

Premier Gordon Campbell
Address to B.C. Tourism Industry Conference
February 28, 2002

Check Against Delivery

One of the great things about this industry is that it is always upbeat: you're excited about what you can do and what you've accomplished.

Last week I was in Williams Lake, and that city was overwhelmed with over 2,100 athletes and coaches. That's more athletes than were at the Olympic Games, and every one of those athletes had an exceptional time. The hotels were filled up. 100 Mile was working with them; Quesnel was working with them. It was an exceptional Winter Games – a really incredible event – and it showed again how resourceful the people of this province can be.

That's what tourism is. Tourism is about people serving people, taking advantage of opportunities, looking for special ways to meet the needs of their customers. Tourism has always made British Columbia proud and will make British Columbia even prouder in the months and the years ahead.

We have a great province with enormous resources in forestry, mining, tourism, technology and film. We want to bring all those industries together: when we're all firing on all cylinders, there is nothing British Columbia can't accomplish. That's why it's so important that we continue to work together, to look and to listen and to learn what we can do to make sure your industry is thriving.

In 2001 alone we had 22.3 million tourism visits. There is \$9.1 billion in this industry. When the folks from Tourism BC talked with us at the Core Services Review, we listened to what they had to say and the objectives they had set. Then we said to them, "We want you to tell us how we can double the contribution of tourism to the province's economy.

"You tell those of us in government how we can remove the hurdles that get in your way from building the investment, building the jobs and building the economic opportunity we know is there."

I'm pleased to say the industry has been willing to take up that challenge. None of this happens without a lot of hard work, and none of it happens if we don't work together.

I've heard from a couple of people that Tourism BC would like more money. A whole bunch of people in British Columbia would like more money from the government. I want to be clear about a couple of things:

First, there is no such thing as government money: there is only your money. There is no such thing as federal money and provincial money and regional money and local money: it's your money.

Our first challenge when we took office was to try and build a sound financial framework for the province so we can build our public services in a sustainable and long term way.

Our second job was to try and remove the hurdles that have held back our private sector. I would recommend you look at the B.C. Progress Board report. It's important that we know where we stand today so as a province we can come together and strive to become number 1 or 2 in all segments of the economy – as well as number 1 in environmental protection and sustainability, and number 1 in social programs.

One of the critical players in moving our private-sector economy forward is going to be the tourism industry. That's why we've maintained our support for Tourism British Columbia.

Many of you may think that maintaining support isn't that big a deal, but try being in one of the ministries that have had their costs cut back by 25 per cent. We've protected the resources for Tourism BC, and we are going to continue to work with you to build this industry. We have added resources in some parts of our strategy to build B.C.'s brand and recognition around the world, complementing the work you're doing in Tourism BC. We have already seen some improvements.

I want to talk briefly about some of the things we've done in the last 8½ months – almost nine months now.

The day after we were elected we established the lowest base rate of personal income tax of any jurisdiction in this country, so your workers can have a larger take-home paycheque, and the people in this province can invest their money in tourism if they'd like to.

We've reduced the corporate income tax from 16.5 to 13.5 per cent because we want to continue to encourage private-sector investment that makes us competitive with Ontario and Alberta. We will have eliminated the corporate capital tax, which was a tax on investment, by September 1st of this year. We have already eliminated the tax on machinery and equipment.

We have looked for fundamental assets of this province where we can encourage development, job creation and investment. One is right here in Richmond: the Vancouver International Airport. In our financial statement in July we reduced the province's domestic tax on jet fuel to two cents a litre so Vancouver would be competitive with other jurisdictions. That has had a huge impact on the airport and its potential for expansion. That alone will generate additional jobs in tourism and additional tourism opportunities across this province.

We eliminated the seven per cent tax on bunker fuel that was holding B.C.'s tourists back. People say, "Does that really have an impact?" It *does* have some impact. It's not the sole reason, but it is *one* reason the cruise ship industry has been able to increase its capacity in British Columbia. This year we're expecting 114 cruise ship arrivals in Victoria, up from 75 last year. It's been estimated that every ship is worth \$1 million to our provincial economy in job creation and visitor spending.

We are working to restore the sense of confidence and optimism in our resource industry – in mining, in forestry, in the fisheries. As we do that, we build opportunities for tourism. After our first complete budget, we have left 1.4 billion more dollars in British Columbians' pockets than they had 8½ months ago. It's not the end of the job, but it is a beginning, and it's a start that's worth recognizing as we build a private-sector economy that's thriving, that's exciting and that's vibrant.

