

Ministry of
Economic Development

2007/08
Annual Service Plan Report



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Published by the Ministry of Economic Development



Message from the Minister and Accountability Statement

B.C.'s economy continued to grow this past year and our unemployment rate remained 1.2 per cent below the national average of 6.1 per cent as of March 2008. This was a positive year for the Ministry of Economic Development with many of our programs exceeding expectations.

The Ministry of Economic Development fulfilled its objectives in the 2007/08 Service Plan with a focus on workforce training and attraction, promoting British Columbia as the Pacific Gateway, and showcasing B.C. as a preferred place to live, work and invest.

Over the past year my Ministry implemented strategies to encourage migration, international partnership and skills training in British Columbia. Our strategies improved economic performance in a number of ways. We sought to increase the number of skilled workers in our province by assisting immigrants who wish to work here, by promoting our regional development trusts to bolster regional economic development, and by fostering a business climate that is conducive to investment while staying environmentally conscious.

Of the Government's Five Great Goals, my Ministry primarily focused on creating more jobs per capita than anywhere else in Canada. With an estimated one million job openings in the province over the next 10 years and only 650,000 people currently in B.C.'s K-12 school system, there will be 350,000 jobs that will need to be filled by workers from outside the province. Through programs like the Provincial Nominee Program and the WorkBC provincial action plan we are addressing the needs of our growing economy. Since 2001, British Columbia has created more than 420,000 net new jobs, and in 2007, reached the lowest rate in unemployment since records have been kept.

Our strategies are helping increase the number of people employed in the province, mainly by supporting efforts to improve the skill of workers with the demands of a growing economy and building boom, as well as by attracting workers through inter-provincial migration and international immigration.

To encourage B.C. to take advantage of this Pacific Century, my Ministry has focused on creating overseas representation in the Asia Pacific. We currently have trade and investment representatives in the China, Japan, South Korea, the United States and Europe, and we are working on creating placements in other countries as well. By realizing B.C.'s goal the province could see as much as \$77 billion in increased trade and 255,000 new jobs by 2020.

The *2007/08 Ministry of Economic Development Annual Service Plan Report* compares the actual results to the expected results identified in the Ministry's 2007/08 Service Plan. I am accountable for those results as reported.

A handwritten signature in black ink, appearing to read 'Colin Hansen', with a long horizontal flourish at the end.

Honourable Colin Hansen
Minister of Economic Development

June 20, 2008

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Highlights of the Year

Asia-Pacific

- The British Columbia Provincial Nominee Program (PNP) has exceeded its 2007/08 target of attracting 1,730 skilled workers and entrepreneurs to B.C. In the past year, 1,881 skilled and business immigrants have made B.C. their home through the PNP; this exceeds the target by 151 people, or almost nine per cent. Since it was introduced in March 2001, over 4,770 skilled and business immigrants have been approved through the PNP.
- Economic Development delivered \$1 million in funding to further improve international credential recognition programs in British Columbia. This initiative is part of a \$3.1 million contribution from the Government of Canada's Foreign Credential Recognition Program. The funding supports innovative projects that facilitate the assessment and recognition of qualifications acquired in other countries.
- There were many positive results that came out of meetings between South Korean officials and senior B.C. leaders (including Minister Hansen's visit to South Korea in July 2007) as well as senior level engagements with Chinese officials and companies (including Premier Campbell's visits to China in November 2006 and December 2007).
- In addition, a number of leading Asian companies are either actively investigating opportunities, or have made an investment in B.C. as a result of the increased awareness in Asia of B.C.'s Pacific Gateway advantages.
- There were also over a dozen incoming missions that the Ministry of Economic Development hosted during Fiscal Year 2007/08.

