

# BALANCED BUDGET 2007

*Ministry of  
Economic Development*

## **2007/08 – 2009/10 SERVICE PLAN**

February 2007



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## Message from the Minister and Accountability Statement

British Columbia's economy continues its strong growth — 4.0 per cent in 2006 with the unemployment rate falling to a historic low of 4.3 per cent. Confidence in B.C.'s economy is high; investment spending has taken off, rising \$4 billion since 2003 to a projected \$17.8 billion in 2006.

We are well positioned to move forward with innovative strategies to keep our economy strong. Over the past year, we received reports from the Competition Council, and the China/Hong Kong Market Advisory Group and the India Market Advisory Group of the Asia Pacific Trade Council. These reports offered bold, concrete steps we can take to strengthen our economic advantages.

Following advice contained in the reports, we have sought out individuals with experience in Asian markets who can represent our province and our unique strengths overseas. These representatives will focus on promoting British Columbia as a globally competitive location.

In addition, both Councils recommended that the Provincial Nominee Program be expanded to bring in more skilled workers and more investor immigrants from outside Canada. Accordingly, we have added more staff and we are working with the federal government; Citizenship and Immigration Canada has agreed to help us identify potential business immigrants to B.C. and make them aware of our Provincial Nominee Program, which contains provisions to fast-track visa applications.

The availability of skilled labour is key to economic growth. Implementation of Work BC, the provincial workforce strategy, will support wide-ranging activities directed at retaining workers, increasing the skill sets of existing workers, expanding the workforce and addressing regionally-based labour force issues.

The Province is also geared up to take advantage of the extraordinary possibilities generated by the British Columbia-Alberta Trade, Investment and Labour Mobility Agreement signed in April 2006. Our two provinces have taken a leadership role in removing harmful non-tariff barriers. We're sending a clear message to investors that our region is serious about building an even more highly competitive and attractive place for people to visit, live, work and play.

With the upcoming 2010 Olympic and Paralympic Winter Games, we have been actively promoting to B.C. business the ways they can take advantage of the opportunities generated by the 2010 Winter Games. The 2010 Commerce Centre has well over 5,000 newsletter registrants, and over 3,200 business people have registered to receive 2010 Business Opportunities.

Following on the success of B.C. -Canada Place at the 2006 Torino Winter Games, the B.C. Olympic and Paralympic Games Secretariat has plans for an expanded presence at the 2008 Beijing Games. The Province will celebrate who we are in Beijing — by developing a pavilion to promote B.C. business, tourism, trade, investment and, of course, the 2010 Winter Games.

Last June, the Governments of Canada and British Columbia signed a new infrastructure agreement that will provide \$102 million in combined funding to projects in B.C. communities in 2006-07. A minimum of 80 per cent of funding will be targeted toward communities with a population under 250,000 people. Further, the province looks forward to negotiations on a new, longer-term agreement to allow British Columbia and communities access to \$2.2 billion nationally in federal funding identified in the federal budget 2006.

The Ministry of Economic Development 2007/08 – 2009/10 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 February 2007, have been considered in preparing the plan and I am accountable for achieving the specific objectives in the plan.



Honourable Colin Hansen  
Minister of Economic Development

February 20, 2007

# Table of Contents

<b>Ministry Overview</b> .....	5
Purpose of Ministry.....	5
Vision, Mission and Values.....	6
<b>Strategic Context</b> .....	7
<b>Core Business Areas</b> .....	9
<b>New Relationship</b> .....	11
<b>Goals, Objectives, Strategies and Results</b> .....	12
Overview.....	12
Ministry Goals.....	12
Linkage to the Five Great Goals.....	12
Cross Ministry Initiatives.....	14
Asia Pacific Initiative.....	14
2010 Olympic and Paralympic Winter Games.....	14
Mountain Pine Beetle.....	15
ActNow BC.....	15
Regulatory Reform.....	16
Citizen-Centred Service Delivery.....	16
Performance Plan.....	18
<b>Resource Summary</b> .....	28
<b>Appendices</b> .....	29
Appendix 1:.....	29
Appendix 2:.....	30



# Ministry Overview

## Purpose of Ministry

The purpose of the Ministry of Economic Development is to build a strong provincial economy that supports job creation and maximizes economic opportunities for the citizens of British Columbia. The Minister is also responsible for the 2010 Olympic and Paralympic Winter Games and the British Columbia Asia Pacific Initiative. All Ministry initiatives are supported through policies, programs and public and private partnerships that:

- ensure Canada is fully maximizing British Columbia's Asia Pacific Gateway advantages and assumes its role as the national catalyst for Canada's Asia Pacific success through strong leadership and a nurturing environment for business opportunities;
- market and promote B.C. to expand investment opportunities, increase sales and export of goods and services and encourage immigration of skilled workers and investors;
- enhance economic development and growth by maintaining a competitive business environment, increasing diversification of regional and provincial economies, providing infrastructure for a growing economy and responding to the increasing demand for skilled labour; and
- provide leadership and oversee the province's financial commitments required to host a successful 2010 Olympic and Paralympic Winter Games and to create programs that maximize the economic and social benefits from hosting the 2010 Games in British Columbia.

Legislation governing the Ministry's activities can be found on the Ministry's website at: <http://www.ecdev.gov.bc.ca>.

## **Vision, Mission and Values**

### **Vision**

The Ministry of Economic Development envisions a province with job opportunities and economic prosperity for all British Columbians, in every region of the province.

### **Mission**

The Ministry of Economic Development works for British Columbians to build the best performing economy in Canada, through maximizing the benefits of B.C.'s diverse economy, its proximity to emergent opportunities in Asia, and the 2010 Olympic and Paralympic Winter Games.

### **Values**

#### ***Prosperity***

We are committed to ensuring economic growth, jobs and investment in the province to maintain a high quality of life for all British Columbians.

#### ***Results-Based***

We are an organization that prides itself on getting results.

#### ***Client-Focused***

We strive to provide a high level of customer service.

#### ***Consultative***

We work with and listen to, stakeholders in all regions of B.C.

#### ***Accountable***

We are accountable to government and the public.

#### ***Efficient***

We deliver our programs in the most efficient manner.

#### ***Innovative***

We are committed to developing new and innovative approaches.

