



# BRITISH COLUMBIA

## **SPEECH FROM THE THRONE**

**The Honourable Judith Guichon, OBC**

**Lieutenant-Governor**

*at the*

**Opening of the Fifth Session,**

**Thirty-Ninth Parliament**

*of the*

**Province of British Columbia**

**February 12, 2013**

Fellow British Columbians. Members of the  
Legislative Assembly.

I hope you enjoyed British Columbia's first  
Family Day.

And to all British Columbians who celebrate the  
Chinese New Year, Gung Hay Fat Choy and Gung Xi  
Fa Cai.

Since this chamber was last addressed from this chair,  
we have lost some beloved members of our British  
Columbia family. I would like to acknowledge a few of  
them here today.

We join First Nations in mourning Chief Clifford  
Bolton father of my predecessor the Honourable  
Steven Point who is with us today. We also mourn  
Chief Robert Sam and Chief Bert Mack.

We mourn the loss of former members of this  
legislature: Bill Barlee, Herb Capozzi, James Lorimer,  
Jean Webber, and Ralph Loffmark. And those who  
served its members: Garth Gislason, and former  
Clerk of the Legislative Assembly Ian Horne, who  
served with distinction for nearly four decades.

We also recognize the passing of 66 B.C. public service  
employees.

We honour people who strengthened our  
communities: Tom Campbell, Jim Green,  
Norman Patterson, Anne Martin, Ernest Palfrey,  
Bill Hodgson, Bob Gillespie, Glenn Wong,

Andrew Harvie, Fredrick Bryant, Henry Hollett,  
Nathan Divinsky, Wesley Jantzen, Dorothy Kostrzewa,  
Jim Murray, and Honorary Aide de Camp Jack Patten.

We honour those who served to protect and keep  
us safe: David Blakeman, Adrian Oliver and Daniel  
Botkin.

And those who risked their lives to preserve our  
values in wartime: Walter Ball, Kenneth Callaghan,  
Alexander Louie, Ernest Wesson and Hugh Wright.

We recognize those who shared their success and  
passion with a grateful province: Milton Wong,  
Ike Barber, Wendy McDonald, Edgar Kaiser Jr. and  
Tom Foord.

And those who helped to shape our province and  
our view of the world: John Macintyre, Nicholas  
Bawlf, Lloyd Dykk, Jack Jensen, Jack Frazer, Basil  
Stuart-Stubbs, Ida Clarkson, Clyde Hertzman and  
Lance Morgan.

We pause to remember those who made us cheer:  
Sarah Burke, Tess Beauchamp and Paul Cyr.

And those whose tragic passing touched our hearts,  
forever: Amanda Todd, Robert Luggi Jr. and  
Carl Charlie.

Our lives are better for these citizens having lived  
theirs. They taught us many things: Grace. Selflessness.  
Perseverance. Resilience.

As our province faces the risks of an uncertain world, we are inspired by these British Columbians and we honour their memory.

We will be hopeful and optimistic, and we will emulate their resilience so that it defines our character and our beautiful province.

## **STRENGTHENING OUR ECONOMY**

Fellow British Columbians. We are living in a time of great change. The world is much different than it was even five years ago.

Many traditionally leading economies have faltered, their difficulties triggered by short-sighted fiscal policies and a failure of courage and discipline in good times.

Other economies are embracing change, looking for partners to usher in a new age of prosperity that is shifting the global economic balance and placing our province at the crossroads of history.

Our province has remained resilient and has been protected from much of the instability that surrounds us.

The course your government has charted is rooted in discipline, perseverance and innovation.

Today, British Columbia's economy is more diversified than ever. We once relied principally on one customer for our goods, now we rely on many. Our products are

finding new markets, and investment is coming from new sources.

Controlled government spending is keeping taxes low and reducing the deficit. As a result, we can afford steady and planned infrastructure investments, despite volatility.

We are building an economy that is rich in support for those who need it – the most important measure of economic success.

British Columbians have built a safe harbour to grow and protect jobs in these turbulent times. But it is easier to dismantle a safe harbour than it is to build it.

The easy route is to spend more taxpayers' dollars than are collected – to drive deeper into debt and drive investment away.

