

**Premier Gordon Campbell**  
**Address to the Okanagan Mainline Municipal Association**  
**Vernon**  
**May 2, 2002**

*Check Against Delivery*

Local governments are an important part of the governing partnership in British Columbia, and we think that partnership is critical as we move to a new era of improved, quality services across the province.

There are primary lessons you learn at the local government level. The first lesson is that there is only one taxpayer. That taxpayer deserves to have us work together, to have resources focused on the services they want, and to know that when we take dollars out of their pockets, we are trying to make sure they get the services they pay for by creating accountable government. Local government is the most accessible, affordable and accountable level of government.

I was interested to hear the speeches from members of your executive. It's always fascinating to see you get all the things you would like to do in a year into a one-minute speech.

You have passed a number of resolutions, and one of the ways we can improve on how we respond to resolutions is to improve on the speed with which we give you feedback. I would recommend that you forward all resolutions to do with the federal government to Greg Halsey-Brandt, who is the minister of state for intergovernmental relations. He can take those things across to the federal government and make sure we start working on those now. Obviously, they will be considered at the UBCM (Union of B.C. Municipalities) convention in the fall, and we'll be able to give you some updates on that as we go forward.

A year ago at this time we were in the middle of a provincial election that called for change. We were elected highlighting principles that local government has lived with since their creation: It's important for us to live within our means; it's important for us to recognize that one-size-fits-all solutions don't work; it's important for us to recognize that working together, we can accomplish much more than when we divide out different parts of the province.

We have some huge challenges, and I'm the first to admit that those challenges were much bigger than I had anticipated.

Early in our term we appointed a Financial Review Panel. That panel reported that we had a \$3.8-billion structural deficit. They also said government was operating in a fundamentally unsustainable way.

I want to put that \$3.8 billion in context for you. Last July, one of the ministers came to me and said he had great news: "I found a way I can save \$12 million."

For me, \$12 million is a lot of money – but \$12 million is 0.3 per cent of our deficit. It gives you an idea how much work it takes to reshape government so we have a fundamentally sound financial situation, which we are going to need to provide people with the services they depend on.

Following the Financial Review Panel, we found a few surprises. BC Hydro had \$45 million less in revenue than was anticipated. ICBC had a loss of \$260 million as opposed to a profit of \$75 million.

The softwood lumber dispute ended up with duties imposed on our products in British Columbia far in excess of what we anticipated. A piece of legislation passed less than two weeks before the election was called helped add \$415 million to the cost of government, with no resources behind it.

And then we had September 11<sup>th</sup>. That hit our resource industries; it hit our tourism industry; it hit the entire global economy. That's not a way of saying there are any excuses here. The fact of the matter is we live in a global economy and we should be able to take advantage of a global economy. We won't be able to do that if we don't get our financial house in order.

The Financial Review Panel said we had to do two things. First, we had to get our costs in government under control, and second, we had to revitalize the economy.

There are two paths that must be followed if we are going to get back to the level of prosperity that most of us in this room enjoyed when we were growing up in British Columbia.

When I was kid in high school, you needed a summer job. You could find one at home, or when you were older and had transportation, you could find one virtually anywhere in the province.

You could go fishing, you could go work in the woods, you could work in the mills, you could work in the mines, you could work in construction – and you could work for a fairly reasonable paycheque.

One of the first times I went to work, I got on the bus out of Vancouver and went up to Prince George. I arrived at Prince George at about 7:30 in the morning, and I got on another bus to a place called Topley, which is a stop on the highway. I got off and they said, "Someone will come by and pick you up and take you to Topley Landing." I waited on the highway and wondered what was going to happen. Finally a truck came, and the driver said, "I'll take you to the landing."

I was expecting to get a job that would pay me \$400 a month; instead, it paid me \$3.84 an hour. It was a good idea because we worked long hours and there wasn't a whole lot to do in Topley Landing. But young guys from all over the province found jobs there.

Our young people don't have that kind of opportunity today. We have to recreate it, and to recreate it we have to have a private-sector economy that encourages investment in

mining, forestry, tourism, technology. So the first thing we did when we were elected was we cut your income tax. Today you have the lowest base rate of personal income tax of any jurisdiction in the country for the first \$60,000 of your income. You have the second-lowest marginal income tax rate.

We were told by people in resources industries that they were tired of being taxed for increasing their productivity, so we eliminated the tax on machinery and equipment, which was in effect a tax on productivity. I just came from the Interior Lumber Association annual convention in Kamloops. I walked through those convention grounds, and there was literally millions of dollars of equipment there. By reducing that tax, it increases the productivity of the people who are involved in logging across the Interior. It increases their ability to compete and to win.