Labour

- In April 2007, the WorkBC Action plan and WorkBC.ca was launched. The Action Plan sets out a comprehensive approach for ministries from across government to work with business and industry to help address B.C.'s labour and skills shortages. In the past year, 13 government ministries have seen achievements under WorkBC, including two labour market agreements signed with the federal government, creation of nine regional skills councils to address regional skills shortage issues, contracts signed for delivery of 12 Targeted Initiative for Older Workers programs in communities experiencing an economic transition, \$300,000 for Aboriginal student bursaries and 3,000 new apprenticeship training spaces funded through the Industry Training Authority.
- The Skills Connect for Immigrants Program exceeded its 2007/08 fiscal targets of individual assessments, career planning, training and mentoring to 1,500 skilled immigrants to help them obtain jobs in B.C. that match their pre-arrival skills. As of March 20, 2008, 1,587 clients were enrolled in the Skills Connect program this fiscal; 220 of those have already been

registered in the health sector which has only been part of the program since October 2007. Since Skills Connect services began in July 2006, over 2,400 skilled immigrants have benefited from the program.

- Teachers from British Columbia and Alberta have signed the Teacher Mobility Agreement (TMA). It allows two-way labour mobility for teachers. As of April 1, 2008, teachers from Alberta's public and independent schools will be able to teach in British Columbia's schools and vice versa. The TMA comes one full year ahead of April 1, 2009 deadline for full labour mobility under the British Columbia — Alberta Trade, Investment and Labour Mobility Agreement (TILMA).

First Nations Economic Development

- Journey to Economic Independence: "B.C. First Nations' Perspectives," a joint report between the Province of B.C. and the First Nations Leadership Council (FNLC), was released in February 2008. The project was developed in collaboration with the First Nations Leadership Council and the Ministry of Economic Development, and will contribute to progress under the New Relationship and the tripartite Transformative Change Accord of 2005. What differentiates the project from similar initiatives is that the best practices revealed were identified by economic development leaders in First Nations communities and ratified by First Nations participants.

The Industry Training

- The Industry Training Authority (ITA), established in 2004 to oversee and expand B.C.'s industry training and apprenticeship system, has passed another milestone in its goals to increase the supply of skilled workers in the trades. Minister Colin Hansen was at Thompson Rivers University in Kamloops in November 2007 to recognize the 10,000th apprenticeship employer. The Industry Training Authority works with industry and employers, trainees and apprentices, labour unions and training providers to meet industry's current and future training needs. As of March 31, 2008, in B.C., there are over 39,700 apprentices/trainees registered with ITA, up 171 per cent since 2004; 10,522 employers, up 56 per cent; and 5,481 youth participants taking part in programs such as ACE IT and the Secondary School Apprenticeship program, up 536 per cent since 2004.

2010 Olympics

- The B.C. Secretariat has the lead role in operating the British Columbia Canada Pavilion in Beijing, China. From May through September 2008, the Pavilion expects to welcome 400,000 visitors from around the world looking to learn more about opportunities British Columbia has to offer.
- The 2010 Commerce Centre opened its doors in May 2007 at Robson Square in downtown Vancouver. The 2010 Commerce Centre has hosted over one hundred eighty-five 2010 Business Opportunities Workshops and 25 Think Asia-China Workshops to over 6,000 people in total.

- The B.C. Secretariat organized the Province of British Columbia's 2010 Business Summit — which attracted over 600 people from the international business community.
- The 2010 Speakers Bureau — which helps connect communities with speakers to share the opportunities of the 2010 Winter Games — helped reach over 50,000 people in every economic region of British Columbia, as well as North America and overseas.
- A \$1.6-million sponsorship agreement between the Province and GE will help re-open the outdoor ice skating rink at Robson Square in time for the 2010 Winter Games.
- The B.C. Secretariat continued to oversee British Columbia's \$600 million financial commitment toward the hosting of the 2010 Olympic and Paralympic Winter Games.
- The B.C. Secretariat continued to lead all cross government initiatives to ensure British Columbians receive the maximum benefit from hosting the 2010 Winter Games.



Rendered view of exterior of B.C. Canada Pavilion in Beijing 2008.

Purpose of Ministry

The Ministry of Economic Development is dedicated to helping build a strong provincial economy that supports job creation and maximizes economic opportunities for citizens throughout the province. The Ministry facilitates economic growth and diversification of provincial and regional economies, wealth and job creation. The Ministry is committed to working with First Nations communities, Aboriginal people, local communities and regions as well as industry, education and non-governmental organizations.