Last year the most critical event took place on September 11th. You all felt that across the province, regardless of where you live. On September 11th we all suddenly took stock of what we have, and we recognized that we were incredibly fortunate to live in a province like British Columbia and a country like Canada.

One of the things I was concerned about – and I know the industry was concerned about – was the impact of September 11th on our border. In the short term you all felt it in your hotels and your operations across this province. It was devastating.

We immediately took up the challenge of trying to make sure the 49th parallel did not become a hidden casualty of the calamity of September 11th. We have worked comprehensively to make sure we not only get back to where we were but improve the flow of people and goods back and forth across that border.

I take my hats off to (deputy prime minister and former minister of foreign affairs) John Manley and (former Pennsylvania) governor Tom Ridge down in the United States. I think the smart border declaration was a step in the right direction. It outlines 30 separate steps that will improve the flow of goods and services across our border. I take my hat off to the Council of Tourism Associations for the work you have done in tourism, making sure state and provincial representatives understand the challenges we face.

People in our caucus have been working to build long-term and lasting relationships. Barry Penner is heading up our team on PNWER, which is the Pacific NorthWest Economic Region. We've created relationships with Washington state, with Idaho, with Montana, with Alaska. The Team Canada West mission had very good discussions with the governor of Oregon, the governor of California and the people of Texas.

If we take our message south of the border and remind them of what they benefit from in the relationship, we will be able to build a lasting improvement.

The day before yesterday, we hosted a special Provincial Congress, which brought together all of the provincial MPs, provincial senators, provincial MLAs, the mayors of

the 15 largest cities in the province, the president of the Union of B.C. Municipalities, and the heads of five regional associations across the province, as well as First Nations leaders.

Every one of them understood the impact and the import of the border. We have all undertaken to make sure we access one-quarter of the federal government's \$600-million border infrastructure initiative.

I met with the senior minister for the federal government in British Columbia and told him of our concern and our thrust to improve the quality of movement back and forth across the border – not just at Blaine and the Pacific Truck Crossing, but at Highway 91, Highway 15, Highway 11, Highway 97 and Highway 95. All of those are part of our initiative.

British Columbia is one of the most spectacular places in the world, with a variety and a diversity of attractions that is second to none. There's a huge opportunity in front of us to access the American market, and we're going to open our borders to make sure that happens.

As you know, the NEXUS program has been planned and is supposed to be implemented on June 1st. We are advocating that we pre-clear people for the NEXUS program so that on June 1st we can immediately take advantage of that program and the flow of goods and services takes place rapidly across the border.

In Canada, 87 per cent of our trade goes across the border into the United States – and 25 per cent of trade from the United States comes north. When we talk about the importance of tourism coming into British Columbia from Washington state, we should understand that they are just as concerned about tourism from British Columbia going into Washington state. It's a balance.

There is a mutual interest for all of us to work together to make sure that flow of goods and services and people takes place rapidly across our borders. We're going to continue to work with you to make sure we improve on that.

I want to talk briefly about one other transportation issue that is a concern to the industry and a concern to the province. It was also a concern to the Provincial Congress on Tuesday. That's the new \$12 security fee that has been added at airports. It has a major impact on regional airports, and we're going to be working with our MPs and our senators to make sure we do not end up with a fee that is holding back the opportunity for regional airports to flourish.

Everyone is concerned about security – and we should be. But we have to make sure when we're imposing a new tax that we're not reducing opportunities for people where the tax will have no benefit.

I commute on Harbour Air. Harbour Air, West Coast Air, Helijet – they're all great transportation facilities from Vancouver to Victoria. I don't think it's necessary to charge people who get on those planes \$12 for security. We're going to work to make sure the federal government is thoughtful about the impact on communities across our province and the country. Hopefully, they will listen.

In the past, I've pointed out that we were very much concerned about the backlog and delays that were taking place in Crown land applications. The previous government had done a report that pointed out that those backlogs had cost our economy up to \$1 billion and up to 20,000 jobs across the province.

Stan Hagen, who took on the task of being minister of sustainable resource management, has done one heck of a job: he has managed to reduce the backlog by 90 per cent, and we are out to eliminate it by spring of this year.

I say that with just a bit of trepidation, because often when people say they want you to reduce the backlog, what they want is for you to say yes to what they have asked for. So I don't want to leave you with the wrong impression. In 833 out of 1,366 decisions we gave approval outright. In 533 we gave rejections. There are 10 per cent left that may have additional approvals based on decisions at the Department of Fisheries.

