

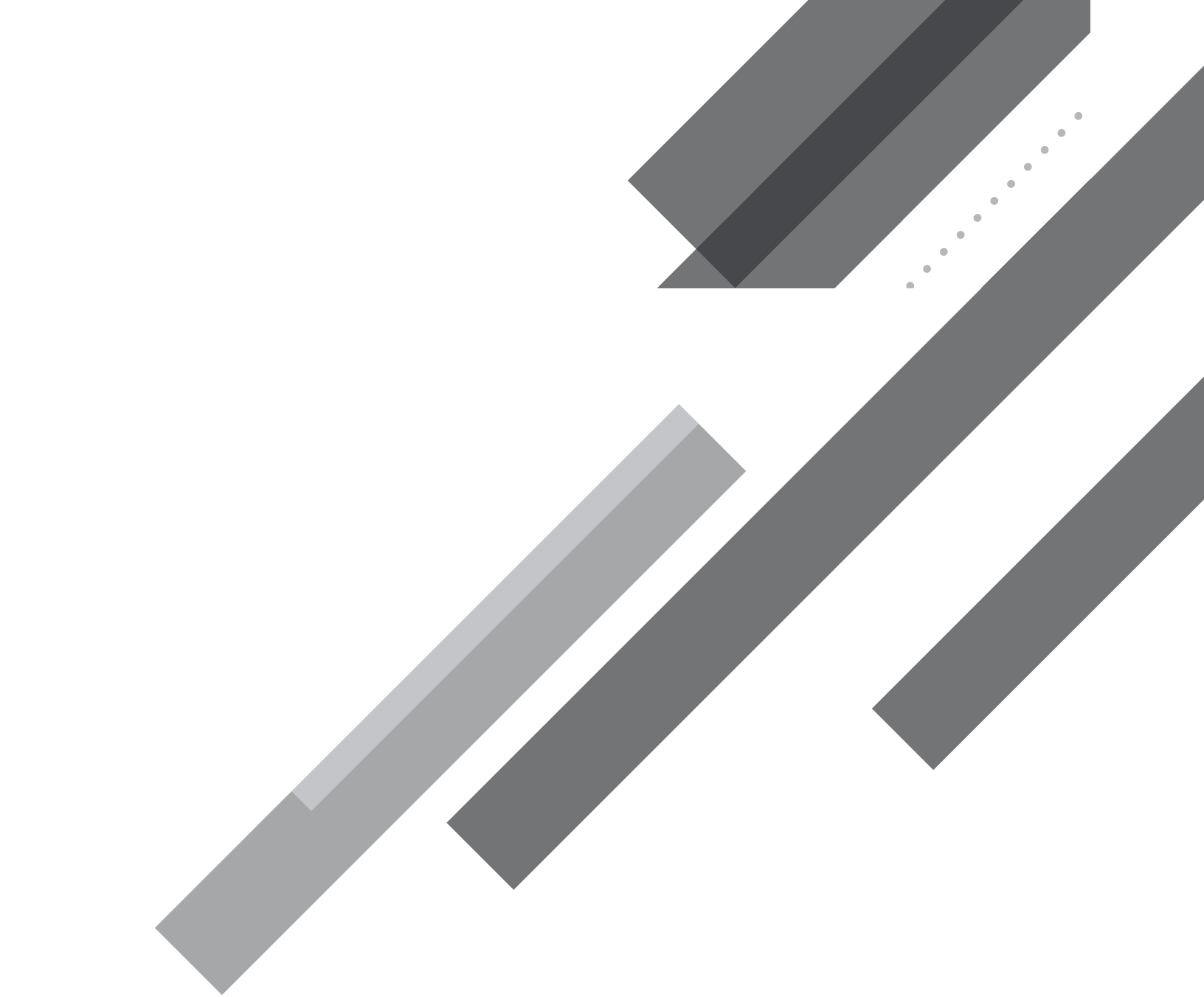


Budget

2020–21

Crown Corporation Business Plans





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Budget 2020–21: Crown Corporation Business Plans
Finance and Treasury Board
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Halifax Harbour Bridges

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Tourism Nova Scotia

Note: Housing Nova Scotia is now part of Municipal Affairs and Housing



2020-2021

Business Plan



Art Gallery *of* Nova Scotia

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Message from the AGNS Board Chair

On behalf of the Board of Governors, I am pleased to present the Art Gallery of Nova Scotia's Business Plan for 2020/21.

The past year has been pivotal for the Art Gallery of Nova Scotia. The announcement of federal and provincial funding in April 2019 was the catalyst to begin concrete planning for a new type of art gallery on Halifax's waterfront. The team has been working with our partners, within and outside of government, to realize this goal.

In the next year, we will see the concept for a new kind of Gallery emerge through the finalization of curatorial and program plans and a design for the new Art Gallery of Nova Scotia. By engaging with Nova Scotians, we believe we can articulate a new kind of art gallery that puts art and artists at the center and strengthens our connection to community.



Erik Sande
Chair, Board of Governors

ART GALLERY OF NOVA SCOTIA

Mandate

The Art Gallery of Nova Scotia is a Crown agency of the government of Nova Scotia, which is mandated, through the Art Gallery of Nova Scotia Act, to acquire, preserve and interpret the province's collection of 18,000 works of art.

Through exhibitions and programming, the Gallery promotes arts education and life-long learning to improve the social well-being of communities, enhance cultural experiences for tourists and residents alike, and foster artistic excellence in the province.

A New Art Gallery of Nova Scotia

During the spring and summer of 2018, the Art Gallery of Nova Scotia undertook a public consultation and engagement process to rethink its role now and in the future. The result was the articulation of a new vision, mission and belief pillars that paint a picture of a new type of Gallery that will evolve as we move towards building a new home on Halifax's waterfront. The vision, mission and beliefs articulated below are the cornerstone of the business plan that follows.

Vision

The Art Gallery of Nova Scotia is an inclusive gathering place that connects people with art to inspire new ways of thinking.

Mission

The Art Gallery of Nova Scotia seeks to present the most vital and engaging contemporary art from around the world. We will embrace tradition and the past by applying a contemporary viewpoint that addresses relevant issues and challenges perspectives.

Beliefs

Be welcoming

We illuminate. We use our space and our collection to tell stories that reflect community, create understanding, and generate meaningful debate. Our approach is inclusive. All are welcome to view, experience, and create in our space.

Be contemporary

We seek to present the most vital and engaging contemporary art from around the world while addressing relevant issues and challenging perspectives. We will embrace tradition and the past by reframing it and applying a contemporary perspective to its presentation.

Be challenging

We always challenge perceptions, complacency, and expectations. We work in provocative and unexpected ways using art to expand the way our visitors see the world. The Art Gallery of Nova Scotia is not a passive experience.

Be ambitious

We boldly pursue acquisitions, funding, relevant artists, new areas of expertise, and new ways to engage with the public. We adapt and change to remain relevant, challenging, and innovative.

BUSINESS STRATEGY

Building on the 2019/20 AGNS Business Plan, the Gallery will continue to focus our work on strengthening our organizational capacity to ensure we can operate in our current location while achieving our goals for a new Gallery on the waterfront. Striking a balance between today's work and tomorrow's goals remains an ongoing challenge. The scope of the capital project requires careful consideration of priorities and workloads to ensure we do not over-extend ourselves. Additional human and financial resources are required to increase our capacity to deliver on the goals and objectives outlined in this plan.

Key to our success will be managing expectations and setting the Board, staff and volunteers up for success. Our ability to manage change, effectively organize human resources, appropriately train staff and create better systems and processes will all assist us in achieving our goals. Long-term success includes developing a governance structure that is efficient and effective and supports the needs and realities of the Gallery.

AGNS also needs to focus on stabilizing our fundraising by building a Development team to deliver on our operational targets while developing and implementing a capital campaign. The \$30 million goal for the building and an additional \$15 to \$20 million for an endowment or innovation fund is ambitious and will require support from all levels of the organization. We are confident in the value of the project and believe we are poised for success.

The Gallery needs to continue to refine its brand and deliver a strong program to the community. This can be accomplished by engaging new and more diverse audiences through thoughtful exhibitions and programs. Putting the visitor at the center of our planning is critical to our success and must be a consideration in all that we do. Only then will we live up to our vision, mission and core values.

Business Plan Goals and Objectives

The five goals for the Art Gallery of Nova Scotia in 2019/2020 are:

1. *Build capacity to deliver on the Gallery's new vision, mission and priorities.*
2. *Change the organization's governance to emphasize greater independence and efficiency.*
3. *Build a new Art Gallery of Nova Scotia.*
4. *Deliver a program that focuses on contemporary art that addresses relevant issues.*
5. *Engage with community to inform our offerings and create meaningful experiences.*

Goal 1: Build capacity to deliver on the Gallery's new vision, mission and priorities.

The Gallery is about to undergo significant change, not only as we deliver on our new vision, mission and belief pillars but because of work to build a new home on the waterfront in Halifax. To ensure we can accomplish these tasks, we need to create the conditions that enable the AGNS team to achieve its goals. These include improving our systems, preparing and supporting staff, and stabilizing operational fundraising to deliver on its targets.

<i>Objective 1: Improve business processes.</i>		
Outcomes	KPI	Lead
Key business processes ensure the ability to execute on workplans.	Roles and responsibilities are clarified. Resources are assigned to executive work plans by Q3. Technology reduces manual processes and minimizes duplication and errors.	Finance and Operations
Records management system is established.	Records management consultant engaged by Q2. Centralized filing policy and procedures developed and implemented by Q4.	
All project reporting and compliance deadlines are met or exceeded.	Project management/project tracking system is established by Q4.	

	Create standardized reports to that all users have consistent data by Q4.	
<i>Objective 2: Staff and volunteers have the capacity to deliver and deal with change.</i>		
Outcomes	KPI	Lead
Leaders are equipped to lead during times of significant change.	Change and training plan developed by Q2.	Finance and Operations
Staff are resilient in a time of change.	All AGNS staff and volunteers attend training by Q3.	
Teams and individuals are working effectively.	Staff have employee planning and development plan in place by Q2	
	Staff complete at least one of the identified training or development activities by Q4	
GNS has a staff complement to meet its goals and objectives.	Vacancies are filled by Q3 (funding dependent).	
A volunteer strategy ensures effective recruitment, training, and retention of volunteers.	Complete a volunteer strategy by Q3.	
<i>Objective 3: Stabilize operational funding by meeting fundraising targets.</i>		
Outcomes	KPI	Lead
Fundraising targets are met.	Targets are met: Membership \$75,000 Sponsorship \$300,000 Donations \$200,000 Leadership Gifts \$100,000 Grants/Foundations \$140,000 Other \$2,000 Total = \$817,000	Development

Goal 2: Change the organization’s governance to emphasize greater independence and efficiency.

Governance is critical to the success of the Art Gallery of Nova Scotia. From the legislation, bylaws and policies that govern us, to our relationship with government and our members – we need to ensure that we have the structures in place to support our decisions and enable management and staff to realize our ambitious goals. We need strong leadership, appropriate governance structures and a clearly defined relationship with the government to make ourselves nimble enough to respond to the environment around us while ensuring our efficiency as an organization.

<i>Objective 1: Redefine the Art Gallery of Nova Scotia's relationship to the government.</i>		
Outcomes	KPI	Lead
A governance model is in place that allows AGNS to deliver on its mandate to the province while ensuring the gallery can efficiently and be operationally sustainable.	Legislative changes are agreed upon by Q3. A process for moving forward with change is established by Q3.	Governance Committee and Board
<i>Objective 2: Create a more effective and efficient board.</i>		
Outcomes	KPI	Lead
Bylaws are updated and effectively govern the organization. A decision is made regarding the establishment of a charitable Foundation is created to support the AGNS. The board's makeup is inclusive and diverse. The Board is oriented and trained to effectively govern the organization.	Bylaws changes approved by membership in Q1. Governor in Council approval by Q2. Decision is made by Q3. A board succession plan that aligns with the Provincial Inclusion and Diversity Strategy is in place by Q3. New board vacancies are filled with candidates who meet the AGNS board succession plan. AGNS is able to meet quorum for all meetings.	Governance Committee and Board

	All Board members participate in Inclusion and Diversity training by Q4.	
	Onboarding manual for Board is updated and rolled out by Q2.	

Goal 3: Build a new Art Gallery of Nova Scotia.

The Art Gallery of Nova Scotia is re-imagining the Gallery in a new home on Halifax’s waterfront. Through a collaborative, community facing approach, the Gallery’s ambition is to create a dynamic public place that brings people together to experience art in new ways. A focused design process that incorporates a unique curatorial and programming approach will ensure our ability to make a vital contribution to the visual arts in Nova Scotia and beyond. We will build on that strategy and consider how we can serve Nova Scotians outside of the Gallery in Halifax. And our collection needs to grow to support our work and then be cared for in an appropriate manner in a new storage facility. Lastly, we need to implement a capital campaign to support the project.