#### ***Professional***

We are committed to maintaining the highest standards in the professional public service.

## Strategic Context

The Strategic Context section identifies and documents the Ministry's key issues, opportunities and challenges that are likely to have an impact on its planning in the next three years.

### Key Opportunities

**Asia Pacific:** British Columbia is Canada's Gateway to the growing Asia Pacific region. Establishing British Columbia as the pre-eminent trade and cultural hub between Asia and North America (which includes trade, commerce, education, transportation, immigration, innovation and culture) will ensure all British Columbians benefit from our growing relationship with and proximity to the Asia Pacific. Asia's dramatic demographic changes have created a demand for not only our traditional resource products, but also new products and services in areas such as urban infrastructure design, planning and development; engineering; clean technology; health care; and tourism — all areas where British Columbia has expertise and competitive advantage.

**Economic Expansion:** According to B.C.'s independent Economic Forecast Council, the B.C. economy grew 4.0 per cent in 2006, stronger than the 3.6 per cent expected at the start of the year. B.C.'s economic growth is expected to ease somewhat, but remain strong for 2007 through 2011. The Council's average forecast called for growth of 3.4 per cent in 2007. Further information on the B.C. outlook may be found in the Budget and Three Year Fiscal Plan released with the budget.

**Labour Market and Trade:** New trade and investment opportunities and implementation of provincial initiatives aimed at labour markets, the workforce and the economy will advance the growth of skilled, diversified and well-paying jobs for British Columbians. Immigration is a key source of labour force growth in British Columbia and building on the objectives implemented to date by government ensure conditions are in place to support continued provincial economic growth. The broadly recognized success of the British Columbia-Alberta Trade, Investment and Labour Mobility Agreement encourages other provinces, territories and the federal government to build more open and competitive markets for the benefit of all consumers, workers, businesses and investors.

**New Relationship:** The Government of British Columbia is leading the nation in developing a New Relationship with First Nations and Aboriginal people. Guided by principles of trust, and by recognition and respect of First Nations' rights and title, we are building a stronger and healthier relationship between government and Aboriginal people. By working together, we will bring tangible social and economic benefits to Aboriginal people across the Province and narrow the gap between Aboriginal people and other British Columbians.

**2010 Olympic and Paralympic Winter Games:** The 2010 Winter Games create the opportunity for unparalleled international exposure for British Columbia and will open up new opportunities for investment and business development. The province is maximizing these opportunities internationally and creating programs so businesses can take advantage as B.C. prepares to host the 2010 Olympic and Paralympic Winter Games. In addition, infrastructure investments leading up to the Games will give a significant boost to the provincial economy.

**Research and Innovation:** The Ministry participates on the Interministry Research and Innovation Committee, led by the Ministry of Advanced Education. The committee serves to enhance linkages and communication about key research and innovation initiatives among ministries.

## Key Challenges

**Export Growth Strongly Rooted in Resource Industries:** Approximately 80 per cent of B.C. goods exports, 66 per cent of manufacturing shipments and 69 per cent of goods exported to other provinces are resource based. However, the B.C. economy continues to diversify. High tech industries now account for over five per cent of provincial GDP and services make up to close to 75 per cent of the economy. Several world-class industry clusters are flourishing and opportunities for international trade are occurring in a wide range of sectors. Growth in export diversity will help balance the strong cyclical forces common in resource industries.

**Productivity:** A key factor to improving living standards is increasing productivity, generally measured by output per worker, per hour. Improvements to productivity in British Columbia have generally lagged that of other Canadian provinces and American states. Improvements in productivity would fuel economic growth and raise B.C.'s standard of living.

**Demographics and Skill Shortages:** British Columbia's robust economic growth and record high employment rate have increased the shortage of highly skilled people that businesses need to grow and expand. Immigration is now the key source of labour force growth in B.C. Initiatives and programs that focus on ensuring the availability of a skilled workforce are necessary to meet the demands of the province's growing economy.

**Mountain Pine Beetle:** Projections indicate the mountain pine beetle infestation could kill 80 per cent of the pine forest in British Columbia by 2013. Pine forests dominate the interior of B.C., and their loss has significant implications to the forest environment, economy and the communities that depend on those forests for sustainability. The B.C. Government, through coordination by the Ministry of Forests and Range and the *Provincial Mountain Pine Beetle Action Plan*, is working across a number of ministries to minimize and mitigate negative environmental and socio-economic impacts of the infestation, while recovering the greatest value and protecting public health, safety and infrastructure.

## Core Business Areas

The Ministry is comprised of four core business areas that correspond to the organization's operating divisions. Three areas link to the Ministry's core activities while the fourth is comprised of Executive and Support Services including the Offices of the Deputy Minister and Minister.

### **1. Marketing and Promoting British Columbia.**

This core business area is led by the Marketing, Investment and Trade Division. It focuses on implementing the British Columbia Asia Pacific Initiative including support for the Asia Pacific Trade Council; implementing initiatives for communicating British Columbia's advantages and opportunities internationally including provincial representation abroad; managing the province's economic immigration programs; organizing external and inbound trade missions; showcasing British Columbia at national and international industry events; implementing venture capital programs that provide access to capital for B.C. entrepreneurs and innovative companies; and providing potential investors with business location information and services. The Marketing, Investment and Trade Division has a base budget of \$12.0 million and 56 full-time equivalents for 2007/08.

### **2. Enhancing Economic Development.**

This core business area is led by the Economic Competitiveness Division. It focuses on identifying and facilitating projects that support economic growth and diversification throughout the province; undertaking analyses to improve economic competitiveness; working with investors to facilitate economic development; advancing British Columbia objectives regarding domestic and international trade issues; managing programs to improve urban and rural local government infrastructure (including the Canada / British Columbia Municipal Rural Infrastructure Fund); evaluating options and participating in cross-government projects to improve British Columbia's tax competitiveness; undertaking labour market planning; working with the Industry Training Authority; and expediting the credential certification process for highly-skilled immigrants with international qualifications. The Economic Competitiveness Division has a base budget of \$141.2 million (of this amount 96.9 is allocated to ITA) and 54 full-time equivalents for 2007/08.

