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For more information on the British Columbia  
Ministry of Small Business and Economic Development contact:

**Deputy Minister's Office**

PO BOX 9324

STN PROV GOVT

VICTORIA, BC

V8W 9N3

Or visit our Web site at

***[www.gov.bc.ca/cse](http://www.gov.bc.ca/cse)***

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January 26, 2004

Honourable John Les  
Minister of Small Business and Economic Development

Since June 2001, our government has been working to implement our *New Era* vision to revitalize the economy, restore sound fiscal management, and put patients and students first.

Our *New Era* platform contained 201 specific commitments that our government would undertake on behalf of British Columbians. These included a commitment to “establish service plans that include measurable performance standards and targets for all programs that are annually audited and published, for all taxpayers to see.”

On June 25, 2001 I sent your predecessor a letter of instruction setting out the key priorities for your Ministry, including a list of the *New Era* commitments assigned to your Ministry. These commitments were also included in the Government Strategic Plan and Ministry Service Plans that were tabled in the Legislature in February 2002, covering fiscal years 2002/03 through 2004/05.

The Service Plan you are tabling today represents the final year of the first three-year plans. And it shows that we have made significant progress toward honouring our commitments. Specifically, of the nine *New Era* commitments that involved your ministry, the province has now completed or begun work on eight of these. Accomplishments in your Ministry over the past two-and-a-half years include:

- Committed funding under the \$800 million Canada-British Columbia Infrastructure Program for a total of 204 infrastructure projects with a value of nearly \$655 million.
- Continued development of an expanded Vancouver Convention and Exhibition Centre with the land purchase for the site to improve the province’s ability to compete for visitors from around the world.
- Led government’s strategy to contribute \$27.5 million to Genome B.C. to ensure that world class research at Genome B.C. can continue and will lead to advances in health care that will benefit all British Columbians.

.../2

In the coming year, the province will continue to work on a number of priorities to honour the commitments that we have made. These are detailed in your ministry service plan, and include:

- Continue to implement the Heartlands Economic Strategy to promote economic growth and diversification of British Columbia's economic base.
- Continue work to develop and implement a strategy to enhance British Columbia's tourism industry and maximize tourism investment throughout the province.
- Allocate staff and resources to work at the local and regional level to identify economic opportunities, work to eliminate barriers to investment and delivery services and information that entrepreneurs need to succeed.

It is important to note that all the province's achievements to date, and our priorities for the year ahead, will be accomplished while balancing the budget in 2004/05, and having significantly increased funding for health care and education.

Clearly, we will do more if we can, as new resources are available, to build on the funding priorities detailed in this Service Plan - in a way that is consistent with our balanced budget commitment.

As our measures to revitalize the economy continue to create new jobs, growth and investment, this will allow us to continue strengthening public services for the benefit of British Columbians. Opportunities like the 2010 Olympic and Paralympic Winter Games will showcase British Columbia to the world and generate economic benefits all across our province. Future service plans will further demonstrate those benefits.

I know that you will continue to build on the progress your Ministry has made. Let me conclude by thanking you for your commitment to serving the best interests of all British Columbians.

Yours sincerely,

A handwritten signature in black ink, reading "Gordon Campbell". The signature is written in a cursive, flowing style with a prominent initial "G".

Honourable Gordon Campbell  
Premier



## Ministry of Small Business and Economic Development



The Ministry of Small Business and Economic Development was created to develop and implement strategies to revitalize the economy and create a more competitive business climate in British Columbia. Formerly the Ministry of Competition, Science and Enterprise, the newly re-focused Ministry and its revised mandate will allow us to direct resources more effectively and better meet our goals and commitments.

Our goals are:

- Improving our competitive position in the national and international economy;
- Increasing economic development throughout British Columbia, particularly in the Heartlands;
- Marketing British Columbia as a preferred place to live, visit, invest and do business;
- The 2010 Olympic and Paralympic Winter Games are successful and leave a legacy for British Columbia; and
- British Columbians excel in sport and culture.

In the 2003 Throne Speech, Premier Gordon Campbell assigned this Ministry responsibility for driving the cross-government Heartlands Economic Strategy — a plan to restore and expand wealth generation and prosperity in all parts of the province and from all aspects of the land base. We look forward to continuing this work in 2004, and accelerating economic development by removing barriers to growth.

Regional economic growth remains a priority for the new Ministry. Premier Campbell's government recognizes that small business forms the backbone of many regional economies, which is why our revised Ministry mandate emphasizes support for this sector. We are streamlining regulatory processes, cultivating an attractive investment climate and consulting extensively with the private sector to determine how government can best meet the needs and address the concerns of small business operators.

Tourism remains an integral part of the Ministry mandate. This sector is worth nearly \$10 billion to British Columbia's economy, and government is dedicated to helping the industry achieve every possible success, in the run up to the 2010 Winter Olympic and Paralympic Games and beyond.

We are encouraged by the strides the Ministry has taken to date, and will continue to improve on this progress in years to come.

We are pleased to present the details of our Ministry's service plan for 2004/05 – 2006/07.

A handwritten signature in black ink, appearing to read 'John Les', with a large, stylized initial 'J'.

Honourable John Les  
Minister of Small Business and Economic Development

February 4, 2004

## Accountability Statement

The 2004/05 – 2006/07 Ministry of Small Business and Economic Development Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared. All material fiscal assumptions and policy decisions as of January 30, 2004 have been considered in preparing the plan and I am accountable for achieving the specific objectives in the plan.



John Les  
Minister of Small Business and Economic Development

February 4, 2004



# Ministry Overview

The Ministry of Small Business and Economic Development is the primary provincial agency responsible for initiatives and programs dedicated to creating a strong provincial economy in British Columbia. Activities within the Ministry are focused on building a competitive business environment that gives the private sector the confidence to invest, generate opportunities and create jobs throughout British Columbia.