The Ministry's activities include marketing and promoting British Columbia to expand trade and investment opportunities, increase sales and exports of goods and encourage immigration to address labour supply issues that affect our competitiveness. The Ministry works in partnership with other ministries and the private sector to identify and address economic competitiveness issues. Removing barriers to trade, investment and labour mobility, increasing diversification of the provincial economy and regional economies, and providing infrastructure funding are key components to fuelling sustained economic growth throughout the province. The Ministry is also responsible for providing leadership and overseeing the Province's financial commitments for hosting the 2010 Olympic and Paralympic Winter Games and ensuring the economic and social benefits of the games are maximized.

The Ministry is directly responsible for the Asia Pacific Initiative, a government and provincewide strategy released in April 2007. This initiative was developed to ensure that B.C.'s efforts are strategically oriented toward the economic, social and cultural opportunities represented by the Asia-Pacific region. The Ministry is taking both leadership and supporting roles in ensuring that this significant undertaking is successful in achieving the greatest possible growth.

"I believe that what governments can do is plan for prosperity and facilitate the process. We'll pave the way for British Columbians who stoke the engines of economic growth."

— Minister Hansen, speech to Vancouver Board of Trade, October 12, 2007

Strategic Context

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 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 such as urban infrastructure design, planning and development, engineering, clean energy, health care, and tourism — all areas where British Columbia has expertise and a competitive advantage.

Economic Expansion: Provincial economic growth is measured by the increase in gross domestic product (GDP). When B.C.'s GDP rises, it reflects an increase in the production of goods and services as well as increased earnings for workers. A greater increase in GDP means a better outlook for the provincial economy. That gives the province increased opportunity to attract additional trade and investment and workers to support that growth. B.C.'s economy has continued its strong performance after three straight years of over 3.0 per cent growth. The province's real gross domestic product (GDP) grew an estimated 3.1 per cent in 2007. British Columbia's strong pace of domestic demand offsets the weaknesses present in the province's export markets. Employment in British Columbia grew faster than the province's labour force in 2007, pushing the annual unemployment rate down 0.6 percentage points to 4.2 per cent. This is the lowest annual rate of unemployment in more than 30 years.

Labour Market and Trade: Implementation of provincial initiatives aimed at trade, investment and labour markets, the workforce and the economy will advance the growth of skilled, diversified and well-paying jobs for British Columbians. The Province must make good use of all labour market resources, especially under-utilized workers such as those with disabilities, Aboriginal people, skilled immigrants, women, mature workers and those who lack training. There is also the need to recruit skilled workers from other countries to meet provincial labour force needs. 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 Province recognizes that British Columbia's full potential will only be realized when Aboriginal people participate fully in the social and economic life of the province. The Ministry of Economic Development is working with First Nations leadership, First Nations communities, the Métis Nation in British Columbia and other Aboriginal organizations to increase economic opportunities and the participation of First Nation communities in building their own economies and participating fully in regional and provincial economies.

2010 Olympic and Paralympic Winter Games: By leveraging the relationships developed with other Olympic host governments at BC Canada Place in Torino, Italy, the BC Secretariat has been able to secure a 23,000 square foot [2,300 square metre] facility in Beijing which it is developing into the B.C.-Canada Pavilion. This Pavilion will be open from May to September 2008 and will create unparalleled international exposure for British Columbia and open up new opportunities for trade, investment and business development before, during and after the Beijing 2008 Olympic Games. More than 30 B.C. and Canadian business delegations are planning to use the Pavilion during the time it will be open in Beijing.

Knowledge-Based Industries: The Province has invested \$1.5 billion over the past three years to support research activities at British Columbia's universities, university colleges and other institutes. To maximize these investment dollars, the Ministry works to promote research opportunities available in the province in order to attract further investment and accelerate the commercialization of British Columbia-based research.

Key Challenges

Export Growth Strongly Rooted in Resource Industries: Nearly 80 per cent of British Columbia exports to other countries and 50 per cent of exports to other provinces are goods-based. Growth in export diversity, particularly strengthening service sector exports, will help balance the strong cyclical forces common in goods industries.

Skill Shortages and Demographics: 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. In order for business and industry to meet their labour force needs, they will have to tap into all sources of workers in B.C. Immigration is a key source of new labour force growth in B.C. and will continue to be for the next decade.