### **3. 2010 Olympic and Paralympic Winter Games Secretariat.**

This core business area is led by the B.C. Olympic and Paralympic Winter Games Secretariat. It focuses on showcasing British Columbia businesses and economic development internationally in Games-related opportunities; creating programs aimed at B.C. businesses that enable them to be the best prepared to take advantage of related business opportunities; being responsible for oversight of the province's \$600 million dollar investment in the Games; and representing the province as a member partner in organizing of the Games. The Secretariat has also developed new initiatives to promote and engage Aboriginal businesses in 2010 opportunities. The B.C. 2010 Olympic and Paralympic Winter Games

Secretariat has a base budget of \$7.8 million, an operating budget of \$92.5 million and 29 full-time equivalents for 2007/08.

#### **4. Executive and Support Services.**

This core business area provides executive leadership, planning, administrative and legislative support to assist the Ministry's other core business areas to achieve their goals and objectives. It includes the Minister's and Deputy Minister's offices, information systems, corporate financial, administrative and human resources services and operating grants to the Columbia Basin Trust pursuant to the Columbia Basin Accord. In addition, the Division provides administrative and financial services to the Ministry of Energy, Mines and Petroleum Resources. The Executive and Support Services Division has a base budget of \$12.6 million and 29 full-time equivalents for 2007/08.

\*An overview of the Ministry's Information Resource Management Plan can be found at: <http://www.ecdev.gov.bc.ca/serviceplan/irmp.html>.

### **Crown Corporations**

The Minister of Economic Development is responsible for the following Crown corporations:

**Industry Training Authority** <http://www.itabc.ca>

**Columbia Basin Trust** <http://www.cbt.org/main/default.asp>

The Industry Training Authority and the Columbia Basin Trust have their own service plans.

### **Nechako-Kitamaat Development Fund Society**

The Northern Development Fund was established in 1997 by a \$7.5 million contribution from the Province of British Columbia and Alcan. The Nechako-Kitamaat Development Fund Society provides grants from the Northern Development Fund for sustainable economic and social projects in the area most affected by the Kemano project and the creation of the Nechako Reservoir. The Northern Development Fund is held by the Province of British Columbia. The Ministry budgets \$500,000 per year for the Society. Since 1999, the Nechako-Kitamaat Development Fund Society has provided nearly \$3.9 million in funding for projects in communities in the Nechako Region and Kitamaat Village. The Nechako-Kitamaat Development Fund Society intends to commit \$600,000 per year in grants over the next three years.

## **New Relationship**

The Government of British Columbia is leading the nation in developing a New Relationship with First Nations and Aboriginal people. Guided by principles of trust, and by recognition and respect of First Nations rights and title, we are building a stronger and healthier relationship between government and Aboriginal people. By working together, we will bring tangible social and economic benefits to Aboriginal people across the province and narrow the gap between Aboriginal people and other British Columbians.

Vast economic opportunities exist amongst Aboriginal people, within their communities, and in the broader regional and provincial economies. The Ministry of Economic Development is supporting the New Relationship by working with the Ministry of Aboriginal Relations and Reconciliation (MARR) to increase Aboriginal participation and prosperity in British Columbia's economy, as well as work towards developing a business climate that provides more certainty and clarity to proponents when addressing First Nation interests and legal requirements. The Ministry is taking an active role in several areas including:

- directly supporting the Four Host Nations Olympic Secretariat to facilitate the participation and inclusion of First Nations in the 2010 Olympic and Paralympic Winter Games;
- assisting Aboriginal people in developing economic opportunities on their own or in conjunction with non-Aboriginal proponents;
- facilitating and coordinating a range of economic development initiatives, including effective economic opportunity partnerships and relationships that will directly or indirectly benefit Aboriginal people;
- working with other ministries on major projects to ensure that Aboriginal interests are addressed in a timely and efficient manner;
- working with MARR, the Ministry of Tourism, Sport and the Arts, Aboriginal Tourism B.C., Tourism B.C. and other stakeholders to facilitate partnerships and support the implementation of an integrated Aboriginal Cultural Tourism Blueprint Strategy for B.C.;
- participating in the development of the New Relationship policy framework; and
- assisting companies in developing ways to effectively engage First Nations in the development and review of their project initiatives.

# Goals, Objectives, Strategies and Results

## Overview

*The Ministry has developed the following goals, objectives strategies and results.*

## Ministry Goals

1. British Columbia is recognized globally as a preferred place to visit, live, work, invest and do business, and as Canada's Pacific Gateway.
2. All British Columbians live in prosperous regions and are able to achieve their economic potential.
3. British Columbia hosts a successful 2010 Olympic and Paralympic Winter Games that create a legacy of economic benefits for the province.

## Linkage to the Five Great Goals

A healthy and robust provincial economy will provide needed resources to assist government in achieving each of the strategic Five Great Goals for a Golden Decade. The Ministry's primary contributions are to Great Goals 1 and 5.

### **Goal 1** - *Make British Columbia the best educated, most literate jurisdiction on the continent.*

The Ministry directly supports and will continue to contribute to this goal by identifying B.C.'s labour market shortages and building skills capacity that will improve the province's ability to compete in the national and international marketplace. The Ministry works with partners, such as the Industry Training Authority to support and promote an industry-driven system for training and apprenticeship.

### **Goal 5** – *Create more jobs per capita than anywhere else in Canada.*

The Ministry will continue to specifically lead this goal by:

- implementing the British Columbia Asia Pacific Initiative to capitalize on expanding Asian markets and ensure British Columbia is recognized as North America's capital for Asia Pacific commerce and culture;
- facilitating economic growth and business competitiveness throughout the province;
- leveraging federal, provincial and private sector funding to address the infrastructure needs of our regional economies;
- marketing British Columbia to attract new investment from foreign sources (including venture capital) and new economic immigrants to expand job opportunities and the labour market;

- attracting investment and new business activities by negotiating the reduction of barriers to trade, investment and mobility;
- implementing an employment recruitment strategy called Work B.C. to address key skill shortages in the province; and
- maximizing economic opportunities before, during and after the 2010 Olympic and Paralympic Winter Games.

The Ministry's efforts in promoting economic growth, creating jobs, generating revenues, increasing trade and attracting investment, will directly support the provincial government's other three Great Goals so that British Columbia will lead North America in healthy living (Goal 2); build the best support system in Canada for persons with disabilities, those with special needs, children at risk and seniors (Goal 3); and, lead the world in sustainable environmental management (Goal 4).

