

Premier Gordon Campbell
Address to North Central Municipal Association
May 3, 2002

Check Against Delivery

It's been almost 11 months since we were sworn in as government, and in that 11 months we have had a lot of things to do and to fix. I was fortunate when we were elected as government that we elected a great group of people to serve with us. You have some great MLAs who are constantly working on your behalf, and who complement the work done by the NCMA.

They recognize we face some challenges in the vast northern part of our province – not the least of which is for us to understand that there is not one “North:” there are many norths.

There is the Northwest with all of its untapped resource potential. There are the Peace River and Liard districts, where we have an incredible opportunity to develop our energy resources in British Columbia. There is the north central area that centres on the great city of Prince George. All of them have different challenges; at the same time, they have many things in common, and many common objectives.

Early on in my life in municipal government, particularly with the UBCM (Union of B.C. Municipalities), I was told that one-size-fits-all solutions don't work. We believe that. We believe we have to have different responses to get the same goals in different parts of the province. We believe we have to give different parts of the province the opportunity to secure their own success, and to get out of their way as they do that.

But some fundamentals don't change.

Every year, municipal governments have to balance their budgets. I can remember sitting at the municipal level of government and watching as provincial governments and federal governments amassed massive deficits year in and year out. We used to say to them, “You don't balance your budgets; we do.” People from the province or the federal government would say, “Yes, but you *have* to.”

One of the biggest challenges we face is that for too long we didn't have the discipline of local government imposed on provincial and federal governments. Over the last decade, we've doubled our debt in this province: the amount of debt built up publicly over 120 years was doubled in the 10 years of the 1990s.

When we were elected last year, we immediately appointed a Fiscal Review Panel of independent people from all across the province – the North, the Interior, the Kootenays, Vancouver Island, the Lower Mainland – and asked them to tell us the state of the books.

That panel came back in July and told us two things: that government was operating in a fundamentally unsustainable manner, and that in order for us to turn this province around, we were going to have to get provincial costs under control and reignite the private-sector economy.

So first we did dramatic personal income tax cuts so everybody in this province got a raise. People have said, “Has that worked?” and I can tell you it has worked. In British Columbia, consumer spending is up 30 per cent higher than the national average over the last year. We had the highest level of housing starts in the country in the last year.

Our economy has increased this year at 2.5 per cent in the first quarter alone. That doesn’t mean we don’t face significant challenges; we do. We face even greater challenges in parts of the province that have been resource-dependent for a long time. But it does mean we are starting to see some benefits of the course of action we’ve taken.

We were told by the independent review panel that we had a \$3.8-billion structural deficit in British Columbia. That was before they realized that BC Hydro was going to have \$45 million less in terms of income. It was before they realized that ICBC had over \$250 million in deficit as opposed to a \$75 million profit.

It was before they realized that the previous government passed a piece of legislation two weeks before they called the election that helped cost the taxpayers \$415 million and that there were no funds for.

It was before they realized what our nursing settlement would cost. It was before we made \$392 million available for doctors’ salaries across the province. It was before the softwood lumber decisions were made – and of course it was before September 11th.

We were facing a massive structural deficit. To put this in the context of your budgets, one of the cabinet ministers came to me last summer and said, “You know, Gord, I’ve got great news: I’ve saved \$12 million.”

For me, \$12 million sounds like a lot of money. And for most of you in this room, that’s a lot of money. But do you know what \$12 million is in terms of percentage of the structural deficit? It’s 0.3 per cent.

That puts in context the challenge we face as a province as we move towards the kind of financial discipline and sound financial management every local government is required to carry out across the province.

We have started a process of reigniting the private-sector economy. We have to eliminate ridiculous regulations that are in the way of all of us. We have committed to removing one-third of all regulations within the first three years of government.

Do you have any idea how much regulation costs the economy? It's about \$5 billion a year. We have 400,000 regulatory requirements that we impose on British Columbians. In the first quarter of this year, we have managed to eliminate 4,000 of them.

Sounds like a big number until you think we had 400,000 imposed. The WCB alone has over 35,000 regulatory requirements. The Forest Practices Code had over 10,000 regulatory requirements. The Employment Standards Act has over 5,000 regulatory requirements.

We are going to ask the NCMA, the UBCM and other local municipal associations to help us deal with the regulatory burden we impose across the province because regulations are the hidden, secret way we impose one-size-fits-all solutions on people.

I was driving with a faller in Terrace to a major event, and he said, "The trouble with you guys in Victoria is you think there are two forests in the province: the Coastal forest and the Interior forest. I'm out in the forest all the time. One valley is different from the next valley, and if you try and impose a solution on me, I can guarantee you it might work for the first one, but it won't work for the second – and by the time you're at the 10th it has no connection with reality whatsoever." We have to think of ways we can meet our goals, set our standards and allow people in different parts of the province to meet them in different ways.