The Ministry's responsibilities are to:

- Encourage the development of regional economies, infrastructure and services by providing cross government leadership for the implementation of the Heartlands Economic Strategy.
- Assist in creating an environment that encourages investment and job creation.
- Provide strategic leadership that will facilitate economic growth and development throughout British Columbia by "fast-tracking" provincial regulatory approvals for significant economic projects.
- Implement an on-the-ground initiative that will put resources in place in the regions to respond to the needs of Heartlands communities.
- Implement a Provincial tourism development strategy for British Columbia, which maximizes tourism investment throughout the province.
- Promote the enhancement and development of all-season resorts and resort municipalities.
- Establish a welcoming environment for small business by advocating on behalf of small business operators and prospective small businesses.
- Market British Columbia as an investment location, and develop and enhance national and international investment and trading relationships.
- Increase the amount of venture capital available in the province.
- Lead provincial efforts to reduce and eliminate barriers to export markets.

The Ministry is also responsible for the deregulation initiative to achieve the *New Era* commitment to cut red tape and reduce the regulatory burden on businesses and consumers by one third within three years, beginning in 2001.

The Minister is also responsible for several Crown agencies, including: the British Columbia Pavilion Corporation, British Columbia Securities Commission, Innovation and Science Council, Tourism British Columbia and the Vancouver Convention Centre Expansion Project.

The Ministry has 157 staff positions, including staff in six regions. The Ministry delivers its services and programs through four divisions, the Deregulation Office, and Deputy Minister's Office:

**Competitive Economic Policy Division** — is responsible for promoting economic growth and diversification of British Columbia's economic base. The division undertakes analyses of economic conditions at the provincial, regional and sector level to identify economic challenges and opportunities. The results of the analyses are used to develop economic policy options that mitigate the challenges and capitalize on the opportunities, thereby increasing economic activity in the province.

In addition, the division ensures that key cross-government projects, which are significant economic drivers, or have potential for significant economic impact on the province, are managed successfully. Also, the division is responsible for international and internal trade policy.

**Economic Development Division** — through its regional presence, identifies potential projects that support economic growth throughout the province. The division uses expert business case analyses to recommend projects for fast-track designation, and monitors these projects through provincial government review and approval processes to ensure timelines are met.

The division is also the driver for expanding the tourism industry through the implementation of the provincial Tourism Strategy and working to enhance and develop all season resorts and resort municipalities. The division will also work with industry to identify and fast-track tourism projects. The division supports Heartlands communities by providing local economic development agencies and small businesses with information, resources and other tools to assist with small business start-up and growth strategies. Additionally, through the Corporate Initiatives Branch, the Division develops, implements and manages priority projects of significant importance to the economy.

Finally, the division administers the project funding for the Canada-British Columbia Infrastructure Program, and Western Economic Partnership Agreement.

**BC Olympic Games Secretariat** — represents the Government of British Columbia as a member partner in the Vancouver 2010 Olympic Games. Also, the division supports culture and sports through policy and program activities, administration of the Physical Fitness and Amateur Sports Fund and the Olympics Fund Special Account, and policy and program support to the British Columbia Arts Council, an independent, provincially funded agency. The Ministry provides transfers in support of cultural industries, amateur sport groups and sport and recreation projects.

**Management Services Division** — provides financial, human resources, records management and information systems support to the Ministry.

**Deregulation Office** — provides policy advice and oversees the government-wide commitment to cut red tape and the regulatory burden by one third within three years.

**Deputy Minister's Office** — a number of branches report directly to the Deputy Minister, including International Relations, Investment Capital, Corporate Investment and Location Service, and British Columbia Film Commission. Collectively, they position British Columbia as a preferred place for new and expanded investment. International Relations Branch plans and manages trade missions that provide the Premier and ministers with opportunities to increase British Columbia's profile in key markets. Investment Capital Branch manages tax policy programs to assist small and medium-sized businesses throughout the province to gain access to equity capital for business start-up and expansion. Corporate Investment promotes international awareness of British Columbia's investment climate and provides potential investors with business location information and services.

In addition, the British Columbia Film Commission supports regional film commissions and coordinates marketing British Columbia to the film and television industry.

# Resource Summary

This section provides information on the Ministry's budget and full-time equivalent staff (FTE) allocation, for each of the four core business areas.

Core Businesses	2003/04 Restated Estimates <sup>1</sup>	2004/05 Estimates	2005/06 Plan	2006/07 Plan
<b>Operating Expenses</b>				
<b>Improving British Columbia's Investment Climate and Competitiveness</b> .....	6,646	3,891	3,518	3,518
<b>Enhancing Economic Development Throughout British Columbia</b> .....	22,360	19,142	18,804	18,804
<b>Marketing and Promoting British Columbia</b> .....	2,949	2,806	2,806	2,806
<b>British Columbia Olympic Games Secretariat, Sport and Culture</b> .....	62,944	30,503	113,593	46,593
<b>Executive and Support Services</b> <sup>2</sup> .....	84,012	86,672	103,583	76,183
<b>Total Operating Expenses</b> .....	<b>178,911</b>	<b>143,014</b>	<b>242,304</b>	<b>147,904</b>
<b>Full-time Equivalents (FTEs)</b>				
<b>Improving British Columbia's Investment Climate and Competitiveness</b> .....	27	28	28	28
<b>Enhancing Economic Development Throughout British Columbia</b> .....	58	51	51	51
<b>Marketing and Promoting British Columbia</b> .....	47	17	17	17
<b>British Columbia Olympic Games Secretariat, Sport and Culture</b> .....	39	34	34	34
<b>Executive and Support Services</b> .....	29	27	27	27
<b>Total FTEs</b> .....	<b>200</b>	<b>157</b>	<b>157</b>	<b>157</b>

<sup>1</sup> Amounts have been restated, for comparative purposes only, to be consistent with Schedule A of the 2004/05 *Estimates*.

<sup>2</sup> Includes contributions to the Vancouver Convention and Exhibition Centre project of \$67 million, \$71.3 million, \$88.5 million and \$61.1 million in fiscal years 2003/04 to 2006/07.