<i>Objective 1 – Implement a multi-year plan to design and build a new Art Gallery of Nova Scotia as part of a larger arts district on the Halifax waterfront.</i>		
Outcomes	KPI	Lead
An architectural/design team is in place to deliver the project.	Team is in place by July 2020.	CEO with Board and partners.
A comprehensive community engagement strategy is designed and implemented.	An exhibit of final conceptual designs enables public input by June 2020.	
Marketing plan for building project is finalized and implemented.	A final engagement strategy is developed with the architectural/design team by Q3. Plan is completed by Q1.	
An accessibility plan informs the design of the new gallery.	Funding is secured for all marketing and communications relating to building project by Q1. An accessibility plan is completed by Q3.	
<i>Objective 2: Refine the curatorial, programs and collections plan in consultation with the architectural/design team and our partners in government.</i>		

Outcomes	KPI	Lead
A curatorial and program plan guides the design of the new gallery.	Plans are completed by April 2020.	Curatorial
An acquisitions strategy informs collecting.	Completed in Q1.	
New collections are identified and plans to secure are completed.	At least one collection is secured by Q2.	
<i>Objective 3: Work with Province to create a collections storage plan for offsite storage.</i>		
Outcomes	KPI	Lead
Technical requirements for a shared storage site are determined and costed.	Completed in Q3.	Curatorial
A site/facility are identified.	Complete by Q4	
Funding is secured for a shared storage facility.	Secured by Q4	
<i>Objective 4: Implement a successful capital campaign that raises \$30million.</i>		
Outcomes	KPI	Lead
Capital campaign plan and timetable is finalized.	Plan is finalized by Q1.	Development
50 to 70% of the \$30 million is raised.	Case for support is completed by Q1 50% to 70% raised by Capital Campaign public launch. Campaign structure and leadership complete by Q1.	

Goal 4 – Deliver a program that focuses on contemporary art that addresses relevant issues.

Although the Gallery continues to be committed to excellence in our annual exhibition and program plans despite our focus on the future. We will continue to deliver a great slate of exhibitions and programs that engage and diversify our audiences. We also want to continue to push to realize our new vision and mission by exploring challenging issues and reflecting conversations in community.

<i>Objective 1: Present a temporary exhibition program that challenges perspectives and addresses relevant issues.</i>		
Outcome	KPI	Lead
<p>The annual exhibition plan is delivered with a focus on contemporary art.</p> <p>New audiences are engaged.</p>	<p>Present the following exhibitions that are reflective of our desire to welcome diverse communities.</p> <p><i>Alicia Henry: Witnessing</i> April to September 2020.</p> <p><i>Ned Pratt: One Wave</i> February to May 2021.</p> <p><i>Jacque Hurtubise: Works on Paper</i> May to November 2020.</p> <p><i>Matawe'k/Confluence</i> (permanent Indigenous collection) Q2</p> <p><i>Good Earth: The Pots and Passion of Walter Ostrom</i> Q2</p> <p>Maintain existing visitation levels.</p>	<p>Curatorial and Programs</p>
<i>Objective 2: Explore and, as appropriate, implement national and international travelling exhibitions.</i>		
Outcome	KPI	Lead
<p>Complete Maud/Terroir tour in China.</p> <p>AGNS partners with the McMichael Gallery to travel Maud Lewis exhibition nationally.</p>	<p>Complete the tour and bring the exhibition back to Canada by Q4.</p> <p>Evaluate the success of the program by Q4.</p> <p>Establish a partnership by Q1.</p>	<p>Curatorial</p>

	Working with our partners, identify and secure key venues across Canada and beyond.	
<i>Objective 3: Deliver school and community programming to diversify audiences.</i>		
Outcomes	KPI	Lead
Improve the delivery of school programs through digital portal.	Lessons plans are completed in Q1.	Programs
Community programs continue to engage underserved and unique audiences.	Continue to deliver existing programs and maintain participation.	

Goal 5: Engage with community to inform our offerings and create meaningful experiences.

To deliver on the mission and vision of the Gallery, now and in the future, there is a need to further engage existing and new audiences across the province. As we develop plans for a new Arts District on the Halifax Waterfront it is pivotal that we understand who our audience is and how they want to be served by a Provincial Gallery. This shift in thinking will move the gallery away from pushing content and programs to the public and will allow us to produce offerings that are informed by our audience. With this, the gallery will strengthen its brand and in market capabilities through strong product development and strategic marketing initiatives.

<i>Objective 1: Communities are more engaged with the Gallery.</i>		
Outcomes	KPI	Lead
A visitor centered engagement strategy is completed.	Strategy is completed by Q2.	Marketing and Visitor Experience
Interpretation guidelines allow for a consistent visitor experience.	Interpretation guidelines are in place by Q2.	
	Ongoing interpretation training is developed and implemented by Q3. One new tour is developed by Q4.	
Increase social media engagement.	Social media engagement levels increased by 20% and our followers by 40%.	

Public programming better meets visitor and community needs.	<p>A new approach and public program plan are articulated by Q2.</p> <p>A new partnership is formed to diversify public programs.</p>	
<i>Objective 2: Enhance and focus marketing initiatives for the Gallery.</i>		
Outcomes	KPI	Lead
<p>The Gallery has a strong brand presence in the market.</p> <p>Pricing structures reflect our brand values.</p>	<p>A strong annual brand campaign is developed and launched in Q1.</p> <p>Visitation is maintained.</p> <p>Website visitation grows by 5%.</p> <p>Costing review done by Q1,</p> <p>Pricing structure and strategy completed by Q4.</p>	Marketing and Visitor Experience
<i>Objective 3: Retail product offering is aligned with the gallery brand,</i>		
Outcomes	KPI	Lead
<p>The AGNS Shop aligns with the vision, missions and values of the organization.</p> <p>The ecommerce experience is enhanced</p>	<p>A retail plan that aligns with the vision, mission and values is completed by Q1.</p> <p>A market review is completed to seek a diverse range of suppliers by Q2.</p> <p>Shop profitability improves by 5%.</p> <p>The shop website is redesigned by Q1.</p> <p>More products are made available through ecommerce by Q4.</p>	Marketing and Visitor Experience



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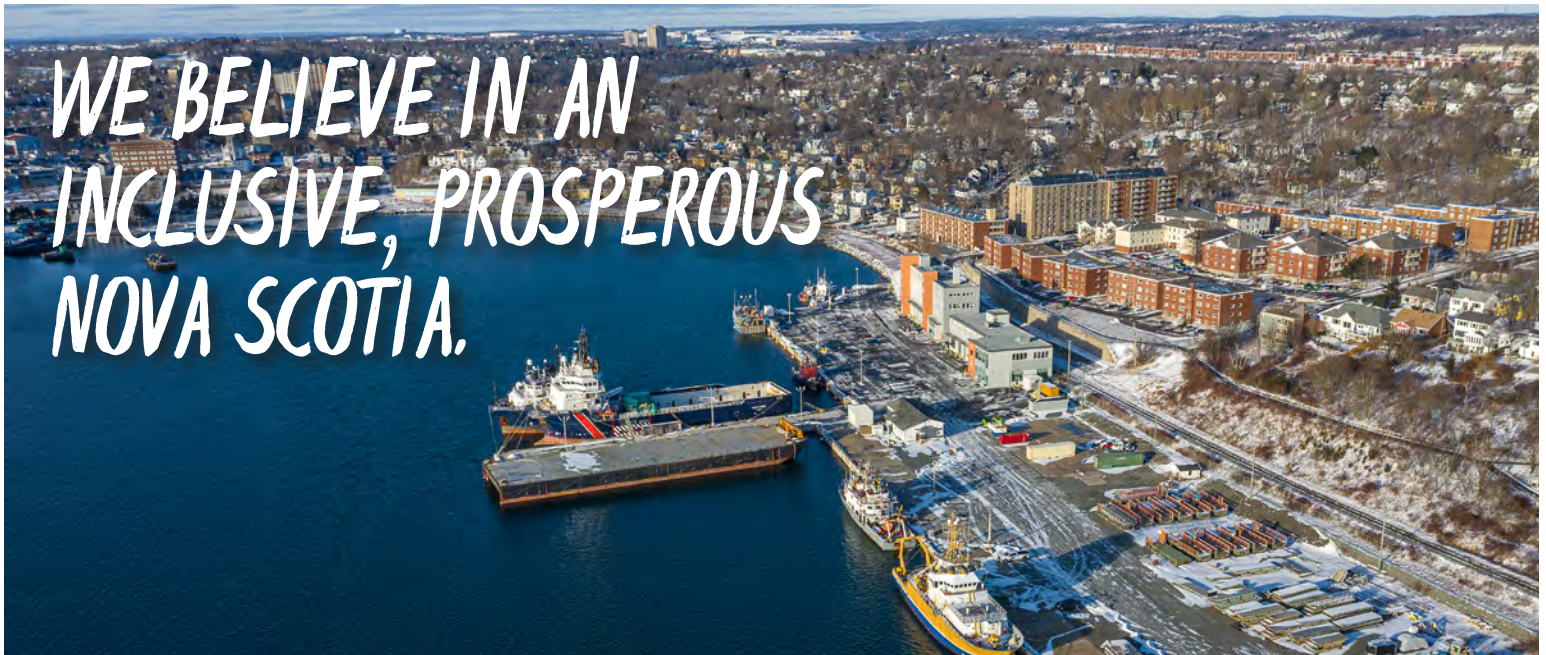
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CEO/BOARD CHAIR MESSAGE

Our focus is pretty simple.

We build places with people. Places people love. Places where people feel they belong. We harness the participation of community, engaging all people, including our most marginalized people, to build places that are authentic and sustainable and that build on our seacoast advantage. These are places where differences are celebrated and investment is diversified. We invest in select strategic properties, infrastructure and platforms that support sector growth above individual enrichment, and value happiness alongside profit. We will consider a long view, prioritizing projects that are sustainable economically, socially and environmentally above short term financial ROI, recognizing that sustainable economic development contributes to individual prosperity. We support a rising tide that aims to float **all** boats.

At Develop Nova Scotia, we believe in this vision for an inclusive, prosperous Nova Scotia. By working with community and partners to build places that are authentic and inclusive, we not only build on the magnetism of Nova Scotia to attract people to live, to work and to visit; we also build community participation and resilience. This place-based strategy aligns with the province of Nova Scotia's inclusive economic growth objectives and builds on our natural advantages in a sustainable way. To make meaningful progress toward achieving our shared goals, we believe we have everything we need right here.

SAFE AND CONNECTED COMMUNITIES

Over the past year we have been leading the provincial mandate to expand access to high-speed Internet throughout rural Nova Scotia. In 2020-21, we will build on the early success achieved in 2019-20 and connect close to 50% of the target unserved and underserved areas. Our goal is to connect more than 95% of Nova Scotia homes and businesses over the next 3-5 years.

POPULATION & STRATEGIC SECTOR GROWTH

The One NS report was an urgent call to action, and we are seeing positive momentum on key economic indicators, particularly in the areas of population growth and strategic sector growth in ocean-related sectors. But the challenges facing Nova Scotia remain daunting, and many are linked to the fact that we don't have enough people. We have also struggled to make meaningful progress to enhance economic participation among First Nations and African Nova Scotian communities which is linked to entrenched and systemic racism. As we work to build the conditions for innovation, in our case through physical infrastructure and platforms for business like Centre for Ocean Ventures & Entrepreneurship (COVE) and the Halifax waterfront, we recognize that **innovation and inequality go hand in hand**¹. We must be deliberate about designing places with everyone, including marginalized communities, so that the places we build are places where everyone feels they belong and can participate. Economic prosperity, in the absence of social inclusion and environmental stewardship, isn't enough.

1. Income Segregation and Rise of the Knowledge Economy, Enrico Berkes Ruben Gaetani, 11th October 2017

We believe that solutions lie in harnessing our collective skills and resources across organizations and communities with the goal to achieve collective impact. We believe that real change happens at the scale of community when individual responsibility, tied to ownership and pride, comes together in common purpose. Nova Scotians are creative, resourceful, resilient people. Harnessing and channeling this strength is an opportunity to change not only our trajectory and outcomes, but to build inclusive, healthy, resilient communities in the process.

COVE is now fully operational and home to over 60 tenants in the ocean technology space. COVE's brand is recognized internationally and the momentum of the ocean technology ecosystem continues to grow. In October of 2019, COVE was awarded the Marine Technology Society Compass International Award for the advancement of marine science and technology.² This award is given annually to an organization outside the United States who has made an outstanding contribution to technology and marine sciences.

2020 will see the opening of Queen's Marque on the Halifax waterfront. This has been a project over a decade in the making and represents Develop Nova Scotia harnessing over \$200 million in private sector investment and the development of over 75,000 square feet of new public space on the Halifax waterfront. The new Arts District and Cunard development projects also begin this year on the Halifax waterfront, with meaningful public engagement shaping the plans.

TOURISM ICONS

Nova Scotia and its breathtaking coastal landscape is among the most beautiful places in the world. And we aren't the only ones who think so³. We enjoy a rural and urban proximity that offers balance and adventure. We live at the water's edge, with every Nova Scotian no further than 67km from the shore—our story is here.

Through our work over the past 20 years, the Halifax waterfront has become the most visited tourism icon in the province. Our work in Lunenburg, a UNESCO World Heritage site, has helped maintain the authenticity and industry of a working waterfront that is a source of pride for Lunenburgers and a draw for visitors. Today, we are working throughout the Province to revitalize other iconic tourism destinations with our partners at Tourism Nova Scotia. This year our work and investment will be focused in Peggys Cove, Lunenburg and Georges Island.

PLACEMAKING

A place-based economic development strategy that builds on our natural advantages makes sense for Nova Scotia, and Develop Nova Scotia is the crown corporation that leads it. Our work is placemaking: we work with people to build inclusive, authentic places that people love. The impact of the work is as much about the act of building places with community as it is about the things we build. Authentic, inclusive places are magnetic to people: to visit, to live, to start and grow a business. Jobs follow talent and talent choose the place they want to live before they look for a job⁴.

We meet communities where they are, we listen, and we follow their lead. We focus on building sustainable infrastructure and places in partnership with community, and supplement their projects with tools and resources to help them realize their common vision.

