-effective manner? Have we examined the results the programs have delivered?

Those are fundamental questions I believe we should be asking consistently. They had not been asked for too long a time in British Columbia. Too often the answers to

questions that were put to the government of British Columbia involved more dollars, more programs and less in terms of results. As a result, we had an economy over the last decade that underperformed every provincial economy in the country.

In September I directed the minister of finance to tell each ministry to look at three separate scenarios: a 20 per cent reduction in costs, a 35 per cent reduction in costs and a 50 per cent reduction in costs. Each ministry, except for Health and Education, was required to examine that.

Throughout the fall of last year at open cabinet meetings, cabinet approved a number of structural, fundamental shifts in how we were going to deliver services in British Columbia. The last of those meetings was held in December. As a result of that work, cabinet ministers, their deputy ministers, and people in the public service could look at services to the people of British Columbia and ask themselves how we could best deliver those in an affordable fashion.

Ministries put together draft service plans. Those were reviewed in detail, not just by Treasury Board, but by government caucus committees, which reflect communities across this province. Every member of our caucus was involved in trying to structure a response to the challenges we faced.

In November of last year we outlined the workplace adjustment strategy that we would be implementing as we move forward with the establishment of our service plans. Today, we've had an opportunity to lay out for you in broad, general terms the service plan objectives that have been set out by the ministries of government.

You will see detailed service plans delivered on Feb. 19, with the budget. You will see the timing for the implementation of these plans. They will be used to hold cabinet ministers and ministries to account for the delivery of services to the people of British Columbia. Next year there will be another three-year service plan: those three-year service plans will be rolling and ongoing as we go through the term of this government's office.

We have been specifically concerned about how those services can be delivered in a thoughtful and innovative way. We've encouraged creativity on behalf of our staff, and think there has been excellent work done across the board in that regard.

This year we are looking at approximately 3,300 FTEs having to be removed. We are trying to do that in humane and thoughtful ways. Early retirement programs have been prepared; voluntary departure packages are available. But I don't want there to be any illusions. Some people will have to be laid off, and that will be involuntary – but it will also be necessary.

We said during the election that we were going to focus health-care funding on patients' needs, education funding on students' needs. And we said we were going to restore

sound financial management to British Columbia. This is a step down the road to sound financial management for the taxpayers of this province.

Once again, let me say that the government programs and processes we inherited in the spring were simply not sustainable. You cannot support and secure government services on the basis of massive and growing deficit finances. That's what we were faced with.

We have gone through a seven-month program to come forward with service plans we believe are reasonable. We believe they are responsible. And we believe fundamentally that this is the right thing to do for British Columbia.