Core Businesses	2003/04 Restated Estimates <sup>1</sup>	2004/05 Estimates	2005/06 Plan	2006/07 Plan
<b>Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)</b>				
<b>Improving British Columbia's Investment Climate and Competitiveness</b> .....	0	75	50	25
<b>Enhancing Economic Development Throughout British Columbia</b> .....	15	0	0	0
<b>Marketing and Promoting British Columbia</b> .....	600	50	30	15
<b>British Columbia Olympic Games Secretariat, Sport and Culture</b> .....	25	70	70	70
<b>Executive and Support Services</b> .....	52	275	155	130
<b>Total</b> .....	<b>692</b>	<b>470</b>	<b>305</b>	<b>240</b>

<sup>1</sup> Amounts have been restated, for comparative purposes only, to be consistent with Schedule A of the 2004/05 *Estimates*.

## Additional Explanatory Notes on the Resource Summary

With the exception of bad debt expenses, the Ministry makes a number of contributions in accordance with contractual arrangements. The Ministry's contributions are over \$90 million in 2004/05. The contributions are described below by core business:

**Core Business:** *Improving British Columbia's Investment Climate and Competitiveness.*

**Northern Development Fund:** The Northern Development Fund (NDF) is a fund established under the 1997 British Columbia/Alcan Agreement to promote sustainable economic development in northern British Columbia. Funds are provided on a matching cost-shared basis by the Province and Alcan. The NDF is managed by the Nechako-Kitamaat Development Fund Society. The Ministry has set aside a contribution of \$500,000 in 2004/05.

**Core Business:** *Enhancing Economic Development Throughout British Columbia.*

The Ministry provides contributions to support science and technology initiatives. Transfers are provided to, among other things, support research and development, facilitate technology transfer, and assist science and technology businesses access investment capital. In 2004/05, the Ministry will provide approximately \$9.5 million to science and technology initiatives.

**Core Business:** *British Columbia Olympic Games Secretariat, Sport and Culture*

The Ministry provides \$10.3 million in support of cultural industries, amateur sports groups, and sport and recreation projects; including contributions to the Physical Fitness and Amateur Sport Fund, and Olympic Arts Fund.

**Core Business:** *Executive and Support Services*

**British Columbia Pavilion Corporation:** The Ministry provides funds for capital, operating and facilities costs and for the amortization of the Province's investment in the corporation. The British Columbia Pavilion Corp prepares its own Service Plan. The Ministry contribution in 2004/05 is \$5 million.

**Vancouver Convention Centre Expansion Project:** In December 2002, the Governments of Canada and British Columbia, along with the City of Vancouver, jointly announced funding arrangements for the development of the Vancouver Convention Centre Expansion Project. Vancouver Convention Centre Expansion Project Ltd. (VCCEP Ltd.) was established under the *British Columbia Company Act* to design, construct and commission the project. Currently approved funding for the project totals \$535 million. The construction of the new facilities is targeted at \$495 million with \$20 million targeted for a connector between the new and existing facilities and \$20 million for upgrades to Canada Place. The tourism sector will provide \$90 million, with the remainder provided by the federal and provincial governments on a matching cost-shared basis. The province will make contributions of \$67 million, \$71.3 million, \$88.5 million and \$61.1 million in each fiscal year 2003/04 to 2006/07.

**Bad Debt Expense:** Reserves for doubtful loans, write-downs of investments and interest expense on concessionary loans total \$1.32 million.

## Core Business Areas

The government's overarching aim, as outlined in its Strategic Plan 2003/04–2005/06, is for British Columbia to have the best performing economy and the highest quality of life in North America. A key goal of government is to establish a strong and vibrant provincial economy, which includes:

- *A thriving private sector economy that creates high-paying job opportunities;*
- *The fastest growing technology industry in Canada;*
- *Greater equity and equality for British Columbia in Canada; and*
- *Responsible, accountable management of public resources and tax dollars.*

In order to support this goal, the Ministry has five new core business areas. These are:

1. Improving British Columbia's Investment Climate and Competitiveness.
2. Enhancing Economic Development Throughout British Columbia.
3. Marketing and Promoting British Columbia.
4. British Columbia Olympic Games Secretariat, Sport and Culture
5. Executive and Support Services.

### **Core Business Area 1:** *Improving British Columbia's Investment Climate and Competitiveness.*

The government is committed to enhancing British Columbia's competitiveness as a means to create a climate conducive to investment and a prosperous economy. The Ministry has made significant strides towards creating a thriving competitive climate including eliminating business subsidies, reviewing all fees and licences, and spearheading the government's ongoing efforts to eliminate one-third of regulations within three years. The main strategies over the next three fiscal years for delivering programs that create a positive trade and investment climate are:

- Continue to oversee the government-wide deregulation initiative to cut red tape to reduce the regulatory burden by one-third within three years, beginning in 2001;
- Manage tax policy programs to assist small and medium-sized businesses throughout the province to gain access to equity capital for business startup and expansion;
- Manage significant cross-government projects to enhance the province's competitiveness; and
- Evaluate options for improving British Columbia's tax competitiveness.

**Core Business Area 2:** *Enhancing Economic Development Throughout British Columbia.*

The government is committed to developing and implementing strategies to revitalize the economy and create greater economic diversification. The main strategies of the core business for Enhancing Economic Development Throughout British Columbia are:

- Drive the government-wide implementation of the Heartlands Economic Strategy;
- Remove barriers to key projects and initiatives by establishing a project fast-track process to give key projects priority treatment;
- Work with local entrepreneurs and communities to identify and expedite new business investment in British Columbia's Heartlands;
- Manage British Columbia/Canada Infrastructure program to improve urban and rural local government infrastructure; and manage the Western Economic Partnership Agreement to support economic development in British Columbia;
- Implement the Tourism Development Strategy and develop an All-Seasons Resort Strategy for British Columbia; and
- Promote and market small business start-up and growth resources available to entrepreneurs across British Columbia through the Canada/British Columbia Business Service Society and its network of 75 community and regional partners.