Place isn't the only answer, but it's a big contributor to a compelling value proposition for Nova Scotia that can successfully attract people and investment, and an important touchstone for community participation. We will continue to work with all Nova Scotians to build a Nova Scotia that is irresistible to people and investment.

Dale Godsoe
Chair of the Board

Jennifer Angel
President & CEO

2. <https://www.mtsociety.org/wp-content/uploads/2019/12/Award-Winners-Article-Spread.pdf>

3. <https://travelling.com/2020-travel-destination-reader-awards/>

4. "Almost 64% of college-educated 25- to 34-year-olds said they looked for a job only after they'd chosen the city where they wanted to live." Back to the City, Harvard Business Review. Ania G. Wieckowski, May 2010.

NOVA SCOTIA IS
AMONG THE WORLD'S
GREATEST PLACES.



STRATEGIC CONTEXT

mandate

To lead sustainable development of high potential property and infrastructure to drive inclusive economic growth in Nova Scotia.

mission

Working together, we can build on our natural assets to make Nova Scotia an authentic, sustainable place that is irresistible to people and investment.

vision

Nova Scotia is among the world's great places;
a place where everyone can belong.



DEVELOP NOVA SCOTIA'S ROLE AND FOCUS FOR 2020-21

By investing in infrastructure, properties and programs that build on the compelling natural advantages of our province, Develop Nova Scotia is working with our partners and communities to build places in Nova Scotia that contribute to making it an incredible place to be: to live, work, visit, and invest. As a provincial crown corporation, we work closely with communities and partners to develop strategic economic infrastructure; we convene, partner, plan, design, develop, construct, manage, program and maintain, to support inclusive economic growth in Nova Scotia.

At the centre of our work is the belief that quality of place is a critical differentiator to attract people, and Nova Scotia's raw natural beauty, urban/rural proximity and relative affordability are a compelling value proposition. Our focus is on the sustainable development of places in Nova Scotia so that they contribute to growing our economy and securing an environmentally sustainable and socially inclusive future.

Government Priority – Safe and Connected Communities **Develop Nova Scotia Priority – Connected Communities**

Great places that attract people and investment are connected and accessible. Through our strategic focus on Connected Communities, Develop Nova Scotia is leading the project to provide access to high-speed Internet across Nova

Scotia. This is critical economic infrastructure and one of the most important initiatives of the provincial government. Through the **Internet for Nova Scotia Initiative (INSI)**, we are working with Internet Service Providers and communities to develop Internet infrastructure to improve access to high-speed Internet in rural communities across the province. This project is funded provincially through the Nova Scotia Internet Funding Trust (NSIFT), a fund established by the Province in 2018 in a commitment to deliver quality Internet to rural Nova Scotia. The investment in this strategic economic infrastructure enables access to important government services for Nova Scotia residents, including health care and education, encourages entrepreneurship, and creates the conditions for local businesses to be globally competitive. It contributes further to the attractiveness of rural Nova Scotia as a place to live and enables communities across the province to innovate, grow and thrive.

At the end of the 2019-20 fiscal year, Develop Nova Scotia announced first round INSI projects underway across Nova Scotia that will connect 48% of unserved and underserved Nova Scotians with high-quality, high-speed connections as early as Summer 2020. This first round of projects directs \$45m of the NSIFT investment and leverages \$56m of private sector and other government funding. Building on this momentum, Develop Nova Scotia launched the second round of the competitive process, inviting project solutions in February 2020 to continue toward our goal of connecting more than 95% of Nova Scotians with access to reliable,

high-speed Internet. As these important projects advance, Develop Nova Scotia will play an ongoing role in monitoring service delivery, ensuring that services provided are reliable for our communities, businesses and visitors.

In 2020-21, we will also define key measures to track the impact that access to reliable broadband has in rural communities. Throughout the process, Develop Nova Scotia staff will continue to work with federal government departments to leverage investment and ensure efficiency and maximum benefit through program alignment across levels of government.

Government Priorities – Population Growth / Employment Attachment / Economic Participation
Develop Nova Scotia Priorities – Community Placemaking, Halifax Waterfront

*“We cannot sustain economic growth over time unless renewed population growth provides more workers, more entrepreneurs and more consumers”.*⁵ –One Nova Scotia Coalition

Nova Scotia boasts an incredible quality of life. Quality of place is a key factor in the decision to live in one location

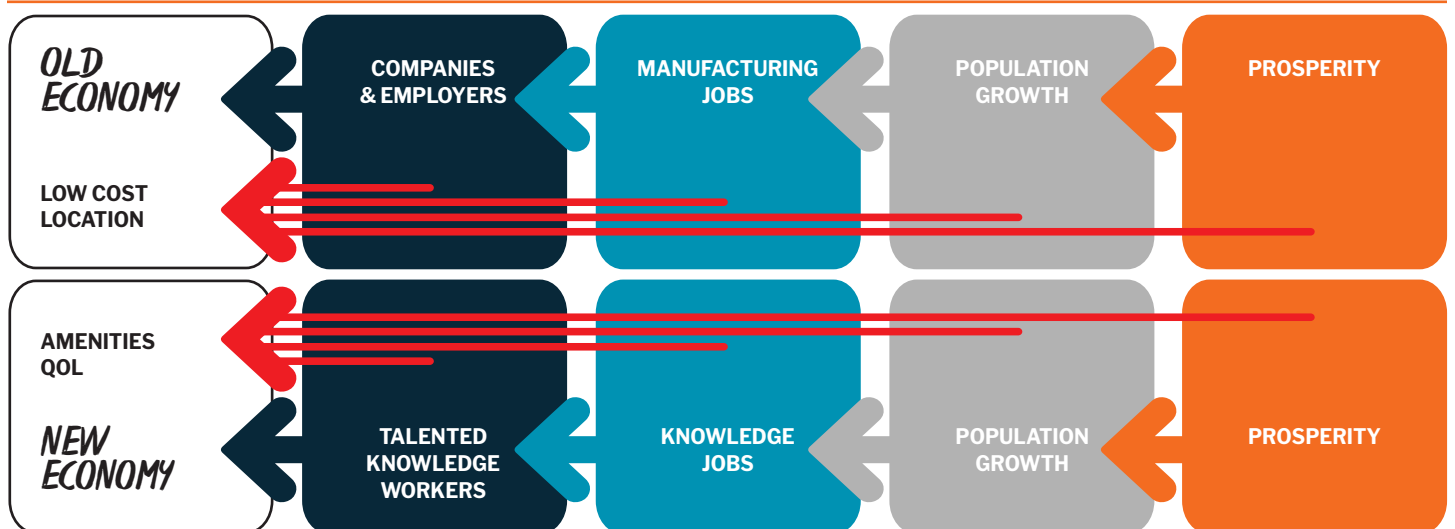
over another. While this is an important differentiator for Nova Scotia, we have also struggled to grow our population and many people remain marginalized and disconnected from our economy. To attract talent, and to ensure all people in Nova Scotia can participate, we must be deliberate in building places for everyone⁶.

“Cities have the capability of providing something for everybody, only because, and only when, they are created by everybody.”⁷

Jobs and companies chase talent and talent choose place.⁴ Placemaking has become a critical piece of a sustainable economic development strategy in progressive cities and towns around the world. A focus on developing places with and for people builds on our natural quality of place.

“In the New Economy, knowledge-sector jobs are faster-growing and more lucrative than professions with more routine functions. Consequently, communities are changing the way they approach economic development. Instead of differentiating themselves primarily by transportation access, low costs, proximity to natural resources, or other traditional competitive advantages, many communities today are attracting multi-generational talent by becoming desirable places to live.”⁸

Achieving Prosperity: Old versus New Economy



Place Matters: The Role of Placemaking in Economic Development, International Economic Development Council, June 2017. Adelaja, A., Y.G. Hailu, and M. Abdulla. 2009. Chasing the Past or Investing in our Future. Land Policy Institute, Michigan State University, East Lansing, MI.

5. <https://onens.ca/img/now-or-never.pdf>
 6. The Death and Life of Great American Cities. Jane Jacobs, 2002
 7. The Death and Life of Great American Cities. Jane Jacobs, 2002
 8. http://www.bigskyeconomicdevelopment.org/wp-content/uploads/EDRP_Placemaking.pdf



In 2020-21, through our expertise in and focus on **Community Placemaking**, and leveraging the expertise of the Develop Nova Scotia team, we will begin to build capacity for placemaking and enable community led infrastructure enhancements across Nova Scotia. We will support community-led public realm and public asset improvements and examine investments in public spaces and platforms that contribute to quality of life initiatives. This includes our work with the **Town of Inverness Growth Plan**, a roadmap for planning and economic development to leverage the significant tourism interest in the town, supported by private sector investment, to ensure the community can be enabled and benefit from it. We will support grassroots and tactical placemaking initiatives like the **Fibre Alley** project in Amherst—a community-led project that will build an interesting, authentic, local place where community can gather. Our intention is to develop a **Community Placemaking Toolkit** this year through which more communities can receive resources to bring their projects to life. When community is built with community, the compelling outcomes of greater economic participation, community connectedness and pride all contribute to a more prosperous, healthy, resilient community.

In 2019-20, Develop Nova Scotia worked with HFX Collective and Common Good Solutions to create an **Inclusive Engagement Toolkit** to help us engage with more Nova Scotians, and in particular, youth and marginalized communities. We will begin testing this toolkit in 2020-21 as part of every public engagement we undertake. We believe that this approach – planning with community – can directly lead to positive economic participation, employment attachment and population growth outcomes.

In the coming year, we will advance key projects that will begin to evidence our commitment to inclusive public spaces. In partnership with the Mi'kmaq Native Friendship Centre we are working on an **Indigenous Waterfront** project that will evidence Mi'kmaq culture along the Halifax waterfront. We will advance our **Accessibility Plan**, having worked closely with the Accessibility Directorate over the past year in advance of becoming a prescribed body. Last year we developed strong partnerships with the Black Business Initiative and the Black Cultural Centre to promote inclusive programming, and are exploring opportunities for further project partnerships. We continue to nurture these important relationships to ensure all Nova Scotians see themselves reflected in our shared public realm.



On the Halifax waterfront this year, the advancement of key development projects continue to contribute to the attractiveness of the urban centre as a place to live, work, and play where everyone is welcome to participate.

Queen's Marquee, which will begin opening to the public in 2020-21, is the transformation of a precinct historically used as a surface parking lot with spots for 215 cars and ~40,000 sf of public space to a mixed-use development providing places to live, stay, work and play. Active ground floor retail and restaurant experiences provide supporting animation to the surrounding public realm. Close to 100,000 sf of new public space, three new wharves, and a one-of-a-kind public art program all contribute to this landmark development. The project is built around the boardwalk that runs through it, and maintains public access to the water's edge. It is a \$200m private sector investment in the Halifax waterfront.

The Arts District project begins this year, with a vision to increase opportunities for all to access and experience art, celebrate our diverse and unique stories through the arts, and enhance the overall waterfront experience.

Working together with the Art Gallery of Nova Scotia and the people of Nova Scotia, this new arts district will be shaped by community. This approach will ensure it is a welcoming and inclusive public gathering place on the Halifax waterfront that showcases the best in contemporary art and public programs, while remaining a space to showcase some of our region's most anticipated events.

A 2014 research study conducted by Americans for the Arts entitled "5 key ways the arts drive economic and community development" found that cultural organizations were a key catalyst in local economies, attracting investment

In partnership with the McConnell Foundation, HRM, the Mi'kmaq Native Friendship Centre, and other community partners, we are building an 18-month pilot initiative to assess the viability of **Participatory City Halifax**. Participatory City is a model of civic participation, originating in a borough of London, England. The model focuses on the creation of neighbourhoods built by everyone for everyone, and does so by enabling residents to solve practical community challenges through common tools and spaces, program and funding support. Our formal role in this project will evolve over the course of the pilot, but could include using Develop Nova Scotia properties and infrastructure in its initial phase. Participatory City UK is now in its 3rd year and demonstrating significant positive impacts to community. The Year 2 report shows increases in social connection, learning, physical activity; increased levels of happiness and confidence; more opportunities to engage with people of different backgrounds; and a greater focus on the environment⁹.

We remain committed to expanding the conversation and raising our collective expectations of what Halifax and Nova Scotia can be. We will continue to participate in leading the **Art of City Building Conference** in 2020-21, bringing thought leaders together from around the world to engage with us in a free two-day public event.

The **Halifax Waterfront** remains an important place of pride for our community. It's a tourism icon, our most visited destination in Nova Scotia, and the centre of our emerging Innovation District. Our vision is that it is, first and foremost, a place for residents—the backyard of a growing urban population, a platform for local business, and a playground filled with art, culture, history, recreation and learning for all people.

Develop Nova Scotia has led its transformation from a collection of brownfield sites to a thriving place welcoming approximately 3m visitors a year. Fundamental to the waterfront experience is the public boardwalk which connects residents and visitors to the water's edge. The most valuable space belongs to everyone. Visitor satisfaction surveys taken throughout the summer of 2019 reported that over 90% of visitors were very satisfied with their waterfront experience. Fred Kent, the Founder of the Project for Public Spaces, said at Halifax's Art of City Building Conference in September of 2019: "You have the best waterfront in North America and I know them all."

9. Y2 Tools to Act: Building a Participatory City in Barking and Dagenham through the Every One Every Day Initiative



and growing the tourism sector, fostering community engagement, building skills and increasing opportunities for youth education, helping define community identity and increase community connection.¹⁰ The design of the Arts District in Halifax aims to have similar economic impacts that can be felt all across the province.