Weak U.S. Economy: While B.C. relies less on the U.S. for exports (49 per cent) than other parts of Canada (67 per cent), the on-going sub-prime mortgage crisis and prospect of recession in the United States poses a real challenge. This is especially the case in the lumber sector, which represents 39 per cent of B.C. exports. Given a weak foundation for recovery and expansion in the U.S. economy, a quick rebound for this sector is unlikely.

Strong Canadian Dollar: Appreciation of the Canadian dollar has both positive and negative impacts. B.C. companies with revenues in U.S. dollars find their profits squeezed as the foreign currency from exports buys fewer Canadian dollars to cover costs, while companies that utilize imports benefit from steadily falling prices. Most of the resource-based industries, with the exception of forests products, have been insulated from the negative impacts by stronger commodity prices.

Access to Venture Capital: British Columbia traditionally has not had access to the level of venture capital that reflects our potential for growth. Attracting additional investment and managerial experience to build world class technology companies is essential for creating a mature and sustainable venture capital marketplace in B.C. This in turn ensures that companies can grow and the benefit of that growth remains in B.C.

Report on Performance

Performance Plan Summary Table

Goal 1: British Columbia is recognized globally as a preferred place to live, work, invest and do business, and as a key gateway for commerce on the Pacific Coast For greater detail see pages 14 to 17	2007/08 Target	2007/08 Actual
1.1 Increased recruitment and accelerated permanent resident status for skilled workers and business investors Number of new immigrants attracted to B.C. under the Provincial Nominee Program Number of new investments attracted to B.C. assisted by the Ministry and new jobs created	Strategic: 1,600 Business: 130 8 projects 800 new jobs	1,820 EXCEEDED 61 NOT ACHIEVED 16 projects EXCEEDED 300 new jobs NOT ACHIEVED
1.2 Increased venture capital and foreign direct investment to expand and diversify business opportunities in B.C. Percentage of Canada's venture capital dollars invested in B.C. and the amount of foreign capital invested Number of business opportunities identified Number of new or expanded ventures in B.C.	13% - \$248 M 32% - \$75 M 300 165	15% - \$309 M EXCEEDED 31% - \$93 M EXCEEDED 306 EXCEEDED 181 EXCEEDED
Goal 2: All British Columbians live in prosperous regions and are able to achieve their economic potential For greater detail see pages 18 to 20	2007/08 Target	2007/08 Actual
2.1 Advanced economic growth, and enhanced business competitiveness and productivity in every sector in every region Industry investment projects, assisted by the Ministry, invested \$ value and new jobs created Federal, municipal and private funds invested to match provincial investment in community infrastructure	\$7.5 B 8,000 jobs \$35 M Provincial funds \$70 M leveraged	\$9.6 B 10,000 jobs EXCEEDED \$55 M Provincial funds \$90 M leveraged EXCEEDED

Goal 3: B.C. hosts a successful Vancouver 2010 Olympic and Paralympic Winter Games that create a legacy of economic benefits for the province For greater detail see pages 21 to 23	2007/08 Target	2007/08 Actual
3.1 The province's financial commitments to the 2010 Olympic and Paralympic Winter Games are met		
Success rate in meeting milestones of the provincial commitments to the 2010 Winter Games	On time, on budget	On time, on budget ACHIEVED
3.2 2010 Olympic and Paralympic Winter Games business opportunities and jobs are maximized throughout the province		
Cumulative total of businesses registered for the 2010 Olympic and Paralympic Winter Games procurement opportunities	5,000	7,400 EXCEEDED

Goals, Objectives, Strategies and Performance Results

Goal 1: B.C. is recognized globally as the preferred place to live, work, invest and do business, and as Canada's Pacific Gateway

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

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

Performance Results

Performance Measures	Benchmark	2006/07 Actual	2007/08 Target	2007/08 Actual
Number of new immigrants attracted to B.C. under the Provincial Nominee Program: <ul style="list-style-type: none"> • Business • Strategic Occupations /Skilled Workers¹ 	Business: 100 Strategic: 1,100	Business: 78 Strategic: 1,254	Business: 130 Strategic: 1,600	Business: 61 NOT ACHIEVED Strategic: 1,820 EXCEEDED
Number of new investments attracted to B.C. assisted by the Ministry and new jobs created	6 projects 600 new jobs	NA	8 projects 800 new jobs	16 projects ² EXCEEDED 300 new jobs NOT ACHIEVED

¹ Ministry of Economic Development, PNP statistics. Numbers are for principal applicants and do not include applicants' spouses and dependants.