The corporate capital tax – the tax on investment – will be eliminated by September 1<sup>st</sup> of this year. Our corporate taxes generally were cut down to 13.5 per cent. The threshold for small business income tax was increased by 50 per cent.

We did that because small business is the engine of new jobs in the economy. Small business represents the cutting edge of the economy, and we have to encourage it.

Right here in OMMA you have a burgeoning technology industry. Ninety-seven per cent of the technology industry coming up here is small business – 500 technology companies in the Okanagan, in the “Silicon Vineyard.”

These technology companies are looking at how they provide software that helps us in all areas of endeavour. By creating a tax regime that encourages people to take risks and celebrate their success, we have an opportunity to have those small businesses become larger businesses. We’ve seen it happen across the province.

I was in a mill the other day, and the mill manager said they had increased productivity 21 per cent by applying two software programs. One was developed in Fort St. James; the other was developed in Salmon Arm. A 21 per cent increase in productivity means the workers in that mill have security in their jobs in the long term. We have to continue to encourage that, and we will.

We also have to look at the regulatory burden that we impose on people across the economy. We all talk about regulation and we all talk about red tape, but we never really know how much it adds to the costs of our economy. We’ve estimated it adds \$5 billion to the costs of the economy.

We have a minister of state for deregulation who works with Rick Thorpe, the MLA for Okanagan-Westside. We have identified 400,000 regulations British Columbia; we have eliminated 4,000 so far. Our goal is to eliminate one-third of those after three years of government.

Any idea how many regulations and regulatory requirements Workers Compensation Board applies across our province? It’s 35,000. The Employment Standards Act? 5,000. Forest Practices Code? 10,600. Liquor Control and Licensing? 5,900.

There was a regulation that told automobile repair shops how often they had to dust their blinds. Now the first question I have is, “Who thought that up?” The second question is, “Who cares?” The third question is, “Why don’t we get rid of it?” And we got rid of it.

We got rid of it because it makes no sense. The Forest Practices Code – even the previous government, who invented this mass of paper, said that it costs a billion dollars for no benefit. It doesn’t make any sense for us to do.

We need you to work with us through your local governments, or OMMA if you prefer, to help us as we reduce the regulatory burden and maintain top environmental standards, public safety and public health care.

As we maintain those standards, set our goals and look for results, we will have more cost-effective regulations. We will have regulations that make sense but will also free people up to pursue their goals.

Every regulation in the province has someone who loves it. As we move to change it, we have to recognize that someone is going to be disappointed. But we have to say, “What are the standards? What is the framework we are going to measure against?” and work together to have a regulatory code that makes sense.

If we do that, we encourage small business. If we do that, we encourage productivity. If we do that, we encourage innovation, imagination and economic growth.

All of these things are ways of responding to that old maxim I learned in local government: One-size-fits-all solutions don’t work.

You need flexibility. We can set goals for ourselves and allow people to reach them in different ways in different parts of the province. Our government is committed to that. As we move to the institutional changes that will be reflected in the community charter, that is a big and significant structural shift.

I know many of you were concerned that we hadn’t got the charter ready for you in time for the convention. I ask for your patience.

Local government has been working on what we think of as the community charter for a decade. The provincial government has been working on the community charter for 10 months. We did not feel we could put out a discussion paper or even a piece of draft legislation we weren’t comfortable with.

Although we are going to say to you, “Tell us what we can fix; tell us what works; tell us what doesn’t,” it would be fair when we put that on the table that you would expect everything in it was fine with us.

I have to be sure it is fine, and Ted has to be sure it is fine with his colleagues in cabinet and with the government. Our commitment is clear: the charter and the discussion paper will be on the table this spring. You will have the next five to six months to review it.

When it's there, we encourage you to start looking at it. Don't wait until September: start start talking right away about the improvements you would make.

If the charter doesn't work for you – if local government doesn't think it is a significant improvement – we'll leave the Local Government Act as it is. We are trying to do something that will work for you and work for the province. If we don't have it right, we'll try some more. If you would rather not spend time with it, that's your call. We think it is something that will make a difference. For example, some of the suggestions you have on the Local Government Act wouldn't have to be made if the charter were passed.

Those will be your choices – and we're glad to let you have them. The more tough, difficult challenges that we can give you and let you take care of, the better off we are going to be.

There will no rush in terms of trying to force it through. We want this to be an ongoing dialogue with you.

As we do that, we are trying to reflect our commitment to local governments in our finances. We are going through a tough financial time in the province, but we maintained funding for local governments. On Tuesday we announced \$8.6 million for library grants. All of those things are aimed at making sure local governments can build the kind of communities they want.

We are challenged by a number of changes in our province. None are more important, more significant or more difficult than health care.

