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SEPTEMBER BUDGET UPDATE 2005

*Ministry of
Economic Development*

**2005/06 – 2007/08
SERVICE PLAN UPDATE
SEPTEMBER 2005**



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Ministry of Economic Development, contact:

Deputy Minister's Office

PO BOX 9324

STN PROV GOVT

VICTORIA, BC

V8W 9N3

or visit our website at

<http://www.gov.bc.ca/sbed>

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Message from the Minister and Accountability Statement

Over the past four years, British Columbians have worked hard to rebuild our economy. The foundation for growth and opportunity is in place and over the next four years we have an opportunity to build on that strong foundation and bring prosperity to all British Columbians.

To achieve this, Government is focused on implementing and achieving the five great goals for the golden decade ahead. The Ministry of Economic Development is involved in pursuing all of these goals, but most specifically, will focus on the goals of making British Columbia the best educated, most literate jurisdiction on the continent, and on creating more jobs per capita than anywhere else in Canada.

Our Ministry is also responsible for government's special focus on the Asia Pacific and the 2010 Olympic and Paralympic Winter Games. The Ministry will pursue strategies to make sure that all British Columbians benefit from these opportunities.

To achieve its goals, the Ministry will implement strategies to revitalize the economy and help to create a more competitive business climate in British Columbia. Our strategies improve economic performance by increasing both the number of businesses in British Columbia and the number of people employed in those businesses. The Ministry also ensures venture capital is available for businesses across the province, which enables businesses to grow, expand and diversify. We will also work to develop a labour market policy and strategy so that businesses have access to people with the right skills at the right time.

The Ministry will continue to provide leadership to projects that are important to the future of our communities, that help set the stage for future economic performance, that maximize the economic benefits of immigration, and that ensure our products and services are marketed effectively to the global marketplace.

The Ministry of Economic Development 2005/06–2007/08 Service Plan Update September 2005 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 July 31, 2005 have been considered in preparing the plan and I am accountable for achieving the specific objectives in the plan.

A handwritten signature in black ink, appearing to read "Colin Hansen". The signature is fluid and cursive.

Honourable Colin Hansen
Minister of Economic Development and Minister Responsible for the
Asia-Pacific Initiative and the Olympics

August 15, 2005

Ministry Overview and Core Business Areas

Ministry Overview

The Ministry of Economic Development leads and implements strategies and initiatives dedicated to creating a strong provincial economy in British Columbia and creating a more competitive business climate. In June, 2005, the Ministry was reorganized and renamed the Ministry of Economic Development. Major changes in responsibility were:

- the Ministry is the lead for the government's special focus on the Asia Pacific and developing a Trade and Asia Pacific Strategy.
- economic immigration programs have been transferred to the Ministry from the former Ministry of Community, Aboriginal and Women's Services.
- labour market planning, industry trades training and the Industry Training Authority have been transferred to the Ministry from the Ministry of Advanced Education and the former Ministry of Skills Development and Labour.
- the Columbia Basin Trust has been transferred to the Ministry from the Ministry of Energy and Mines.
- small business and regulatory reform has been transferred to the Ministry of Small Business and Revenue and Minister Responsible for Regulatory Reform.
- tourism, sport, the arts, the BC Film Commission, film policy, the Vancouver Convention and Exhibition Centre and the BC Pavilion Corporation have been transferred to the Ministry of Tourism, Sport and the Arts.
- the BC Innovation Council has been transferred to the Ministry of Advanced Education.
- the BC Securities Commission has been transferred to the Ministry of Attorney General.

Core Business Areas and Structure

The Ministry has five core business areas. Four areas correspond to the Ministry's core activities and the fifth, Executive and Support Services, is comprised of management services, the Offices of the Deputy Ministers and the Office of the Minister.

Improving British Columbia's Investment Climate: This core business area is led primarily by the Economic Competitiveness Division and focuses on undertaking analyses of economic conditions; supporting the activities of the Competition Council; evaluating options for improving British Columbia's tax competitiveness; establishing British Columbia positions and policies regarding domestic and international trade issues; leading the development of a Trade and Asia Pacific Strategy; and, participating in cross-government projects to improve the province's tax competitiveness. Approximately \$2,787,000 and 24 Full-time Equivalents (FTEs) are dedicated to this core business area.

Marketing and Promoting British Columbia: This core business area is led primarily by the Marketing, Investment and Trade Division. It focuses on leading the Asia Pacific initiative by including support for the Asia Pacific Trade Council; implementing initiatives for communicating British Columbia's advantages and opportunities; managing the province's economic immigration programs; managing trade missions; showcasing British Columbia at industry events; and, providing potential investors with business location information and services. Approximately \$9,588,000 and 17 FTEs are dedicated to this core business area.