On the south boardwalk, the **Cunard** development will begin this year, a \$100m mixed use development providing additional places to live and places for business. The new 64,000 sf of public realm created will focus on play, and public consultation will begin this spring to shape the vision for this exciting new space.

These projects create places to live in the urban centre, they host local businesses, they anchor public spaces, and they support high-quality events that have contributed to making the Halifax waterfront a place people love. This year we will advance plans for a Christmas Market with legacy infrastructure to host vendors year round. We will also invite new small business in Salt Yard, including a new site with a mandate to showcase local food, wine and spirits. The opening of Georges Island to the public this summer, made possible by funding from provincial and federal partners, also provides an opportunity for new marine-based



10. <https://blog.americansforthearts.org/2019/05/15/5-key-ways-the-arts-drive-economic-community-development>



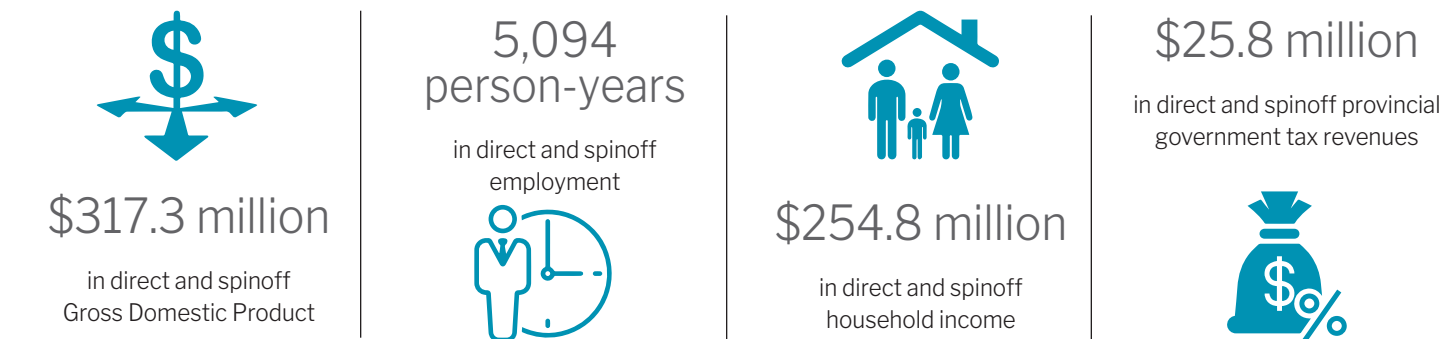
transportation and tour business to come online this year. And we continue to seek out ways to delight and inspire visitors across the waterfront with amenities, art, and events for everyone. In 2019-20, Develop Nova Scotia recorded a 3% increase to visitation to the Halifax waterfront and established a baseline visitor satisfaction survey which will record progress year over year.

In a 2018 Economic Impact Study examining the impact of Develop Nova Scotia's (formerly Waterfront Development) approach to waterfront development, the study concluded that the total 8-year spending impacts (2010-18) from our work, excluding visitor spending, are:

- \$317.3m in direct and spinoff GDP;
- 5,094 person years in direct and spinoff employment;
- \$238m in direct and spinoff household income; and
- \$25.8m in direct and spinoff provincial tax revenues.¹¹

In terms of Develop Nova Scotia-related visitor spending, it is estimated that non-resident visitors to the Halifax waterfront spent between \$390 million and \$1.6 billion in relation to their visit to the Halifax waterfront over the same time period above (2010-18). The wide variation relates to how much of their total spending is assumed to be 'caused' by the waterfront versus other travel motivators.¹²

Economic Impact Summary, 2010-18



11. Economic Impact of Develop Nova Scotia's Approach to Waterfront Development – 2018 Final Report
 12. Economic Impact of Develop Nova Scotia's Approach to Waterfront Development – 2018 Final Report



Government Priority – Strategic Sector Growth

Develop Nova Scotia Priorities – Tourism Differentiators, Innovation Ecosystems, Working Waterfronts

Develop Nova Scotia works closely with Tourism NS to ensure our most visited tourism destinations are built with locals, who routinely host visitors from all across the world. We have always played a significant role in the tourism sector through our work building destinations, the most prominent examples being the revitalization of the Halifax waterfront and our work in Lunenburg. Tourism NS is investing \$6 million into The Tourism Revitalization of Icons Program (TRIP), which is intended to improve the visitor experience across some of Nova Scotia's most visited tourism sites and destinations. Through our focus on **Tourism Differentiators**, in 2020-21 Develop Nova Scotia will continue to lead TRIP projects in Peggys Cove, at Georges Island, and in the Big Boat Shed on the Lunenburg waterfront—all supporting the One NS goal of doubling tourism revenue to \$4b by 2024.

The **Peggys Cove Visitor Experience Project** is a proposed \$14m multi-year revitalization plan that includes

enhancements to tourism infrastructure by way of a new and accessible viewing platform, proposed improvements to pedestrian walkways and traffic management, coastal mitigation infrastructure and community servicing. But the most important focus of this work is supporting and maintaining the authentic community at its centre who, despite inadequate infrastructure and services and intense and increasing visitation, continue to welcome people to experience the beauty and history of its home by the sea.

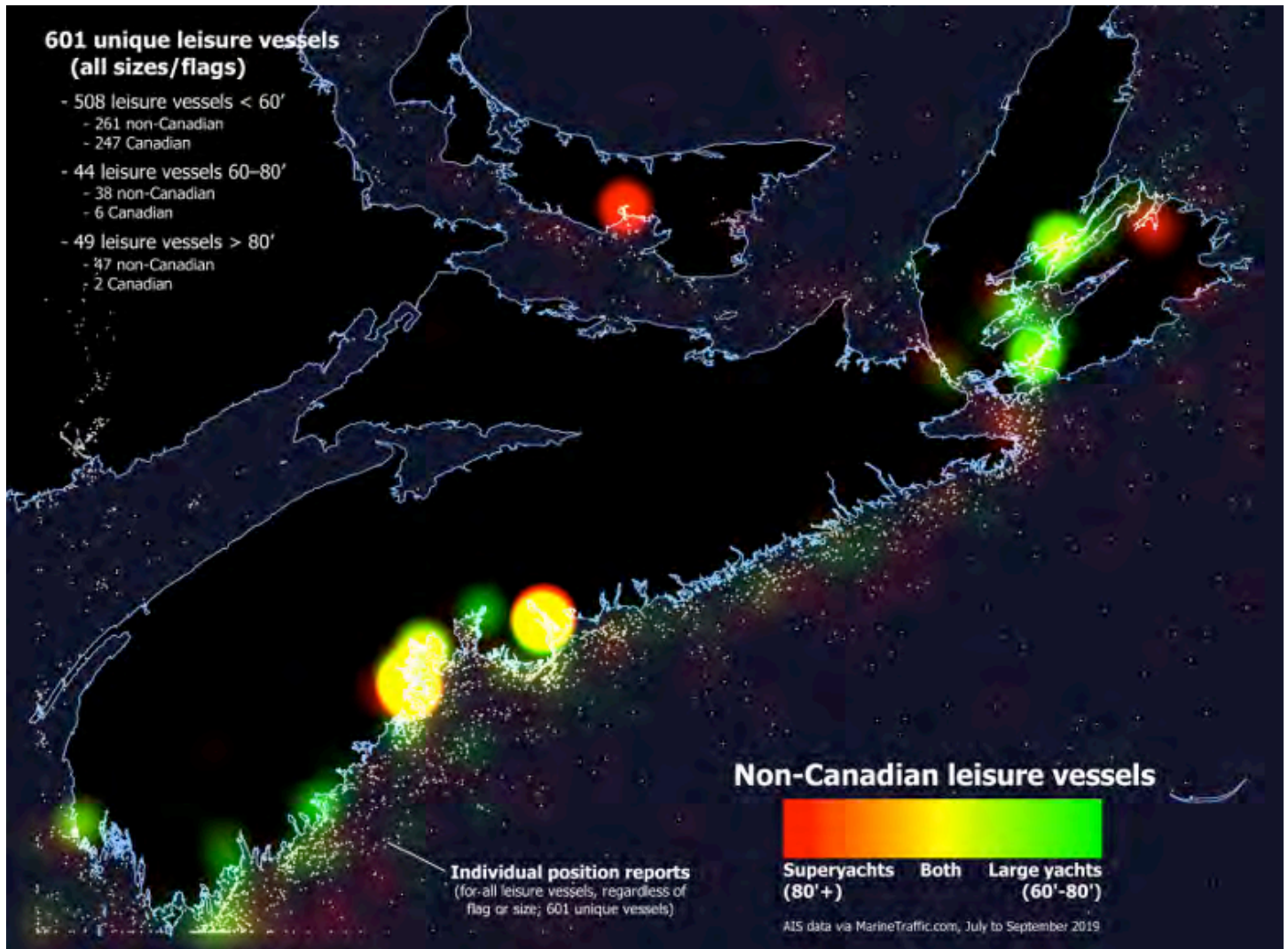
The **Harbour Islands Visitor Experience Plan** was built with significant community and partner participation including Parks Canada, Department of Lands and Forests, Acadian and Mi'kmaq communities, and the Friends of McNabs Island Society. This year, we will complete the **Georges Island wharf revitalization** project and welcome visitors to the island to learn its history and experience a different perspective on our Harbour. We will continue to work with stakeholders on the plan for McNabs Island, which will include recreation enhancements, amenities and improved access.

The **Big Boat Shed project**, on Lunenburg's working waterfront, is the revitalization of an important icon, the site of the build of many important tall ships, and a symbol of Lunenburg's shipbuilding heritage. The project builds on the Lunenburg Working Waterfront Plan, a plan built with community for the revitalization of the working waterfront to support strategic sector growth. The project leverages partner funding from TRIP and ACOA, and includes both the recapitalization of the original Big Boat Shed, as well as the construction of a new, adjacent building which will house the Fisheries Museum of the Atlantic's heritage boat building program. The project will be completed this year in time to celebrate the 100th anniversary of Bluenose.

Our **Working Waterfront** strategy identifies strategic marine infrastructure across Nova Scotia and prioritizes projects beginning in 2020-21 along the South and Eastern Shores and in the Bras d'Or Lakes. The recently announced wharf development projects in **Shelburne** and **Fisherman's Cove**, which will advance this year, and the **Lunenburg Waterfront Shipyard Revitalization**, the plans for which are being developed in partnership with private sector tenants, will drive tourism to the area by sea; provide the shipbuilding and boatbuilding sector with new customers; and support new business and employment opportunities. These projects build on existing functional economic regions with marine services clusters and tourism appeal and contribute

2019 Visitation Heatmap

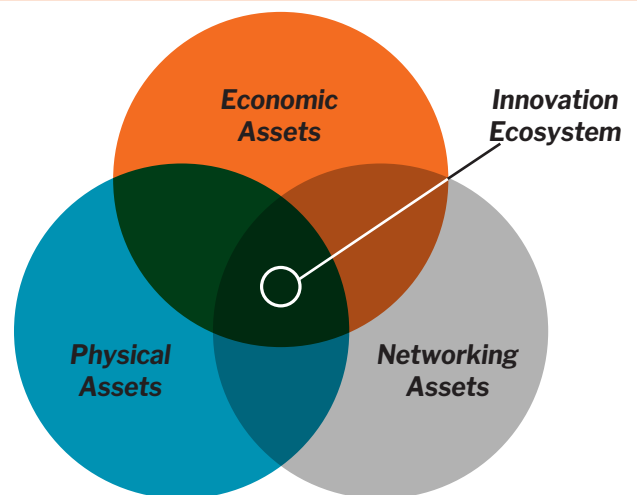
identifying individual recreational vessel visits to Nova Scotia between July 1-September 30, 2019¹³



to the growth of a valuable visiting boat market for whom Nova Scotia is an attractive new destination for leisure and marine services.

As Nova Scotia transforms its economy to increase focus on fostering entrepreneurship, cultivating and supporting innovative ways of doing business is top of mind. Innovation districts provide a well-established model to attract and stimulate entrepreneurs, start-ups, and incubators. Develop Nova Scotia's role in the development of **Innovation Ecosystems** in Nova Scotia is to focus on the physical infrastructure that contributes to the attractiveness of these places for existing and budding entrepreneurs to bring together diverse perspectives in welcoming spaces.¹⁴

Innovation Ecosystem



13. Develop Nova Scotia Working Waterfront Strategy, 2019-24

14. The Rise of Urban Innovation Districts, Brookings. Bruce Katz and Julie Wagner, November 12, 2014



Develop Nova Scotia owns and manages the property at the **Centre for Ocean Ventures & Entrepreneurship (COVE)** in Dartmouth, which has quickly established itself as a world-class centre for ocean-related innovation. This year, Develop Nova Scotia will continue to focus on tenant improvements to attract more tenants and improve the utility and magnetism of the space. With almost 60 current tenants, Develop Nova Scotia is committed to ensuring a quality experience for COVE tenants, with an aim of a minimum of 90% tenant satisfaction, so this globally recognized innovation hub can continue to raise its profile and influence and its constituent companies can continue to thrive.

The opportunity to leverage the COVE brand and program to support clusters of oceans related economic activity in rural Nova Scotia is promising. In 2020-21, working with COVE and regional public and private partners, we will examine the feasibility of three **COVE Outposts** in locations across Nova Scotia in Louisbourg, Port Hawkesbury and Lunenburg, building on existing functional economic regions of activity. This work could advance to include initial phases of planning and development of strategic economic infrastructure to support the development of these outposts this year.