The easy route is to not answer when new opportunity knocks, for fear the task ahead might be too big to handle and demand bold action.

This is not the route we have taken to get to this moment. British Columbians stand at these crossroads, having worked hard to get here, ready for what's next.

Your government believes in the courage of British Columbians to seize this moment.

We have a tremendous opportunity to strengthen our economy and secure a better tomorrow for another generation of British Columbians. Whether we reach out and grasp it is entirely up to us.

## CONTINUING TO SEIZE OPPORTUNITIES IN ASIA

Economies across the Pacific are not just emerging – they have emerged. Before the end of this decade, Asia and South Asia will comprise over half of the global economy.

By 2030, well over three billion people in Asia will be part of the middle class, with China and India accounting for about two billion of those citizens.

While the United States remains our closest friend and biggest trading partner, we must continue our efforts to bring the opportunity that Asia presents closer to our shores and to the people of British Columbia.

Our province is blessed with deep historical, cultural and commercial ties to Asia.

Whether it is through providing disaster relief assistance, going on trade missions or hosting international film awards, your government is continuing to strengthen ties.

These connections are fueling mutual growth for both British Columbia and Asia Pacific markets.

British Columbia exports to China have increased close to 500 per cent since 2001, and our exports to India have increased by 60 per cent in the past year.

Your government anticipated a generational opportunity by taking steps to make B.C. the most diversified Asia-oriented economy in Canada.

This diversity of markets has protected and created jobs. It did not happen by accident.

Trade missions to Asia, led by your Premier, have garnered \$2 billion in direct investment. New trade offices are open in Hong Kong, Mumbai and Chandigarh.

Solidifying our presence in the Asia Pacific and South Asia is essential, just as it is essential to strengthen Asian business presence here in British Columbia.

In countries like India, China, Malaysia, Japan, Singapore, Vietnam, Philippines and Korea, leading companies are growing in strength.

These companies are looking to expand markets and create more substantive operations in North America.

Your government will not sit back and wait for opportunity to knock. Your government will grasp it.

In the weeks ahead, your government will launch a new, integrated organization that will partner with Canada, the business community and educational institutions to help seize the opportunity.

This new organization will leverage British Columbia's economic strengths, unique relationships and knowledge of Asia to make Vancouver and Canada's west coast the hub for Asian and South Asian corporate offices and investment activity.

## ADDING MAXIMUM VALUE TO B.C. NATURAL GAS

Fellow British Columbians. Your government is also moving decisively to seize one of the greatest economic opportunities our province has ever seen.

The nations of the world, especially in Asia, are seeking clean energy solutions.

Countries like Japan, still recovering from a catastrophic earthquake and tsunami, are looking to transition to cleaner, safer forms of energy – away from thermal coal, away from nuclear, to a future powered by natural gas.

They are looking to British Columbia.

In B.C., we are blessed with an abundance of natural gas, the cleanest non-renewable fuel on the planet. We have a surplus that can meet the real and pressing needs of other economies, especially those on our Pacific doorstep. In doing so, we can help protect our planet.

Seizing this opportunity requires that we add new value to this resource, converting it for transport to markets outside our continent for the first time.

This can trigger a possible \$1 trillion in cumulative GDP benefit to our province over the next 30 years.

An estimated 39,000 new full time jobs, on average, will be created during a 9 year construction period. Once all facilities reach full production, there could be over 75,000 new annual full time jobs.



These jobs can be created in every part of our province, in many different sectors and sustained for generations to come.

Construction jobs. Facility jobs. Highly skilled trades jobs. Jobs in the professional services. Jobs for First Nations. Jobs for businesses that support the industry. Technology jobs.

For our province, two new major revenue streams can be created.

The first comes from revenues generated from the growth in employment and business activity – new revenues in a growing economy that will greatly enhance government’s ability to provide services families depend upon, year after year.

The second stream of revenue comes from new royalty revenues directly for the province – British Columbia’s share of resource profits. This could exceed one hundred billion dollars over the next 30 years.

This resource belongs to the people of British Columbia, both here today and those to follow. It must be spent wisely – not just for the benefit of today’s citizens but also for our children and grandchildren.

To protect this second stream of revenue for generations to come, your government is establishing the British Columbia Prosperity Fund.

