

Premier Gordon Campbell
Address to Canadian Council of Grocery Distributors
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Check Against Delivery

When we were sworn in as government, we decided we were going to do things differently. We were going to open our province up to the sense of opportunity and hope that had defined British Columbia for so long but had been lost over the last decade.

We knew that would require leadership in a time of change. The status quo is powerful in government – and in people’s lives. This is in spite of the fact that if you asked people in British Columbia a year or two years ago, “How are things going?” you wouldn’t have had a particularly positive response.

There is an inward desire in all of us to wish things would just get better without having to do anything. Clearly that is not the situation we are in. It is not the situation you are in in your businesses across this country, regardless of where you live.

You have to be able to respond to change. You have to be able to say to yourself, “How do I respond so my customers will come through the door? How can I provide them with better service?”

When we took office, the 76 people who joined me had a commitment to look at the results we were striving for in British Columbia. Where we were falling short, we were willing to change what we did as a government to make sure British Columbia could reach its full potential.

There is no other place in the country that has more promise than British Columbia. Unfortunately, we fell short for a significant period of time. And when British Columbia or any of our provinces is falling short, the whole country feels the consequences and is held back.

So a year ago our government decided it was important to look the facts in the face. We reached out to people across the province and heard from them about the issues they lived with and the challenges they faced. Then we started putting in place a program that would be aggressive and bold, based on the values and principles we feel are critical to building a future.

We want to build a solid foundation of principles based on a historic strength in our province: entrepreneurship – the private-sector economy. We want to get people excited about going to work again. We want to let people know that in this province, if you are willing to work hard and make a commitment and take some risk and go out and make your dreams come true, when you are successful, we are going to celebrate that. We aren’t going to confiscate it.

So our first day in office we sent a message to British Columbians. It's easy to lose track of one of the most positive natural resources we have in the province – one of the key ingredients of success. It's not the forests; it's not the water: it's the people who live here. We decided that the first thing we had to do was give people the authority to make their own choices, and the opportunity to plot out their own course. So our first day in government we had the most dramatic personal income tax cut in the history of the province.

We now have the lowest base rate of personal income tax in the bottom two tax brackets in Canada. We have the second-lowest marginal income tax rate. Second is not good enough for British Columbia: we intend to have the best marginal income rate because we know that is what attracts the best people.

We also recognized the challenge we faced as politicians: If you think it's tough being a grocer, you should try being a politician.

I started out as a teacher, where you're high up on the scale of public opinion. It was probably one of the best jobs I ever had. My next job was working in City Hall in Vancouver, which was a little bit below the teachers in public opinion. Then I left City Hall and became a developer. I'm not sure you can get much lower than that in public opinion.

Then some people said to me, "Gord, why don't you run for office? Why don't you go out there and try and make some changes that are worthwhile in the community?"

As soon as you are elected, you become a politician. You fall right off the table in terms of public opinion. One of the challenges we face in government is to raise people's perceptions of politicians.

What we decided to do was do what we said we'd do. We laid out a very detailed program that said we are going to do X, Y and Z.

We said we would introduce 22 pieces of legislation in the first 90 days after the election, and people said it would never happen. Well, it did happen – and it happened because we wanted to send a message to each and every one of you across this country that British Columbia was back, we were open for business, and we were ready to serve. We are going to continue with that commitment so that in Canada the best place to do business is British Columbia.

When we started, we faced some pretty significant challenges. An independent Financial Review Panel reviewed all of our books. They said the way government was operating was not sustainable. We were facing a structural deficit of \$3.8 billion.

That was before the panel realized we had a \$392-million doctors' compensation package we would have to provide for. We had \$415 million in costs added on to the payroll that were never funded by the previous government. We had the softwood lumber tariffs,

which hadn't made an impact. We had September 11th. We found out that ICBC, which was supposed to be contributing \$75 million, was actually \$260 million in the hole.

We recognized we had two specific streams of activity we had to undertake. The first was to get our costs under control, and the second was to free up the private-sector economy.

One of the things we believe is that if you want something to happen, you don't tax it. Sounds pretty simple, doesn't it?

We wanted people to know that if they worked hard they could get ahead: that's why there was a personal income tax cut. We wanted investment in the province: that's why by September 1st of this year we will have eliminated the corporate capital tax. We believed that was a tax on investment.

We wanted productivity in British Columbia, so we eliminated the tax on machinery and equipment in the province. We wanted to take advantage of our transportation infrastructure, so we eliminated one of our fuel taxes on the port and reduced the airport jet fuel tax.

We wanted to be sure small businesses had an opportunity to start in British Columbia and grow. Under our previous government in B.C., there *was* a small business policy: If you started out with a large business, after 10 years you had a small business. We would like to change the direction of that, so we've increased the threshold for small business income tax in the province from \$200,000 to \$300,000.

If you look at the tax regime, you'll see we've gradually cut 17 separate taxes in the first year. That adds up to \$1.1 billion in people's pockets and over \$400 million in investor and corporate pockets. Hopefully, those dollars will come back.

Some people say it was a bad idea and hasn't worked. Well, in British Columbia last year, consumer spending was 25 per cent higher than the rest of the country. The reason for that, I would suggest, is that people had money to spend. Our housing starts are at record levels. We have started to move, and we're not even close to being finished.

Advisers who manage over \$360 billion of private-sector investment across Canada have rated this province, and last year British Columbia was rated dead last. This year we're third. I want you to know that third is not good enough for British Columbia: we're going for Number 1.

It is very important for you to understand what a critical role your executive and organization can play in helping to shape what we do in government. Governments have to start trusting people who are in the front lines and saying to them, "How do you think we can solve these problems?" Your executive was very constructive, positive and sensible when they met with us last July.