**Core Business Area 3:** *Marketing and Promoting British Columbia.*

British Columbia has dramatic topography, abundant natural resources, a large number of small businesses and a burgeoning high-tech sector. For national and international investors, or for those wanting to visit the province, British Columbia has many opportunities. The main strategies for the core business of Marketing and Promoting British Columbia are:

- Implement marketing initiatives to provide the framework for communicating British Columbia's advantages and opportunities;
- Showcasing British Columbia at important national and international trade and industry events;
- Planning and managing trade missions that provide the Premier and Ministers with opportunities to profile British Columbia in key priority markets;
- Identifying marketing opportunities for British Columbia businesses and assisting the private-sector to create networks, alliances and partnerships to leverage those opportunities; and
- Lead the marketing of British Columbia as film and television production location.

**Core Business Area 4:** *British Columbia Olympic Games Secretariat, Sport and Culture.*

The British Columbia Olympic Games Secretariat represents the Province of British Columbia as a member partner in the Vancouver 2010 Olympic Games. The secretariat plays a key role in maintaining positive intra and inter-governmental relations, helping the Vancouver Organizing Committee in its efforts to build community support around the province. Also, the secretariat supports culture and sports in the province. In addition, the secretariat provides transfers in support of cultural industries, amateur sports groups and sport and recreation projects. The primary strategies for this core business are:

- Maximize the potential economic benefits of hosting the 2010 Olympic and Paralympic Winter Games;
- Facilitate the provision of regional and provincial level training and services to athletes;
- Develop and implement components of the Active Sports, Active Communities, and Organized Sport Action plans; and
- Develop and administer policies that improve the competitiveness of provincial cultural industries, and encourage the development of a sustainable arts and culture sector.

**Core Business Area 5:** *Executive and Support Services.*

The primary role of Executive and Support Services is to:

- Provide financial, human resources, records management and information systems support to the Ministry;
- Provide for the offices of the Minister and Deputy Minister of Small Business and Economic Development and the Deputy Minister responsible for Deregulation; and
- Provide contributions to the British Columbia Pavilion Corporation, Vancouver Convention and Exhibition Centre, and bad debt expenses.

# Goals, Objectives, Strategies and Results

This section sets out the performance measures and targets the Ministry will use to measure its success in achieving the goals and objectives set out in this service plan. The section is organized to demonstrate clearly how each of the performance measures and fiscal year targets link to and align with the Ministry's five goals and nine objectives. Performance measures and targets are established based on the best information available at the time the service plan is written. There is a risk that achievement of targets may be influenced by unanticipated internal and external events. If necessary, in these cases, targets will be updated and refined in subsequent annual service plans.

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## **Goal 1:** *Improving our competitive position in the national and international economy.*

This goal focuses on enhancing British Columbia's business climate by developing strategies to improve the province's relative competitiveness in key areas.

### **Core Business Area:** *Improving British Columbia's Investment Climate and Competitiveness.*

#### **Objective 1.1:** *Improve British Columbia's economic performance and diversification.*

The Ministry's strategies to improve economic performance and diversification are aimed at increasing the amount of venture capital available to small and medium sized businesses, thereby enabling businesses to grow, expand and diversify. In addition, the Ministry will continue efforts to repeal outdated and obsolete legislation and regulations to make it easier and more efficient to raise capital, invest and do business in British Columbia.

Performance Measures	2003/04 Actual/Base	2004/05 Target	2005/06 Target	2006/07 Target
Venture Capital Fund Registrations.	4 funds registered	6 funds registered	8 funds registered	10 funds registered
Venture Capital holdings in British Columbia.	\$1.3 billion (6% of national holdings)	\$1.8 billion (8% of national holdings)	\$2.2 billion (10% of national holdings)	\$2.4 billion (10% of national holdings)
Private capital raised and businesses financed.	\$137 million 95 businesses	\$143 million 110 businesses	\$152 million 120 businesses	\$158 million 125 businesses
Ministry regulatory requirements.	32% net cumulative reduction.	36% net cumulative reduction.	04/05 results maintained.	Ministry regulations developed according to regulatory reform criteria.

- Strategies:**
- 1. British Columbia's share of venture capital** — through issuing tax credits to resident investors who invest in registered venture capital funds, increase British Columbia's national share of venture capital holdings from 5 per cent to 10 per cent by 2006.
  - 2. Tax credit leverage** — the tax credits issued to resident investors under legislated programs may lever up to \$152 million of private capital for annual investment in a diversity of businesses, including technology, tourism and value-added sectors by 2006.
  - 3. Deregulation** — reduce the regulatory burden within the Ministry by 2004/05 by eliminating outdated or obsolete legislation and regulations, thereby improving British Columbia's competitiveness. Once the deregulation target is achieved all ministries are required to control the regulatory burden by moving towards a regulatory regime that is accountable, results-based and transparent.

**Objective 1.2:** *Improve British Columbia’s competitiveness as a place to live, invest and do business.*

This objective focuses on improving the province’s business competitiveness. Strategies are aimed at repealing outdated and obsolete legislation and regulations, as well as assessing and promoting options for enhancing British Columbia’s tax competitiveness.

Performance Measures	2003/04 Actual/Base	2004/05 Target	2005/06 Target	2006/07 Target
Competitiveness.	Identify 15 key competitiveness indicators and develop recommendations.	Develop base data on competitiveness levels for each indicator.	Improve over previous year.	Improve over previous year.
Tax proposals.	Update analysis and develop revised options.	Evaluate new tax measures and develop recommendations for presentation to Minister by October 31, 2004.	Update analysis and develop revised options by October 31, 2005.	Evaluate new tax measures and develop recommendations for presentation to Minister by October 31, 2006.
Government-wide regulatory requirements.	22% net cumulative reduction.	33% net cumulative reduction.	04/05 results maintained.	All Ministry and agency regulations developed according to regulatory reform criteria.
Impact of “Smart” regulation design and enforcement on competitiveness.	Develop base indicators of competitiveness for “smart” regulations.	100% of ministries have developed or implemented results-based regulations.	100% of key sectors surveyed report improved competitiveness through deregulation.	100% of key sectors surveyed report improved competitiveness through deregulation.

- Strategies:**
1. **Economic Competitiveness** — complete analysis and develop strategy, options, performance measures and targets to improve British Columbia's competitiveness and investment growth.
  2. **Tax competitiveness** — analyze, evaluate and prioritize options for improving British Columbia's tax competitiveness.
  3. **Reduce the regulatory burden across government** — reduce the regulatory burden by one-third within three years, by eliminating outdated and obsolete legislation and regulations.  
  
