

Premier Gordon Campbell
Address to the Native Investment and Trade Association
March 28, 2002

Check Against Delivery

Thank you all for giving me the opportunity to talk with you about one of the really exciting areas of development in British Columbia over the years ahead.

You all know that British Columbia is a land of exceptional opportunity and promise. One of the things the Native Investment and Trade Association reminds us all of is that we want to make sure all British Columbians – aboriginal and non-aboriginal alike – benefit from the province’s promise and potential.

Today I want to talk about energy. Last August I established an energy policy task force to recommend a strategy to make sure British Columbia could use energy as one of the true competitive advantages we have in this province.

For too long, British Columbians have been left with the perception that we have this huge abundance of energy that we don’t have to think or worry about. The fact is this: British Columbia imports energy. It’s going to require a massive investment in our energy infrastructure if we are going to maintain energy as a critical competitive advantage over neighbouring jurisdictions.

We are fortunate, though, because the natural resource is there for all of us to see, explore and benefit from. The interim energy report brought out a few months ago focused on a number of areas for all of us to participate in: growth, diversification, competitiveness, industry restructuring, energy efficiency, sound environmental policy, government leadership, and building a new relationship between the government and our First Nations so that First Nations involvement would be constructive and powerful as a tool for building the future.

We received over 135 presentations and responses to the interim report. There were 35 meetings with stakeholder groups. Over the last weeks I have met with some of the aboriginal leaders across the province. One of the things I have identified that is critical is to build the aboriginal economic capacity so they can fully participate in the opportunities that energy represents.

I’ve recommended that the aboriginal leadership invite other aboriginal leaders from across the country to our province to discuss the tools, methods and programs we need to build true capacity for economic development. I’m hopeful we will be able to do that in the months ahead.

You can send a First Nation a binder of material that’s that thick and say, “Get back quickly with a response.” But unless you’ve given them the tools they need to examine and analyse it – and unless you’ve built the trust between the government and the First

Nation – neither the government nor the First Nation are going to maximize the benefits we could receive from the energy potential in British Columbia.

Let me put this in perspective. In British Columbia the oil and gas industry alone produced \$4.6 billion in revenues in 1999, five times as much as the revenues in 1990. Industry investment was up \$2.7 billion: that's a 17 per cent increase from 1999. The energy industry in British Columbia employs 32,000 people across the province. Whether that's in production, exploration, retail, or natural gas distribution, it has an enormous impact on our provincial economy.

Approximately eight per cent of all provincial revenues comes from the oil and gas segment of the energy industry alone. We have an amazingly rich hydrocarbon resource here. It's estimated that we have 40 trillion cubic feet of gas waiting to be discovered and produced in the Northeast alone – 40 TRILLION!

I've been wrestling with things like billions, and trillions are a lot bigger than that. I can't even imagine what 40 trillion cubic feet of gas looks like. When you include that with what's already developed, there's 50 trillion cubic feet of gas in the Peace River country alone. Ladyfern, a recent gas find that produces over 100 million cubic feet of natural gas a day, is what those in the business call an elephant. We found an elephant.

Ladyfern is producing at levels 1,000 times higher than gas wells in southern Alberta. Today, Ladyfern produces five per cent of B.C.'s total production. All of a sudden everyone's hopeful there may be a whole bunch of other Ladyferns up there. One of the great things about our province is we don't just have one basin for exploration: there are basins virtually all across the North that are available for exploration. We're going to try and encourage that.

What are we going to do as we look to the years ahead? First, we want to create an investment climate that encourages exploration and energy development. Energy development is not just oil and gas development: one of the major areas we think has enormous potential is coalbed methane.

I just mentioned some trillions; I've got another group of trillions for you. There is an estimated 90 trillion cubic feet of coalbed methane in reserve in British Columbia: across the North, in the Southeast in the Kootenays, all through Vancouver Island – literally trillions of cubic feet.