## **Cross Ministry Initiatives**

### **Asia Pacific Initiative**

The Ministry of Economic Development leads the British Columbia Asia Pacific Initiative (API) to ensure the province has a coordinated and targeted strategic plan in place to maximize B.C.'s Pacific Gateway advantages and Asian cultural and language base. The API defines B.C.'s future role in the Asia Pacific economy and identifies the immediate priority actions that must be taken to further integrate B.C. into Asian markets. By implementing the Asia Pacific Initiative, B.C. will expand and diversify its strategic Asia Pacific relations and commercial opportunities to: increase Asia Pacific trade and investment; secure Asian tourism and tradeable services sector growth opportunities; and ensure B.C. takes advantage of our Asia Pacific ties to promote immigration as a means to increase and strengthen our labour force.

As the Asia Pacific Initiative is a priority cross ministry initiative, detailed tactical and implementation plans are being developed by lead and supporting ministries and coordinated by the Ministry of Economic Development. For example, the Ministry will work with the Ministry of Transportation to ensure that the province has the transportation network in place to meet increased trade demands with Asia; the Ministry of Forests and Range to strengthen the forest sector markets and actively promote Canadian wood products and construction techniques in Asia Pacific economies; the Ministry of Attorney General and Minister Responsible for Multiculturalism to ensure cultural and social linkages are established by increasing immigration to British Columbia and; the Ministry of Advanced Education and Ministry of Education to expand educational linkages with Asia Pacific nations. Each ministry of government will also report progress to the Minister of Economic Development who will, in turn report tangible progress to Cabinet.

### **2010 Olympic and Paralympic Winter Games**

The British Columbia Olympic and Paralympic Winter Games Secretariat is the province's primary agency for the 2010 Winter Games. The Secretariat provides the strategic leadership, coordination and oversight to ensure the province meets its financial, infrastructure and service commitments for the Games.

The Secretariat has been working diligently with all provincial ministries, agencies and Crowns whether directly or indirectly related, to facilitate the successful hosting of the Games. Work will continue with these groups to ensure that all available opportunities to develop sustainable economic legacies are explored and pursued giving every community in British Columbia the ability to receive benefits from the 2010 Winter Games.

The Secretariat also has a key role in the development of programs that enable B.C. businesses to take full advantage of the economic opportunities and benefits that will occur in association with hosting the Games and ensuring these benefits lead to economic growth in the province. To accomplish this objective, the Secretariat will build on the experience

of previous host nations, fully engage B.C. businesses and communities, and coordinate activities with other key players including various ministries, Crown Corporations, agencies and partners of the Olympic Multi-Party Agreement.

### **Mountain Pine Beetle**

Projections indicate the mountain pine beetle infestation could kill 80 per cent of the pine forest in British Columbia by 2013. Pine forests dominate the interior of B.C., and their loss has significant implications to the forest environment, economy and the communities that depend on those forests for sustainability. The B.C. Government, through coordination by the Ministry of Forests and Range and the Provincial Mountain Pine Beetle Action Plan, is working across a number of ministries to minimize and mitigate negative environmental and socio-economic impacts of the infestation, while recovering the greatest value and protecting public health, safety and infrastructure. During 2007/08, the Ministry will work with other provincial ministries to:

1. Ensure B.C. has competitive industries, including forestry.
2. Encourage community sustainability by: supporting economic development and diversification throughout B.C.; attracting investment; addressing labour market challenges; and supporting infrastructure priorities.
3. Provide technical, on the ground support to the Ministry of Forests and Range, Pine Beetle Emergency Response Team and regional Beetle Action Coalitions.

### **ActNow BC**

ActNow BC, led by the Ministry of Tourism, Sport and the Arts combines cross-government and community-based approaches to promote healthy living choices for British Columbians. The programs and initiatives champion healthy eating, physical activity, ending tobacco use, and healthy choices during pregnancy. The Ministry of Economic Development participates in the provincial ActNow BC initiative through several programs including:

- Major Post-Secondary Sports Training Facilities Initiative, a \$60 million program to support the development of four sports training facilities at post-secondary institutions across British Columbia.
- Olympic/Paralympic Live Sites Program, a \$20 million program to ensure that a share of the benefits of hosting the 2010 Olympic and Paralympic Winter Games are made available to residents of the province, beyond the immediate Olympic venue towns and cities, while also providing communities with legacies of continuing economic value. The majority of program funding will be directed towards building or improving sport and recreational facilities.
- Canada/British Columbia Infrastructure Program, a five-year federal/provincial program designed to fund community infrastructure, including recreational facilities that provide for better health and quality of life. The program funding is fully committed and all projects are to be completed by March 31, 2008. In 2004/05, the

province committed approximately \$10 million under this program towards projects that support the ActNow BC objectives.

### **Regulatory Reform**

British Columbia continues to make regulatory reform a priority across government, making it easier for businesses to operate and succeed in British Columbia, while still preserving regulations that protect public health, safety and the environment. A citizen-centred approach to regulatory reform will reduce the number of steps it takes to comply with government requirements or access government programs and services.

The Ministry of Economic Development supports government's Regulatory Reform Initiative by committing to control regulatory burden and improve regulatory quality. Regulatory reduction and reform opportunities will continue to be identified to shift the Ministry's regulatory climate to a more cost-effective, responsive and results-based focus while targeting a zero net increase in regulatory requirements through 2008/09.

The Ministry supports the priority Citizen-centred initiative of government and has identified two citizen-centred regulatory reform opportunities that will reduce the number of steps and time required by citizens, businesses and industry to access government services or comply with government requirements. These projects focus on foreign-credentialing and venture capital programs with implementation of revised business processes expected in 2007/08.

The Ministry of Economic Development will specifically follow up on the work of the B.C. Competition Council to examine government and private sector issues affecting industry competitiveness, including regulatory reform. It will also work with other ministries to examine policies, legislation and regulations at all levels of government to determine whether these are pragmatic, efficient and balanced. Government regulations in areas such as land use, transportation, environmental protection, and workforce recruitment will be assessed with a view to improving the efficiency and effectiveness of government regulation of industry without acting as a disincentive to investment.

