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Keynote Luncheon Speech:
Perspectives from the West: PPPs and the Economy

The 17th Annual CCPPP National Conference on Public-Private
Partnerships

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Introductory Remarks

Good afternoon.

Thank you Dale for the kind introduction.

I am very pleased to be here this afternoon to speak at the 17th Annual Canadian Council for Public-Private Partnerships National Conference on Public-Private Partnerships on behalf of the Province of British Columbia and Premier Gordon Campbell, a true advocate and champion of the partnership approach.

The conference theme this year is focused on how public private partnerships are strategic investments in Canada's future.

I am here to offer British Columbia's perspective on this theme.

My focus today will be on British Columbia's economy over the past year and moving forward; the Province's track record and commitment to public private partnerships and to the partnership market; and how the Province has moved through a period of financial crisis and is coming out stronger and more committed to alternative ways to deliver infrastructure to British Columbians.

Many of you here today are part of that commitment, and I thank you on behalf of the Province of British Columbia and British Columbians for your ongoing investment and participation in our capital program.

B.C. Leadership: Economy, Growth, 2010 Olympics, Wood First, etc

- B.C. has recently introduced the Wood First Act, which requires that provincially-funded buildings use wood as the primary construction material.
- We want to encourage a cultural shift that sees wood as the first choice for construction, interior design and daily living.
- In an average year, the Province of British Columbia funds almost \$3 billion worth of capital investments, of which approximately 25 per cent is procured using the partnership approach.
- Putting a "wood first" lens on this spending is an effective way to generate demand for B.C. wood products, promote climate-friendly construction and support forest workers.

B.C. Commitment to Infrastructure and Public Private Partnerships

I would like to take some time to speak to you about British Columbia's ongoing commitment to the development and delivery of public private partnerships.

The Province is very much committed to seeking innovative approaches to ensure our capital program and infrastructure is delivered to communities in the most efficient, cost-effective, and collaborative manner.

Each year, the Province reviews its projects to determine which ones are of the appropriate size, complexity and risk profile to enable a successful partnership.

In fact, the Province's capital policy requires that a public private partnership must be considered the base case procurement option where the provincial contribution to the capital cost exceeds \$50 million.

This policy applies to ministries, Crown agencies and other agencies within the government reporting entity, and to local government projects.

This policy reflects the successful track record of partnerships in British Columbia since the program began in 2002.

With more than 30 partnership projects completed, or being completed on time or early, and on budget, our track record speaks for itself.

Nearly \$10 billion has been invested in partnership projects to date, four billion of which comes from you, our partners.

While this may seem a small number in comparison to some of the larger markets you work in, keep in mind that British Columbia. In British Columbia, we are very proud of our success.

During this past year, the following major projects were completed early and on budget and are operating successfully: the Golden Ears Bridge, a toll bridge across the Fraser River, connecting the communities of Maple Ridge and Pitt Meadows; the Canada Line, a rapid transit line connecting the Vancouver International Airport and the cities of Richmond and Vancouver, that just recently met its ridership target for 2011 of 100,000 riders per day; the Sea-to-Sky Highway Improvement Project, connecting West Vancouver and the Resort Municipality of Whistler in time to welcome the world for the 2010 Olympic Winter Games.

None of these projects could have achieved this success without your participation. The partnership approach combines the best of the global market with the best of our local experience.

International investment and expertise brings innovation and global best practices to our doorstep. Combined with our local sub-trades and partners located in British Columbia, together we are achieving true partnership and delivering innovative and impressive infrastructure to British Columbians.

I would like to acknowledge our partners at home and abroad for your contribution to our success.

B.C. Addresses Credit Crisis and Moves Forward

I would also like to acknowledge some of the challenges we have faced together over the past year and a half as we witnessed an unprecedented global financial crisis unfold.

At a time when major financial players were crumbling, we needed to take quick action to address our own economic challenges.

I believe we were able to introduce innovative financing solutions to “weather the storm” of the global financial crisis and I would like to thank our partners and our market for working with us to enable the delivery of projects during these difficult times.

As I hope you understand, British Columbia could not, and cannot, ignore the benefits of our Triple A credit rating, nor can we do a deal at any cost at the risk of our taxpayers.

Our focus moving forward is to optimize, rather than maximize, private capital contributions, while ensuring a balance with the Province's requirement to deliver affordable projects to British Columbians.

By inking deals that combine private debt and equity with provincial contributions, we hope to achieve the best that public private partnerships have to offer.

Our ideal partnership model involves banks and private borrowing.

Markets have improved and we're optimistic that projects in the market and upcoming will be financed with private debt and equity.

Recent projects have shown strong levels of interest in the number and quality of bids that have been received. The Province's number one priority is to secure the best deal for British Columbians and we will continue to use the model that best allows us to deliver the project benefits within budget.

It has been a pleasure to speak to you today and I look forward to many successful partnership projects in British Columbia, and across Canada, in the future.

Thank you.

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