Enhancing Economic Development: This core business area is led primarily by the Economic Competitiveness Division. It focuses on leading the province's Economic Strategy; identifying projects that support economic growth and diversification throughout the province; undertaking labour market planning; speeding up the credentialing of highly skilled immigrants by recognizing international qualifications; working with the Industry Training Authority; managing programs to improve urban and rural local government infrastructure; administering the Western Economic Partnership Agreement; and, working with investors to facilitate economic development. Approximately \$311,863,000 and 48 FTEs are dedicated to this core business area.

2010 Olympic and Paralympic Winter Games Secretariat: This core business area is led primarily by the 2010 Olympic and Paralympic Winter Games Secretariat and focuses on representing the province as a member partner in the Vancouver 2010 Olympic and Paralympic Winter Games and implementing 2010 related strategies. Approximately \$109,639,000 and 14 FTEs are dedicated to this core business area.

Executive and Support Services: This core business area consists of corporate services and the Minister's Office and focuses on providing planning and legislative support to assist core business areas achieve their goals and objectives. Approximately \$10,184,000 and 25 FTEs are dedicated to this area.

Crowns, Agencies, Boards and Commissions Reporting to the Minister of Economic Development

BC-Alcan Northern Development Fund
British Columbia Enterprise Corporation (not active)
Columbia Basin Trust
Industry Training Authority
Northern Development Initiative Trust
B.C. Competition Council
Asia Pacific Trade Council
Leading Edge BC

Resource Summary

Core Business Areas	2004/05 Restated Estimates ¹	2005/06 Estimates	2006/07 Plan	2007/08 Plan
Operating Expenses (\$000)				
Improving British Columbia's Investment Climate	2,332	2,787	2,657	2,657
Marketing and Promoting British Columbia	1,673	9,588	3,588	2,588
Enhancing Economic Development	87,191	311,863 ²	117,963	103,263
2010 Olympic and Paralympic Winter Games Secretariat	3,190	109,639 ³	20,639	30,139
Executive and Support Services	10,167	10,184	10,184	10,184
Total	104,553	444,061	155,031	148,831
Full-time Equivalents (FTEs)				
Improving British Columbia's Investment Climate	24	24	24	24
Marketing and Promoting British Columbia	17	17	17	17
Enhancing Economic Development	48	48	48	48
2010 Olympic and Paralympic Winter Games Secretariat	14	14	14	14
Executive and Support Services	25	25	25	25
Total	128	128	128	128

¹ These amounts have been restated, for comparative purposes only, to be consistent with the presentation of the September Update 2005 *Estimates* 2005/06. Schedule A of the 2005/06 *Estimates*, presents a detailed reconciliation.

² The increase in funding is \$150 million for Regional Trusts, and \$70 million for infrastructure development.

³ Increase in venue funding and Olympic legacies.

Ministry of Economic Development

Core Business Areas	2004/05 Restated Estimates ¹	2005/06 Estimates	2006/07 Plan	2007/08 Plan
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
Improving British Columbia's Investment Climate	75	50	25	25
Marketing and Promoting British Columbia	50	30	15	15
Enhancing Economic Development	0	0	0	0
2010 Olympic and Paralympic Winter Games Secretariat	50	620 ²	314	269
Executive and Support Services	275	155	130	130
Total	450	855	484	439
Other Financing Transactions (\$000)				
Columbia Basin Accord				
Receipts	0	0	0	0
Disbursements	50,000	50,000 ³	0	0
Total Net Cash Source (Requirements)	(50,000)	(50,000)	0	0

¹ These amounts have been restated, for comparative purposes only, to be consistent with the presentation of the September Update 2005 *Estimates* 2005/06. Schedule A of the 2005/06 *Estimates*, presents a detailed reconciliation.

² Increase in funding for systems, tenant improvements and 2010 Commerce Centre.

³ 2006 is the last year that the Province is required to provide \$50 M under the Columbia Basin Accord as an investment in Columbia Power Corporation and the Columbia Basin Trust. This money is to finance power projects on a joint venture basis.

Strategic Context

Vision, Mission and Values

Vision

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

Mission

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

Values

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

- We work towards making British Columbia one of the most attractive investment locations in North America.
- We are a results-based organization that measures performance at both the corporate and individual level.
- We are committed to working with other ministries and agencies to develop and implement actions to bring growth, job creation and prosperity to British Columbia.
- We are accountable to government and the public and strive to ensure our activities deliver the targets outlined in this Service Plan.
- We deliver our programs in the most efficient manner to enhance British Columbia's competitiveness as an investment location.
- We are committed to developing new and better approaches. Our approaches include working with, listening to, and consulting with stakeholders in all regions of British Columbia.
- We are committed to maintaining the highest standards of innovation, quality, teamwork, and developing an entrepreneurial attitude in the professional public service.
- We strive to provide a high level of customer service, and to respond to the needs of its stakeholders in a timely and effective manner.

