

Premier Gordon Campbell
Address to B.C. Technology Industry Association
April 15, 2002

Check Against Delivery

I want to thank George Hunter and the leadership of the B.C. Technology Industry for the work they've done in public life in British Columbia.

For a long time the TIA has been explaining the advantages of technology to educate us about the challenges and also about the opportunities that are in front of us – and what we are seeing in British Columbia is a growing understanding.

In community after community in every single region of this province, parents and young people see technology and the technology industries as being a critical part of our future. They want their children to be able to participate in it. They want their communities to be able to take advantage of it.

You should never underestimate the impact of the information and the public programs the TIA has undertaken to provide people with that sense of hope and opportunity, and I want to congratulate the TIA for doing just that.

When you're in elected office like myself, you always look for people you can count on – people who don't just give you the good ideas, but who do something about them. They're people who tell you what you should do, but who also take the time to say, "And this is what I'll do to help." Paul Lee, who is the co-chair of the Premier's Technology Council, has been just such a person, and I want to thank you, Paul, for all the time and effort and energy you've been putting in to making this province better.

We have a task ahead of us; it's pretty straightforward: we want British Columbia to be the technology destination for investment, learning, biotechnology, new technologies, new information technologies, new communication technologies – the works.

We want British Columbia to be the first place that people think of in Canada. We want it to be one of the top 10 places in the world people think of for research and development, for entrepreneurial activity and for a framework that encourages them to use their imaginations, to step out front, and to take the risk they need so they can build the futures they want.

In British Columbia in 2000, our technology industry grew by 16.5 per cent. Think of that: in a year when the provincial economy was growing at between two and three per cent, the technology industries grew 16.5 per cent. We believe that's going to carry on.

Currently four per cent of our provincial GDP is directly related to technologies. There are 7,800 high-tech companies in the province. Even the largest and most successful

high-technology company in B.C. started as a small high-technology company. It started with a good idea and people who were willing to commit time, effort and energy.

When we talked in March of 2001, one of the things the technology industry mentioned to me – and they've been consistent, persistent and relentless – was this word: tax. They pointed out that personal income tax was a challenge we faced in British Columbia. And so, on our first day in office, we created the most dramatic cut in personal income taxes in the history of the province so that today those who are making \$60,000 or less pay the lowest base rate of income tax of any jurisdiction in the country.

I'm pleased to say that, as of January 1st of 2002, we will have the second-lowest marginal income tax rate of any place in the country. I'm not really that wildly enthusiastic about being second, but we have to do this in stages.

We've decided to lay out a tax regime that we hope encourages the industry. We want to work with the federal government to make sure they help create a playing field that allows us to compete with our competitors south of the border as well.

Another tax we eliminated, which will make a big difference in the application of technologies across the province in all walks of life, is the tax on machinery and equipment. That encourages people to increase the productivity within their various enterprises. I'll give you one example, because we have to remember the technology industries are going to help us enhance and improve our traditional resource industries.

I was at a mill in Smithers, a small town in the Northwest. In that mill they had increased their output by 21 per cent by applying a software program that was developed in Fort St. James – which is an even smaller town in the Northwest – and in Salmon Arm.

Because they had the wherewithal to invest in those programs, their mill's productivity had increased by 21 per cent. That makes their mill more competitive. That means the people who work in that mill can count on having jobs for a lot longer, through good and bad times. That's what the application of technologies can do across this province.

I mentioned earlier that all the big technology companies started as small technology companies. So in the budget on February 19th – recognizing that 97 per cent of our high tech employers are actually small businesses – we increased the threshold for small business income tax by 50 per cent to \$300,000. We think that, too, will help to create more growth.

One of the things the technology council has highlighted for us in the second quarterly report is the importance of building a venture capital community that can help those small companies develop the way they need to.

Rick Thorpe, who is the minister of competition, science and enterprise, understands the challenges of creating venture capital pools in British Columbia. We want to continue to do that. We want to work with some of our friends south of the border to encourage that

venture capital to come up to British Columbia to take advantage of the talent, the skill and the expertise we have here.