We have said we want to be a competitive economy. Let's think of why we want to do that. First of all, I believe in free enterprise; I believe in private-sector investment. The reason I believe in it is if we want to have public services that work, we have to have a private-sector economy generating the income to support them.

It's not much of a challenge to figure out that if we don't have a growing economy, we can't have public-sector services that are constantly improving and that are placing more and more demands on ourselves, our pocketbooks and the industry we serve.

Over the last 11 months we have tried to deal with a number of issues that we know have a particular impact on the North.

Rick Thorpe worked tirelessly to make sure Skeena Cellulose was sold into the private sector. We think in the long term that will benefit the entire Northwest. It will require change, and it will require different decisions to be made at different times, but it does give them an opportunity to build on the future.

We have recently announced that we are going to be proceeding with the examination of potential for offshore oil and gas. Two million dollars has gone to the University of Northern British Columbia to help us put together the program necessary to encourage investment there – to build the scientific information that is required; to look at the social impacts on different parts of the North and different parts of the province; to bring the public together as we pursue the benefits that should be there if we use the best that science has to offer in a way that leads the globe.

In the North, you are all aware of the exceptional opportunities that are presented by energy. We believe that over the next five to 10 years we can generate \$20 billion of private-sector investment in our energy resources. That \$20 billion means 8,000 jobs, and don't let anyone tell you that doesn't make a difference.

We have a huge opportunity in our province to capture the secure energy markets that are required for the United States to meet their goals in the long term. We can benefit from those in British Columbia and the rest of Canada if we have a policy that encourages investment based on the most sound, scientific principles and the highest environmental standards.

The critical thing for all of us to remember is that in the North, as throughout the province, it is our resource sector – particularly our forest industry – that makes a huge difference in our quality of life.

Our forest industry is multi-faceted. Certainly it's logging, it's milling, it's remanufacturing, and it's meeting the needs of our customers. Across the North there are entrepreneurs and investors who are ready to be liberated so they can pursue their goals and create jobs for people in your communities.

We should remember that in spite of what's happening in the United States right now, and in the rest of the world, we have the best product and the best workers. We can take that industry and make it grow and prosper if we work together. We are committed to doing that, and we need you to help us.

There are a number of areas that we can develop. Coal bed-methane – something many people had never even thought of 10 years ago – provides seven per cent of the energy requirements of the United States. We have 90 trillion cubic feet of coal-bed methane on reserve, right across the North, Vancouver Island, the Kootenays, throughout the Interior – enormous opportunities, and the technology available to do it.

We have created a legislative framework that allows people to exploit that coal-bed methane. With the new technologies we can apply to our resource industries, there is very little that we can't accomplish.

I was at a mill in Smithers where they had increased productivity by 21 per cent by applying a software program developed in Fort St. James and another one developed in Salmon Arm. Everybody working in that mill has more security today than they did before they applied that new technology. We are trying to create an opportunity for that technology to be put into mills across the province.

When we eliminated the tax on machinery and equipment, we eliminated the tax on productivity that was holding back our resource industries across the province.

We should remember that when we have one industry that is complementing another – when energy is complementing forestry and is complemented by the mining industry and is complemented by tourism – we start to have an economy that is flourishing. With an economy that is flourishing, we have the opportunity to provide the public-sector services that are so critical to people’s livelihoods.

Let me turn to the challenge: getting a \$4.4-billion deficit under control; getting that mounting debt to shrink until we balance our budgets so we can have the financial futures we deserve.

Too often when we talk about government debt, we forget what it really is. I have two kids, and government debt is a future tax on them for services we consume. Most of our generation has consumed way more than our just deserts. We have a responsibility to the next generation of British Columbians to create opportunity and financial soundness that we inherited from our parents.

When I was 17, 18, 19 and 20 years old, I could get a job in the fishery, in forestry or in construction of a mine. I left home at 18, and I remember getting on the Greyhound bus in Vancouver and going to Prince George. I got off the bus in Prince George first thing in the morning and got on another to Topley, where they let me off.

Topley was nowhere. I was standing on the side of the road by myself, and they said, “Just wait there; someone will pick you up and take you to Topley Landing.” So I stood at the side of the road, a truck picked me up and I got a job in Topley Landing doing a little subdivision for the mine. There were probably 20 guys my age, who came from all over the province. They didn’t come because they knew there was a specific job – they just knew there were jobs all over the province they could get.

Our kids can’t do that today. I want to give them back those opportunities in a whole range of activities, not just across the North, but across the province. If we work together, we can do that.

As we do that, obviously we are going to have to change things. I want to spend a moment to talk to you about health care, because health care is the single largest challenge we face in this province.