Future royalties will be designated to this fund, ensuring British Columbia families can benefit from the prosperity created by natural gas in our province.

This will be a transformational change for our province and we cannot afford to be short-sighted.

A main focus of the B.C. Prosperity Fund will be to reduce provincial debt. We have an obligation to make good on this debt, rather than ask our children to pay it for us.

Each year, British Columbia spends approximately \$2.4 billion on interest to service the total provincial debt.

Imagine how that money could be used to support the services families depend on instead of giving it over to bondholders in New York and London.

The B.C. Prosperity Fund can also target measures to improve social services and make life more affordable for families.

Whether it is eliminating the provincial sales tax, or making long-term investments in areas like education or vital infrastructure that strengthen communities – these are the kinds of opportunities the B.C. Prosperity Fund can provide.

Fellow British Columbians. This is the opportunity before us, but only if we seize it. It is not years away. It is now. Our province faces fierce competition from Australia and other natural gas producers.

If we do not win the opportunity now, there may be no opportunity to win tomorrow. We did not win the Vancouver Olympic Winter Games in 2010 – we won them in 2003.

One year ago, your government released a natural gas strategy to drive growth and investment.

Today, the measure of confidence in British Columbia's strategy is clear. Since last year, over \$6 billion dollars in investments have been made for the development of Liquefied Natural Gas for export.

It is estimated that up to \$1 billion has already been spent in preparation for constructing Liquefied Natural Gas facilities and transportation networks.

Your government has set a target of having three liquefied natural gas facilities operational by 2020. Today, work is underway by ten partnerships to establish liquefied natural gas facilities in our province.

Partnerships between pipeline companies and energy companies are forming. New offices are opening in British Columbia as a result.

By staying on course, your government is confident these and other projects will make our province the second-largest exporter of natural gas in the world; generating jobs and wealth for British Columbians and providing cleaner energy to countries that need it.

With over a half century of experience, British Columbia is a world leader in the safe recovery of natural gas. Our province has the most stringent environmental and safety regulations anywhere.

Clear, strong and rigorous environmental standards are not a burden, but a hallmark that supports growth and confidence. There is no amount of potential revenue that justifies environmental compromise.

Your government is also working closely with British Columbians to prepare for this opportunity.

In particular, your government will continue to work with communities in the northwest of the province, where facilities will be sited, and with communities in the northeast, where the resource is recovered.

Your government is also working alongside First Nations to ensure they do not simply benefit from these investments, but are leaders in growing this opportunity for the entire province.

Chief Councillor Ellis Ross and the Haisla First Nation have demonstrated the kind of leadership that will help turn this tremendous opportunity for British Columbia into lasting prosperity.

We are delighted that Chief Councillor Ross is here with us today.

## THE POWER OF THE RESOURCE ECONOMY

Natural gas is a key part of our province's rich and varied natural resource economy.

The forestry industry was hard hit by market challenges and the pine beetle infestation but remained resilient. By working with your government, the industry seized opportunities in markets like China and is now looking at new opportunities in India.

British Columbia's agriculture industry is also growing, and increasing trade with new markets. Seafood exports to China set a record in 2011, and B.C. wine exports have increased 300 per cent since 2008.

Seizing new markets in Asia is a central feature of your government's agriculture strategy to help the industry grow to a \$14 billion-a-year industry by 2017.

In mining we continue to be a world leader in responsible development. In just over one year, the industry is more than halfway to beating government's target of 17 new and expanded mines.

These industries provide thousands of family-supporting jobs, enable new skills, drive research and innovation, and are the lifeblood of their communities.

Revenues help make community investment possible – new and improved schools like Port Edward Elementary Heritage Mountain Middle School and Chilliwack Secondary; or new and improved hospitals

like Fort St. John, Surrey Memorial, and BC Children's and Women's Hospitals.

This is what a strong economy delivers for its citizens.

## STRENGTHENING ECONOMIC PROSPERITY FOR FIRST NATIONS

Fellow British Columbians. Your government has formed partnerships with First Nations – partnerships defined by collaboration, cooperation and respect.

British Columbia is a leader in Canada in the area of resource revenue sharing. These agreements bring predictability for First Nations, for governments, for business and investors, and support economic growth.