And for those of you who are wondering about whether the technology is advanced enough and whether we can introduce it to the marketplace, the Americans developed coalbed methane technology in the 1980s, and today seven per cent of all natural gas production in the United States comes from coalbed methane.

You and I know that one of the things the Americans are concerned about is energy security. Canada can create that kind of energy security. Today British Columbia is leading in the creation of policy to encourage the development of coalbed methane.

Many British Columbians are also looking at the untapped oil and gas reserves that sit off the coast of the Northwest. We have undertaken a scientific review, and that report is in. It is being shared with the federal government; it will be shared with First Nations leaders. Again, what we're looking at is an additional 42 trillion cubic feet of gas and nearly 10 billion barrels of oil potentially in reserve off the coast of the Northwest.

One of the challenges we face – and as I met with aboriginal leaders, one of the things they pointed out – is that as you build economic capacity, you can't just decide you'd like to do it today and expect it to be there the day after tomorrow. It takes time to build the educational component; it takes time to build the expertise; it takes time to get a geological engineering degree; it takes time to build the kind of economic analysis you want.

We've been working with aboriginal leaders to develop the training programs necessary to make sure that aboriginal communities have confidence about their future and take advantage of the potential energy development in the province.

Over the last months the new minister of energy and mines, Richard Neufeld, has reached a number of memorandum-of-understanding agreements with our Treaty Eight First Nations in the northeastern part of British Columbia. What these agreements are trying to do is to make sure that the opportunities for review of oil and gas permits are available. They're making sure that First Nations build the capacity they need and work with the industry so everyone can benefit from the potential development in the Northeast.

We hope we can take that experience and translate it to First Nations communities across British Columbia, from Vancouver Island to the Kootenays, from the Northwest to the Northeast. I've recommended that we ask First Nations that have been intimately involved in energy development in Alberta and Quebec to come to British Columbia and join us in developing a strategy that will ensure we have the kind of technological training, educational and social development that's required. Then First Nations can have confidence that they are being included not at the end of the game but at the beginning, so that everyone can benefit together.

I don't pretend this can happen overnight. What can happen overnight is we can work together. We can share information with one another. We can ensure that people are included in discussions and policy development.

And that's why I'm pleased that the Native Investment Trade Association has brought you together for what I hope will be a first annual event in looking at our energy potential, our energy plans and the results that flow to individual British Columbians and individual members of First Nations across British Columbia.

If I can get people excited about their future in this sector of the economy, if we can get people to form true partnerships between industry and government and First Nations, and if we can have people understand the challenge of developing this economic resource in

an environmentally sustainable manner that provides social cohesion and social support, I believe we can set a path for the future that's positive for everyone in British Columbia.

We will meet challenges as we go through this. One of them is the overall economic environment. We have to create a province where people want to come and invest – where people have confidence that their investment can generate a return.

Already in British Columbia our government has taken steps to remove unnecessary regulatory burdens while maintaining health and environmental standards. We're making sure we get rid of unnecessary hurdles so we can develop the economic future we want.

We have reduced personal income tax. We have reduced the tax on investment, and in fact by September 1st of this year, the tax on investment will be eliminated. We have already eliminated the tax on machinery and equipment that was holding back exploration.

We are working with First Nations, with environmental communities and with local governments to make sure we have land-use strategies that provide for security of tenure in the long term.

All of these are building blocks to a future that doesn't just generate billions of dollars in economic opportunity and thousands of jobs, but that creates the foundation for a positive and constructive social future that provides for health and education services.

I believe that as we look to the future in the energy industry in British Columbia, we can look with confidence to an investment level of \$20 billion to \$24 billion over the next five to six years. We can look with confidence to the creation of thousands of new jobs. And we can look with confidence to the building of a new partnership between the government, First Nations communities and industry to make sure all British Columbians have the bright future they deserve.

Your conference today is a way of building: building trust, and building a future we can all share and take pride in. Thank you very much.