Planning Context and Key Strategic Issues

The planning context section identifies and documents the Ministry's opportunities and challenges that are likely to have an impact on the Ministry's 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, transportation, immigration, innovation and culture) will ensure all British Columbians benefit from opportunities arising from our growing relationship with and proximity to the Asia Pacific.
- **Economic Expansion:** British Columbia's economy grew by 3.9 per cent in 2004, the strongest growth among Canada's provinces. Domestic activity continued to be the main driver of economic growth with strong job creation, inter-provincial migration, business confidence and investment. The foundation for growth and opportunity is in place and over the next few years the province has the opportunity to build on that strong foundation to ensure British Columbia continues to expand and prosper into the future.
- **Competitive Investment Climate:** British Columbia has a very competitive tax climate with the second lowest top marginal personal income tax rate, the fourth lowest corporate income tax rate and the second lowest net debt to GDP ratio in Canada. But there are a variety of competitive pressures facing British Columbia industries, small businesses, and investors. To ensure British Columbia remains a destination of choice for investment and business development, the Province must continue to review its competitiveness and recommend workable private and public sector actions to improve its competitiveness.
- **2010 Olympic and Paralympic Winter Games:** Winning the right to host the 2010 Games creates unparalleled international exposure for British Columbia and will open up new opportunities for investment and business development. In addition, infrastructure investments leading up to the Games will create approximately 228,000 direct and indirect person years of employment, and inject billions of dollars into the provincial economy.

Key Challenges

- **Export Growth is Still Strongly Rooted in the Resource Industries:** British Columbia has made progress towards diversifying its economy. The high-tech industry now accounts for three per cent of provincial GDP, and several world-class industry clusters are flourishing and opportunities for export growth are occurring in a wide range of sectors. Despite this success, 77 per cent of British Columbia exports, 69 per cent of manufacturing shipments and 63 per cent of exports to other provinces are resource-based. To secure future economic growth, British Columbia needs an economic strategy that focuses on growing traditional wealth generating sectors, while at the same time supporting the creation of conditions necessary to develop new sectors over the next 10 years.

- **Strengthening Canadian Dollar:** The dollar has appreciated almost 27 per cent in the past three years, which is a major issue for British Columbia's export dependent industries, such as forestry and high-tech. While an appreciating dollar leads to higher-priced British Columbia export products, it could also stimulate some companies to invest in productivity improvements to counteract any further increases in the Canadian dollar.
- **Productivity:** A key factor to improving living standards is increasing productivity, generally measured by output per worker, per hour. Improvements in productivity in British Columbia have generally lagged that of other Canadian province's and American states. Improvements to productivity would fuel economic growth and raise British Columbia's standard of living.
- **Demographics and Skill Shortages:** British Columbia's robust economic growth has 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 British Columbia. Initiatives and programs which focus on ensuring the availability of a skilled workforce are necessary to meet the demands of British Columbia's growing economy.
- **Pine Beetle:** The mountain pine beetle infestation affected seven million hectares of British Columbia forests in 2004. While increased harvesting is creating economic growth in the short-term, the infestation presents a major long-term challenge for many communities throughout the Province. Many of these communities have begun planning for a transition stage and the province is working with them to help examine their potential for developing other economic opportunities.

Goals, Objectives, Strategies and Results

Ministry Goals and their Linkage to the Five Great Goals for a Golden Decade

The Ministry of Economic Development is involved in achieving all of the five great goals for a Golden Decade, but most specifically, will directly support the goals of making British Columbia the best educated, most literate jurisdiction on the continent, and on creating more jobs per capita than anywhere else in Canada.

The Ministry will contribute towards the goal of making British Columbia the best educated, most literate jurisdiction on the continent by identifying British Columbia'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 will contribute towards the goal for creating more jobs per capita than anywhere else in Canada by facilitating economic growth throughout the province, maximizing federal/provincial funding for our regional economy and creating economic and social development opportunities before, during and after the 2010 Olympic and Paralympic Winter Games.