We weren't elected to maintain the status quo. We weren't elected to maintain a health-care system where a young person has her arm broken and it takes three days before it gets set in a community like Terrace. So we have done a number of things that are the first step of restoring and revitalizing health care.

First, for the first time in the history of the province – for the first time we're aware of in the country – standards have been set that health authorities must follow.

Second, we said that we would focus resources on patients. Local governments would come to me and say, "Why are you spending so much money on administration in the province? Why don't you send some of those dollars to patients over here?"

We started by saying 52 health authorities, community service societies and community health service societies is too much. There is duplication, confusion and fighting about the wrong issues.

We now have five geographic authorities. For the first time, those authorities have goals they are expected to meet. For the first time in the country, we have accountability contracts that say to those authorities, "Focus your resources on patients and their care." We will have reduced administrative costs over the next three years by 43 per cent.

The previous government increased the budget by almost a billion dollars in 2000-01. We increased the budget by \$1.1 billion in 2002-03. That is over a 20 per cent increase in health-care funding; our economy grew two per cent. We can't sustain that, which is why change is required.

What were the challenges we faced?

First, you don't have a health-care system if you don't have people in it. So we now have the top-paid nurses in the country, the top-paid doctors in the country and the top-paid health employees in the country – because without people, you don't have the care you need.

Second, we were told we had challenges keeping people in rural British Columbia. We talked to doctors in rural and remote communities in British Columbia, and they told us a number of things. One is that they have no personal time. You have to have a critical mass of caregivers to make sure they can have a personal life as well as a professional life. If you don't allow people to have a personal life, they will burn out and leave.

So we said, "Let's have a community of caregivers – let's have a network of health services across the regions of the province that meets caregivers' needs in the most cost-effective and sensible way, and that meets the needs of patients."

Previous governments had not paid attention to mental health. We have focused on mental health: there will be a quarter-billion more dollars going to mental health for facilities and for operations.

Our intermediate and long-term care facilities have fallen down for over a decade, which was identified by the Seaton Commission report in 1991. Our goal is to provide people with home support and home care – independent living for as long as they want it – and to provide them with an improved quality of life. Our goal is to provide for an additional 5,000 units between now and 2006 for intermediate and long-term care facilities, and to provide those units in places where people live so you're not disconnecting people from their social support, their family support and their community support.

All of those are objectives we have set for ourselves, and those objectives are clear. There are three-year rolling plans in place. There's three-year budgeting, whereas before, health authorities could get their budgets maybe six to nine months into the fiscal year. Now they know what they can plan for and how they can deliver services.

We are going to measure results on the basis of outcomes. This is going to be a challenge for all of us because it's different. But I believe the route British Columbia is taking is one the country is going to start emulating.

For the first time in our province's history, every region of the province is represented by a provincial health authority board that deals with tertiary and primary care in British Columbia. This is so the people in your communities are treated with the kind of respect and get the kind of care they need as quickly as they possibly can.

I want to leave you with this message. We who live in this province live in a spectacular place. We have enormous resources. The most valuable resource is the people who live here. We have to enable those people to pursue their objectives, but we have to make sure those people get the support they need.

We want rural British Columbia to be as excited about the future as urban British Columbia. One of the candidates for the executive today pointed out concerns about that. We have concerns as well.

The Premier's Technology Council went across the province, and for the first time, people in Prince George or Cranbrook or Kelowna were encouraged to be part of our technology infrastructure. We want every community to be connected with broadband.

We've had people from rural British Columbia tell us that they were tired of Crown lands being kept away from the economic opportunities that they represented. Stan Hagen has eliminated 97 per cent of the backlog of applications for Crown lands. We've also changed the Agricultural Land Reserve so for the first time we're going to listen to regional voices, because we know that one-size-fits-all solutions don't work.

We are working with the federal government so they reflect the differences in airports between Vancouver International Airport and Kelowna or Prince George or Terrace Airport.

We are making sure we have a health-care system for rural British Columbia by providing training and special bursaries and forgiven loans if people come and work in the rural and remote parts of British Columbia. For the first time in the history of the province, we are training rural and remote physicians specifically at the University of Northern British Columbia.

We are working to open our mining industry back up. We are working on protecting our forest industry from the Americans and the protectionist actions they have taken.

We eliminated the moratorium on grizzly bear hunting, which was something many people in rural British Columbia asked for: they wanted to have a hunting practice and framework based on science.

I want to congratulate OMMA for always being a constructive voice – for always identifying problems and looking for solutions. We are in this together, all of us, serving our citizens, whether they live in the Okanagan, the Thompson region, the Shuswap or on the southern tip of Vancouver Island. They deserve our best effort, they deserve our imagination and they deserve our commitment to the common good. I know you share that, and I say thank you for it.