

BC TECH Summit speech

Monday, January 18, 2016

11:00 AM



Thank you all for coming. Welcome to, if you're not from here, beautiful Vancouver.

This is our very first tech summit that we've ever put on in British Columbia. It's long past time that we did so, given the size of our tech industry here in Vancouver, Kelowna, Victoria, small towns across the province where you know people are working but so many people across the country would be surprised to see all the activity that's going on out there. Unlike at a cabinet meeting, I won't stop you if you get on Candy Crush during my speech. I'll try and make it short, though.

I wanted to talk about three things today quickly. First, I want to just talk about a fellow Burnaby boy, Don Mattrick. Don and I did not go to the same high school. He went to Burnaby North, and I went to Burnaby South. Burnaby North produced Don Mattrick, who has become such a tremendous success in the tech business.

He and a high school friend started their company and they had their first big win when they did a deal with

Nintendo to do one of their games, as you might know. He decided after making that first deal to go and buy a Ferrari in grade 11, and the Ferrari dealer wouldn't even look at him, and so he bought a Toyota instead, saved himself a bunch of money. He could have afforded that Ferrari, and that's exactly what we want a young generation of people to be able to -- is to have the money, the wealth that you create to go out there and create more jobs.

He didn't get the car, but he did end up going to the bank to try and get a loan. Back then, 1981 or somewhere thereabouts, the bank laughed at him, because they're, well, you know: "Aren't you making tractors or fishing rods? We understand that." But doing video games with a company from Japan in the early 1980s all just seemed a little bit too far out for them.

He ended up doing okay with that project. The Teenage Mutant Ninja Turtles have turned out to be an enduring brand and product. His experience, though, was something that still happens a lot, which is you have to be determined, and the truth of it is you have to be determined not to give up. You can't raise the white flag every time somebody says no, in your business in particular, because in the tech sector you've got to believe in yourself.

So many people have stories about how there were times as you were growing and building that it felt that nobody believed in you, and the lesson I always take from Don's experience is that if you remain firm in your own self-belief, you can find success. The second one is that when you're innovating, because it's new and different, lots of people have no idea what you're talking about, and so sometimes it's hard to find financing, and it's hard to find believers until you prove what you know to be true actually works.

Of course, another thing is that emerging technologies often do create a lot of resistance because they mean change, and change is often frightening for people. We see that all over the world with companies like Uber and Lyft, with Airbnb, how much that's changing the market and how much resistance that's encountered from communities, from businesses, existing businesses, governments all around the world. I know that people want choice. They want to live in a world where they can choose things that work for their own lives, things that are convenient. They also want consumer protection. They want to know that their choices will be safe. But ultimately, as a government, we believe in a free market, and we believe in competition, and we believe in governments that listen to people. So in British Columbia we're doing that.

And so today I want to talk to you about three things that I think are the most important for the tech industry in BC today. When Don and I were in school in Burnaby, they didn't teach computer skills, and he picked up his computer skills by getting a summer job at ComputerLand, which I think was on Kingsway at the time in Burnaby. This is a long way from that, with 2,800 people here, we are way more than sold out. It just goes to prove that things sure have changed a lot, and we need to make sure that we're keeping up with that change.

So we are matching 180 potential investors with 100 CEOs and 500 people at Tech Fest to help you find ways to make sure that you're making connections and making deals while you're here. We also have hundreds of students here who are interested in getting to know all of you and talking to you about the things that you're getting into and how you've begun your businesses. We have a coding camp for young people that are here.

Thankfully for all of you, 35 years after Don Matrick first walked onto that car lot, they're still making Ferraris, so good luck to all of you.

The first thing that I want to talk to you about is kind of context. In British Columbia we have about 120,000 people already working in the tech sector, and those have wages that are about 60% higher than the industrial average. We can't just assume that that's going to stay as is and we're going to continue to be successful in what we all know are very risky times around the world, if you're watching what's happening in China, in Europe and certainly what's going on in the political discussions in the United States. But at the moment, we have the strongest economy in the country. We created 50,000 jobs here last year. We remain AAA rated. We're the only province in Canada where that's true, and it's a really good starting point, but we have to think about over this tech summit how we're going to keep that going.