Once the deregulation target is achieved ministries and agencies are expected to control the regulatory burden by moving towards a regulatory regime that is accountable, results-based and transparent.
  4. **Cross government smart regulation and enforcement** — continuous improvement in regulatory quality, competitiveness and accountability through the government regulatory policy, including regulatory reform criteria and shift to results-based regulations.

**Goal 2:** *Increasing economic development throughout British Columbia, particularly in the Heartlands.*

This goal focuses on fostering economic growth and diversification in all regions and sectors of the province.

**Core Business Area:** *Enhancing Economic Development throughout British Columbia.*

**Objective 2.1:** *Facilitate economic growth throughout the province.*

The Ministry's strategies to facilitate economic growth will focus on facilitating capital investment projects and on growing specific sectors, including: the tourism, convention centres and cruise line sectors.

Performance Measures	2003/04 Actual/Base	2004/05 Target	2005/06 Target	2006/07 Target
Total number of inbound investment projects.	4 projects  \$20 million/ 200 jobs	6 additional projects  \$30 million/ 450 jobs	6 additional projects  \$30 million/ 450 jobs	6 additional projects  \$32 million/ 500 jobs
Increase Tourism Activity				
Total Cruise Passengers <sup>1</sup>	1.14 million	1.17 million	1.21 million	1.25 million
Total Room Revenue <sup>2</sup>	\$319 million	\$325.5 million	\$338.5 million	\$348.5 million
Total Delegate Days <sup>3</sup>	412,400	424,800	437,500	450,700

<sup>1</sup> Number of disembarking cruise passengers visiting British Columbia ports.

<sup>2</sup> Room revenue in the Thompson-Okanagan, Northern British Columbia, and Kootenay Rockies Tourism Regions.

<sup>3</sup> Total delegate days for five conference centers: Vancouver, Victoria, Whistler, Penticton and Prince George.

- Strategies:**
1. **Advance small business growth** — ensure government policy, regulations and service delivery frameworks support small business success.
  2. **Inbound investments** — facilitate inbound investment into high-growth, high-opportunity sectors.
  3. **Provincial Tourism Strategies** — implement strategies to promote British Columbia and achieve increases in tourism revenues. Examples of strategies include: Cruise British Columbia initiative to increase the number of cruise lines visiting British Columbia ports; joint marketing and promotion activities with Alberta to increase tourism and travel throughout communities and rural areas of both provinces; and Convention/Conference Sector initiative to increase convention/conference travel to British Columbia.

**Objective 2.2:** *Maximize federal/provincial funding for our Heartlands.*

This objective focuses on maximizing British Columbia's share of federal funding under the Canada/British Columbia Infrastructure Program and the Western Economic Partnership Agreement. The Ministry's strategies are aimed at efficiently distributing contributions to support business and infrastructure development, particularly in Heartlands communities.

Measures	2003/04 Actual/Base	2004/05 Target	2005/06 Target	2006/07 Target
Canada/British Columbia Infrastructure Program project funding.	Commit 80 per cent of program funds by Spring 2004.	Manage contracts to distribute \$66.5 million of federal/provincial funding to local governments and non-governmental organizations.	Manage contracts to distribute an additional \$66.5 million of federal/provincial funding to local governments and non-governmental organizations.	Ensure that \$133 million of federal/provincial funds has been used to build or improve over \$200 million worth of local infrastructure.
Western Economic Partnership Agreement project funding.	New 5 year agreement in place by Fall of 2003.	Commit 20% of total program funds on approved projects.	Commit 40% of total program funds on approved projects.	Commit 60% of total program funds on approved projects.
Regional Science and Technology Council funding	Fund seven existing councils.  Formalize a Northwest council by Spring 2004.	Ongoing*	Ongoing*	Ongoing*

\* A review is underway to determine how to strengthen the role of the regional Science and Technology Councils with respect to commercialization. The review is expected to be complete by March 31, 2004. Targets will be developed once the review is complete.

- Strategies:**
1. **Canada/British Columbia Infrastructure Program** — *fund infrastructure projects that support economic development in the Heartlands.*
  2. **Western Economic Partnership Agreement** — *negotiate new funding agreement for Economic Development Initiatives that recognize sectoral regional needs.*
  3. **Funding for Regional Science and Technology Councils** — *fund science and innovation approaches for regional applications, e.g., funding e-commerce and e-learning projects, funding high-speed access to rural locations and assisting science and technology businesses access capital.*

**Objective 2.3:** *Advocate on behalf of small business.*

Small businesses comprise approximately 97 per cent of British Columbia's businesses and are the primary source of job creation in the province. Consequently, economic growth within the small business sector is vital to the province's economic performance.

Measures	2003/04 Actual/Base	2004/05 Target	2005/06 Target	2006/07 Target
Number of transactions by Canada/British Columbia Business Services Society.	130,000 transactions	135,000 transactions	140,000 transactions	145,000 transactions
Small business participation in Olympic business opportunities.	Work with Canada/BC Business Services Society and the Olympic Secretariat to develop and implement a plan to maximize opportunities for small business.	3,000 businesses registered for updates on 2010 opportunities.	Cumulative total of 5,000 businesses registered for updates on 2010 opportunities.	Cumulative total of 7,000 businesses registered for updates on 2010 opportunities.

- Strategies:**
1. **Canada/British Columbia Business Services Society** — *provide one-stop access to business information and tools for small business startup and expansion.*
  2. **Small business participation in 2010 Olympic and Paralympic Winter Games** — *ensure small businesses are informed of opportunities leading up to the 2010 Olympic Games.*

**Goal 3:** *Marketing British Columbia as a preferred place to live, visit, invest and do business.*

This goal focuses on strategic marketing and promotion to distinguish British Columbia from its competitors, and to communicate the province’s advantages and opportunities to potential visitors and investors alike.