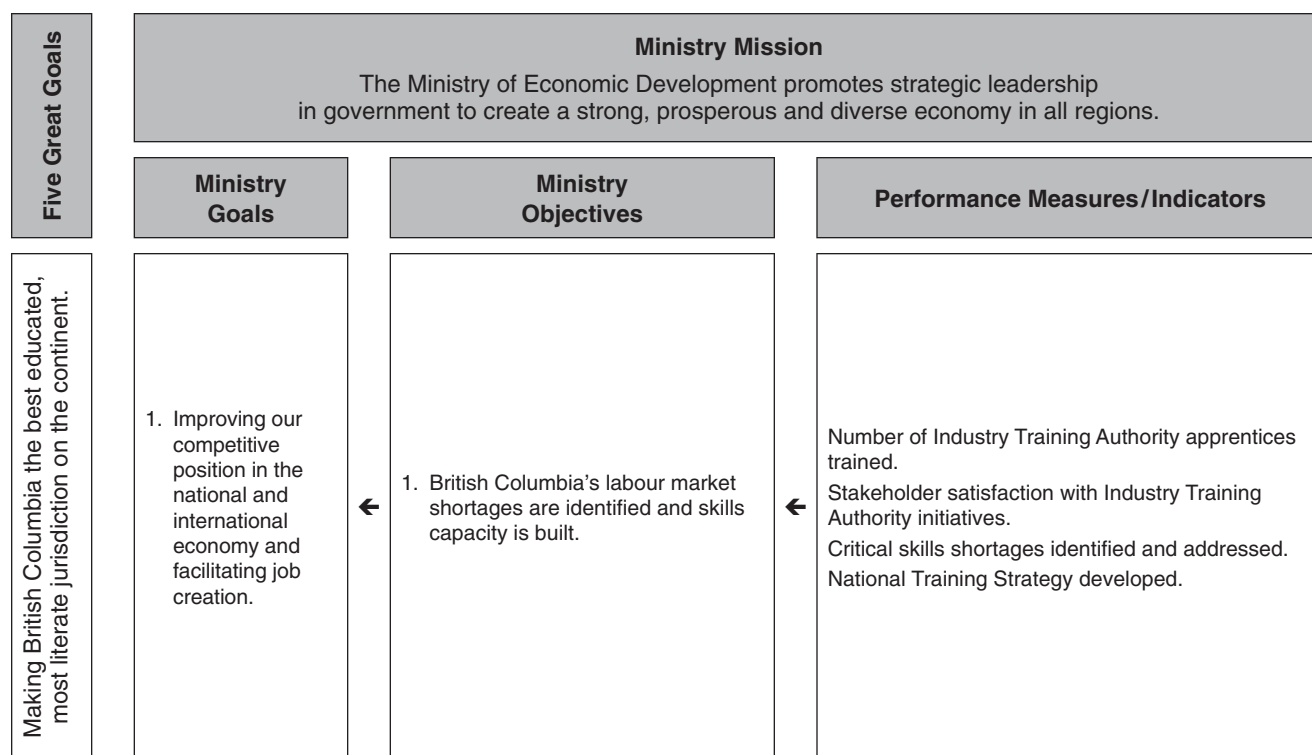
The Ministry's efforts in promoting economic growth, creating jobs, generating revenues, increasing trade and attracting investment, will directly support the remaining three great goals so that British Columbia will lead North America in healthy living, build the best support system in Canada for persons with disabilities, special needs, children at risk and seniors, and lead the world in sustainable environmental management.

Ministry Performance Plan Summary

The following table, found on the next page, summarizes the Ministry's goals, objectives and performance measures and ties them to the government's strategic goals.

Ministry of Economic Development

Five Great Goals	Ministry Mission		
	The Ministry of Economic Development promotes strategic leadership in government to create a strong, prosperous and diverse economy in all regions.		
	Ministry Goals	Ministry Objectives	Performance Measures/Indicators
Creating More Jobs Per Capita Than Anywhere Else in Canada.	1. Improving our competitive position in the national and international economy and facilitating job creation.	1. Improve British Columbia's economic performance and diversification and facilitate job creation.	← Venture Capital Fund Registrations. ← Venture Capital Holdings in British Columbia. ← Private capital raised and businesses financed.
		2. Improve British Columbia's competitiveness as a place to live, work, invest and do business.	← Competitiveness indicators updated. ← Tax proposal options developed. ← Competition Council established and recommendations delivered.
	2. Marketing British Columbia as a preferred place to live, visit, invest and do business.	1. Market British Columbia as a preferred location for new and expanded trade and investment.	← Total number of new inbound investment projects. ← Number of trade missions and key events promoting British Columbia. ← Number of customized information packages provided in response to qualified investor enquiries. ← Asia Pacific Trade Council established and supported.
		2. Economic benefits of immigration are maximized.	← Number of skilled immigrants from the Provincial Nominee Program employed in skill-shortage sector jobs. ← Percentage of new Provincial Nominees destined to rural areas. ← \$ investments from new Provincial Nominee Business Immigrants. ← Jobs created by new provincial Nominee Business immigrants. ← Percentage of skilled immigrants who report securing employment through the Skills Connect for Immigrants program.
	3. Increasing economic development throughout British Columbia, particularly in the regions.	1. Facilitate economic growth throughout the province.	← Lead development of Province's Economic Strategy. ← Develop and implement regional initiative trusts.
		2. Maximize federal/provincial funding for our regional economy.	← Canada/British Columbia Infrastructure Program project funding. ← Western Economic Partnership Agreement project funding.
	4. The 2010 Olympics and Paralympic Winter Games are successful and leave a legacy for British Columbia.	1. The 2010 Olympics creates economic and social development opportunities before, during and after the games in an environmentally sustainable manner.	← The 2010 Games are delivered on time and within approved budget. ← Procurement opportunities posted via a web based information system. ← Business participation in Olympic business opportunities.