When I talk to you, I hear you need four things. One, you need ideas. Frankly, there's no shortage of ideas in British Columbia. We have some of the world's great universities, and they are producing incredible, creative students who are producing those kinds of ideas that are going to be world leading. But the things that we don't have enough of, you've said, are money, access to investment and venture capital, talent -- we need to deepen the local talent pool -- and new markets, access to more customers for emerging products.

So first, on the capital side, you know we announced a \$100m tech venture capital fund. For the first time in many years in British Columbia we are going to be able to refill that venture capital pool to make it available for young, beginning companies that need to find their way, that need to raise a little money. In the months ahead

you'll get more details about exactly how it's going to work. We're still in the process of seeking and negotiating with our successful private sector fund manager. We do know that government doesn't do the best job when we're choosing winners and losers out there, when we're making investments in the private sector, so we want to make sure this is done by a private sector fund manager. You add that \$100m tech fund to the lowest combined corporate taxes in the G7.... Just as an example, in British Columbia our combined corporate tax rate is 26%, in California it's north of 40%. We have income tax credits up to \$33m every year for venture capital firms. We have tax credits for digital animation and visual effects, interactive visual media, and have the lowest personal income taxes in most brackets anywhere in the country. So that's what we're building on when it comes to the finance side of the business.

The second thing you've told us is you need more talent, and we know that that's crucial for your success. Tech companies will locate in places where they can find the people that will be capable of doing the work. We need to start that in our schools, so over the next three years every kindergarten to grade 12 student will have, every one of them, kindergarten to grade 12, will have the opportunity to learn the basics of coding and all of those fundamental tech skills. Now, that's going to start in September, and it is my goal to make sure that it doesn't just become an opportunity for every child to take part in but we ultimately make it mandatory for every child from kindergarten to grade 12 to learn what coding is and how it works.

In post-secondary we've got to continue to focus on that. We're moving \$450m for training specifically into tech for in-demand jobs. We're updating our post-secondary curriculum with a new emphasis on technology, math,

sciences and creativity. We'll have new standards. We will have redesigned programs. Already our universities have about 80% co-op programs in their tech-related curriculum. In order to have any new program in tech approved in British Columbia, 100% of your students must be able to go into a co-op program, and our goal is to make that true for all of the existing programs that are out there today.

We're investing \$4.5m toward a technology stream for tuition training upgrading for people who are already in the workforce but want to move into tech. The applications for that program are open right now.

I know you want to make sure that British Columbians are first in line for jobs. That's what I want to do too. It's way easier to make sure that you're deploying local talent than it is finding talent somewhere else. But I also know that for many highly specialized jobs in tech you need to look outside of British Columbia, outside of Canada, in order to find those workers, and I also know that when you do, for every one of them something like five jobs get created, at least, here in BC. So we're working with this new federal government to maximize the number of people that we are able to bring in from other countries through immigration to support the tech sector.

Now, you know our provincial nominee program, and if you don't, you will. I hope you won't find it as frustrating as those who do. It's our only direct tool that we have to be able to select immigrants specifically for specific jobs. Our quota that's given to us by the federal government is about 5,500 a year. We actually exceeded that last year and brought in 5,800. It's our goal to make sure that we focus as many of those on the tech sector as we possibly can. We have introduced a new online application system to try and make it a little bit easier for you, because when you're working every day to try and build your business

and you're head down, you are not thinking about how you can wade your way through endless forms and requirements so that the federal government will allow you to be able to grow your business.

So next week you will also see the launch of a new PNP skills immigration registration process that'll be on our Welcome BC website. That's going to cut wait times even further, and it's going to assure that our nominations, the ones that we send to the federal government for sign-off, are the ones that meet your needs as precisely as we possibly can. I know that your demand for talent is urgent, especially some of that highly specialized talent that you can't find here, so if you need help bringing immigrants into the country for specific jobs to support you in growing your business, I want you to call us. We have specific staff dedicated to helping you work through step by step the government process, which frankly you never, ever want to become an expert in if you can help it. We have someone who can do that for you, and I want to put the number up here on the screen.