**Core Business Area:** *Marketing and Promoting British Columbia.*

**Objective 3.1:** *Market British Columbia as a preferred location to visit, and for new and expanded trade and investment.*

The Ministry has developed strategies to market and promote the province’s advantages and opportunities to increase trade and investment. One of the Ministry’s targets is the billion-dollar film and television industry. In addition, the Ministry will organize the Premier’s and Ministers’ trade and investment missions abroad, as well as in-coming trade delegations visiting British Columbia.

Measures	2003/04 Actual/Base	2004/05 Target	2005/06 Target	2006/07 Target
Number of Trade missions and key events promoting British Columbia.	8 trade and investment visits led by Premier and/or Ministers 30 pre-qualified business delegations attracted.	8 trade and investment visits led by Premier and/or Ministers 40 pre-qualified business delegations attracted.	8 trade and investment visits led by Premier and/or Ministers 40 pre-qualified business delegations attracted.	8 trade and investment visits led by Premier and/or Ministers 40 pre-qualified business delegations attracted.
Sales and marketing initiatives for film and TV industry.	Lead four sales and marketing efforts to the US.	Lead four sales and marketing efforts in the US and one in emerging markets.	Lead four sales and marketing efforts in the US, revisit previous year’s emerging market and add one more emerging market.	Lead four sales and marketing efforts in the US, revisit both of previous year’s emerging markets.

Measures	2003/04 Actual/Base	2004/05 Target	2005/06 Target	2006/07 Target
North American ranking of film production expenditure.	Largest production centre in North America after Los Angeles and New York.	Largest production centre in North America after Los Angeles and New York.	Largest production centre in North America after Los Angeles and New York.	Largest production centre in North America after Los Angeles and New York.
Number of customized information packages provided in response to qualified investor enquiries.	50 customized information packages provided to qualified potential investors.	75 customized information packages provided.	75 customized information packages provided.	75 customized information packages provided.

- Strategies:**
1. ***Trade and investment promotion*** — organize trade missions and provincial participation in key international events to promote British Columbia's competitiveness and business opportunities.
  2. ***Promote British Columbia as a competitive film and TV location*** — organize trade efforts to promote the province as a competitive film and TV production location.
  3. ***Marketing and promotional strategies*** — develop marketing and promotional strategies with Invest British Columbia to promote awareness of competitive advantages and opportunities throughout the province.

**Goal 4:** *The 2010 Olympic and Paralympic Winter Games are successful and leave a legacy for British Columbia*

**Core Business:** *British Columbia Olympic Games Secretariat, Sport and Culture.*

**Objective 4.1:** *The 2010 Olympics creates economic and social development opportunities before, during and after the games in an environmentally sustainable manner.*

Government is at the beginning stage of planning to maximize the benefits of hosting the Olympics. New measures have been added to capture a target for the following year of working with sport, community and inter-ministry partners to implement plans for: business investment, sport and health development, youth participation, resorts and Olympic live sites.

Measure	2003/04 Actual/Base	2004/05 Target	2005/06 Target	2006/07 Target
Implementation and performance plans for business investment, sports development.	Plans drafted.	Business Investment Plan, and Sport Development Plan launched.	Two British Columbia companies successfully compete for procurement contracts from the Organizing Committee for the Olympic Games (OCOG).	Five British Columbia companies successfully compete for procurement contracts from OCOG.

- Strategies:**
- 1. Maximize Economic Benefits** — *maximize the potential economic benefits of hosting the 2010 Olympic and Paralympic Winter Games.*
  - 2. Maximize participation** — *maximize participation, equity, inclusiveness and accessibility for all British Columbians before, during and after the Olympics.*

## Goal 5: *British Columbians participate and excel in sport and culture*

Winning the Olympic bid has placed a new profile on the province's sport and physical activity endeavours. There will be renewed appetite for achieving excellence in sport in British Columbia. In addition, the arts and cultural sector is a rapidly growing component of the provincial economy. This goal focuses on increasing participation in sports, and the development of arts and culture.

### Objective 5.1: *British Columbians participate in physical activity and British Columbian athletes excel.*

Physical activity is a key component of health and quality of life for British Columbia's citizens. Increased participation in physical activity is encouraged through a number of strategies, most of which are undertaken in cooperation with a number of other agencies.

Measure	2003/04 Actual/Base	2004/05 Target	2005/06 Target	2006/07 Target
Number of communities designated "Active Communities."	New program	5 communities	5 new communities. 10 in total	5 new communities. 15 in total
British Columbia athletes excel, demonstrated by Team BC placement in Canada summer and winter games.	4th at 2003 Winter Games.	No games held in 2004.	2nd at 2005 Summer Games.	3rd at 2007 Winter Games.
British Columbia has high quality sport infrastructure as measured by the proportions of nationally-carded athletes training in the province <sup>1</sup> .	18 per cent	19 per cent	20 per cent	21 per cent

<sup>1</sup> Number of nationally-carded athletes attracted to British Columbia provides evidence of the quality and range of sports facilities and training capacity. Of 1,331 athletes funded by Sports Canada, 18 per cent, or 235, train in British Columbia.

- Strategies:**
1. **Active Schools, Active Communities** — develop and implement components of the Active Schools, Active Communities, and Organized Sport Action plans.
  2. **Athletes Training** — facilitate the provision of regional and provincial level training and services to athletes.

**Objective 5.2:** *British Columbia’s cultural sector contributes to quality of life and economic development of communities.*

Cultural activity is one of the key pillars of a healthy community and an active cultural sector is part of a creative, information-based society. The Ministry develops and administers policies that support the arts and cultural sector, in addition to supporting the BC Arts Council and Legacies Now.

Measure	2003/04 Actual/Base	2004/05 Target	2005/06 Target	2006/07 Target
Development of Centre for Not-for-Profit Sustainability supported.	New initiative.	Financial model developed.	Additional programs to improve not-for-profit sustainability developed.	
Sectoral strategy for sound recording industry developed.	Review of sound recording industry complete.	Industry strategy developed by Fall 2004.	Work with sound-recording industry to develop recommendations.	