This is a record to be proud of. Your government will ensure that national and other provincial governments have a chance to learn how this success was possible.

Your government set a goal to sign 10 non-treaty economic development agreements within the first two years of the jobs plan – this goal was met in just over a year.

Seeking economic progress with First Nations is matched by a commitment to respect special places and protect the environment.

Working closely with industry, your government has honoured the leadership of the Talhtan people to protect the Klappan and the salmon-bearing headwaters of the Skeena, Nass and Stikine Rivers.

There remains a long road ahead as we continue to build and strengthen our relationships. The journey has started and must continue.

Respecting and partnering with First Nations communities across our province is fundamental to achieving our mutual goals.

Your government will continue to find innovative ways to work together so that all British Columbians benefit from the jobs being created and economic prosperity before us.

#### SKILLS TRAINING A FOUNDATION FOR A GROWING ECONOMY

Fellow British Columbians. Skills training is about investing in the future of British Columbia. Our citizens must be first in line for new jobs that are created as we seize and secure the future for our province.

Our growing economy will create one million job openings across our province between now and 2020 – 43 per cent of which will require people with trades and technical training.

Over the past decade, the training and credential granting system in our province has been transformed to reflect economic trends and better match skills to jobs.

Your government is making investments in targeted training: from electricians in the Fraser Valley to masons in Kamloops; from carpenters on the North Island to construction workers, miners and pipe-fitters in the North.

Today, there are more than 34,000 registered apprentices, double the number in 2001.

Your government is actively encouraging young people, women, members of First Nations and the underemployed to consider careers in the trades. This involves working with employers on a number of fronts to expand the number of skilled trades people in British Columbia by:

- hiring apprentices through tax relief like the Training Tax Credit and the new Marine Training Tax Credit; and,
- pursuing measures that will encourage employers to increase the number of apprentices they sponsor.

The mission is clear: the training our citizens receive must be the training that will get them a job today and prepare them for the jobs of tomorrow.

Your government is investing \$75 million in new capital and equipment to complement \$500 million in annual investments in skills and trades training programs.



This is in addition to an annual \$1.9 billion investment for post-secondary education across the province – a 47 per cent increase since 2001.

This substantial investment supports some of the world's greatest institutions of learning.

British Columbia's universities and technical institutions are second to none, teaching skills that produce professionals in diverse fields from engineering to the creative arts – this not only helps British Columbia thrive in the knowledge economy, but helps shape it.

#### MAKING INVESTMENTS IN TRANSPORTATION AND CRITICAL INFRASTRUCTURE

A strong, skills-driven economy allows your government to plan for the future and invest in the critically important major projects that drive our economy forward.

Since 2001, your government has partnered with the federal government and private sector partners to secure over \$22 billion in investments to build and improve North America's best transportation gateway.

Your government continues to invest in critical transportation projects, creating thousands of construction and highly skilled jobs.

Projects like:

- Four-laning of the Trans Canada Highway from Kamloops to Alberta;
- Replacing the George Massey Tunnel to help end a chokepoint for commuters;
- Four-laning of Highway 97 between Fort St John and Dawson Creek;
- The South Fraser Perimeter Road, which will fully open this year – connecting Highway 1 to Deltaport; and,
- The Evergreen Line, which in 2016 will commence rapid transit for the first time to the communities of Coquitlam and Port Moody.

These investments are possible because our economy is growing.

Your government is also moving forward with major power generation projects like Site C.

British Columbia has sufficient power to meet today's needs. However, planning for the future is not about meeting present needs, it's about having the foresight to meet the demands of tomorrow.

Your government is creating new opportunities in mining, manufacturing and natural gas. These require electricity, as will the nearly half a million new British Columbians who will live in our province by the year 2020.

Our province will need additional sources of electricity to sustain and support that growth. Site C is an important part of the work ahead, as are new sources of green energy, in which your government will continue to invest.

Your government is ensuring that today's citizens and communities have the transportation and electricity networks that connect us to each other and to the world.

## GROWING BUSINESS

These networks help create the conditions for job creation. But it is businesses small, medium and large, not government, that create jobs.

Competitive tax rates also help make this possible. British Columbia has one of the lowest general income tax rates in Canada.