The Ministry also leads the province's participation in the Council of the Federation's internal trade initiative to identify options for ministerial review on accelerating the harmonization of standards and regulations, and preventing new barriers stemming from regulatory activity. A significant amount of work on the British Columbia-Alberta Trade, Investment and Labour Mobility Agreement has focused on reconciling, through mutual recognition or by other means, standards and regulations that impair or impede trade, investment or labour mobility in or between the two provinces.

### **Citizen-Centred Service Delivery**

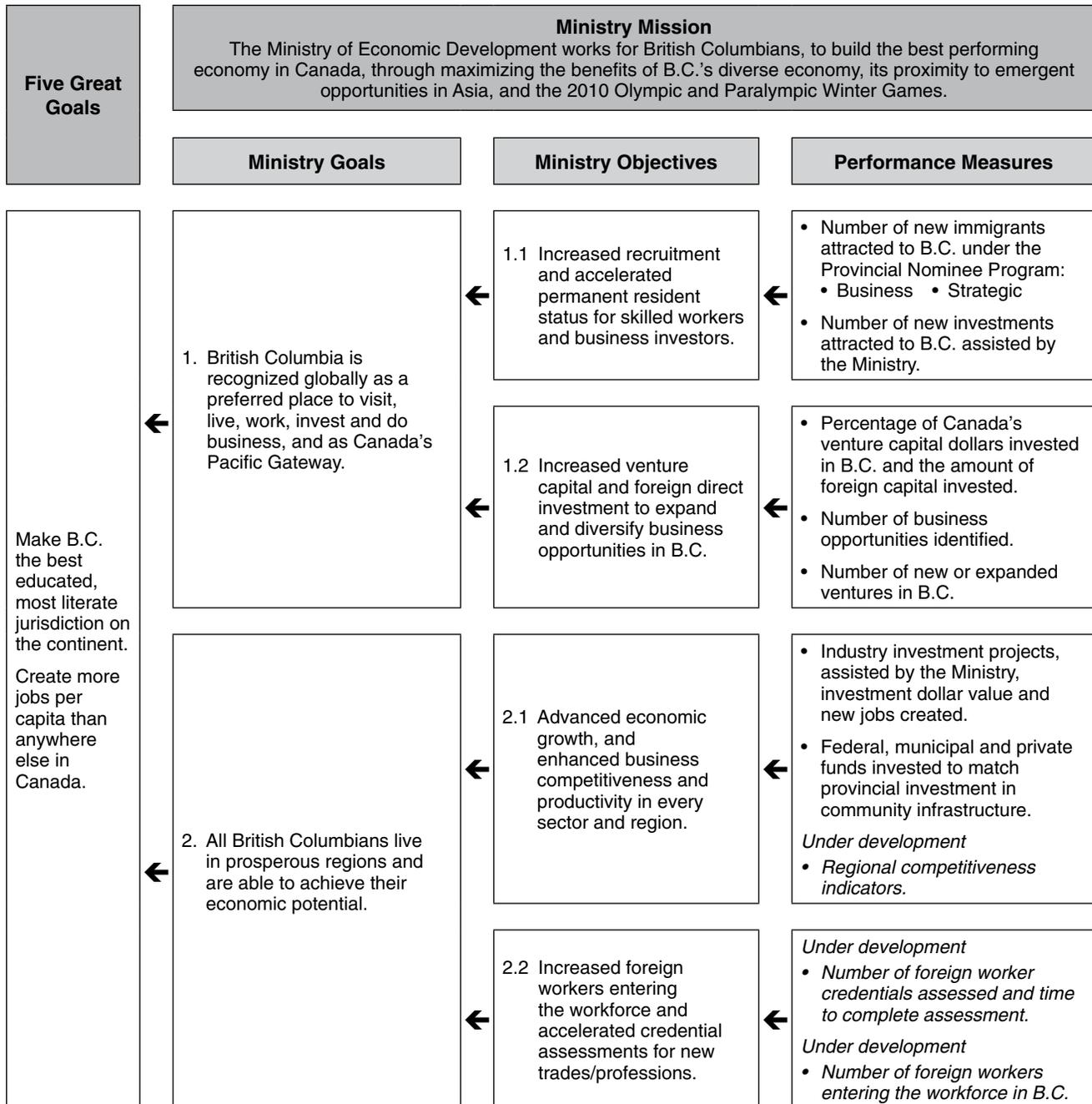
Citizen-centred service delivery is a government-wide initiative to coordinate information, programs and services so that they can be presented to citizens in a way that takes their needs into account from beginning to end. The vision is to make it possible for citizens to access the government information and services they need in a simple and timely

manner with a phone call, a mouse click or a visit to a service centre, no matter how many programs or ministries are involved in their request.

Citizen-centred service is a priority for government and ensures a focus on service delivery excellence. The opinions and interests of citizens are used by the Ministry to define expectations, set priorities and establish service standards. In order to create an innovative public service focused on meeting the needs of clients, the Ministry continues to embrace an organizational culture where excellence is recognized and rewarded. At the same time, Ministry employees are encouraged to achieve an optimal balance between their work life and personal commitments as part of an over arching strategy to help government employees excel in the provision of public services. Staff is also encouraged to develop new and innovative methods and business practices, which take advantage of partnerships with other organizations and new technologies. The Ministry strives to create a dynamic organization where creative and progressive ideas and solutions are welcomed and individual and team accomplishments are acknowledged.

# Performance Plan

## Performance Plan Summary





**Goal 1:** *British Columbia is recognized globally as a preferred place to visit, live, work, invest and do business, and as a Canada's Pacific Gateway.*

This Goal focuses on strategic marketing and promotion to distinguish the province from its competitors and to communicate its advantages and opportunities to potential immigrant skilled professionals and business investors.

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

**Objective 1.1:** *Increased recruitment and accelerated permanent resident status for skilled workers and business investors.*

This objective focuses on maximizing the benefits of immigration by attracting and retaining immigrants and enabling permanent resident status for skilled professionals and business investors. It is also aimed at promoting the province's advantages and opportunities in order to increase trade and investment in high-growth, high-opportunity sectors.