The role of place and physical infrastructure is critical to the success of an innovation ecosystem. Develop Nova Scotia is lending our planning and development expertise, along with our experience convening partners and stakeholders in support of two **Creative Island Innovation Hubs** led by Cape Breton Partnership in Baddeck and Port Hastings. This productive partnership, which combines our placemaking expertise with the Cape Breton Partnerships’s considerable expertise growing capacity and companies in Cape Breton, enables greater impact than either of us could accomplish on our own.

In Halifax, we are working with our colleagues at the Halifax Port Authority, Dalhousie University, NSCAD and the Halifax Partnership to stand up a three-year **design innovation program**, inspired by MIT’s designX, that engages students to solve through design practical challenges and embrace promising opportunities of a working waterfront in an urban context. Ideas will be pitched, prototypes funded and developed and working interventions deployed across the Halifax waterfront.



Measurement and Evaluation

MEASURE	EVALUATION
Satisfaction of visitors to Develop Nova Scotia Managed Property (Halifax waterfront, Lunenburg waterfront, Peggys Cove)	>90%
Visitation to Halifax waterfront (Marine and land)	+5%
Visitation to Peggys Cove	Benchmark
Tenant satisfaction of tenants – Halifax waterfront and COVE	>90%
Number of new tenants COVE	+5%
Tenant revenue growth – Halifax waterfront	+5%
Establish economic measures to evidence the value of placemaking through subjective wellbeing*	Benchmark
Economic Impact of Broadband Connectivity as a result of INSI	Benchmark
Formalize strategic partnership with Engage NS to link Quality of Life Measures with placemaking initiatives	
Progress towards >95% of underserved / unserved Nova Scotian homes and businesses	50% substantially complete

**throughout 2020-21, Develop Nova Scotia will be working to design and test subjective wellbeing measures grounded in economic theory, which will lead to a more objective Return on Investment measure for placemaking investments. This framework will be applied on all future projects Develop Nova Scotia will undertake in an attempt to qualitatively measure outcomes, not simply inputs.*



Breakdown of Develop Nova Scotia projects by Strategic Area of Focus

STRATEGIC FOCUS	PROJECTS	PARTNERS
Connected Communities (Internet for NS Initiative)	<ul style="list-style-type: none"> • Internet for Nova Scotia Initiative 	<ul style="list-style-type: none"> • Department of Municipal Affairs • Local municipalities • Department of Lands and Forests • Office of Aboriginal Affairs • Transportation and Infrastructure Renewal • Internet Service Providers • Private Industry
Community Placemaking	<ul style="list-style-type: none"> • Community Placemaking Toolkit • Fibre Alley • Participatory City Halifax • Inclusive Public Engagement • Inverness Growth Plan 	<ul style="list-style-type: none"> • McConnell Foundation • Engage NS • Black Business Initiative • Mi'kmaq Native Friendship Centre • Federal Government • Municipality of Inverness • To be identified Industry Partners • To be identified Community Partners
Halifax Harbour	<ul style="list-style-type: none"> • Halifax Waterfront Master Plan • Arts District • Cunard • Queen's Marque • Christmas Market • Indigenous Waterfront • Accessibility Plan • Art of City Building 	<ul style="list-style-type: none"> • Halifax Port Authority • HRM • Accessibility Directorate • Development partners (Southwest Properties, Armour Group) • Mi'kmaq Native Friendship Centre • Transportation and Infrastructure Renewal • Art Gallery of NS • Parks Canada
Tourism Differentiators	<ul style="list-style-type: none"> • Peggys Cove Visitor Experience Strategy • Harbour Islands Visitor Experience Strategy/Georges Island Wharf • Big Boat Shed 	<ul style="list-style-type: none"> • Tourism NS • Lunenburg Steering Committee • Port of Halifax • ACOA • Parks Canada • Community organizations (i.e Peggys Cove) • Department of Lands and Forests



Breakdown of Develop Nova Scotia projects by Strategic Area of Focus

STRATEGIC FOCUS	PROJECTS	PARTNERS
Innovation Ecosystem	<ul style="list-style-type: none"> • COVE Dartmouth • COVE Rural Outposts • Creative Island Innovation Hubs • designX 	<ul style="list-style-type: none"> • IORE • NSCC • NSCAD Dalhousie • Program delivery partners (i.e Ignite, Innovacorp, Mashup Labs) • Cape Breton Partnership • Halifax Partnership • Port of Halifax • MIT • HRM • Louisbourg Seafoods
Working Waterfront	<ul style="list-style-type: none"> • Shelburne Wharf Recapitalization • Fisherman’s Cove Wharf • Lunenburg Shipyard Revitalization 	<ul style="list-style-type: none"> • ACOA • NSBI • DMOs • Cape Breton Partnership • Destination Cape Breton • Local destination tourism organizations • HRM • Municipal Partners • Nova Scotia Boat Builders Association • Atlantic Marine Trades Association • Atlantic Cruise Ship Association • Independent Marine Ports of Atlantic Canada • Port of Halifax



FINANCIAL SUMMARY

Operating Budget 2020-21

	Budget 2019-20 (\$)	Forecast 2019-20 (\$)	Budget 2020-21 (\$)
Revenue			
Rents & Wharfage	3,418,000	3,443,500	4,072,500
Parking	1,421,500	1,550,000	1,300,000
Other Income	684,000	474,000	704,000
Grant Income	2,867,000	6,739,331	2,687,000
Total Revenue	8,390,500	12,206,831	8,763,500
Operating and Administrative Expenses			
Program Expenses	2,407,114	3,595,055	2,365,300
Maintenance/Repairs and other	1,249,500	1,531,500	1,284,400
Administrative Expenses	4,733,886	4,857,945	5,113,800
Total Expenses	8,390,500	9,984,500	8,763,500
Surplus (Deficit) Before Other Items	—	2,222,331	—
Other Items			
Capital Grants	2,857,000	2,267,904	1,610,722
TRIP TCA	1,800,000	1,250,000	2,395,000
Capital Amortization	(1,800,000)	(2,000,000)	(2,126,000)
Total Other Items	2,857,000	1,517,904	1,879,722
Surplus (Deficit) after Other Items	2,857,000	3,740,235	1,879,722





Halifax Harbour Bridges

Halifax Harbour Bridges

Annual Business Plan

Fiscal 2020-2021

Message from the Chairman of the Board and the CEO

We are pleased to present the 2020 - 2021 business plan for Halifax Harbour Bridges (HHB).

The Macdonald and MacKay bridges are critical pieces of infrastructure in the Halifax Regional Municipality and in Nova Scotia with 34 million crossings each year.

One hundred per cent of the revenue generated by collecting tolls is dedicated to the maintenance and operations of the bridges. As stewards of the bridges, HHB ensures that revenue is invested responsibly to ensure the bridges are safe, reliable and well maintained.

Through this business plan you will learn more about the projects that will be completed in the 2020/21 fiscal year to accomplish this goal.

Safety will always be a focus at HHB. We continue to build on a strong safety culture and measure our performance that will result in continuous improvement.

Respectfully submitted,



Vicki Harnish
Chairperson of the Board of Commissioners



Steve Snider
General Manager and CEO

Mandate

The Halifax Dartmouth Bridge Commission, operating as Halifax Harbour Bridges or HHB was created in 1950 by a statute of the Province of Nova Scotia and now operates under a statute proclaimed in 2005 and amended in 2010. In accordance with Section 27 of the Halifax-Dartmouth Bridge Commission Act: 27 (1) With the approval of the Governor in Council, the Commission may construct, maintain and operate a transportation project across the Halifax Harbour and the North West Arm, or either of them.

The objectives of HHB are to:

- (a) Maintain and operate the bridges and any other transportation project authorized by Section 27 of the Act; and
- (b) Assess, market, license, implement, provide, maintain and integrate such electronic collection systems as are approved by the Governor in Council.

The organization operates and maintains two toll bridges that span Halifax harbor: the Angus L. Macdonald Bridge and the A. Murray MacKay Bridge.

HHB is governed by a board of commissioners consisting of nine commissioners - five are appointed by the province of Nova Scotia and four are appointed by Halifax Regional Municipality.

The board of commissioners provides effective stewardship for the organization by ensuring the affairs of HHB are administered effectively and are based on sound business practices in accordance with HHB objectives.

Mission

HHB's mission is to provide safe, efficient and reliable cross harbour transportation infrastructure in a cost effective manner.

Vision

HHB's vision is to be recognized as world class for providing innovative transportation solutions.

Core Values

Safety. A fundamental focus and shared responsibility.

Stewardship. The protection and maintenance of our bridges.

Customer Service. Focused on excellence.

Respect. Relationships are based on open, truthful and professional communications.

Community. Engagement and support of our communities.

Integrity. Act with integrity, credibility and accountability.

Engagement. Promote personal and professional development.

Leadership. Competent, energetic and focused.

Key Priorities

Through its strategic planning process HHB has identified **four strategic goals** that guide its work. What follows are the goals and the major initiatives for 2020/21 that support each goal.

Quality and standards - Improve safety and efficiency in maintenance and operations.

Desired outcomes

- An injury-free workplace
- Maximize operational capacity of the two bridges
- Extend the life of the bridges
- Improve public safety

2020/21 initiatives

Macdonald Bridge

With the completion of the Big Lift, the majority of the suspended structure is new. HHB continues to conduct work on the components of the approach spans including:

Steel and paint protection

In 2018 HHB began a multi-year project to repair steel and re-coat the approaches, cable bents and towers. The work includes removing the existing coating, inspecting and repairing steel where required and applying a new coating that will last 20-25 years. In 2020/21 the Dartmouth cable bent will be the focus. This is the first time since the bridge opened in 1955 that this extensive steel and paint work has been conducted.

Concrete and bearing replacement

Work will continue to replace bearings on the approach spans and repair concrete on two piers. This is a multi-year program that began in 2015.

MacKay Bridge

In depth analysis of the overall health of the MacKay Bridge will continue in 2020/21 to help HHB determine the appropriate path regarding the future of the bridge: repair or replace and the approximate timing of either.

In 2020/21 work will include: replacing an expansion joint at the Halifax bridge abutment. Work to determine the overall health of the MacKay Bridge continues including detailed inspections of the main cable and the road deck. This work will require periodic lane and full bridge closures.

Security project

To ensure HHB continues to have the appropriate level of security on the bridges new state-of-the-art cameras will be installed on and around the bridges. The new camera system will allow us to monitor the entire property from the operations centre at each bridge and deploy resources quickly and efficiently when an incident occurs.

Recognition of value - Provide an excellent customer experience.

Desired outcomes

- Increased customer satisfaction with bridge operations
- Improved access and egress for cyclists
- Reduced delays on bridges

2020/21 initiatives

HHB will introduce several initiatives to improve the level of customer experience:

1. **Benchmark customer service.** Conduct a survey to benchmark the factors that are important to our customers
 2. **Track and analyze incidents.** HHB works to minimize incidents from happening and on clearing them quickly when they do occur. Determining the root cause of incidents will allow HHB to address the causes and improve the customer experience.
-

Fiscal sustainability. Demonstrate financial responsibility through effective deployment of our capital and operating resources.

Desired outcomes

- Revenues from operations are sufficient to fund all operational and capital requirements
- A long term capital plan that addresses needs in a timely and effective manner
- Efficient operational, administrative, maintenance and toll collection activities
- A detailed and current, long term financial plan

2020/21 initiative

Next generation tolling

The existing tolling system and infrastructure in the toll plazas is approaching the end of its life. HHB has assessed its current tolling model and is in the final stages of determining the costs, benefits and risks associated with converting to all electronic tolling (AET) as compared to the existing traditional tolling system.

Leadership in the workplace. Create a workplace culture where employees have an opportunity to grow and participate.

Desired outcomes

- Visible leadership at all levels of the organization
- Employees are engaged with the organization's goals

2020/21 initiatives

1. **Behaviour-based safety.** HHB's safety program has made significant strides in the last several years. HHB will build on this success and move towards a behaviour-based safety program that engages, motivates and assists employees to reinforce and sustain a safe workplace.
2. **Employee engagement** – continue to implement a human resources vision and strategy to ensure consistency, harness talent and build engagement. The focus will be on:
 - Measuring employee engagement
 - Developing leadership competencies
 - Career development through training and education

Performance measures

To measure HHB's performance against its mission and the priorities planned for the coming fiscal year, HHB plans to undertake the following:

- Rate customer satisfaction through surveys for maintenance, safety, service and value for tolls paid.
- Measure maintenance performance by comparing completed repair projects in the current year against the high and medium priority repair items identified in inspection reports.
- Use road traffic statistics to measure the effectiveness of enhanced operational activities.
- Measure financial results against annual operating and capital budgets.
 - Measure the extent to which priority projects have advanced.

Financial summary

	2019-2020 Budget	2019-2020 Forecast	2020-2021 Budget
Revenue	(\$thousands)	(\$thousands)	(\$thousands)
Toll revenue	32,629	32,339	32,565
Interest income	600	841	401
Other income	552	584	579
Total revenue	33,781	33,764	33,545
Expenses			
Administration	2,934	2,827	3,035
Operating	4,520	4,436	4,666
Maintenance	4,359	4,084	4,878
Amortization	8,778	8,729	9,221
Debt servicing	4,771	4,770	4,186
Loss (profit) on disposal of property, plant & equip.	-	54	-
Total expenses	25,362	24,900	25,986
Net operating and comprehensive income	8,419	8,864	7,559

BUSINESS PLAN

2020-2021

innovacorp

EARLY STAGE VENTURE CAPITAL

We get invested.