² Reported data are purposely conservative and are likely low estimates — see Discussion of Results.

Discussion of Results

Number of Immigrants attracted to B.C. under the Provincial Nominee Program

The British Columbia Provincial Nominee Program (PNP) helps B.C. employers to recruit and retain skilled foreign workers, and also offers a business immigration alternative to the federal entrepreneur and investor program. This measure reports on the Province's success in attracting business immigrants and skilled workers under PNP. The continuing strong performance of B.C.'s economy and a significant expansion of the B.C. PNP have had a positive impact on the result for the skilled worker category of the program, which significantly exceeded the target and baseline figures. The result for the much smaller business immigration category of the program was below the target and baseline figures, reflecting a re-allocation of program resources to address increasing shortages of skilled workers, as well as competition for business immigrants from other provincial and federal programs and from other countries. The Ministry introduced significant changes to the business immigration component of the PNP in 2007/08, which are expected to improve the future performance of this program category.

Number of new investments attracted to B.C. assisted by the Ministry and new jobs created

Reported data are purposely conservative and are likely low estimates. Private companies generally avoid reporting their employment, cost and revenue figures. Therefore, there is no reliable system that collects and reports aggregate investment results of foreign investors at the Provincial level. The Ministry of Economic Development generally engages foreign investors at the earliest exploratory stages of their investment interests. The Ministry explains British Columbia's competitiveness as a business location, provides extensive information on regulatory requirements and assists prospects with a myriad of issues. Referrals are often made to professional service providers to address complex, technical requirements. An investor typically takes over one year

to advance from initial enquiry to an investment decision. As the process proceeds, reliance on government information sources tends to end while the role of specialists in the private sector expands.

Ministry Response

The Ministry will continue to aggressively promote and expand the British Columbia Provincial Nominee Program to ensure that the province continues to attract the skilled workers and business immigrants it needs to support continued job creation. The 2008/09 *B.C. Budget* announced increased funding of \$7 million over three years for the PNP to attract a total of 15,700 skilled and business immigrants between 2008/09 and 2010/11.

The measure of number of new investments attracted to B.C. assisted by the Ministry and new jobs created has been eliminated from the *2008/09–2010/2011 Service Plan* due to a lack of available data.

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

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

Performance Results

Performance Measures	Benchmark	2006/07 Actual	2007/08 Target	2007/08 Actual
Percentage of Canada's venture capital dollars invested in B.C. and the amount of foreign capital invested ^{1,2}	12.5% - \$225 M ³	NA	13% - \$248 M	15% - \$309 M EXCEEDED
	30% - \$70 M		32% - \$75 M	31% - \$93 M EXCEEDED
Number of business opportunities identified	190	NA	300	306 EXCEEDED
Number of new or expanded ventures in B.C. (annual)	145	NA	165	181 EXCEEDED

¹ 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.

² Source: Thompson Venture Economics.

³ 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).

Discussion of Results

For the third year in a row, venture capital investment in British Columbia has continued to expand. This includes an increase in the overall foreign capital invested in our knowledge-based sectors — reflecting investor confidence in our companies. The province saw an increase in the dollar amount of foreign capital investment, despite receiving slightly less than the projected share, due to a rise in total capital being invested overall in British Columbia by resident investors. B.C. received 20 per cent of all of the Canadian investment for the life sciences sector and 59 per cent of venture capital invested in environmental technologies in the country.

British Columbia is blessed with a strong and diverse base of entrepreneurs and world class businesses. Investors from abroad are attracted to B.C. by our competitive business climate in terms of tax rates, educated workforce, excellent infrastructure, competitive cost environment, abundant natural resource endowments and exceptional quality of life. Forecasts for the future indicate continuing prosperity and growing venture capital investment in B.C. companies.

Ministry Response

All of the targets set out for venture capital and foreign direct investment in B.C. companies were either met or exceeded. For the *2008/09–2010/11 Service Plan*, the measure of B.C.'s share of Canada's total venture capital dollars and amount of foreign capital investment has been refined in order to be referenced to objective industry sources and to better reflect activities and results that can be attributed to the Ministry programs and services. The performance measures for new business opportunities identified and number of new or expanded ventures have been eliminated.