**Strategies**

- a) Increase international marketing activities to attract qualified business immigrants and provincial nominees.
- b) Expand the B.C. Provincial Nominee Program and reduce processing time for applicants.
- c) Recruit additional internal advisors resulting in more in-house immigration specialists.
- d) Work with key partners as identified in the Asia Pacific Initiative.
- e) Lead international activities with other western provinces through the Western Trade Secretariat.
- f) Leverage opportunities from the 2010 Olympic and Paralympic Winter Games to raise awareness and increase commerce for B.C.

**Performance Measures**

**Number of new immigrants attracted to B.C. under the Provincial Nominee Program.**

The Provincial Nominee Program is designed to increase the economic benefits of immigration to the province by selecting immigrants based on their ability to contribute to the economy. This measure illustrates the benefits of financial investment generated from new immigrants in the Provincial Nominee Program investor category and expedited entry of skilled immigrants into the economy under the strategic occupations category. The measure was refined from the 2006/07–08/09 Service Plan to provide clarity and direct focus on the Provincial Nominee Program.

**Number of new investments attracted to B.C. assisted by the Ministry and new jobs created.** A major Ministry focus is facilitating investment projects, particularly in the regions. Foreign direct investment contributes to direct and in-direct job creation, capital investment, productivity growth and innovation which in turn, support economic growth. This measure is cumulative and illustrates some of the province's integrated efforts in facilitating the expansion and diversification of commercial opportunities through foreign investment. The measure was refined from the 2006/07 – 08/09 Service Plan to reflect available, trackable data under the control of the Ministry.

Performance Measures	Benchmark	2007/08 Target	2008/09 Target	2009/10 Target
Number of new immigrants attracted to B.C. under the Provincial Nominee Program: <ul style="list-style-type: none"> <li>• Business</li> <li>• Strategic Occupations / Skilled Workers</li> </ul>	Business: 100 Strategic: 1100	Business: 130 Strategic: 1600	Business: 150 Strategic: 2000	Business: 160 Strategic: 2000
Number of new investments attracted to B.C. assisted by the Ministry and new jobs created	6 projects 600 new jobs	8 projects 800 new jobs	10 projects 1000 new jobs	12 projects 1200 new jobs

**Objective 1.2:** *Increased venture capital and foreign direct investment to expand and diversify business opportunities in B.C.*

This objective is aimed toward increasing the overall amount of private sector venture capital available to British Columbia small and mid-sized businesses. Venture capital firms and angel investors (which generally become involved in early-stage businesses or business concepts), are important components in the growth of successful innovative businesses in B.C.

**Strategies**

- a) Increase venture capital investments through enhanced and targeted international campaigning.
- b) Streamline delivery and implementation of venture capital programs.
- c) Enhance existing venture capital programs by strategically providing access to capital to entrepreneurs and innovative companies.
- d) Engage British Columbia representatives to undertake foreign investment attraction and trade promotion activities.
- e) Build stronger partnerships with key players active in Asia Pacific marketing and international business development.

## Performance Measures

**Percentage of Canada's venture capital dollars invested in B.C. and the amount of foreign capital invested.** Venture capital programs provide an effective financing option for B.C. companies and play a significant role in the commercialization of innovation by facilitating private sector investment. A quality supply of local venture capital encourages the growth of entrepreneurial firms in existing and emerging sectors and is considered an important catalyst for attracting foreign venture capital. Entrepreneurship and innovation are key to economic growth and will increase British Columbia's productivity, wealth creation and facilitate a rise in the standard of living. This measure was enhanced from the 2006/07 – 08/09 Service Plan to provide clarity and includes tracking B.C.'s percentage value of total venture capital investment for all of Canada.

**Number of business opportunities identified.** The Ministry will engage British Columbia representatives in key foreign markets (e.g., Asia, Europe, U.S.) to undertake investment attraction and trade promotion activities on behalf of British Columbia. This measure represents the number of business opportunities identified by British Columbia representatives that require follow up and tracking. The measure was refined from the 2006/07 – 08/09 Service Plan to accurately reflect available, trackable data under the control of the Ministry.

**Number of new or expanded ventures in B.C.** Access to capital is a key factor in maximizing opportunities for small businesses in British Columbia. This measure is new and gauges innovative and small businesses ventures on an annual basis that result from access to capital and the opportunity to attract investment capital from outside of the province.

Performance Measures	Benchmark	2007/08 Target	2008/09 Target	2009/10 Target
Percentage of Canada's venture capital dollars invested in B.C. and the amount of foreign capital invested <sup>1,2</sup>	12% - \$225 M <sup>3</sup>	12.5% - \$236 M	13% - \$248 M	13.5% - \$260 M
	30% - \$70 M	32% - \$75 M	32% - \$80 M	33% - \$84 M
Number of business opportunities identified	190	300	450	600
Number of new or expanded ventures in B.C. (annual)	145	165	165	165

<sup>1</sup> British Columbia competes with other provinces for venture capital. The appropriate level of foreign venture capital for investment in B.C. is currently being determined through consultation with stakeholders during the development of the Provincial Technology Strategy. The level of 30 per cent of annual supply is the current target to be maintained. This figure is subject to change pending the outcome of the consultation process.

<sup>2</sup> Source: Thomas Venture Economics.

<sup>3</sup> Total value of venture capital investment in B.C., and also expressed as a percentage of Canadian venture capital dollars invested in B.C. (2005).

**Goal 2: *All British Columbians live in prosperous regions and are able to achieve their economic potential.***

This Goal focuses on maintaining a competitive business environment, increasing diversification of regional and provincial economies, providing infrastructure for a growing economy and responding to the demand for skilled labour.

**Core Business Area:** *Enhancing Economic Development.*

**Objective 2.1:** *Advanced economic growth, and enhanced business competitiveness and productivity in every sector and region.*

This objective focuses on fostering economic growth and diversification and improving the province's business competitiveness in all provincial regions and sectors. The Ministry provides assistance for infrastructure development across the province and partners with governments and the private sector to advance growth and diversification, particularly within regional communities.

