

Premier Gordon Campbell
Address to Okanagan Mainline Municipal Association
May 2, 2003

Check Against Delivery

I want to talk to you about what we have been trying to do over the last couple of years in B.C.

We still face a number of challenges. The world is changing in ways we can't necessarily control at the provincial or local level.

For example, in the forest industry, sources of fibre have changed dramatically. We are up against a substantial fibre supply that comes from South America, where it grows at an incredibly rapid rate. But we have to face those changes in constructive ways.

Transitions like these can be difficult – but two years ago, we laid out a program that we believed would return a New Era of hope and opportunity to British Columbia.

We've had 27 separate tax cuts in the last two years, leaving over \$900 million in the pockets of British Columbians. We've got the lowest base rate of personal income tax on the first \$60,000 of income.

In fact, we have the second-lowest overall provincial taxes in Canada. And over \$350 million has been returned to businesses pockets so they can reinvest.

We said when we started out that we were going to eliminate a third of all regulation on business. Believe it or not, in the last year we've eliminated over 60,000 regulations that impeded business, creativity and innovation. We focused our regulatory attention on public safety and health, where standards make a difference.

We lowered our projected deficit by about \$600 million in the last budget. We're getting the public accounts out in June.

We recognize if we don't get our financial house in order, we're not going to have the kind of foundation for the future that we deserve. You know and I know that that requires some pretty difficult decisions.

The question that people should rightfully ask themselves is, is it making any difference? Are those difficult decisions and the difficult choices we've had to make actually creating the kind of environment that we want?

We're starting see results. In 2002, B.C. created 78,000 new jobs. For the first time in the history of British Columbia, there are over two million people at work.

In March, British Columbia created more new jobs than any other jurisdiction in the country. If we're first in the first quarter, our goal is to make us first in job creation for the year.

Once we've become first in job creation for the year, we want to be first in job creation for the decade. That's how we'll restore British Columbia's economy to number 1 in Canada.

In the first two months of this year, our trade was up 11.3 per cent, our energy exports were up 78 per cent, our mineral exports were up 39 per cent, and our paper exports were up 12 per cent. We have the number 1 growth in retail sales and wholesale sales in Canada.

The paycheques of workers in British Columbia have increased by three times the national average. We're number 1 in terms of that growth rate.

That means people have more dollars in their pockets to take care of their families. That's what we wanted, and we're on the right track.

We have more to do, but we have to stay the course so that young people in all regions of the province know that there is a bright future for them.

By creating a strong private-sector economy, we're trying to generate the resources we need for exceptional public services. We know everyone in this room is committed to strengthening our public infrastructure.

There are no more important areas that we can strengthen than health care and public education. That said, as with the economy, we are facing some significant, generational changes.

The fact is, we're all getting older, and that creates pressure. The average health costs for kids from five to nine years old are about \$800 per year. For people over 60, they're about \$4,000 a year.

The average health costs for people that are over 90 are \$20,800 a year. Our fastest-growing age cohort? People over 90.

We're all aging. So we have to make some changes to reflect those increased costs in the system.

Our health care budget is 41 per cent of the provincial budget. That's \$10.4 billion for health care.

It's growing at 7 per cent a year, and this year is the first year in a long, long time that our health care budget actually came in on budget.

What we said we were going to do is eliminate unnecessary bureaucracy and administrative costs, and we've started to do that. In fact, what we've done is taken the number of health authorities from 52 to six.

We've saved about 41 per cent in administrative and bureaucratic costs in the system, and every single dollar of that is going back to patients. As we focus those dollars on patients, we look at how to deliver care in a more cost-effective way.

We're looking here in Penticton, where we're providing for additional seniors housing. We're providing for additional supportive care and independent care.

One-size-fits-all solutions don't work in health care. In the past, we had one solution for seniors housing: long-term, extended care. We didn't think about independent living and how seniors wanted to stay at home as long as they could.

We're trying to create a continuum of care, with 5,000 new intermediate and long-term, independent-living units. We want to be sure people can get support in their homes, if they need a little bit of care.

We're trying to meet a spectrum of needs in all regions of the province. And we've seen some significant improvements in your area.

In Kamloops, we've now opened two new 20-bed mental health facilities. Groundbreaking will occur soon for a 44-bed acute-care facility at Royal Inland Hospital.

There are new operating rooms in Kelowna and Vernon. We've got 20 new GP's and specialists in Kelowna, Salmon Arm, Chase and Merritt.