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

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

- Follow up on the work of the B.C. Competition Council to examine government and private sector issues affecting industry competitiveness.
- Work with key partners and investors in communities to facilitate economic development on the ground.
- 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.
- Lead the implementation of economic initiatives that support government strategic priorities and advance key sectors.
- Lead the facilitation and negotiations across government of major industry investment projects.
- Liaise with the regional economic development trusts.
- Strengthen federal and provincial relationships in headquarters and the regions to enhance and continue the delivery of joint funding programs.
- 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.
- 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 Results

Performance Measures	Benchmark	2006/07 Actual	2007/08 Target	2007/08 Actual
Industry investment projects, assisted by the Ministry, investment dollar value and new jobs created	\$7.5 B 8,000 new jobs	\$9.1 B 11,512 new jobs	\$7.5 B 8,000 new jobs	\$9.6 B 10,000 new jobs EXCEEDED
Federal, municipal and private funds invested to match provincial investment in community infrastructure ¹	\$10 M ² Provincial funds \$20 M leveraged	\$93 M Provincial funds \$210 M leveraged	\$35 M Provincial funds \$70 M leveraged	\$55 M Provincial funds \$90 M leveraged EXCEEDED

¹ 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.

² 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.

Discussion of Results

Industry Investment projects, assisted by the Ministry, investment dollar value and new jobs created

The Ministry works with major industry investors to clarify regulatory requirements and provide an initial single contact point where more than one regulatory agency is involved. The Ministry also engages with key agencies and proponents, advises on approaches to work with First Nations and assists 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 target of \$7.5 billion in industry investment projects was exceeded by \$2.1 billion, totaling \$9.6 billion in industry investment in the province. Job creation through these Ministry assisted projects also surpassed its target by more than 2,108 new jobs.

Ministry assistance ranges from providing direct information on government programs and services to investors, assisting the investor to prepare for and complete required regulatory processes, providing advice on relationship with First Nations, and problem solving and issues resolution to move projects forward. The decision to invest remains with the investor.

Federal, municipal and private funds invested to match provincial investment in community infrastructure

This measure gauges the success of the Ministry in maximizing provincial contributions by leveraging federal, municipal and private funding to support regional development projects such as community facilities and infrastructure. 2007/08 results exceeded the targets set, but are lower

than the previous year due to the conclusion of the Canada/British Columbia Infrastructure program and roll out of the new Canada/British Columbia Municipal Rural Infrastructure Fund program.

Exceeding the target figure is a reflection of successful completion of projects by the award recipients. This is a result of the detailed technical analysis of funding requests undertaken by the Infrastructure Development Branch that ensures only those applications from groups most able to commence their projects in a timely manner are brought forward for decision.

Ministry Response

The measure of investment dollars and jobs created by industry investment projects, assisted by the Ministry has been eliminated from the *2008/09–2010/2011 Service Plan* as the Ministry does not make decisions leading to these outcomes.

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 and expedite 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

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

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

Number of clients served through the Skills Connect for Immigrants Pilot Program

The Skills Connect for Immigrants Pilot Program is designed to assist skilled immigrants to fully utilize their skills and training in the British Columbia labour market. The program helps to ensure that immigrants have the tools to navigate an unfamiliar labour market and overcome barriers they face in finding jobs that match their current qualifications and experience. It is anticipated that 1,700 new clients will be served by Skills Connect in fiscal year 2008/09. Upon completion of the program, clients are contacted by an external evaluator to measure labour market attachment results and the impact of Skills Connect on the B.C. economy.

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

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, co-ordination and oversight to ensure the Province meets its financial, infrastructure and service commitments for the 2010 Winter Games.

Strategies

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

Performance Results

Performance Measure	2005/06 Actual	2006/07 Actual	2007/08 Target	2007/08 Actual
Success rate in meeting milestones, on time and on budget, of the provincial commitments to the 2010 Winter Games	On time, on budget	On time, on budget	On time, on budget	On time, on budget ACHIEVED

Data Source: Government of British Columbia fiscal budgets and public accounts.