Message from the Board Chair

High-growth start-ups have an outsized positive impact on the economy. At Innovacorp, we play a vital role in the creation and growth of Nova Scotia start-ups.

The start-ups we work with move Nova Scotia closer to realizing the ONE Nova Scotia Coalition's vision for a more prosperous province, particularly the goals related to venture capital investment per capita, number of new start-ups, value of exports, international immigration, retention of international students, and R&D partnerships in the private sector.

How we contribute to Nova Scotia's start-up ecosystem and support companies is outlined in our 2020-2021 business plan. Our overarching goal is to enable the creation of great start-ups that succeed in the global marketplace.

Sincerely,

Rodney F. Burgar
Board Chair, Innovacorp

About Innovacorp

Innovacorp is Nova Scotia's early stage venture capital organization.

Our vision is that this region will be among the top 10 start-up ecosystems in the world.

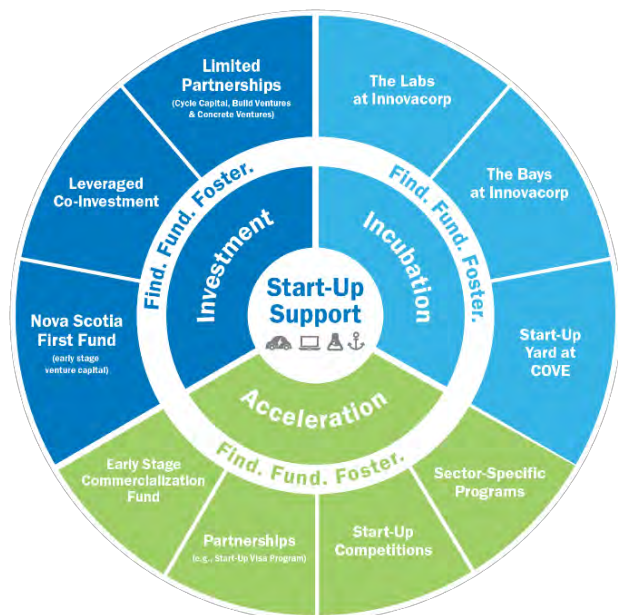
Our mission is to find, fund and foster innovative Nova Scotia start-ups that strive to change the world.

FIND

Through our *find* activities, we seek to uncover, encourage and assist promising new technology-focused entrepreneurs from across Nova Scotia. We also hunt for research with commercial potential at our universities and colleges and attract immigrant entrepreneurs.

FUND

Early stage investment is at the core of our business model. For Innovacorp, *fund* refers to the equity investments we make through our **Nova Scotia First Fund**. Venture capital-backed start-ups typically have a greater economic impact than their non-backed peers, demonstrating stronger growth in revenue, employment and assets. Innovacorp, however, is ultimately driven by generating financial returns on its



fund, and we leverage our deals with other venture capital and angel co-investors, attracting new capital and expertise for the region.

FOSTER

Our *foster* work happens at a variety of stages during a start-up's lifecycle. At the earliest stages, for example, our support sometimes comes in the form of info-rich workshops on business fundamentals for winners in our start-up competitions. For more advanced start-ups, we offer acceleration programs to help them become investment ready. Our incubation facility residents benefit from infrastructure, onsite services, and a supportive entrepreneurial environment, unlike what they would find in the commercial real estate market. Our portfolio companies benefit from tailored services that address their individual operational, technical and strategic needs.

Planning Context

Innovacorp plays a foundational role in Nova Scotia's start-up ecosystem, which includes many other organizations and assets to support existing companies and encourage the creation of new ones. Collectively, we're advancing innovation-driven enterprises in Nova Scotia – the engine of our economic growth. While making up a small percentage of all companies, research shows that high-growth innovation-driven enterprises have a disproportionate positive impact on job and wealth creation.

The Province of Nova Scotia's goal for inclusive economic growth and the ONE Nova Scotia Coalition's targets guide Innovacorp's efforts. Specifically, Innovacorp's work helps companies commercialize their technologies, accelerate their growth and succeed in the global marketplace. The result is increased start-up activity, which then positively impacts strategic sector growth, export growth, population growth, economic participation and benefit, and employment attachment. Further, Innovacorp contributes towards the ONE Nova Scotia goals of boosting R&D partnerships in the private sector, the creation of new business start-ups, value of exports, international immigration, retention of international students, and venture capital per capita.

According to the most recent Entrevestor study, the number of start-ups in Atlantic Canada and their funding level reached a new high in 2018.

Entrevestor found 550 high-growth, innovation-driven companies in the region in late 2018, 290 of which were based in Nova Scotia. Over the past six years, the number of Atlantic Canadian start-ups increased about 15 per cent annually. Entrevestor's analysis also indicates company quality has improved in all areas, with revenues, as a weighted average, growing at 75 per cent each year.

Further, in 2018 Atlantic Canadian start-ups raised \$166.6 million from founders, friends and family, angels, venture capital funds and strategic investors, in addition to more than \$24 million on stock markets. About 5,500 people worked directly for the companies at the end of the year, up 22 per cent from a year earlier.

There is more risk capital available for start-ups thanks to the creation of Concrete Ventures and the funding of Build Ventures II, along with the boost in angel funding through Creative Destruction Lab (CDL). Acceleration and incubation resources are also plentiful through the growth of Volta, CDL and Ignite, and revitalization of Propel. The Ocean Supercluster, the Ocean Frontier Institute and COVE (Centre for Ocean

Ventures & Entrepreneurship) are giving us a global competitive advantage in the ocean technology sector. Further, the region is seeing more diversity at start-ups, including more companies headed by women and immigrant entrepreneurs, along with new initiatives (e.g., funds, competitions) that drive such diversity.

All this growth and activity lets Innovacorp focus on what will have the most relevant impact on the overall ecosystem and economy – the development of more high-growth start-ups in our region.

Innovacorp 2020-2021 Goals, Activities and Performance Indicators

Innovacorp plays a foundational role in Nova Scotia's start-up ecosystem through our investment, incubation, and acceleration activities. Specific activities for the year ahead include:

INVESTMENT

- Make **venture capital investments** in early stage Nova Scotia technology companies with high-growth potential and attractive risk-return prospects.
Measures: number of Innovacorp investments; amount invested by Innovacorp
- **Leverage Innovacorp's investments** through co-investors, with an emphasis on venture capital partners from outside Nova Scotia.
Measures: amount raised by portfolio companies
- **Generate a return** for Nova Scotia on Innovacorp's venture capital investments.
Measures: TVPI ratio (total value to paid-in capital)

INCUBATION

- Provide **incubation infrastructure and services** through our sites on the Dalhousie University campus, in Woodside and at COVE.
Measures: occupancy rate at facilities

ACCELERATION

- Find and support high-potential new technology companies and encourage entrepreneurial activity across Nova Scotia, primarily through **start-up competitions, initiatives to help move post-secondary research to market, and our Start-Up Visa Program**.
Measures: number of new early stage opportunities in Innovacorp's client pipeline
- Deliver **acceleration programs and expert guidance** for start-ups approaching investment readiness, providing access to world-class expert advice, workshops, incubation facilities and services, financial support and other resources.
Measures: number of client companies raising angel investment
- Enhance our **services and support (i.e., venture services) for our highest potential portfolio companies**, addressing their individual operational, technical and strategic needs.
Measures: number of portfolio companies raising Series A

STRATEGIC INITIATIVES

- Work collectively with private and public organizations to build a world-class ecosystem for ocean technology start-ups; increase the capital, expertise and other resources available for start-ups; attract high-growth technology companies to the province; enhance the business climate for start-ups and investors; and help make the start-up community more inclusive of all Nova Scotians, particularly for indigenous people and African Nova Scotians.

Performance Indicators 2020-2021

Below are the performance targets for Innovacorp's 2020-2021 work outlined above.

Performance Indicators	2020-2021
number of Innovacorp investments	10
amount invested by Innovacorp	\$4 million
amount raised by portfolio companies	\$40 million
TVPI ratio (total value to paid-in capital)	1.2
occupancy rate at facilities (The Labs and The Bays at Innovacorp)	85%
number of new early stage opportunities in Innovacorp's client pipeline	180
number of client companies that raise angel investment	10
number of portfolio companies that raise Series A investment	2

Budget Context

Innovacorp is committed to achieving its financial targets. To this end, the organization works with the Province of Nova Scotia and partner agencies to strategically leverage its assets in support of innovation and economic development initiatives.

	Estimate 2019-2020 (\$)	Forecast 2019-2020 (\$)	Estimate 2020-2021 (\$)
Revenue			
Provincial funding	9,660,000	9,660,000	9,726,000
Incubation	1,036,000	1,036,000	1,092,000
Acceleration	847,000	847,000	1,039,000
Corporate Services	163,000	163,000	188,000
	11,706,000	11,706,000	12,045,000
Expenses			
Incubation	2,977,000	2,977,000	3,074,000
Investment	1,142,000	1,142,000	1,142,000
Acceleration	4,508,000	4,508,000	4,487,000
Corporate Services	2,720,000	2,720,000	2,983,000

	11,347,000	11,347,000	11,686,000
Surplus before non-operating items	359,000	359,000	359,000
Other income (expense)			
Impairment on investments and loans receivable	(500,000)	(540,000)	(500,000)
Surplus (deficit)	(141,000)	(181,000)	(141,000)

Revenue

Provincial funding 2020-2021 estimate is \$66,000 higher than the 2019-2020 estimate primarily due to new funding for salary increases.

Incubation 2020-2021 estimate is \$56,000 higher than the 2019-2020 estimate primarily due to an increase in client revenue at the facilities.

Acceleration 2020-2021 estimate is \$192,000 higher than the 2019-2020 estimate primarily due to funding of activities in Sydney.

Corporate Services 2020-2021 estimate is \$25,000 higher than the 2019-2020 estimate primarily due to expected earned dividends and interest.

Expenses

Incubation 2020-2021 estimate is \$97,000 higher than the 2019-2020 estimate primarily due to an increase in operational costs at The Labs at Innovacorp.

Acceleration 2020-2021 estimate is \$21,000 lower than the 2019-2020 estimate primarily due to various cost reductions partially offset by an increase in activities in Sydney.

Corporate Services 2020-2021 estimate is \$263,000 higher than the 2019-2020 estimate due to an increase in insurance costs, work required to upgrade the website and implement a customer relationship management solution, and other smaller cost increases.

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Nova Scotia Business Incorporated

Business Plan 2020–21



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Message from the Board Chair and CEO

Nova Scotians helping Nova Scotians

In a world where our trade climate is as dynamic as our own weather, our job is to see what's changing, to connect Nova Scotia and our companies with the knowledge, programs, partners and opportunities so they can make great things happen.

We are proud to be aligned and to deliver on the Province's vision to achieve inclusive economic growth in Nova Scotia. Our work is to enable the many business owners and their employees to make a difference in their communities and for Nova Scotian families.

Increasing, Scaling & Growing Exporters

For Nova Scotia to prosper, we know that the path to a sustainable economy must include export expansion.

Whether we are helping businesses explore exporting as an avenue to growth; working with experienced exporters to drive productivity and innovation through capital investment; or supporting exporters as they expand their reach; the foundation of our programs and services are rooted in export. We focus on searching out, nurturing and growing exporters in our province.

Our work takes us to key markets all over the globe. Over the last five years, data tells us that we are making great strides in helping businesses expand exports by selling to additional markets. We also know that attracting successful multinational exporters to Nova Scotia boosts export sales, enables relationships to gain access to global markets and create great jobs.

In 2020-21, we will build on this success by focusing on helping more businesses fuel growth through expansion into new markets. We will also help them learn of opportunities that emerge through Canada's trade agreements including CUSMA, CETA and CPTPP. Our efforts will remain focused on helping exporters do the homework on growth scenarios, so they know how to meet market demand if, and when, it's needed. And when that growth happens, we will be there to support productivity and innovation.

Deepening R&D & Innovation

Based in vibrant communities located throughout Nova Scotia, our academic and research institutions are some of our province's greatest assets.

Through our Productivity and Innovation Voucher Program, we will encourage more companies to tap into the wealth of research expertise within our universities and community colleges to help bring new and innovative products to market.

We will also use our reach to uncover and connect investors with Nova Scotia companies, R&D in our province, and use our evidence-based approach to attract the right kind of investment to areas of the province that need it most.

Encouraging Economic Participation & Broadening Benefit

NSBI's regional team members are embedded in their communities, working closely with businesses to listen and understand the unique challenges and opportunities that exist in each region.

We look to 2020-21 to strengthen these efforts by broadening our reach to ensure that all exporting businesses have the access and opportunity to benefit from our programs and services. We will continue to work closely with businesses of diversity throughout Nova Scotia to help them succeed and grow.

Attaching Employment & Growing Population

We believe more companies share a growing commitment to diversity and inclusion.

In our work, we will harness that commitment so that Nova Scotians with lower than average rates of attachment can see more workplace opportunities. As a starting point, we will continue to target and foster the growth of companies that create long-term, high-value jobs for Nova Scotians. And, when we promote Nova Scotia as a location for business growth, we will also continue to attract employers who are leaders in diverse, inclusive hiring.

In 2020-21, our investment attraction work will be aligned with the Province’s economic and community goals. Nova Scotians will increasingly have the opportunity to work for international companies and home-grown ones with greater capacity, scale and competitiveness in global markets.

Working Together

As we look to the year ahead and the years that follow, we know that our impact is greater when we work collaboratively. We have built momentum for a culture of exporting. Together with partners, we are setting our sights ahead to what’s next.