Performance Plan

Goal 1: *Improving our competitive position in the national and international economy and facilitating job creation.*

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

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

Objective 1: *Improve British Columbia's economic performance and diversification.*

Increasing the amount of venture capital available to British Columbia companies enables them to grow and compete in fields requiring intensive research and development.

Key strategies include: issuing venture capital tax credits to resident investors who invest in registered venture capital funds, increasing British Columbia's national share of venture capital holdings from five per cent to ten per cent by 2006, and promoting tax credits issued to resident investors under legislated programs that may lever up to \$152 million of private capital for annual investment in a diversity of businesses by 2006.

Performance Measures:

Venture Capital Fund Registrations: To contribute to a strong and vibrant venture capital marketplace, competition can be developed by registering additional Labour-Sponsored Investment Funds (“LSIF”) and Venture Capital Corporations (“VCC”). Last year, four VCC funds were registered under Ministry programs offering more choice for investors and small businesses seeking capital. The Ministry will continue to register more funds using a prudent and measured approach.

Venture Capital holdings in British Columbia: The Premier made a commitment to triple the supply of venture capital in the province by the year 2006. In the past year, British Columbia’s venture capital holdings increased to eight per cent of national venture capital holdings. It is essential that this trend continue without undue reliance on government incentives to ensure that innovative small businesses continue to have access to capital and to attract investment capital from outside of the province.

Private capital raised and businesses financed: The key to our future and economy rests largely on our ability to commercialize innovation developed by small business. British Columbia has recognized there is a financing gap between the amount of research and development expenditures each year in the province when compared to the amount of early stage capital needed to commercialize technology. In 2003, the Ministry introduced legislation to help early stage small businesses raise capital directly from qualified investors. The changes have been a success leading to a six-fold increase in program registration and investment. The Ministry will continue to promote the program and evaluate other capital models that will contribute to commercializing innovation.

Performance Measures	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Venture Capital Fund Registrations (cumulative).	6 funds registered	8 funds registered	9 funds registered	10 funds registered
Venture Capital holdings in British Columbia.	\$1.8 billion (8% of national holdings)	\$2.2 billion	\$2.4 billion	\$2.6 billion
Private capital raised and businesses financed on an annual basis with amounts invested each year.	\$134 million; 193 businesses	\$152 million; 120 businesses	\$152 million; 125 businesses	\$152 million; 140 businesses

Objective 2: Improve British Columbia’s competitiveness as a place to live, invest and do business.

This objective focuses on improving the province’s business competitiveness.

Key strategies include: establishing competitiveness indicators to assess British Columbia's performance, reviewing the tax climate and proposing appropriate changes and the Competition Council.

Performance Measures:

Competitiveness indicators: The attractiveness of a jurisdiction's investment climate is important in generating economic development. Therefore it is fundamental to assess British Columbia's competitiveness against other jurisdictions. Investment is more likely to flow to those jurisdictions where policies are more favourable in terms of taxation, regulations, skills and infrastructure.

Tax Proposals: British Columbia's tax policies are a fundamental influence on the competitiveness of its investment climate compared to other jurisdictions. By continually reviewing the current tax climate and proposing appropriate changes to the tax regime (while at the same time meeting fiscal objectives including a balanced provincial budget), the competitiveness of the province as a place to do business and create jobs can be fully developed.

Competition Council Established and Supported: The Competition Council will liaise with industry and government and undertake research to provide recommendations on improvements to British Columbia's competitiveness. By establishing and supporting the implementation of recommendations made by the Council, the province will become a more competitive location for business and investment.

Performance Measures	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Competitiveness indicators.	Develop base data on competitiveness levels for each indicator.	Update competitiveness indicators.	Update competitiveness indicators.	Update competitiveness indicators.
Tax proposals.	Evaluate new tax measures and develop recommendations for presentation to Minister by October 31, 2004.	Update analysis and develop revised options by September 30, 2005.	Evaluate new tax measures and develop recommendations for presentation to Minister by September 30, 2006.	Evaluate new tax measures and develop recommendations for presentation to Minister by September 30, 2007.
Competition Council established and supported.	N/A	Establish council.	Support implementation of Council recommendations.	Support implementation of Council recommendations.