That's something that we're going to have to do in the next year. Unfortunately, we weren't able to get it all done in the first year.

We also heard from the technology council and we heard from the TIA that the employment framework for the future had to respond to the specific needs of the technology industry.

Our minister of labour, Graham Bruce, is examining potential reforms to the Employment Standards Act, the Workers Compensation Act and the Labour Code. All of those reforms are aimed at modernizing the framework and recognizing that it's the strength of our employees that is really our most valuable asset in the companies we have and the economy we live in. If we can create a new sense of partnership, a new sense of flexibility, a new sense of mutual commitment between employers and employees, we believe the well-being of the province will be well served.

One of the challenges we face is the number of graduates in computer technology, in electrical engineering and in computer science.

We committed in the last election that we were going to double the number of graduates over the next five years. I am pleased to tell you today that the government is announcing that we will be creating 825 new spaces to meet that commitment.

Those new spaces in computer technology, computer science and electrical engineering will be provided in 10 institutions across the province – the University of British Columbia, SFU, UVic, UNBC, five university colleges and BCIT.

We are committing \$150 million to add 3,400 new spaces across this province by the year 2006-2007. We will be producing 1,760 graduates in computer science, electrical and computer engineering, and that should provide you with the natural resource you need to continue to build and grow and strengthen the industry right here in British Columbia.

Shirley Bond, the minister of advanced education, has reached out to the university community, and to the colleges. She's worked with Charles Jago from UNBC and the University Presidents' Council to make sure the programs we put in place respond to the needs identified by the community, by the society and by students.

So just as we had to have a tax regime that would keep our best and our brightest here and would attract people here, so we have to have an advanced education system that takes our young people and nurtures their interests and builds on their excitement about the future in science and technology. I am very excited to tell you today that we will deliver on our commitment to double the number of graduates over the next five years.

I want to thank the members of the Premier's Technology Council for the time and effort and the leadership they have shown in developing their second quarterly report. This report is the result of months of work, dozens of meetings and countless hours of commitment to building our technology infrastructure in British Columbia.

I can't tell you how important it is for those of us in government – not just the political leadership in government, but the public service leadership in government – to have this input from those of you who are involved on a day-to-day basis in the technology world. I take my hat off to both the technology council and to the TIA for the work they do in continuing to show us a framework for change that will allow us to improve the quality of our technology industry.

It's critical for you to tell us as an industry association when we're doing things that work and when we're doing things that don't work – things that create unexpected consequences in your lives and your enterprises. It's very important because we want you to be able to tell your colleagues and your friends that we have an environment in British Columbia that's encouraging this industry and is trying to be responsive to your needs.

Last week I was in Ottawa talking about softwood, which is critically important to our economic agenda in the Province of British Columbia.

I also spent some time talking about software. We have a federal government that is interested in building what they call an innovation strategy to create the recognition that it's our innovative industries and the use of our imagination that will help us promote our industry and our economy.

I met with (Minister of Industry) Allan Rock and (Minister of Natural Resources) Herb Dhaliwal; I met with (Minister of Infrastructure) John Manley and (Minister of Indian Affairs) Robert Nault. Minister Dhaliwal, who is the political minister for British Columbia, has been pushing our agenda in technology with other ministers in the federal government.

I'm very pleased to have a strong spokesman there. I mentioned a number of specific items, and I want to talk to you about them and ask you to follow up with your MP, or with the ministers, with a letter, with a phone call, with an e-mail. An e-mail would be better – use the e-mail!

First, the disc levy that is being proposed by the Canadian Private Copyright Collective: We have to make sure the federal government understands what unintended consequences can take place as a result of trying to do something that may well make sense in the music industry. If we don't have the federal government being responsive to the needs of our technology industry, we will have additional costs without people thinking of our competitive position.