Our targets for this year reflect the next step. They also support the collective efforts of the Province and our partners as we work together to strengthen Nova Scotia’s economy and quality of life for more Nova Scotians now and into the future.

Original signed by,

Original signed by,

Marie Mullally, Board Chair

Laurel Broten, President & CEO

Strategic Context

NSBI is committed to the province's common agenda to achieve inclusive economic growth in Nova Scotia. Our Business Plan for 2020-21 highlights our work with businesses in strategic sectors across the province to innovate and grow through export, to attract investment and to create opportunities for more Nova Scotians to attach to employment and benefit from our efforts.

Mandate

Nova Scotia Business Inc. (NSBI), led by a private sector Board of Directors, is a key business development agency for the Province. NSBI's mandate is to help Nova Scotia businesses across the province grow exports through access to business advisory services, skill development and training to build export capacity, market intelligence, financing, and support in accessing global markets, with a focus on developing new exporters and attracting innovative, globally competitive companies to establish a business location in Nova Scotia.

Mission

Nova Scotia Business Inc. drives economic momentum in Nova Scotia through attracting and expanding investment and developing businesses in all communities to be more successful exporters.

Vision

A strong, thriving, and globally competitive Nova Scotia today and for generations to come.

NSBI's Role and Focus for 2020-21

Export Growth

Economic growth through export expansion is the cornerstone of NSBI's mandate and forms the foundation for our business development efforts. NSBI works with businesses across all regions of the province and at all stages of the export journey to help companies sell beyond our borders for the first time or expand their export strategy and sell to new international markets.

*"Being a small province . . . means that Nova Scotia has a small domestic market. For most businesses to grow significantly, whether goods producers or service providers, they have to access larger external markets through trade activities."*¹

The number of exporting firms in Nova Scotia has been increasing in recent years, and NSBI is focused and committed to continuing our work with our partners and the province's emerging and experienced traders to put Nova Scotia on the trajectory toward the OneNS goal of 1,395 firms participating in export trade by 2024.

Figure 1. Nova Scotia Participants in Export Trade

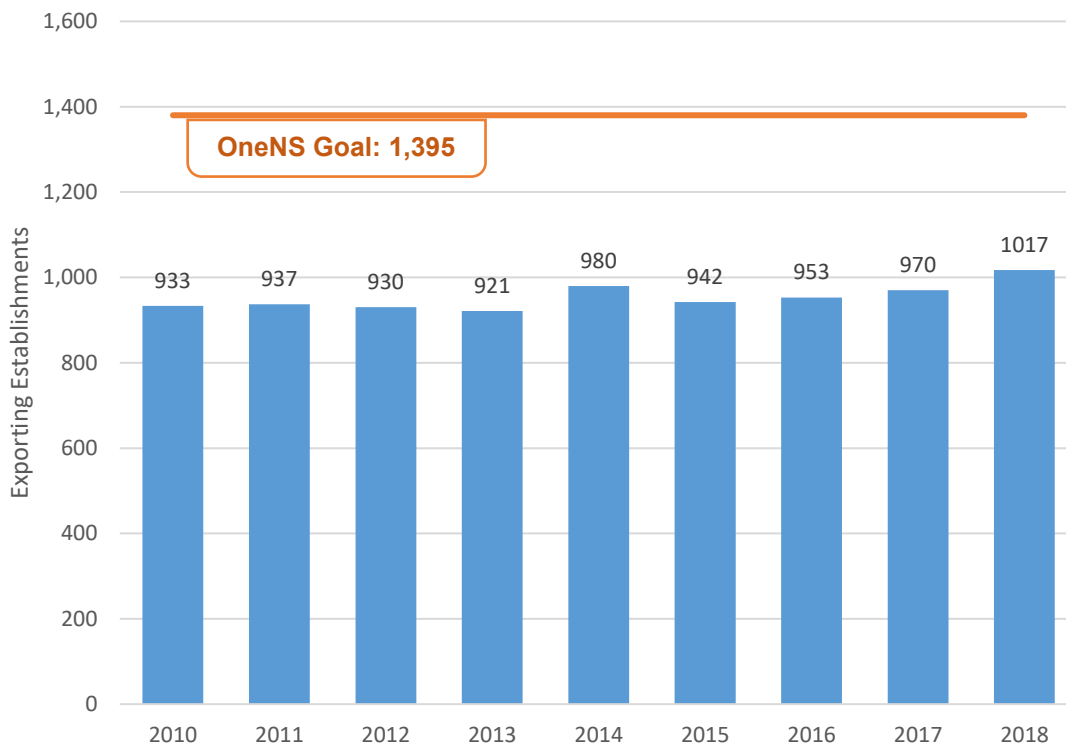


Figure 1. Statistics Canada. Table 12-10-0098-01 Trade in goods by exporter characteristics, by industry of establishment (x 1,000) <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1210009801> (Accessed 12/17/2019)
One Nova Scotia. Goal 6: Firms Participating in Export Trade – Deep Dive. <https://onens.ca/goals/goal-6-export-trade/> (Accessed 12/17/2019)

¹ "Now or Never – An Urgent Call to Action For Nova Scotians", The Nova Scotia Commission on Building Our New Economy, 2014, pg. 29.

NSBI's efforts with businesses across the province have successfully supported companies to grow through export, as evidenced by the 32.1% increase in actual export sales reported by our clients last year. In 2020-21, we will continue our work with businesses in all regions, providing programs and services to overcome barriers to export, and collaborate with our partners to look for new and better ways to meet the needs of Nova Scotia businesses looking to sell beyond our borders.

Our Regional Team worked with over 700 companies in 2019-20, serving as the critical first point of contact for firms at every phase of the business growth lifecycle. Whether a community and its businesses are rooted in southwest Nova Scotia, Halifax, the Annapolis Valley and north into Cape Breton, there is an increased focus on local strengths, capitalizing on comparative advantages, innovation, and making the connections on the ground and beyond our provincial border to bring value home through new income, investment and market opportunities.

NSBI's programs and services are designed to meet the needs of businesses at every stage of export experience, with particular emphasis on market diversification. Our Trade Market Intelligence service provides preliminary market research for companies looking to sell products and services to new markets outside of Nova Scotia, while our Export Growth Program offsets the costs of in-market travel for businesses ready to make the connections necessary to propel international growth. NSBI's partnerships with innovation hubs and incubators across Nova Scotia will continue to uncover businesses with global potential and support the province's born exporters on their growth trajectory.

Our Small Business Development Program (SBDP) and the GrowExport Program will enable our clients to develop and acquire the expertise they need to build export capacity and grow. NSBI's Export Capacity Building team will further their work with companies and deliver training, education, and international business skill building workshops in regions across the province. A key commitment of government is to provide export accelerator services to Nova Scotia companies. Our work with the Halifax Chamber of Commerce to deliver the Trade Accelerator Program (TAP) is focused on developing partnerships and providing impactful programs and services to accelerate the export growth of Nova Scotian firms.

NSBI will ensure our clients are prepared and able to expand in key markets and capitalize on opportunities that emerge through trade agreements including the Canada-United-States-Mexico Agreement (CUSMA), the Comprehensive European Trade Agreement (CETA), and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). We will also work with Nova Scotia businesses to explore and sell products and services within the growing Association of Southeast Asian Nations (ASEAN) market. NSBI will plan and execute targeted in-market efforts to build on provincial strategies in Europe and China, strengthen our relationships with consulates and trade commissioners, and our ConnectNS and Global Advisor initiatives will help Nova Scotia companies expand their networks and make in-market connections.

NSBI will lead Nova Scotia's involvement in the \$20 million Atlantic Trade and Investment Growth Strategy (ATIGS) and work with our federal and provincial partners to improve the global success of businesses in our region. The continuation and expansion of the Cambridge Scale-Up Hub model will be a key partnership initiative, as we work to replicate this service

offering in an additional market of interest, giving Nova Scotia companies a foothold and supporting them on the ground.

We will expand our evidence-based lead generation strategy to look outside our borders for innovative, R&D intensive, exporting companies that would benefit from a Nova Scotia location and contribute to growing our provincial footprint in international markets. Businesses attracted to establish a location in our province directly impact efforts to grow the number of exporting firms calling Nova Scotia home and help to grow our international business culture. NSBI recognizes and embraces the role we play in promoting an export-first business approach as the path to sustainably grow our economy. We will continue to share the lessons learned and celebrate the stories of our companies as they navigate and expand in international markets.

Strategic Sector Growth

“Exporters ... make money by selling Nova Scotian products and services to global customers. Exporters put the world’s money into our pockets.”²

Nova Scotia’s overall exports have achieved slight growth in recent years, with declining output of natural gas and forest products limiting the province’s export performance. Non-energy exports, however, have increased year over year since 2012 and grew by close to 64% between 2012 and 2019, led mainly by seafood and tire manufacturing. NSBI’s export development efforts remain focused on working with companies in key clusters across the province to grow and contribute to the OneNS goal of increasing the total annual value of exports by 50% by 2024.

Figure 2. Nova Scotia Non-Energy Merchandise Exports

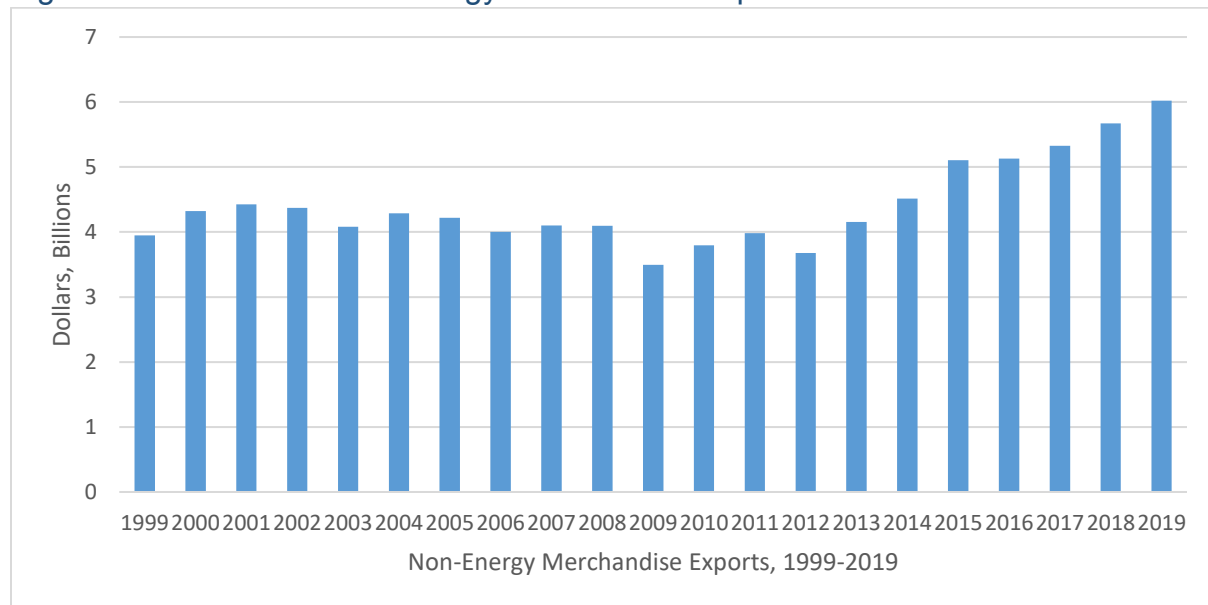


Figure 3. Statistics Canada. Table 12-10-0133-01 Canadian international merchandise trade by province and country, and by product sections, customs-based, annual (x 1,000) <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1210013301> (Accessed 02/05/2020)

² *“Now or Never – An Urgent Call to Action For Nova Scotians”*, The Nova Scotia Commission on Building Our New Economy, 2014, pg. 32.

NSBI's work involves growing and attracting exporters within the high potential clusters of ICT, FinTech, Digital Health, Oceans, Life Sciences, Clean Technology, Seafood & Agri-food, building the ecosystem and creating jobs within these key sectors across the province. We will build on our work with partners across the province to attract and connect anchor companies within identified key regional clusters where Nova Scotia has a global comparative advantage.

Our Innovation Rebate Program will be targeted to support high value capital projects in key clusters in all regions of Nova Scotia, ensuring that our firms are making the investments necessary to increase productivity, compete in global markets and grow through export. NSBI will also launch the new Forestry Innovation Rebate Program (FIRP) to incent high-value investment that will support companies in the sector to grow, pivot, innovate and diversify their markets.

Our in-market efforts will continue to uncover and connect potential investors with Nova Scotia companies, highlighting opportunities for equity investment in high potential clusters and working with firms to maximize their value proposition and be investment-ready. NSBI's Regional and Investment Attraction teams will identify and make connections for businesses in need of succession to secure the future viability of sectors with comparative advantage in communities across the province.

We will continue to work with companies onsite in the Centre for Ocean Ventures & Entrepreneurship (COVE) and the innovation hubs and incubators across the province to provide support at each step of the export journey. Our outreach efforts will promote COVE and Nova Scotia as a world leader in Oceans research and development with a high-quality marine infrastructure and unparalleled access to the ocean.

NSBI will work with our partners to invite and host world leaders in the Oceans industry to come to Nova Scotia to experience first-hand the world-class, cutting edge opportunities for partnerships, technology transfer, R&D, and investment within our Oceans cluster. We will help promote the Ocean Supercluster to deepen partnerships between industry, post-secondary education institutions, and government to drive innovation and commercialization as the path to sustainable economic growth from our oceans.