We have three new dialysis machines in Kelowna and four in Penticton. We have a new permanent MRI in Kelowna to provide diagnostic care for up to 20 patients a day.

We are creating a centre of excellence in thoracic surgery.

Overall, we're trying to create centres of care so people can access the care they need closer to home.

Health care is not about buildings, it's about people. It's about having the nurses and doctors and physiotherapists and caregivers there when you arrive.

We've created new tele-medicine techniques, which provide smaller communities with more responsive service, more rapidly, to the challenges they face.

We all know that timeliness is an important part of quality care. Through the miracles of technology, we can show people the quality of what's taken place if they've broken a bone. They can have an MRI sent to a specialist in another part of British Columbia.

The specialist can then diagnose it with the doctor in the community and decide on the best care option for the patient in a short period of time. In fact, what used to take weeks can now happen in hours.

Beyond improving the health-care services we all rely on, we are asking where we can maximize the infrastructure investments that we are making – and we're seeking your help.

For example, we have now established regional transportation advisory committees.

This is the first step in us trying to reach out to communities and say, Here is what we are trying to do in transportation. Does it make sense or not? Could we do something more cost-effective in your region?

Everyone has a transportation project they think is a priority, and we are never going to have enough money to do everything all at once for everybody.

But if we can work together and work within the financial constraints we face, I think we can accomplish a lot.

The last generation invested a huge amount in transportation infrastructure. As a result, they opened up the province to opportunity.

They opened up the entire northern region to forestry opportunities. They opened up the province to mining and tourism opportunities.

If we don't continue to get our forest products and other goods to market efficiently, and provide tourists with safe and secure roads, we are going to lose out in British Columbia.

Over the next three years, we are going to put \$362 million into improving and rehabilitating our roads.

It's key that we do this in a timely fashion. I want to emphasize this: rehabilitating one kilometre of road after 12 years costs about \$65,000.

If you rehabilitate it after 20 years, it costs \$400,000. To curb that cost growth, what we're doing now is dedicating a flow of revenue – this year's 3.5-cent-per-litre fuel-tax increase - directly to transportation.

Transportation – including rural and resource roads – will be an important part of how we regenerate and rejuvenate our economy in British Columbia.

Beyond the \$362 million going into rehabilitation, \$210 million over the next three years is going towards creating safe rural and resource roads, which are critical to the long-term economic future of the province and your OMMA communities.

There is also \$37 million going towards oil and gas roads.

Closer to home, last month, we announced \$11 million in improvements to Highway 1 near Salmon Arm and Highway 5 at Preacher Creek in Kamloops.

We've also committed \$22.5 million to interchange replacements at the congested intersection on Highway 97 and 97A at Swan Lake just north of Vernon. Today I am pleased to tell you that we will be investing \$15.6 million to four-lane a dangerous stretch of highway between Peachland and Summerland.

That five-kilometre, four-lane stretch will be built, with construction starting in early 2004, and we expect it will be finished by June 2005, in time your peak tourism season. It will also create about 200 jobs.

The Swan Lake announcement dedicated about \$38 million to reduce congestion and improve safety on Highway 97. And we're starting designs on three other projects worth \$1.8 million on Highway 97: a passing lane from Osoyoos to Oliver, a passing lane between Okanagan Falls and Vaseux Lake and a dual left-turn lane to the Channel Parkway here in Penticton for the Eckhart and Railway intersection.

All of those projects are meant to ease congestion and improve safety – our top priority.

It was in the interest of safety that we made a major commitment to improve Kicking Horse Canyon – the most dangerous stretch of road in the province.

We've secured over \$209 million for those improvements. It's a \$670 million project, and like us, the federal government recognizes it's our number 1 priority.

That said, Highway 97 is also a critical transportation link. It can take you from the far north all the way to the southern tip of this continent.

We have told the federal government that we think 97 should be part of the national highway system. It's very difficult to get approval for national designation, but we are going to keep at it.

I believe that, over the next number of years, you are going to see a commitment of between \$250 and \$300 million to improving the Highway 97 corridor through the southern interior. We are also going to move forward on replacing the bridge in Kelowna.

Working with the federal government, we have already seen twenty local projects approved worth \$77 million. And there's more to come.

I come to the Okanagan on a regular basis, and I want to congratulate those in the region who have come up with the term Silicon Vineyard. The Silicon Vineyard captures the spirit and future of this place.