Discussion of Results

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 whether project management is within standard provincial accounting and financial management practices. Performance measures assess the effectiveness of providing oversight and following the provincial financial management framework in managing the \$600 million funding envelope and meeting the milestones of the provincial commitments.

Expenditures made on individual components were within the established budget. With this fiscal year's actual funding of \$68 million, the Province has funded 57 per cent of the \$600 million commitments to date and is on track to fulfill its financial commitments to the 2010 Winter Games.

Ministry Response

This measure was eliminated from the *2008/09–2010/11 Service Plan* as this is reported on through the following processes and reports:

- The annual progress reports published by the B.C. Secretariat.
- The audit reports issued by the Office of the Auditor General of British Columbia on the progress of the 2010 Winter Games.
- The annual public accounts reports published by the Office of the Comptroller General on the funding status of the province's \$600 million Winter Games Commitments.

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

- 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.
- Provide timely and effective issues management within the province and among partners and stakeholders.
- Act as a co-ordination hub for provincial activities, projects and key relationships related to the 2010 Winter Games. Develop and deliver tools for community and stakeholder outreach.

Performance Results

Performance Measure	Benchmark	2006/07 Actual	2007/08 Target	2007/08 Actual
Cumulative total of businesses registered for the 2010 Winter Games procurement opportunities	3,000	4,300	5,000	7,400 EXCEEDED

Data Source: 2010 Commerce Centre Registration Database.

Discussion of Results

This measures the effectiveness of the outreach programs to British Columbia businesses for the 2010 Olympic and Paralympic Winter Games by calculating the cumulative total of businesses registered for the procurement opportunities advertised by the 2010 Commerce Centre. B.C. and Canadian businesses are able to register and receive directed information on arising business opportunities. This measure is important because it reflects the success of the 2010 Commerce Centre to engage B.C. businesses and communities.

The 2007/08 target was exceeded by an additional 48 per cent, due greatly to the success of B.C. Secretariat's outreach programs such as the 2010 Business Opportunities workshops, Think Asia workshops, 2010 Business Summit, and the 2010 Business Network.

Report on Resources

This section provides information on the Ministry's operating expenditures, full time equivalent (FTE) staff allocation, and capital expenditures for 2007/08. The table below and on the following page summarizes operating information for each core business area and is consistent with the Ministry's *2007/08–2009/10 Service Plan*.

Resource Summary Table

Core Business Areas	Estimated ¹	Other Authorizations	Total Estimated	Actual	Variance
Operating Expenses (\$000)					
Marketing and Promoting British Columbia	12,039		12,039	11,246	(793)
Enhancing Economic Development (includes special account)	141,264		141,264	159,992	18,728
2010 Olympic and Paralympic Winter Games Secretariat	100,377		100,377	75,891	(24,486)
Executive and Support Services ...	12,562		12,562	15,866	3,304
Adjustment of Prior Year Accrual	0		0	(175)	(175)
Total	266,242		266,242	262,820	(3,422)
Full-time Equivalents (FTEs)					
Marketing and Promoting British Columbia	55		55	56	1
Enhancing Economic Development (includes special account)	54		54	61	7
2010 Olympic and Paralympic Winter Games Secretariat	29		29	32	3
Executive and Support Services ...	30		30	39	9
Total	168		168	188	20

Ministry of Economic Development

Core Business Areas	Estimated ¹	Other Authorizations	Total Estimated	Actual	Variance
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
Marketing and Promoting British Columbia	90		90	70	20
Enhancing Economic Development (includes special account)	50		50	111	(61)
2010 Olympic and Paralympic Winter Games Secretariat	216	479	695	448	247
Executive and Support Services ...	130	310	440	646	(206)
Total	486	789	1,275	1,275	0

¹ "Other Authorizations" include Supplementary Estimates, Statutory Appropriations and Contingencies. The source of the Other Appropriations amounts must be indicated in a footnote. Amounts in this column are not related to the "estimated amount" under sections 5(1) and 6(1) of the *Balanced Budget and Ministerial Accountability Act* for ministerial accountability for operating expenses under the Act.

Annual Service Plan Report Appendices

Appendix A: Ministry Contact Information

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Northeast Regional Office

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