**Strategies**

- a) Follow up on the work of the B.C. Competition Council to examine government and private sector issues affecting industry competitiveness.
- b) Work with key partners and investors in communities to facilitate economic development on the ground.
- c) Begin implementation of the British Columbia Alberta Trade, Investment and Labour Mobility Agreement and continue to work to remove barriers to inter-provincial trade through the Premier's Council of the Federation, the existing national Agreement on Internal Trade, and other negotiations.
- d) Lead the implementation of economic initiatives that support government strategic priorities and advance key sectors.
- e) Lead the facilitation and negotiations across government of major industry investment projects.
- f) Liaise with the regional economic development trusts.
- g) Strengthen federal and provincial relationships in headquarters and the regions to enhance and continue the delivery of joint funding programs.
- h) Work with the Ministry of Forests and Range Emergency Response Team and Beetle Action Coalitions to support economic development and diversification in communities impacted by the Mountain Pine Beetle.
- i) Work with the Industry Training Authority and employers to increase the number of apprentices in the province. \*Note: this strategy relates to measures that are reported in the Industry Training Authority Service Plan.

## Performance Measures

**Industry investment projects, assisted by the Ministry, investment \$ value and new jobs created.** The Ministry works with major industry investors in all regions to provide an initial single contact point for proponents, engage with key regulatory agencies, advise on approaches to work with First Nations, and assist in project and agency specific issue resolution to move projects ahead. This measure shows the total jobs created and investment value if the project becomes operational. The Ministry also tracks both public and private investment in the province through the Major Projects Inventory, which identified more than \$109.9 billion in proposed and planned investment for 2006.

**Federal, municipal and private funds invested to match provincial investment in community infrastructure.** This measure gauges the success of the Ministry in maximizing the efficiency of provincial contributions in leveraging federal, municipal and private funding to support community facilities, infrastructure and other regional development projects. The basis for target setting comes from provincial programs and joint federal/provincial agreements.

**The following measure will be presented in the 2008/09 – 2010/11 Service Plan:**

**Regional competitiveness indicators.** The investment climate at the regional level is important in generating economic development throughout British Columbia. Investment is more likely to occur in those communities that are competitive.

Performance Measures	Benchmark	2007/08 Target	2008/09 Target	2009/10 Target
Industry investment projects, assisted by the Ministry, investment dollar value and new jobs created	\$7.5 B 8,000 new jobs	\$7.5 B 8,000 new jobs	\$ 7.5 B 8,000 new jobs	\$7.5 B 8,000 new jobs
Federal, municipal and private funds invested to match provincial investment in community infrastructure*	**\$10 M provincial funds \$20 M leveraged	\$35 M provincial funds \$70 M leveraged	\$10 M provincial funds \$20 M leveraged	\$8.5 M provincial funds \$17 M leveraged

\*Expenditures resulting from the programs administered are used to support the construction or improvement of a wide range of recreation, community and transportation infrastructure. These disparate categories result in diverse outcomes that cannot be captured by an all encompassing measure.

\*\*The conclusion of the Olympic/Paralympic Live Sites Program and the Major Post-Secondary Sports Training Facilities Initiative as of March 31, 2008, will result in changes to the Benchmark figure from the 2006/07 – 2008/09 Service Plan. Based upon the 2006 federal budget commitment for a new larger Municipal Rural Infrastructure Fund, yet to be negotiated, the 2008/09 and 2009/10 figures may be revised upward.

**Objective 2.2:** *Increased foreign workers entering the workforce and accelerated credential assessments for new trades/professions.*

Reducing the time it takes to assess credentials of foreign workers will accelerate credentialing while placing new Canadians in skilled jobs. The degree to which skill shortages are averted will help ensure the province has a skilled workforce and be a large determinant of B.C.'s future economic prosperity and social health.

**Strategies**

- a) Work with the federal government and professional organizations to increase jobs and speed up credential recognition processes for new Canadians in trades/professions.
- b) Work with other ministries, agencies and labour market partners to lead the development and implementation of provincial labour market initiatives.
- c) Assist new immigrants to overcome barriers to employment through the B.C. Skills Connect for Immigrants program.

**Performance Measures**

**The following measures will be presented in the 2008/09 – 2010/11 Service Plan:**

**Number of foreign worker credentials assessed and time to complete assessment.**

A reduction in the time to assess applications for licensure for professionals and trades persons from other jurisdictions is a significant factor in addressing skills shortages. This measure was refined from the 2006/07 – 08/09 Service Plan to provide clarity. Through regulator surveys, Ministry staff will develop the data to set a baseline and targets for the spring of 2007.

**Number of foreign workers entering the workforce in B.C.** This measure gauges the success of initiatives in increasing the economic contributions from national and international foreign workers to meet market demand. This measure was expanded from the 2006/07 – 08/09 Service Plan to include detailed information on internationally trained workers. The federal Statistics Canada Labour Force Survey will provide the necessary data to set a baseline for the spring of 2007.

**Goal 3: *B.C. hosts a successful Vancouver 2010 Olympic and Paralympic Winter Games that create a legacy of economic benefits for the province.***

This Goal focuses on maximizing the economic and social benefits to British Columbia while minimizing potential risks of hosting the 2010 Winter Games.

**Core Business Area:** *2010 Olympic and Paralympic Winter Games Secretariat.*

**Objective 3.1:** *The province’s financial commitments to the 2010 Olympic and Paralympic Winter Games are met.*

The Secretariat’s primary role is to provide strategic leadership, coordination and oversight to ensure the province meets its financial, infrastructure and service commitments for the 2010 Winter Games.

**Strategies**

- a) Ensure the province’s financial commitments to the 2010 Winter Games do not exceed the approved budget.
- b) Oversee and monitor legal structures and funding mechanisms to support Games related initiatives.

**Performance Measure**

**Success rate in meeting milestones of the provincial commitments to the 2010 Winter Games.** The 2010 Olympic and Paralympic Winter Games Secretariat is the primary provincial organization responsible for ensuring British Columbia’s investment in the 2010 Winter Games results in an event that is on time and within the approved budget. This measure assesses that project management is within standard provincial accounting and financial management practice.

Performance Measure	Benchmark	2007/08 Target	2008/09 Target	2009/10 Target
Success rate in meeting milestones, on time and on budget, of the provincial commitments to the 2010 Winter Games	On time, on budget			

**Objective 3.2:** *2010 Olympic and Paralympic Winter Games business opportunities and jobs are maximized throughout the province.*

The Secretariat plays a key role in ensuring that opportunities associated with hosting the 2010 Winter Games are identified early and realized before, during and after the 2010 Winter Games and that these opportunities evolve into enduring legacies for communities around the province.