Now, last is markets. Obviously, capital and talent won't mean very much if you don't have anywhere to sell your product, and it occurs to me that in core government we spend about \$45b a year in British Columbia, and if you add in all of the other areas of government, it's a very big number. We procure a lot of product, and we have over the years, because government tends to be risk averse, got into the habit of procuring product from people with whom we already do business. That means it makes it really difficult for emerging companies with new and innovative products to find their way in to be able to do business with their own government. We intend to change that. We've already made selling to government much more simple. We used to have something like a 20- or 30-page RFP form. We've reduced that down to two.

We are also creating now a developers exchange. This is going to make it radically faster to be able to respond to a request for proposals.

That'll help us determine, with you collaboratively, what government needs to do to solve our problems, because in many cases the things that government does could be sped up significantly. We could find tremendous efficiencies, but nobody has ever even really thought about it. You are.

We need to create a forum where we will connect with BC's tech sector more frequently and more intimately to make sure that you are helping us come up with new ideas to solve problems we don't even know we have, so we're starting this week 250 one-on-one meetings with government officials. BC Assessment is already working with the tech sector to think about how we can commercialize better and rationalize our real estate data. Queens Printer is working with the tech sector now to think about how we can commercialize better our legal data. You think about all of the opportunities for commercialization of data in British Columbia to create better access for citizens but also create more wealth for the province. I don't think we've even gotten halfway there.

Last, I want to just close with this. I understand, as all of you do, the tremendous difference that tech makes. I was down at the Cancer Agency last week announcing some more money to support their oncogenomics program and the incredible work that they're doing in hopefully coming up with a personalized cure for every form of cancer if they're successful, right here in British Columbia. The work that they're doing is important in itself. All of the work that will spin off from that is also going to be an important generator of jobs across the province, and we need to support that cutting-edge work. So when I talked

about universities at the beginning and the creation ideas, it's doing things like adding \$20m to the planned upgrade for the life sciences undergraduate teaching centre at UBC. Those are the kinds of roles that government can play in helping get you to the next level, supporting you in trade missions, making sure that our trade representatives know who you are and are helping you find customers in the countries where we're represented overseas. Making sure that the facilities that we have are absolutely world-class and up to snuff.

But it is abundantly clear to me that we are not alone in this. Your industry here in our province is backed by an incredible passion that you won't find in many other tech hubs anywhere around the world. Marty Reed and Jonathan Rhone over at Evok announced that they're going to access the clean oil and gas innovation fund, a \$100m fund, to invest in making sure that we produce the cleanest oil and gas anywhere in the world right here in British Columbia. Designworks, Kairos Therapeutics embarked on a new partnership, announced \$61.5m for cancer treatment research. Saltworks desalination, the work that they're doing in taking previously unusable wastewater by-product and turning it into drinkable water. Those are just some of the ideas in British Columbia that are being commercialized and that are turning into real money for people who work here and live here. And that's just the past seven days.

Those are companies that want to do business here. They want to set down roots here. We want you to do that. We will do what we need to, to make sure that our tech sector continues to grow. This is an absolutely vital part of British Columbia's future. We have a diverse economy, but it will not be diverse without the tech sector, a sector that in and of itself produces jobs but a sector that also allows every other part of our economy, from resources,

agriculture, oil and gas, forestry, all of the other sectors, to be more efficient and to be world leading.

So thank you for your confidence in British Columbia. We are delighted you are here. Our challenge as a government is to do everything that we can to make sure that rather than getting in your way, we do everything that we can to make sure that you grow -- and not just to make sure that you grow but that once you grow, you stay.

Welcome to British Columbia. I hope that this is the beginning of a very long, productive and profitable relationship for all us. Thank you very much.