Business also needs regulation that works, while not adding a huge burden. British Columbia has reduced regulatory requirements by 42 per cent, and is the only province to have a regulatory reform law.

But there is more we can do.

In the coming weeks your government will renew its commitment to small business owners, to keep our province the most small business-friendly jurisdiction in Canada.

Small business owners have identified their priorities: access to qualified workers, greater mentorship to help business grow, and better collaboration between different levels of government.

Your government will act on these and other priorities.

## **SECURING THE FUTURE**

Fellow British Columbians. A wealthy economy allows government to be rich in support of citizens who need it. A growing economy that creates new sources of wealth allows government to do more.

Investing in skills training, seizing new opportunities in natural gas, making B.C. a place where people have confidence to start and grow a business. These are the actions that give government the capacity to provide greater benefits to citizens.

This is the path that British Columbia is charting, and must continue to follow.

## **HEALTH CARE AND INNOVATION**

A high-quality, innovative and accessible health care system is an essential component of a strong economy.

With a budget in excess of \$16.1 billion dollars, investments in health care have increased by \$6.9 billion since 2001.

These new investments pay for new physicians, nurses and nurse practitioners who are treating patients throughout our province.

These investments helped increase the number of operations and diagnostic tests to ensure patients are being diagnosed early and treated appropriately.

And they have enabled British Columbia to have the best outcomes in our country when it comes to the prevention and treatment of cancer.

While health-care investments have increased, so has the creativity of our health-care professionals to make each dollar go further.

Through bulk purchasing agreements among health authorities, \$200 million will be saved by 2014 that can be directed to front-line health care.

Our shared services initiative has reduced health-care overhead to ensure that dollars can go to providing direct patient care.

Your government knows that more must be done to ensure we have a health-care system that meets the demands of a population that is both changing and aging.

An innovative health-care system must respond to the changing needs of its citizens and embrace practices beyond traditional western medicine. In the months ahead, your government will begin work to create the environment for a school of traditional Chinese

medicine at a British Columbian post-secondary institution.

In the coming weeks, your government will also introduce legislation to establish a seniors' advocate and will bring forward a plan to address elder abuse.

Your government will also outline improvements for patients in rural and urban areas as well as improvements to primary health care that will have lasting benefits to people throughout our province.

#### MAKING LIFE MORE AFFORDABLE

Your government put measures in place that ease the burden on families throughout our province.

The minimum wage has been increased three times. Tax-saving measures are helping parents keep their children active in sport and the arts, helping seniors make renovations to remain in their homes, and helping first-time new home buyers.

Balanced changes have also been made to income-assistance policies that help vulnerable families attain better financial security, assist individuals with disabilities and help people avoid the cycle of income-assistance dependence.

These and other efforts are making a difference. Since 2003, B.C.'s child poverty rate has dropped by 45 per cent, with 75,000 more children lifted out of poverty.

This represents the second-lowest child poverty rate in B.C. since 1980.

Today, more than one million citizens pay no income tax, and more than 800,000 residents do not pay MSP premiums.

Your government has also invested close to \$3.2 billion over the last decade to provide affordable housing for low-income individuals, seniors, and families in communities throughout B.C.

In the coming days, your government will introduce additional measures to support families and help secure their future – measures to:

- improve access to quality early childhood services;
- improve access and affordability of childcare; and,
- measures to help families of young children save for post-secondary education.

## CONTROLLING SPENDING TO BALANCE THE BUDGET

The job of keeping life affordable equally depends on controlled spending to keep taxes low.

Balancing the budget is a challenge in today's world, but it is also a mark of success and is key to creating confidence in British Columbia as a safe harbour.

Your government is determined to balance B.C.'s budget, year after year after year, so our children can make their own choices when it is their time to lead.

Fiscal discipline has helped reduce the tax burden families face. For many citizens, our province has one of the lowest overall provincial tax burdens and the lowest provincial personal income taxes in Canada.

This must be protected. And this is why the Minister of Finance will present British Columbia with a balanced budget in the days ahead.

#### FAIR AND REASONABLE LABOUR AGREEMENTS

Tough choices are necessary to reach a balanced budget, and your government was clear that borrowing money to support public-sector wage increases was not possible.

However, government and public sector unions were creative and successfully worked together to reach fair and respectful agreements, within their existing budgets, that cover more than half of all provincial employees.