- Strategies:**
1. **British Columbia Arts Council** — undertake program review to identify program and funding priorities for the British Columbia Arts Council.
  2. **Sustainable Arts and Culture** — develop and administer policies that encourage the development of a sustainable arts and culture sector, for example supporting the development of the Centre for Not-for-Profit Sustainability.
  3. **Competitiveness of Cultural Industries** — develop options to improve the competitiveness of provincial cultural industries, for example developing a strategy for the sound recording industry.

## **Deregulation**

The Ministry has been a leader in achieving Government's deregulation commitment. As of December 31, 2003, the Ministry had achieved a 31 per cent net reduction from its baseline of 2,329 regulatory requirements, far exceeding the Ministry's initial 12 per cent target for 2002/03. The Ministry's 2003/04–2005/06 service plan incorporates this result into revised targets leading to a net reduction of 35 per cent in 2004/05.

Since June 2001, along with streamlining and expanding small business access to capital through the *Small Business Venture Capital Act*, the Ministry eliminated 800 unnecessary regulations through the repeal of outdated or obsolete legislation (*Small Business Development Act*; *Special Enterprise Zone and Tax Relief Act*; *Industrial Development Incentive Act*; *Natural Resource Community Fund Act*; *the Job Protection Act*; and *the Northern Development Act*).

## **Government-Wide Deregulation**

As of December 31, 2003, the Government had reached over 50 per cent of its final deregulation target, with a reduction of approximately 90,000 unnecessary regulatory requirements. This achievement, under British Columbia's innovative and comprehensive deregulation framework, reinforces that British Columbia is regulating sensibly and thoughtfully, and encourages prosperity, innovation and enterprise across the Province.

British Columbia is unique in imposing rigorous performance standards with tough measurable targets for regulatory reform that will promote smart, effective and efficient regulation. Top priorities are regulations with the most direct impact on competitiveness. Major strides have been made in the areas of employment standards, liquor control and licensing, land use management, and the resource sectors, including the oil and gas sector. Many of the changes exemplify the shift towards results-based regulation that will encourage innovation and competitiveness. All ministries and agencies across Government are striving for smarter regulation and streamlining to make it easier for all British Columbians to interact with Government, and help create new opportunities in all economic sectors across the Province, particularly in the Heartlands.

## **Enterprise-Wide Risk Management**

The government is implementing a comprehensive Enterprise-wide Risk Management (ERM) process to assist ministries in achieving their strategic goals. In order to build ERM capacity across the Ministry, all executive members, directors and managers will have been provided ERM training by March 31, 2004.

# Appendix 1. Strategic Context

## Ministry Vision, Mission and Core Values

### 1. Vision

The Ministry of Small Business and Economic Development envisions a vibrant economy where British Columbians have access to a diversity of job opportunities throughout the province, and where investors have confidence in the province's economic growth and prosperity.

### 2. Mission

The Ministry of Small Business and Economic Development promotes strategic leadership in government to create a strong, prosperous and diverse economy in all regions.

### 3. Core Values

The following values define the Ministry's management style and govern the way it makes decisions. They guide Ministry staff in interacting with each other, other government agencies, the private sector and other stakeholders.

Core Values	
<b>Competitiveness</b>	The Ministry works towards making British Columbia one of the most attractive investment location in North America.
<b>Results-Based</b>	The Ministry is a results-based organization that measures performance at both the corporate and individual level.
<b>Shared Responsibility</b>	The Ministry is committed to working with other ministries and agencies to develop and implement actions to bring growth, job creation and prosperity to British Columbia.
<b>Accountability</b>	The Ministry is accountable to government and the public and strives to ensure its activities deliver the targets outlined in this Service Plan.
<b>Efficiency</b>	The Ministry delivers its programs in the most efficient manner to enhance British Columbia's competitiveness as an investment location.

Core Values	
<b>Continuous Improvement</b>	The Ministry is committed to developing new and better approaches. Our approaches include working with, listening to, and consulting with stakeholders in all regions of British Columbia.
<b>Professionalism</b>	The Ministry is committed to maintaining the highest standards of innovation, quality, teamwork, and developing an entrepreneurial attitude in the professional public service.
<b>Responsiveness</b>	The Ministry strives provide a high level of customer service, and to respond to the needs of its stakeholders in a timely and effective manner.

## Planning Context

The planning context is an assessment of strengths, challenges and internal forces that can have a significant impact on the Ministry's ability to deliver results. It provides the Ministry with specific information to prepare for future actions.

## Key Opportunities

- **Tourism and Resorts:** British Columbia has some of the most temperate and dramatic topography in the Pacific Northwest offering significant investment opportunities for the further development and enhancement of British Columbia's tourism and all-season resort industries.
- **Investment Promotion:** British Columbia has some of the most abundant natural resource opportunities in the world, but these alone will not attract investment even in a strong economy. Information about the changes being made to ensure British Columbia is globally competitive needs to be aggressively marketed to the investment community.
- **Small Business Sector:** British Columbia's small business sector comprises over 97 per cent of British Columbia's businesses and is the primary source of job creation in the province. There is broad recognition that the development of the small business sector boosts local economies, sustains healthy communities and provides diverse employment opportunities.
- **2010 Olympic and Paralympic Winter Games:** The 2010 Winter Games will open up new opportunities for tourism through increased visitation and international profile. In addition, infrastructure investments leading up to the Games will create approximately 228,000 person years of employment and inject billions of dollars into the provincial economy.

## **Highlights of Changes from the Previous Plan**

On January 26, 2004 the Honourable Gordon Campbell, Premier, announced a number of Cabinet changes. The changes included renaming the Ministry of Competition, Science and Enterprise as the Ministry of Small Business and Economic Development to reflect a renewed focus on economic development. In addition:

- The Ministry acquired responsibility for the British Columbia Olympic Games Secretariat from the Ministry of Community, Aboriginal and Women's Services. Responsibilities include maximizing the benefits to British Columbians from the games, and leaving a lasting legacy. In addition, the secretariat provides transfers in support of cultural industries, amateur sports groups and sport and recreation projects.
- As part of the Cabinet changes in January 2004, the Minister of State for Deregulation position was eliminated, and responsibility for deregulation was transferred to the Minister of Small Business and Economic Development.