We don't believe we were put here to control and regulate and tell you what to do. In fact, what we're trying to do is create a full-service government.

We committed ourselves in the last election to cutting one-third of all regulations on business within the first three years. That means we've got two years and one week to go to accomplish that goal.

It's easy for politicians to say, "Here's our goal list" – and then forget about it. We didn't do that. The first thing we did was to look at how many regulatory requirements were imposed on British Columbians. Can anyone guess how many there are? Over 400,000 – on a population of about four million. Those 400,000 regulations are costing the economy roughly \$5 billion a year.

We've already eliminated 5,600 regulations, which last year I probably would have thought was a pretty good number. It's one per cent of the regulations that we've committed to eliminating. We've got a lot of work to do, but we've made the start that's necessary.

In your business there used to be four separate sets of regulatory requirements governing food safety – four pieces of legislation, four sets of regulations. John van Dongen, minister of agriculture, food and fisheries, has been working very closely with your association, and we have brought that down to one piece of legislation. Your association will be one of the many that is consulted as we build a regulatory framework that makes sense.

We had regulations in your industry that were 50 years old: We had a rule about how far away a milk can had to be from the wall, based on the width of a broom. Those regulations are going to go. We are going to make sure that our food is safe and secure, and we're going to do it in consultation with those who are involved in the industry. We think we'll get better results that way.

Your executive told me last year that one of the biggest challenges you face is workers' compensation. In British Columbia there are 35,000 regulatory requirements in workers' compensation. We have taken the first steps to reform workers' compensation.

Your executive said we needed to reshape and restructure; we've done that. Your executive said it didn't make sense to them that the workers compensation system paid people more money to be away from work then to be back at work. We agreed with you. By Thursday of next week that will all be changed.

We think the purpose of workers' compensation is to reinforce the agreement between workers and employers that there are safety requirements, that workers can get through the difficult times if they're injured, but that we want them back in the workforce – not at home. All of those steps are a result of what your executive has done and what others in British Columbia have done as well.

Your executive said, “In British Columbia, your labour laws are all skewed: they pay no attention to us. They are not fair.”

They said they wanted the secret ballot restored; we restored it. They said they wanted sectoral bargaining eliminated; we eliminated it. They said they wanted the same rules for certification as for decertification; we have the same rules.

We’ve changed the Labour Code to make sure employers and employees can work together and communicate to one another. We know communication is critical to creating accountability, and we’re making those changes.

Those are all major steps over the last 51 weeks that have taken us down the road of a healthy, open, vibrant, competitive economy. Without that, we lose the resources we need to support the public services everyone counts on.

Your executive talked with me about the Employment Standards Act and how it constrained their ability to provide their employees with the opportunities they required in the workplace. We’re changing our Standards Act because we believe employees are the best and most important asset you have. You value them, and we think you should be able to work together. We believe that to be competitive and successful, we have to be flexible. You can’t create a system that is rigid and afraid of change if you expect it to succeed.

All of those changes are aimed at making our province a better place to do business, where business sees government as an institution that is trying to serve their needs because it recognizes that business serves government’s needs. It’s a symbiotic relationship we’re building.

Just as you look at how you can deal with changes in your workplace, in your marketplace and in your community to meet the needs of your customers, we believe government should do that in British Columbia. We’re working to do just that.

Our Forest Practices Code has 10,000 regulatory requirements. We’ve started a major reform of the Forest Practices Code so it will be based on results.

We were talking earlier about how fortunate we are in Canada. For a couple of years, I worked in Nigeria, where changes were made in society with revolt. We are very fortunate in this country that changes can be made through ballots. We can get involved in public life and try to shape it.

For you to have confidence, you have to be able to hold people to account. We expect you to hold our government to account. That’s why we were so explicit in laying out our platform in 2001. When the next election comes along, we wanted people to be able to look and say, “Did they do what they said they were going to do?”

We're making changes in how government serves the private sector because the private sector is what we need to get the resources for critical public services like health care, public education and transportation.

Over the next year we look forward to continuing on the path that we've laid out. We look forward to having major infrastructure improvements for moving goods across our province. We look forward to restoring our economy and encouraging even more investment in the technology industry, in the distribution industry, and in forestry and mining across B.C. – because when all of our economy is firing on all cylinders, we all benefit.

We're building our research and development capacity in British Columbia with B.C. leadership chairs and the Leading Edge Endowment Fund to encourage research and development.

I don't suggest for a second that we have done as well as we could: we can do better, and we'll continue to work to do better. Today I come to you as premier of my province, and I ask you help us identify the steps we have to take to continue our progress over the last months.

British Columbia is an exceptional place to live, and exceptional people live here. They have incredible talent and ability, drive, energy and imagination that we're trying to set free so they can pursue their goals.

In 2010 we intend to host the Winter Olympic and Paralympic Games in Whistler. When we do that, every Canadian will be proud of the show we put on. Every Canadian will be proud of our athletes and their commitment and their discipline when they win medal after medal after medal.

Every Canadian will be proud of the sustainable manner in which we brought the Olympics forward. The message we'll send to the world is that when Canadians work with one another and focus their attention on a specific goal, there is nothing we can't accomplish.

In British Columbia we are part of the Canadian family. For too long, British Columbia wasn't pulling its weight. We're ready to come back, and we're getting ourselves in shape so we won't just be pulling our weight – we'll be leading in a whole range of endeavours to help you in your enterprise and to help people in the province and across the country.

In British Columbia we will be setting an example of excellence, entrepreneurship and partnership between the private sector and the public so the people we both serve have a quality of life that is second to none. Thank you very much.