Goal 2: *Marketing British Columbia as a preferred place to live, invest and do business.*

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

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

Objective 1: *Market British Columbia as a preferred location for new and expanded trade and investment.*

This objective is aimed at marketing and promoting the province's advantages and opportunities in order to increase trade and investment. In addition, the Ministry will organize the Premier's and Ministers' trade and investment missions abroad, as well as in-coming trade delegations visiting British Columbia. The Ministry will also focus on facilitating capital investment projects, particularly in the regions.

Key strategies include: supporting the Asia Pacific Trade Council, facilitating inbound investment into high-growth, high-opportunity sectors, arranging trade missions and provincial participation in key international events, and developing marketing and promotional strategies to promote awareness of competitive advantages and opportunities throughout the province.

Performance Measures:

Asia Pacific Trade Council established and supported: By establishing and supporting the Council, all British Columbians will benefit from opportunities arising from our growing relationship with, and proximity to, the Asia Pacific.

Total number of new inbound investment projects: Inbound investment projects contribute to job creation, capital investment, productivity growth, and innovation, which in turn supports economic growth. For example, in 2003/04 the Ministry was involved in attracting a \$15 million call centre creating 600 jobs (capital investment per job: \$25,000), and a \$10 million food-processing plant creating 100 jobs (capital investment per job: \$100,000).

Number of trade missions and key events promoting British Columbia: Outbound business missions are designed to promote British Columbia capabilities and opportunities in targeted international markets. The focus of international missions is the business community. The Premier and/or Minister(s) will lead these initiatives as appropriate to the specific mission.

Number of customized information packages provided in response to qualified investor enquiries: These packages document the specific competitive advantages for locating qualified potential investment projects in British Columbia.

Performance Measures	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Asia Pacific Trade Council established and supported.	N/A	Establish council and provide support for development of initial recommendations.	Support ongoing work of council and implementation of recommendations.	Support implementation of recommendations.
Total number of new inbound investment projects.	6 new inbound investment projects.	6 additional new inbound investment projects.	8 additional new inbound investment projects.	10 additional new inbound investment projects.
Number of trade missions and key events promoting British Columbia.	7 trade and investment visits led by Premier and/or Minister(s), 40 pre-qualified business delegations attracted.	7 trade and investment visits led by Premier and/or Minister(s), 40 pre-qualified business delegations attracted.	7 trade and investment visits led by Premier and/or Minister(s), 40 pre-qualified business delegations attracted.	7 trade and investment visits led by Premier and/or Minister(s), 40 pre-qualified business delegations attracted.
Number of customized information packages provided in response to qualified investor enquiries.	75 customized information packages provided.	75 customized information packages provided.	75 customized information packages provided.	100 customized information packages provided.

Objective 2: *Economic benefits of immigration are maximized.*

This objective focuses on strategies to ensure immigration brings benefits to British Columbia communities, both economically and socially. By promoting business, employment and education opportunities, British Columbia will continue to be a choice destination for immigrants.

Key strategies include: an increased utilization of the province's existing economic immigration programs and implementation of a strategy to increase the recognition and utilization of individuals with international qualifications to address skill shortages. This includes expedited entry of skilled immigrants into the British Columbia economy and increased investment by business immigrants committed to investing and doing business in the province.

Performance Measures

Provincial Nominee Program: This 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. A number of measures are identified to gauge the success of the PNP, which works to enhance the benefits of immigration throughout the province. These measures include the number of skilled immigrants in skill shortage jobs, the distribution of these immigrants to rural areas, the financial investment generated and the number of new jobs created.

Skills Connect for Immigrants Program: This program involves career assessment, planning and employment bridging services targeted at foreign professionals, trade persons and other highly skilled workers seeking entry into the British Columbia labour market. Success of the program is measured by the percentage of skilled immigrants surveyed who report securing employment through an expedited assessment, planning and employment-bridging process and the percentage of employers who report an increased utilization of internationally qualified persons to meet skill shortages.

Performance Measures	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Number of skilled immigrants from the PNP employed in skill-shortage sector jobs.	335 new	500 new	650 new	800 new
Percentage of new Provincial Nominees destined to rural areas. ¹	30%	35%	35%	35%
\$ investments from new Provincial Nominee Business immigrants.	\$40 M	\$47.5 M ²	\$72 M ³	\$72 M ³
Jobs created by new Provincial Nominee Business immigrants.	274 full-time jobs	305 full-time jobs ²	459 full-time jobs ³	459 full-time jobs ³
Percentage of skilled immigrants who secure employment through the Skills Connect program	None — new program	Baseline to be established	To be determined ⁴	To be determined ⁴

¹ Includes business and strategic occupations categories.