We will continue to work with you to make sure that you get those decisions as quickly as possible. I know that when you ask for a licence or an application and you get a "no," that's not particularly good news – but it's better to get the answer than to wonder about whether you're going to get the "yes."

One person at this meeting last year told me he had had an application before the provincial government for 11 years. It's very hard to plan your future when you can't get an answer for 11 years. We're going to take these processes that have been imposed and layered upon layer and make some sense out of them.

Today Stan told you about a new, integrated agency – Land and Water BC – which will co-ordinate those applications, provide integrated services and make sure you have the answers you need. We still have a challenge with applications for water licences. We will reduce that backlog by 30 per cent by the end of March, and by the end of this next fiscal year we expect to have 90 per cent of the backlog of water applications reduced.

You said to me last year you were concerned that often the tourism industry was left out of our land use processes. I'm proud to tell you that Stan Hagen has increased the tourism representation by 50 per cent. There is a tourism manager for each of the six regions of this province, and tourism is not left out of LRMP processes.

I know you'd like us to do more, and you'd like us to do it faster; we'd like to get on with it, and we're going to. We have a lot left to do in this province. After three years, we intend to have eliminated one-third of all the regulatory burden we impose on businesses. We have started that.

I want to ask each of you delegates to have a look at the process we've undertaken with regards to two of your favourite areas of government legislation: the WCB and the Employment Standards Act. What I need you to do is look at those two pieces of legislation and tell how we can have legislation that responds to the needs of a modern tourism industry.

We believe employers and employees want to work together. We believe we have to bring those two groups together in a way that's thoughtful, that makes sure we protect public health and public safety, but that also allows for the flexibility for you to meet the needs of your customers – and the needs of your employees – without the government getting in the way.

So over the next few months we're going to be needing your comments on the WCB and Employment Standards Act as we move to modernize both of them – to make them more modern, to make them more effective, to make them results-oriented and to make them work for employees and employers alike.

We recognize that this industry is different than other industries. One-size-fits-all legislative solutions imposed across all sectors of the economy simply don't make sense. So I ask you for your help. This spring I'll be having small business round tables in communities all over British Columbia. I encourage you to make sure that voices of tourism are heard at those round tables.

If you lay out for us where we can improve things, we're willing to help and we're willing to act. That's going to be critical as we build the kind of economy we want.

I want to close with something I think is very exciting. We have celebrated the incredible success of not just our men's hockey team on Sunday but our women's hockey team on Thursday, which gave Canadians a sense of the opportunities the Olympics present.

We know we have to improve our transportation infrastructure. We think the Olympics offer an opportunity for that.

People think it might be a good idea to expand our convention centre facility here in the Lower Mainland – and in Prince George and Penticton and other parts of the province as well. The Olympics give us an opportunity to do that with the help of the federal government and the private sector.

The Olympic bid calls not just for the potential expansion of the Exhibition and Convention Centre in downtown Vancouver at Canada Place: there is an opportunity to expand the convention centre here in Richmond.

We're planning to put five Olympic centres around the province. It's an opportunity to expand convention facilities in the great city of Prince George or the town of Penticton,

which have build convention centres and found their capacity is already strained. We want to make sure we provide those facilities for people all over British Columbia.

And if we move to market the Olympics, we're marketing B.C. We're showing British Columbians and the world what it's like to travel from Prince Rupert to Terrace along that incredible highway, one of the most scenic routes in the world.

We're going to show them what it's like in the Peace River. We're going to show them what it's like to arrive in the East Kootenays and see what it's like at the source at the great Columbia River. We're going to show them what they can find in the Chilcotin and the Cariboo and on Vancouver Island and on our Coast and our inland passageway.

All of those things are opportunities we can market as we show people the Province of British Columbia, our great country of Canada and the Olympic bid that's coming up for 2010. I ask you to join us in this. It will launch B.C. not just for 2010; it will launch B.C. for the years before and the years after. After the Olympics, Barcelona had an annual growth of 20 per cent in visitors to that part of Spain – and they weren't just going to Barcelona.

Today I want to leave you with a sense of confidence that we are moving in the right direction. We have the commitment to build an infrastructure that works. We have the commitment to build the kind of software that you need to market British Columbia.

We want to get out of your way so you can pursue your goals. We want to give you the opportunity to make this an industry second to none in the world, an exemplary industry that recognizes the spectacular nature of British Columbia, the superb quality of its people and the exceptional opportunity tourism offers to every single British Columbian.

Thank you very much for listening to me.