Our health-care budget increased by \$1.1 billion in 2001-02. Although in the last election we said we were going to protect and maintain that budget, what we actually had to do to reach the goals we set for ourselves was to increase that health-care budget by \$1.1 billion.

Let me put this in context for you. In two years, our health-care budget went up 20 per cent, while our economy grew by two per cent. It doesn’t take an economics major to figure out that that is not sustainable, so we had to change things – and we have.

Last year on April 24th in Vanderhoof, during the election, I said we were going to have a rural and remote health initiative because somehow the North was being left out in terms of health care. We undertook that as a government we would improve the quality of health care in the North. We believe the changes we are making and proposing will in the long term – even in the short term – improve the quality of patient care in communities across British Columbia.

We said we would focus resources on patients and not administration, so we have taken the 52 health regions and shrunk them down to five geographic regions and one provincial authority. Over three years there will be a 43 per cent reduction in administrative costs. That is not a saving; it is a reallocation from administrative costs to patient care. And for the first time, there are health standards in every one of the five health regions.

We also said we would have a rural and remote training and support program to provide forgivable loans to B.C. students attending accredited nursing and medical schools. We've done that; it's in place. People who decide they would like to practise in rural and remote British Columbia will have their loans forgiven at 20 per cent a year because we know when they come and work in different parts of the province they will stay here if they get the support they need.

We said we'd expand training for care aides, licensed practical nurses and registered nurses: we've created 1,400 new training positions. In every one of those positions, they will have their tuition forgiven if they work in rural or remote British Columbia.

We said we would increase the number of B.C. medical school graduates to 200. We have done more than that: we will have 224 B.C. medical school graduates.

Twenty-four million dollars has been given to the University of Northern British Columbia in Prince George so, for the first time, there will be a rural and remote medical school in the province. It is focusing specifically on the challenges of practising medicine in communities that have dispersed populations.

We said we would increase the number of residency positions in B.C. hospitals; we've done that. We said we would increase locum support for doctors; we've done that. We said we would give ambulance attendants better access to training; we have announced 30 million additional dollars for ambulance attendants' training.

Thirteen hundred ambulance attendants will be trained to Paramedic Level 1, and for the first time in the history of the province, every ambulance in the province will have defibrillators. We were asked to do that by people in the North and in rural and remote British Columbia, and we have done that.

We said we would increase technology funding and digital infrastructure to support telemedicine; we've done that with \$8 million connecting Terrace with the Lower Mainland and Cranbrook. Already 17 British Columbians have had the care they need

delivered in the communities they live in because of the telemedicine initiative we have undertaken.

We said we would work to build more intermediate and long-term care facilities; we've done that. We will be increasing the number by 5,000 beds between now and 2006.

That's nine out of 10. We have one left to do, and I don't want you to think we have forgotten it. That is to develop a rural travel assistance program. We are going to be doing that.

We have not accomplished everything in 11 months, but we have committed funds, resources, ourselves and our health authorities to delivering on what we told you we would do because we know how critical it is to your quality of life. We are going to keep doing that, with your help. And as we face the challenges ahead, the provincial government is going to have to make the same difficult choices that you have made in local government for generations.

One of the things I find most encouraging is that it doesn't matter whether I'm in the Peace River, Terrace, Burns Lake, Cranbrook or Chilliwack, people in this province understand the exceptional asset we have. They understand the opportunities that are in front of us if we just learn to work together and to focus our resources on our goals, and if we learn to make the difficult choices most people have to make in their day-to-day lives.

We are starting to do that at the provincial level of government. It is a challenge, but it is a challenge worth taking on. We are going to continue make those decisions in the best interests of all British Columbians.

One of the great advantages to having 77 out of 79 MLAs is it's very difficult to throw your problems into the place the other political party happens to live in. We are trying to do things in the interest of patients in the province, in the interests of students in the province, in the interests of small businesses in the province, and in the interests of the resources industries that have made this province so great.

We don't claim that we'll make all the right decisions. I would be surprised if we did everything exactly the way we would want to. I would be surprised if we get all the results we want.

But one of the things you learn in local government is that if you make a mistake, you fix it. If you're not getting the results you want, change what you are doing. That is what we are trying to do in the provincial government. That is what my caucus is doing.

I want to end today by saying that the role you play is to continue the constructive voice that you have always had, whether it's as local government representatives at the softwood summit last Monday, whether it's as your NCMA representative at the provincial congress, whether it's as northerners who are interested in the forestry industry or excited by petroleum and energy opportunities, or whether it's as community builders

in the Northwest or in the Peace or in the north central part of this province. Your role is to identify problems, help us create solutions and help us move down the road together.

We live in an exceptional province. We have enormous opportunities here. It is an exciting place to be. It is an exciting time to live. There are challenges, but we can reach beyond them for the benefit of every British Columbian and the children who follow. Thank you very much.