² Based on PNP business categories target of 100 Nominee Candidate approvals.

³ Based on PNP business categories target of 150 Nominee Candidate approvals.

⁴ Targets will be determined once a baseline is established.

Goal 3: *Increasing economic development throughout British Columbia, particularly in the regions.*

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

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

Objective 1: *Facilitate economic growth throughout the province.*

This objective focuses on increasing the number of businesses in British Columbia and the number of people employed in those businesses. The Ministry will provide assistance to local governments for infrastructure development to support the growth of local businesses. The Ministry will also pilot regional alliances with local governments and the private sector to support growth and diversification within the provincial economy.

Key strategies include: assisting local governments and private investors in pursuing their economic development initiatives, assisting local governments with infrastructure development; piloting regional alliances with local government and the private sector; ensuring government policy, regulations and service delivery frameworks support small business success; developing and implementing regional initiative trusts; developing and administering the Olympic/Paralympic Live Sites Program; and, implementing strategies to promote British Columbia and achieve increases in economic growth and prosperity.

Performance Measures:

Lead the Development of the Province’s Economic Strategy: A comprehensive economic strategy will be developed that summarizes key actions to be taken by government to support a growing and diversified provincial economy. The Ministry will lead the cross-government development of this plan and ensure Ministries are accountable for the delivery of their respective responsibilities outlined in the plan.

Develop and implement regional initiative trusts: Regional initiative trusts will ensure that the BC Rail-CN Rail Investment Partnership generates economic benefits throughout Northern British Columbia, the North Island-Coast and the Southern Interior of British Columbia.

Performance Measures	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Lead Development of Province’s Economic Strategy.	Economic initiatives in place.	Develop strategic overview.	Finalize strategy and begin implementation.	Implementation.
Facilitate implementation of regional initiative trusts.		3 developed and implemented.	Support activities.	Support activities.

Objective 2: Maximize federal/provincial funding for our regional economy.

This objective focuses on maximizing British Columbia’s share of federal funding under the Canada/British Columbia Infrastructure Program and the Western Economic Partnership Agreement and efficiently distributing contributions to support business and infrastructure development, particularly in regional communities.

Key strategies include: funding infrastructure projects through the Canada/British Columbia Infrastructure Program, negotiating a Municipal Rural Infrastructure Fund agreement with the federal government and municipalities and funding economic development initiatives that recognize sectoral regional needs through the Western Economic Partnership Agreement.

Performance Measures:

Canada/British Columbia Infrastructure Program project funding: Provides funding to local governments and non-governmental organizations for local infrastructure programs.

Western Economic Partnership Agreement project funding: This measure reflects the Ministry’s continuing efforts to fund initiatives that further develop British Columbia’s small and medium-sized business sector and support economic and technological innovation for a more competitive business environment.

Performance Measures	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Canada/British Columbia Infrastructure Program project funding.	Manage contracts to distribute \$66.5 million of federal/provincial funding.	Manage contracts to distribute an additional \$66.5 million of federal/provincial funding.	Ensure that \$133 million of federal/provincial funds has been used to build or improve over \$200 million worth of local infrastructure.	Manage final disbursement of program funds.
Western Economic Partnership Agreement project funding.	Agreement signed December 2003. Commit \$4 million of federal/provincial funding.	Commit \$10 million of federal/provincial funding.	Commit \$13 million of federal/provincial funding.	Commit \$13 million of federal/provincial funding.

Objective 3: *British Columbia's labour market shortages are identified and skills capacity is built.*

This objective focuses on working with partners and stakeholders to identify areas of critical skills shortages and identify tactics to build skills capacity. Businesses having access to the right skills at the right time will improve British Columbia's ability to compete in the national and international economies.

Key strategies include: developing a new labour market policy and strategy, supporting the activities of the Industry Training Authority to ensure that apprenticeships and programs aimed at high school students, aboriginals and immigrants are building skills that meet labour market demands, and leading the development of a National Training Strategy.

Performance Measures:

Industry Training Authority Apprenticeships Trained: The Ministry provides funding to the Industry Training Authority (ITA), which oversees the industry training system in British Columbia. The ITA works with industry and the post-secondary education system to provide training programs that are responsive to the needs of British Columbia's economy.

Critical Skills Shortages Identified and Addressed: A provincial labour market policy and strategy will identify critical skills shortages and the tactics necessary to build necessary skills.

National Training Strategy Developed: Lead the development of a National Training Strategy to ensure that Canada has a coordinated, national approach to identifying and addressing critical skills shortages and industry needs.