## Consistency with Government's Strategic Plan

The government's Strategic Plan has been used to align the Ministry's strategies and plans under the government's goals, objectives and strategies.

**Government Goal 1:** *A Strong and Vibrant Provincial Economy.*

**Government Objective:** *British Columbia Will Have a Prosperous Economy.*

**Government Strategy:** *Innovation and Economic Growth.*

Provincial Strategies	Achievements in 2003/04	2004/05 – 2006/07 Service Plan Strategies
Work with the private sector to remove barriers to economic activity.	<p>The Significant <i>Projects Streamlining Act</i> received Royal Assent in the Fall of 2003 to ensure expedited reviews of economically significant projects.</p> <p>Implemented the “On the Ground” regional services plan enabling ministry staff in regional offices to work closely with communities to identify, promote and develop priority business opportunities.</p> <p>Changes to the <i>Small Business Venture Capital Act</i> introduced a direct investment model enabling businesses registered as Eligible Business Corporations to raise investment capital.</p>	<p>Fast-track projects - accelerate permits and approvals for approved capital investment projects.</p> <p>Develop a one stop shop for business location services, including Web-based site selection tools and resources.</p> <p>Advance small business growth — ensure government policy, regulations and service delivery frameworks support small business success.</p> <p>Inbound investments — facilitate inbound investment into high-growth, high-opportunity sectors.</p>
Implement a long-term economic development strategy for all regions of the province.	New function.	Lead the preparation and implementation of strategies promoting economic growth and diversification of British Columbia's economic base.

Provincial Strategies	Achievements in 2003/04	2004/05 – 2006/07 Service Plan Strategies
Market British Columbia's competitive advantages and opportunities as an investment location, tourism destination and trading partner.	<p>The British Columbia Resorts Task Force formed to enhance resort development.</p> <p>BC-Alberta Bilateral Trade and Investment Negotiations commenced to extend the existing Agreement on Internal Trade to those areas not currently covered.</p> <p>Organized trade missions for the Premier and Ministers, including missions to China, India, Korea, Taiwan and US (Texas).</p>	<p>Promote British Columbia as a film and TV location.</p> <p>Marketing and promotional strategies — develop marketing and promotional strategies to promote awareness of competitive advantages and opportunities throughout the province.</p> <p>Trade promotion — organize trade missions and provincial participation in key international events to promote British Columbia.</p>
Continue to streamline government's legislation and regulations.	Approximately 90,000 unnecessary regulatory requirements have been eliminated across government, since June 2001.	Reduce the regulatory burden across government by one-third within three years, beginning in 2001.
Sponsor a provincial strategy that promotes physically active living through active schools, active communities and organized sport.		British Columbians participate in physical activity and athletes excel.

## Appendix 2. Summary of Related Planning Processes

### Information Technology Plan

#### Strategic Direction

The Ministry will use common corporate services and adhere to government standards, to ensure implementation of secure and stable business systems based on Best Practices principles.

It will also focus on Web-enabled service delivery, where feasible, to make information available electronically to businesses and the public.

Finally, the Ministry will manage with limited resources through the use of strategic partners and alternate service providers.

#### Major Projects

**Business Information System:** System application modules and database systems will be changed to facilitate changes necessary to support the Ministry's strategy to increase British Columbia's share of venture capital.

**Invest British Columbia (Site Selector):** Develop an Internet facility with supporting databases to allow collaboration with communities and businesses. This facility will support the Ministry's core business to attract investment, and market British Columbia as a preferred place to live, invest and do business.

**Government Portal Migration:** Develop a strategy and migration plan to move all existing Ministry and Associated agencies' Web content, excluding e-services, to the new common government portal facility; and, identify and reorganize e-service sites and apply government portal standards to those sites.

## Human Resources Management Plan

Below is a high level overview of the ministry's human resource management plan.

Goal	Objective	Strategy	Performance Measures, Outcomes, Indicators
<p>Manage Human Resources: <i>The goal is to ensure the ministry has employees with the skills, knowledge and expertise required to achieve its mandate.</i></p>	<p>Recruit, develop and manage employees according to best practices; Ensure the skills, knowledge and expertise required by the ministry are available in the right place at the right time and in the right capacity.</p>	<p>Managers will: Manage human resources effectively. Seek the guidance of the Strategic Human Resources Unit, decide on a course of action, implement actions, and monitor/evaluate results.  The Strategic Human Resources Unit will: Provide options and recommendations to ministry executives and managers to promote optimal human resource management in the ministry.  Manage the provision of transactional human resource services by the BC Public Service Agency.</p>	<p>Ministry Executive will assess: Whether the ministry workforce had the skills, knowledge and expertise to meet the challenges faced by the ministry in its quest to achieve its mandate during the fiscal year.</p>

Goal	Objective	Strategy	Performance Measures, Outcomes, Indicators
<p>Workforce Adjustment: <i>The goal is to ensure the ministry's workforce adjustment efforts achieve its FTE and budget reduction objectives.</i></p>	<p>Lead and direct the workforce adjustment process to achieve ministry objectives.</p>	<p>Ministry Executives and managers will: Ensure surplus positions are identified and employees affected are treated with fairness, consideration and due process.  Consider the implications of succession planning, turnover, and the future needs of the ministry in implementing workforce adjustment measures.  The Strategic Human Resources Unit will: Manage the provision of transactional workforce adjustment services by the BC Public Service Agency.</p>	<p>Ministry Executive will assess: Whether FTE and financial targets were achieved.</p>
<p>Performance Management: <i>The goal is to ensure ministry employees perform to the best of their abilities.</i></p>	<p>Build and maintain a healthy, dynamic workplace where employee contributions are valued and where employees are encouraged to develop their skills and knowledge, and to perform to the best of their abilities.</p>	<p>Managers and employees will: Complete annual performance plans and annual reviews to set goals, enhance performance and review achievements.  All employees will: Understand the goals and objectives of their organizational unit and its relationship to division, ministry and government goals and priorities.</p>	<p>Ministry Executive will assess whether: Managers and employees achieve peak performance during the reporting period.</p>

