

**Advanced Education Minister Murray Coell  
Kelowna**

**Monday, June 5, 2006**

**Check against delivery**

I am honoured to be speaking among such a distinguished group of leaders in British Columbia's and Canada's life sciences research and life sciences industries.

What fascinates me about life sciences is how difficult it is to predict the future. What incredible advances in medical, scientific and engineering life-sciences lie in store for us. If we can attract and educate and inspire good people, and give them the skills and support for leading edge research and commercialization we will build our life science industries at home and take on the world.

As many of you know, Advanced Education has the lead for our Provincial government's responsibility for research and technology. It is our intention to be a strong champion of innovation and to be creative in building the capacity and partnerships for all of us to succeed in a world of change.

I'm here to tell you that we are committed to our new Research and Technology mandate. We are inspired by the Premier's goal of making B.C. one of the world's top technology centres.

The landscape of organizations involved in innovation and technology in B.C. can be quite complex. We need to work together to provide clarity of roles and responsibilities. My ministry is working with the Ministry of Economic Development, the BC Innovation Council, the Premier's Technology Council and our industry and academic sectors to gather information for policies and strategies that will foster strong economic growth in B.C.

Another key agency in advancing innovation and commercialization in British Columbia is the BC Innovation Council. One of BCIC's critical roles is to provide support for the BC Regional Science and Technology Network and its associated regional innovation councils and technology transfer centres. The Network members foster business and community growth across B.C. through the application of science, technology and innovation.

Another asset is B.C.'s biotech community itself. With over 90 private-sector firms, they form the eighth largest cluster in North America and the fastest growing in Canada. Biotechnology revenues from B.C. companies increased 88 per cent between 2001 and 2003. In 2003, B.C. attracted half of all Canadian biotech financing.

B.C.'s technology and biotechnology sectors are delivering the highest return on R&D dollars of any jurisdiction in Canada. This is according to a study conducted by UBC's Sauder School of Business. This same study ranks B.C. tops in Canada and fifth in North America in terms of translating venture capital into value for investors.

This puts B.C. ahead of heavyweights like Massachusetts and California. KPMG ranked Canada as having a 16 per cent cost advantage over the US in biotech business costs.

Kelowna was highlighted as having the lowest business costs of ten centres in the US-Canada Pacific belt, followed by Vancouver with the second lowest costs.

Biotechnology has been a basis for industry in the Okanagan for almost 100 years ever since the PARC Summerland laboratory was established as a Dominion Experimental farm in 1914. One of its prime concerns then was to find out which crops and breeds of livestock were best suited to the Okanagan region.

Today Summerland scientists provide national leadership in research on plant virology and related areas. Then there is OSTEC, the Okanagan Science & Technology Council. The council fosters the development of

the region as a globally competitive centre of excellence in the research, development and application of science, technology and innovation.

Another vital regional initiative is the Okanagan Partnership which is working with business, education and government leaders to meet the challenges of today's global economy.

And let's not forget UBC Okanagan, where they just opened a new centre for the study of species at risk. There, researchers from many disciplines are building a comprehensive picture of the scientific issues surrounding species at risk, leading the search for ways to preserve these species and their habitats.

This is important research not just for the Okanagan, but for British Columbia, and the rest of Canada.

It is no surprise that our most important asset is the incredible talent we have in the life sciences sector in B.C. Thanks to the research results emanating primarily from UBC, SFU and UVic, there is more private investment in life sciences in B.C. than anywhere in the country.

We boast one of the top life sciences communities on the continent, and we are tough global competitors.

We believe that the B.C. government has also played a positive role in developing a supportive framework: the Province has invested more than one billion dollars in research and innovation since 2001, nearly 250 million dollars in Budget 2006 alone. These funds are for a wide array of research projects.

We've made significant investments in research to improve treatments and seek cures for major health-care challenges such as depression, cancer and spinal cord injuries. These investments include 134 million dollars for the life sciences centre at the University of British Columbia. Plus 100 million dollars in new capital and operating funds for new student spaces in areas of high demand such as nursing, social work, online learning and trades training.

We've invested more than 300 million dollars in the Michael Smith Foundation for Health Research and Genome BC. More than 257 million dollars has gone into the British Columbia Knowledge Development Fund and another 56 million dollars has been invested in the Leading Edge Endowment Fund. 150-million-dollars has funded new student spaces along with another 45-million-dollars that went to universities for various research and innovation projects.

The Irving K Barber Library received 10 million dollars while the Pacific Alzheimers Research Foundation was given 15 million dollars and four million dollars was invested in a cancer prevention research chair. We are proud of our efforts to grow B.C.'s research and innovation capacity.

We have a program of tax credits that promotes equity investment in small and emerging companies. The provincial corporate tax rate is 12 per cent, one of the lowest in the country. The 10 per cent provincial research and development tax credit has been extended to 2008. This tops up a federal 20 per cent tax credit for Research and Development.

And this year B.C. expanded the International Financial Activity Program by introducing a tax incentive aimed at encouraging life science companies that invest in the development of intellectual property to remain in B.C.

Vancouver has accounted for about 30 per cent of life sciences venture capital disbursements across Canada in the first nine months of 2005 putting it ahead of Toronto and Montreal.

Universities play a key role in the province's research and innovation strategy. They are involved in performing and advancing basic research through to directly supporting technology transfer and commercialization. An increasing amount of applied research is now being conducted at post-secondary institutions such as the British Columbia Institute of Technology.

Colleges, university colleges and institutes are also taking a more active role in commercializing the results of their research. And there are a growing number of post-secondary programs that will further support the development of locally-grown talent.

BCIT, for example, is offering a Bachelor of Science in Biotechnology. This is joint initiative between the BCIT Biotechnology program and the UBC department of Microbiology and Immunology. It combines UBC's excellence in science theory with BCIT's excellence in laboratory training.

In addition, SFU is offering a new kind of MBA in the Management of Technology. Students can choose between concentrations in either technology or biotechnology. This MBA adopts what SFU describes as a “process view of the firm and a project management mindset”.

And there are a couple of other advantages of working, researching and investing in British Columbia. Access to early stage venture capital for British Columbia tech companies is one of the best in Canada. Thanks to tax credits introduced by the provincial government that promotes equity investment in small and emerging businesses.

A report by Greenstone Venture Partners found that the value created in early stage invested dollars in B.C. has been higher than in every major investment region in North America, including the Silicon Valley.

The importance of research and the effect it has on the world we live in cannot be overstated. Research is, quite literally, changing our day-to-day lives and the landscape of our communities. It is helping create the tools British Columbians need to adapt and learn and prosper.

The government has committed more than one billion dollars to research and innovation initiatives in B.C. since 2001. This has leveraged more than 600 million dollars in additional funding from other sources.

British Columbia has an incredible wealth of research talent, ability and creativity. The provincial government is working together with the private and post-secondary sectors to create a nurturing, supportive environment necessary to grow our research community. We will continue to attract industry to B.C. that will foster the commercialization of life science research.

We are on course to create a truly innovative economy, one that will keep us competitive. And by working together to build on our province’s strengths by forming new partnerships, by supporting the excellence of our post-secondary system, and by relying on the expertise of those who own and manage life sciences related businesses we can only succeed now and in the future.

Thank you.