Performance Measures	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Industry Training Authority. ¹	1. Baseline data for 2003/04: 14,676 registered trainees in recognized and accredited industry training programs. ² 2. Trainee / apprentice, employer/ sponsor and industry association satisfaction improvement - 62. ³	24,000 Improve (target to be established in October 2005).	30,000 Improve (target to be established in October 2005).	Based on forecast industry need. Improve (target to be established in October 2005).
Critical skills shortages identified and addressed.		Develop labour market policy and strategy.	Implement strategy.	Implement strategy.
National Training Strategy developed	N/A	Develop strategic overview.	Present strategy to the Council of the Federation to gain support.	Begin implementing strategy.

¹ Responsibility for the Industry Training Authority was transferred from the Minister of Advanced Education to the Minister of Economic Development in June 2005. The ITA has a separate service plan that includes additional program performance measures.

² The 2004/05 Ministry of Advanced Education service plan report used a baseline (25,479) that included students registered in industry training programs that do not lead to provincial ITA credentials (10,803). The new baseline and targets reflect only trainees registered with the ITA and participating in programs resulting in ITA certification.

³ Baseline has now been established through the recent completion of the ITA's first annual customer survey. Improvement targets will be established once detailed data analysis is complete.

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

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

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

Objective 1: *The 2010 Olympics creates economic and social development opportunities before, during and after the games in an environmentally sustainable manner.*

The Secretariat's primary role is to provide the strategic leadership, coordination and oversight to ensure the province meets its financial, infrastructure and service commitments for the 2010 Games. The Secretariat also has a key role in ensuring that the social, economic and environmental opportunities associated with hosting an Olympic event are identified early and realized before, during and after the 2010 Games and evolves into enduring legacies for communities and businesses around the province.

Key strategies include: maximizing the potential economic benefits of hosting the Vancouver 2010 Olympic and Paralympic Winter Games and maximizing participation, equity, inclusiveness and accessibility for all British Columbians before, during and after the Olympics.

Performance Measures:

The Vancouver 2010 Olympic and Paralympic Winter Games are delivered on time and within approved budget: Operating within standard provincial accounting and financial management practices, the 2010 Olympic and Paralympic Winter Games Secretariat is the primary provincial organization responsible for ensuring British Columbia's investment in the Vancouver 2010 Olympic and Paralympic Winter Games results in an event that is on time and within the approved budget.

Procurement opportunities posted via a web-based information system: This measure reflects the Ministry's contributions to business and sport development by ensuring that businesses have access to the information required to take advantage of procurement opportunities from the Vancouver 2010 Olympic and Paralympic Winter Games.

Business participation in Olympic business opportunities: The Ministry has developed a 2010 Commerce Centre where British Columbian and Canadian businesses will be able to register and receive directed information on business opportunities arising as a result of the Vancouver 2010 Olympic and Paralympic Winter Games.

Ministry of Economic Development

Performance Measures	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
The 2010 Games are delivered on time and within approved budget.	Develop reporting requirements and protocol.	Reports produced as needed.	Reports produced as needed.	Reports produced as needed.
Procurement opportunities posted via a web-based information system.	Develop a web-based information system.	100% of procurement opportunities available to BC businesses.	100% of procurement opportunities available to BC businesses.	100% of procurement opportunities available to BC businesses.
Business participation in Olympic business opportunities.	5,000 businesses registered for updates on 2010 opportunities.	Cumulative total of 10,000 businesses registered for updates on 2010 opportunities.	Cumulative total of 15,000 businesses registered for updates on 2010 opportunities.	Cumulative total of 20,000 businesses registered for updates on 2010 opportunities.

Related Initiatives and Planning Processes

Deregulation and Regulatory Reform

The Deregulation and Regulatory Reform Initiative is a key component of government's strategy to increase British Columbia's economic and business competitiveness. Deregulation will minimize unnecessary involvement in the lives of British Columbians and reduce the cost of doing business in British Columbia. Through a focused and responsible approach to deregulation and regulatory reform, the province is moving toward a modern regulatory system that encourages prosperity, innovation and opportunity, at the same time, preserving those regulations that are demonstrably effective in protecting public health, safety and the environment.

Objective	Performance Measures	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Zero % increase to regulatory burden.	Regulatory count.	240,000 regulatory requirements in government-wide baseline count.	Zero % net increase over three years.	Zero % net increase over three years.	Zero % net increase over three years.

Overviews of Human Resource Plan and Information Resource Management Plan

Overviews of Human Resource Plan

The Ministry's Human Resource Plan overview is available at:

<http://www.sbed.gov.bc.ca/serviceplan/hrmp.html>.

Information Resource Management Plan

The Ministry's Information Resource Management Plan overview is available at:

<http://www.sbed.gov.bc.ca/serviceplan/irmp.html>.