The levy on recordable DVDs would be about \$2.27 per disc. That levy will increase production cost for CDs by between 118 and 155 per cent. I mentioned that to the

ministers: I told them that they had to be alert and aware of those challenges, that we didn't want that to happen, that it was an unfair tax on the industry. All the ministers were responsive to that. But that's just the first hello from us.

All of us have to be consistent and persistent in our pursuit of that public policy, or it is likely to fall through the cracks. I won't forget it, but my voice is much stronger when your voices are behind me.

We also talked to the federal government about research and development expenditures. As you know, about seven per cent of federal expenditures in science and technology come to British Columbia, but our province contributes about 13 per cent of the national economy. All we want is our fair share.

To get our fair share, we have to create a framework that allows our fair share to be delivered. I want to take my hat off to the presidents of the universities and the Universities Council for working to develop that framework with us.

Last March I told you that we were going to establish a Leading Edge Endowment Fund, and that we were going to establish 20 new B.C. leadership chairs in research and development, in technology, in environment, in medicine and in social research and development. Minister Bond as well as Minister Thorpe have been working very hard to put that package together. I'm expecting that within the next few days there will be major announcements with regard to that as well.

I do want to talk briefly about the digital divide briefly. One of the areas where we have to bridge the digital divide is between aboriginal British Columbians and the rest of the economy.

Many aboriginal people live in very small communities, and they don't have access to high-speed Internet. We are going to do that, and Robert Nault is interested in helping. I believe we can undertake an initiative that will be an example for the rest of the country and the rest of the world. When you share the opportunity to gather information and disseminate information, it raises people's social opportunities and their economic opportunities. We're looking forward to working with you and the minister so we can put that into place.

We were at 70 per cent of British Columbians having access to the Internet. Because of competition – because of Shaw and Telus reaching out to British Columbians – by the end of next year we'll be at 80 per cent connection. It is always the last 20 per cent that costs the most and is the most difficult, but I believe the technology council has laid out a program that will allow us to succeed. We intend to do just that.

All of you here today who have succeeded in technology ran into person after person and institution after institution that said, "You can't do this." You just said, "Well, thanks for the advice – I'm going to go and do it anyway."

We have to have that attitude in British Columbia. When people say “can’t,” remember this: can’t is a four-letter word; it’s not acceptable in public conversation in British Columbia. We can do what we set our minds to do

More work will be done with regard to procurement strategy. Minister of Finance Gary Collins has already introduced changes to four different acts: the Company Act, the Manufactured Home Act, the Partnership Act and the Personal Property Act. So there’s online filing of forms, there’s streamlining of regulatory requirements and the use of digital forms to cut the costs of paper flow.

We want to eliminate the impact of paper on our lives. We want to get information flowing, not paper flowing. If we can work together to do that, economic opportunities will open across this province.

So, ladies and gentlemen, let me tell you this: I am proud of the technology industry in British Columbia. We told you last year we were going to do leading-edge marketing tours, and we’re going to do them on your behalf.

First, we’re going to be in California on July 1st to celebrate Canada Day and show off British Columbia. It’s always been a surprise to me, but in the United States they don’t celebrate July 1st the same way we do up here. We’d like to share that celebration with them, and we’d like to share your industry with them.

We will have our first leading-edge marketing tour on the 15th to 17th of September. I ask you to join us in developing a program that will work for you and that will work for British Columbia. By sharing our experience here – the quality of life, the level of care for the technology industry – I believe we can attract even more investment, even more talent. We can continue to build and develop the momentum we need for technology to grow at an even more aggressive rate.

A leading-edge marketing tour is the government bragging about you, and us making sure we are putting your best foot forward. What are the things you need us to remind people about as we go through that exercise?

We’re looking forward to that. You’re all invited. Let’s make it as big as we can. Let’s go down there, and let’s brag about British Columbia.

Let’s brag about the things we have to offer, and let’s remember we’re the best province in the best country in the world to live – and now we’re the best province in the best country in the world to develop technology that’s forward-thinking and that the world will want to copy. I know that you’ll be there for us, and we’ll be there for you. Thank you very much.