They deserve praise for setting aside some of their own interests to support the interests of all British Columbians.

Provincial public servants work hard, and often work in very difficult, sometimes dangerous situations. We all owe them our gratitude.

Fellow British Columbians. Stability matters and few things will provide more stability for our citizens than long-term labour peace in our province's classrooms.



The goal is a 10-year agreement that would allow a child entering grade 2 next year to graduate high school without a single labour disruption.

If we continue with the same bargaining approach that has been followed for 30 years with teachers, a child could experience as many as five labour disruptions during his or her education.

Labour peace in our schools offers students and teachers alike the opportunity to do their most important work: learning, teaching, developing, and growing the passions and talents of our children.

## **STANDING UP FOR BRITISH COLUMBIA FAMILIES**

Fighting for a better tomorrow for British Columbia means taking a principled stand on critical issues that concern B.C.'s families.

### **ANTI-BULLYING**

We all have an obligation to help our children stand up to bullying – and to stand up to it ourselves.

Bullying can tear the soul of a child and rip families apart. It deprives a child of their childhood, which deprives the whole community of the energy and spirit of that child.

Your government is a national leader in the effort to stop bullying.

The E.R.A.S.E. Bullying program provides vital information, links and tips for parents and students, and a new online reporting tool to report instances of bullying, threats and other safety concerns.

British Columbia will be the first province to have consistent threat assessment guidelines across all school districts, backed by community protocols and the most comprehensive training program in Canada.

Our province is far better when children have the confidence to stand up to bullying and when their parents, teachers and friends stand strong with them.

## FIVE CONDITIONS

British Columbia is taking a stand on the Enbridge Northern Gateway project and other proposals for heavy-oil projects seeking to traverse our province.

Your government will not allow heavy-oil pipelines into our province unless five clear conditions are met.

The first three conditions require:

- successful completion of the environmental review process;
- world-leading marine oil spill response, prevention and recovery systems for B.C.'s coastline and ocean; and,

- world-leading practices for land oil spill prevention, response and recovery systems.

The fourth condition requires that the legal requirements regarding Aboriginal and treaty rights are addressed.

Only when these first four conditions are met, would your government proceed to the fifth condition, which requires a fair share of the fiscal and economic benefits that reflects the level, degree and nature of the risk borne by our province, our environment and by our taxpayers.

## PROTECTING THE BRITISH COLUMBIA PROSPERITY FUND

Your government will stand up for British Columbia for generations to come.

Earlier I spoke about the British Columbia Prosperity Fund. Your government is committed to ensuring the B.C. Prosperity Fund remains an endowment for future generations.

Your government is resolute that the Prosperity Fund cannot become a backstop or excuse for poor fiscal management of government.

The B.C. Prosperity Fund belongs to the people of this province, and it will be protected for them.

## FACING THE FUTURE

Fellow British Columbians. Your government has charted a clear, focused path – a path based on stability, resilience and economic growth.

It is a path that sees beyond short-term gains and paves the way for the next generation. It is a path that can continue to strengthen our economy today to secure a brighter future tomorrow.

Your government wants a British Columbia where every citizen can find work in their own community, where our children are not shackled by inherited public debt.

Where British Columbia can make its own way in the world, standing tall as a leader in Canada.

British Columbians have a great deal to be proud of today.

Great things are being achieved for families and for future generations.

But for all of our accomplishments, we cannot be complacent. The global economy is still chaotic. Risk remains and we are not immune.

To keep British Columbia moving forward, bold and courageous action is needed. We are at an historic crossroads, like generations before.

Previous generations of British Columbians have bestowed on us values that serve as bedrock on which we all stand and face our own future.

Values that make us a generous society, that give us the courage to be adventurous and the wisdom to act on opportunity when it presents itself.

Members of this Assembly once dreamed of opening our province to the Pacific, at a time when our country was singularly focussed on its ties across the Atlantic or south of the border.

People in this place once dreamed of clean, hydro-electric power that could supply the needs of generations and power a new economy.

We have achieved those dreams.

The promise of a new opportunity is now before us. British Columbians have worked hard to get to this moment, building an economy that is the envy of many.

Now is our time to step forward, with confidence.