This is British Columbia's third-largest technology centre. There are 300 companies in this region, with 5,800 employees. The number of tech companies has increased at 10 per cent a year since 1995.

We have put in place a lot of the tools that are required for technology companies to expand into British Columbia. In 1998-99, half the jobs that were created by technology companies that started in British Columbia were actually located outside of our province.

Today, some companies have closed their outside offices. They are bringing British Columbians home, bringing talent home and building the technology industry right here.

In our wine industry, there was a time when people didn't think our wine was that good. I personally don't remember it, but I'm sure there was a time.

There are now times when our wine is recognized as the best in the world.

My point is, we have to work to bring out the best in every part of British Columbia. You are doing so in high tech.

KPMG has ranked Kelowna the number-one location for technology businesses in the Pacific region in North America for the fourth year in a row. Kelowna should be congratulated, because that's something you can build on.

Similarly, your region has become a real focal point for film development. In Kamloops, Jennifer Lopez and Robert Redford are working on a film that has generated \$18 million for the local economy.

We want to encourage more film work all over the region. In the last budget, we expanded regional tax credit programs to boost productions throughout British Columbia. We also provided \$10 million in new tax credits for animation and special effects companies.

We are starting to build the kind of opportunities and framework we need for OMMA to build on its strengths.

I want to mention two industries you can never forget about in British Columbia.

The first is forestry. Forestry impacts all of our lives, whether you're living in Vancouver or Vernon, Penticton or Prince Rupert.

Directly and indirectly, 260,000 British Columbians and dozens of communities depend on forestry for their jobs. As I noted earlier, we are going to have to face a generational challenge of making our forest industry more competitive.

As we do that, we should recognize there is no place in the world that does a better job of growing trees, managing forests and providing for productive, sustainable forestry than British Columbia.

Energy is also important. We now have a regulatory structure that allows us to pursue the use of coalbed methane – and in your region, coalbed methane exploration is underway.

British Columbia probably has the richest potential energy resources anywhere on the continent. We have billions of barrels of oil, trillions of cubic feet of natural gas and 90 trillion cubic feet of coalbed methane in reserve throughout the province.

To put the gas reserves in perspective, we use about one trillion cubic feet a year of natural gas in the province. We can also export to the United States, where seven per cent of their energy is generated by coalbed methane.

That's a huge opportunity – and if you add to that the potential for offshore oil and gas and ultra-clean-burning coal out of the Kootenays, we have without a doubt the strongest, most vibrant, most exciting energy potential of any place on this continent.

You can add to that the potential for tidal, wind, hydro and fuel-cell power. The best place in the world for the development of fuel-cell technology is right here in British Columbia. We are number one, we want to keep building our strength.

Overall, we are looking at \$24 billion in private-sector investment over the next four to five years in British Columbia. It would mean 8,000 new jobs across the province. We believe there is that kind of potential in the energy industry alone.

When you look at our province and think of our traditional industries like forestry, agriculture, energy and mining, and add to those the technology industry, tourism and film, we have the potential to be the most robust and vibrant economy in the country.

At the beginning of this year, I traveled to many of the resorts in British Columbia. Here in OMMA, you have Big White, Silver Star, Apex, Sun Peaks – internationally recognized communities and resort opportunities.

They're not just winter resorts. We have an opportunity to create all-season resorts, and we cannot take those incredible assets for granted. The fastest-growing economy in our province was Whistler-Pemberton the last five years.

Every one of the resorts I just mentioned – and more – are just as capable of capturing an audience of international visitors.

With a good transportation system, strong and thoughtful land-use planning, and thoughtful co-ordination between local government and the provincial government, we believe we can take advantage of our huge resort opportunities and build even more tourism and jobs in this region of the province.

Speaking of tourism opportunities, today, May 2, we got the report from the International Olympic Committee.

The Olympics are a great opportunity. Not only will they will create billions of dollars worth of economic activity and tens of thousands of new jobs over the next seven years.

They will create something even more important: a shining example for our children to see what happens when we all dig down and develop what's best in ourselves.

Imagine what it will be like to watch as someone from one of your communities stands on the top podium to receive their gold medal. Imagine the heroes we can create, the example we can set, and what we can show the world when we bring together the best that all British Columbia has to offer.

Working together, we can see our province reach for its full potential and its full promise.