**Strategies**

- a) Work with lead agencies and partners to provide tools and information for communities and businesses, using such tools as the 2010 Commerce Centre to pursue 2010 Winter Games related opportunities.
- b) Provide timely and effective issues management within the province and among partners and stakeholders.
- c) Act as a coordination hub for provincial activities, projects and key relationships related to the 2010 Winter Games. Develop and deliver tools for community and stakeholder outreach.

**Performance Measure**

**Cumulative total of businesses registered for the 2010 Olympic and Paralympic Winter Games procurement opportunities.** This measures the effectiveness of the outreach programs to B.C. businesses for the 2010 Olympic and Paralympic Winter Games by calculating the cumulative total of businesses registered for procurement opportunities advertised by the 2010 Commerce Centre. British Columbian and Canadian businesses are able to register and receive directed information on business arising opportunities.

Performance Measure	Benchmark	2007/08 Target	2008/09 Target	2009/10 Target
Cumulative total of businesses registered for the 2010 Winter Games procurement opportunities	3,000	5,000	7,000	7,500

# Resource Summary

Core Business Areas	2006/07 Restated Estimates <sup>1</sup>	2007/08 Estimates	2008/09 Plan	2009/10 Plan
<b>Operating Expenses (\$000)</b>				
<b>Marketing and Promoting British Columbia</b> .....	9,717	12,039	8,727	9,213
<b>Enhancing Economic Development</b> .....	136,197	141,264	109,212	118,605
<b>2010 Olympic and Paralympic Games Secretariat</b> ...	153,053	100,377	68,295	99,377
<b>Executive and Support Services</b> .....	12,834	12,562	12,507	12,640
<b>Total</b> .....	<b>311,801</b>	<b>266,242</b>	<b>198,741</b>	<b>239,835</b>
<b>Full-time Equivalents (Direct FTEs)</b>				
<b>Marketing and Promoting British Columbia</b> .....	50	56	56	56
<b>Enhancing Economic Development</b> .....	49	54	54	54
<b>2010 Olympic and Paralympic Games Secretariat</b> ...	22	29	29	29
<b>Executive and Support Services</b> .....	29	29	29	29
<b>Total</b> .....	<b>150</b>	<b>168</b>	<b>168</b>	<b>168</b>
<b>Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)</b>				
<b>Marketing and Promoting British Columbia</b> .....	415	90	15	15
<b>Enhancing Economic Development</b> .....	25	50	25	25
<b>2010 Olympic and Paralympic Games Secretariat</b> ...	2,229	216	265	265
<b>Executive and Support Services</b> .....	130	130	91	91
<b>Total</b> .....	<b>2,799</b>	<b>486</b>	<b>396</b>	<b>396</b>

<sup>1</sup> These amounts have been restated, for comparative purposes only, to be consistent with the presentation of the upcoming 2007/08 *Estimates*. Schedule A of the 2007/08 *Estimates* will present a detailed reconciliation.

# Appendices

## Appendix 1:

### List of Crowns, Agencies, Boards and Commissions

Asia Pacific Trade Council

B.C. Alcan Northern Development Fund

B.C. Competition Council

B.C. Enterprise Corporation (not active)

Columbia Basin Trust

Industry Training Authority

Northern Development Initiative Trust

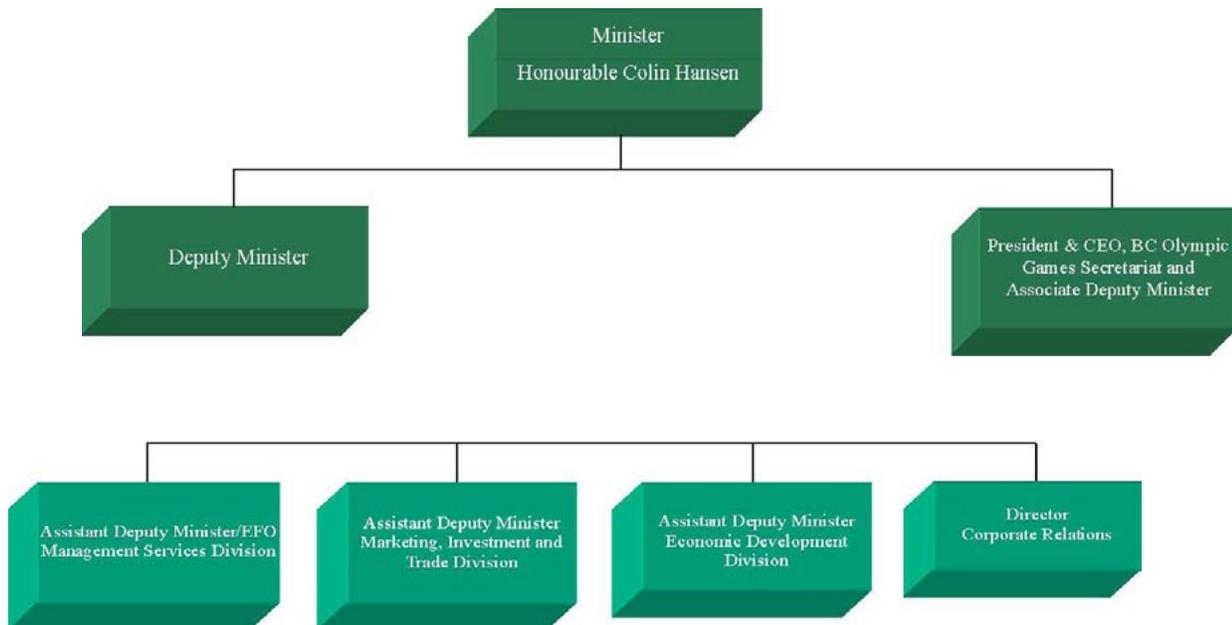
North Island Coast Development Initiative Trust

Southern Interior Development Initiative Trust

## Appendix 2:

### Organization Chart

#### Ministry of Economic Development



The Ministry of Economic Development has a complement of 149 full-time equivalents, primarily located in Victoria and Vancouver. There are several regional economic development representatives in smaller centres around the Province.

The Ministry's workforce is changing. Its ability to fulfill service plan goals and objectives will be impacted by significant human resource challenges in the next five to ten years. The Ministry's internal Human Resource Management Plan identifies the challenges facing the organization and the initiatives that have been designed to address them.