NSBI will join forces and support investment attraction by Tourism Nova Scotia to identify regional assets, undertake investment readiness initiatives and sell our province to key international investors, with a focus on emerging opportunities within the ASEAN market. We will continue the delivery of the Nova Scotia Film & TV Production Incentive Fund to support our creative industries and attract award-winning productions to our province. NSBI will work with our partners in this creative sector to highlight the stories of productions that choose Nova Scotia as a filming location. We will continue the management of our real estate holdings in regions across the province to maximum benefit, identifying and pursuing opportunities to match infrastructure with needs in key sectors.

Research and Innovation

NSBI is committed to the province's research and innovation agenda and will build upon our programs and services to drive productivity and capital investments for businesses. Our Productivity and Innovation Voucher Program will create and deepen research and development connections between businesses and Nova Scotia's universities and community colleges. Our own partnerships will explore the province's R&D assets and opportunities for centres of excellence aligned with the province's comparative advantages.

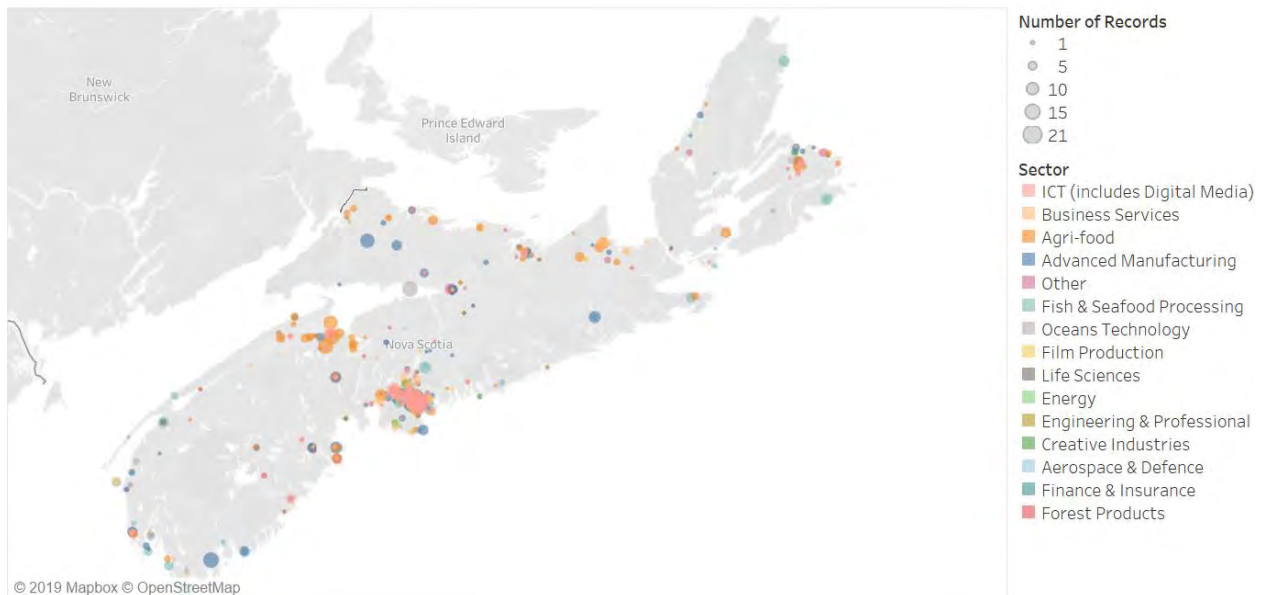
NSBI's Innovation Rebate Program was introduced as a new five-year pilot program in 2017-2018 to incent high-value investments for companies in Nova Scotia with the goal of increasing their competitiveness in global markets. To date, the program has supported 22 projects across the province, with approximately 80% of the funding allocated to companies making key investments in regions outside of the Halifax Regional Municipality. NSBI will continue to deliver this program to companies looking to invest in innovative equipment and/or processes to increase production capacity, produce new products and expand market reach.

We will do our part to create the right conditions to encourage investment by the private sector and collaborate with partners to explore new tools for growing and attracting R&D intensive anchor companies in key clusters across the province's economic regions. Our research will arm our investment attraction efforts by identifying R&D leaders that would benefit from and contribute to growing our provincial innovation ecosystem. We will capitalize on our collective strengths and join forces with our partners through the Team Nova Scotia approach to selling our province, making the introductions and connections necessary for new R&D intensive firms to realize the advantages to be gained from a location within Nova Scotia's inclusive economic environment.

Economic Participation and Benefit

NSBI's regional footprint, bolstered by specialists throughout NSBI, makes us ready, willing and able to work with companies to grow and create employment across the province, providing opportunities for Nova Scotians in all regions to benefit from economic growth. In 2019-20, our programs and services reached businesses operating in diverse sectors and regions of the province, reflective of an outreach strategy that we will continue into the upcoming year to ensure the broadest participation and impact from our efforts.

Figure 3. NBSI's 2018-19 Program and Services Clients



NSBI's focus on delivering one-on-one support for companies with owners and leaders from an under-represented group will help to grow key employers committed to hiring from the province's populations with lower than average rates of attachment to the workforce. We will work with these companies to grow through export, creating jobs across the province for more Nova Scotians to benefit for our business development efforts.

We will ensure that Nova Scotia's commitment to inclusive economic growth and the attachment of under-represented groups to the workforce in all regions is at the forefront of our discussions with businesses. NSBI will identify and target organizations and business leaders in key sectors with diversity as part of their corporate fabric. Our investment attraction efforts will remain focused on attracting innovative exporters with inclusion as the foundation to their corporate success, and our work with payroll rebate clients to hire from within under-represented populations will continue to promote and support diverse hiring practices.

We look forward to strengthening our partnership with the Black Business Initiative to assist in the further development of a strong and vibrant Black business community in Nova Scotia, and exploring new and better ways of working with Indigenous partners and communities across the province on business development initiatives. NSBI will continue our work with the Department of Labour and Advanced Education and the Centre for Employment Innovation at St. Francis Xavier University to grow diversity and inclusion in the workplace and improve employment services across the province.

Employment Attachment

NSBI's business development mandate positions us to work with businesses to grow across the province, creating real job opportunities for Nova Scotians to attach to the workforce. Our export development efforts support companies to build capacity, scale and compete in global

markets, creating opportunities for Nova Scotians to work for international organizations, right here at home.

In addition, NSBI's payroll rebate enables targeted payroll generation through businesses creating incremental employment in key sectors. To drive employment attachment in 2020-21, we will focus our investment attraction efforts to target employment creation in regions of the province with above average unemployment rates and within groups currently under-represented in Nova Scotia's workforce.

We will continue our work with partners and other government departments, serving as a key referral source for businesses in need of employment support programs as they pursue onboarding and training new employees. The suite of programs and services available to businesses in Nova Scotia to hire and strengthen their workforce is robust, and we will continue to promote NSBI's offerings, as well as those of partner organizations, as we grow and attract companies across the province.

Population Growth

Nova Scotia has recently achieved an increase in population, and NSBI's business development efforts are focused to continue to support businesses to grow and attract the job opportunities that will build an educated, skilled workforce across our province. We will review and improve our service offerings to ensure companies can access the right tools to innovate, keep pace and grow with an ever-changing global business climate. We will support Nova Scotia's regional cluster development efforts to create jobs across all regions of the province, providing employment opportunities required to sustain our population momentum.

We will support the efforts of our partners in immigration to maximize the Atlantic Immigration Pilot and continue to serve as a Referral Partner for the Global Talent Stream. Our promotional efforts will position Nova Scotia as a top jurisdiction in which to live, work and do business as we sell Nova Scotia businesses to the world and sell the world on doing business in Nova Scotia.

NSBI's liveherens.com online platform will be improved and enhanced to ensure that those considering calling Nova Scotia home have access to timely, accurate, and impactful intelligence required to make their location decision. We will work with partners to develop and share the key resources businesses need to attract a globally competitive workforce, promoting Nova Scotia's diverse, coastal, thriving business environment and extending the invitation to join in our momentum.

Performance Measures

Measures	2020 - 2021 Targets
1. Annual increase in NSBI client reported actual export sales	25% increase in the actual export sales of NSBI's clients overall, and by clients within the high potential clusters of ICT, Oceans, and Seafood & Agri-food
2. Number of NSBI clients becoming new exporters	A minimum of 25 NSBI clients become new exporters, with a minimum of 10 clients within the high potential clusters of ICT, Oceans, and Seafood & Agri-food becoming new exporters
3. Diversification of export markets	A minimum of 15% of NSBI clients diversify markets through exporting to an additional country
4. Actual payroll generated by NSBI clients	15% increase in the actual payroll generated by NSBI clients overall, and by clients within the high potential clusters of ICT, Oceans, and Seafood & Agri-food
5. Employment income generated for Nova Scotians	Attract a minimum of \$80m in committed employment income through payroll rebate transactions signed in 2020-21 and other investment attraction efforts, with a minimum of 10% targeted to the attachment of Aboriginal and/or Indigenous persons, African Nova Scotians, and persons with disabilities

Budget Context

<i>(Amounts in \$000s)</i>		Budget		Forecast		Estimate
		2019-20		2019-20		2020-21
Revenues						
Provincial grants	\$	67,786	\$	67,645	\$	73,424
Gain on sale of tangible capital assets		127		16		-
Nova Scotia Business Fund: Loans, equity and properties		1,535		1,720		1,320
Miscellaneous revenue		2,288		2,180		1,623
Total	\$	71,736	\$	71,561	\$	76,367
Expenses						
Operating	\$	20,464	\$	20,401	\$	18,637
Strategic investments		18,610		12,424		15,410
Nova Scotia Film & Television Production incentives		20,000		26,000		25,000
Innovation Rebate Program		10,000		10,000		10,000
Forestry Innovation Rebate Program						5,000
Provision for credit losses		1,000		(460)		1,000
Transfer payments to Province of Nova Scotia		127		16		-
Nova Scotia Business Fund: Loans, equity, and properties		838		994		834
Total	\$	71,039	\$	69,375	\$	75,881
Surplus	\$	697	\$	2,186	\$	486

Appendix A: Strategic Investment Funds (SIF)

STRATEGIC INVESTMENT FUNDS PURSUANT TO NSBI REGULATIONS POLICIES AND GUIDELINES/PROCEDURES, NSBI 2020-21 BUSINESS PLAN	
	PAYROLL REBATE PROGRAM (the “Program”)
Overview	<p>A Payroll Rebate is a discretionary, non-entitlement business development incentive (the “incentive”) intended to promote targeted payroll generation through the creation of incremental employment.</p> <p>This incentive may be used when it can be shown that a company’s project generates an economic benefit to the province, which will include export development, investment in the province, or improved competitiveness of existing businesses, in one or more of the province’s key economic sectors.</p>
Amount	<p>Rebates will be equivalent to between 5% and 10% of gross payroll, depending on the company’s strategic location in Nova Scotia or business sector and the economic benefit generated to the province. Additional rebate may be considered where the company is hiring individuals with specific skills or experience, new members of the Nova Scotia workforce, underrepresented groups, is increasing export activity, undertaking a capital project deemed strategic to their Nova Scotia region, or establishing or expanding its presence in rural Nova Scotia.</p> <p>All other Nova Scotia provincial government assistance with respect to the project must be disclosed to NSBI and may influence the rebate amount.</p>
Eligibility	<p>The company’s business must be considered eligible according to NSBI’s operating regulations.</p> <p>The incentive must be project-based. Projects are expected to create sustainable long-term employment. Cyclical peaks in employment will not be considered for assistance.</p> <p>Eligibility requires that all projects should result in creation of jobs for at least 20 full time equivalents (FTEs) in Nova Scotia. Projects creating fewer than 20 FTEs will be considered when there is high strategic value or strong economic benefit.</p> <p>Companies that have previously received an incentive under the Program will not be eligible for additional incentive unless the project is incremental to the peak FTE level attained by the company under the previously provided incentive.</p> <p>Projects that are considered to be competitively harmful to existing Nova Scotia business will not be considered.</p> <p>The company will collect and remit employee payroll taxes in accordance with the Income Tax Act (Canada).</p>

Application Requirements	<p>Historical and/or projected financial statements of the company and any additional financial information that may be required by NSBI to assess the financial viability of the company.</p> <p>Acceptable reports providing information with respect to the company's ownership, management, products, markets, and suppliers sufficient for NSBI to complete an evaluation of the company's operating risk.</p> <p>Project plan, which may include project timelines, budgets, and anticipated impacts of the project on the company's competitiveness.</p>
Criteria	<p>The company and the project must have reasonable prospects for continued growth and success. The company should be profitable, with a proven track record. In addition, the project must be export-oriented and should be in a provincial strategic economic sector.</p> <p>The company must also demonstrate:</p> <ul style="list-style-type: none"> • Strong management (corporate and local) • Economic benefit to the province (e.g., estimated number of FTEs created/retained, linkages with other sectors, improved competitiveness, non-competition with Nova Scotia industries, import substitution) • Going concern financial growth prospects • A commitment to diverse and inclusive hiring practices for the Nova Scotia operation
Performance Conditions	<p>The incentive is contingent on specific targets the company must achieve, which will typically be the creation of (x) FTEs by a specific date and with an average annual salary/wage of a specific amount. These targets are expected to still be in place at the end of the rebate period.</p> <p>Companies may be required to achieve additional targets with respect to capital project completion such as, but not limited to, investment or export targets, if applicable.</p> <p>The company must provide an Independent Practitioner's Reasonable Assurance Report on Compliance, certifying that the employment, wage and other targets have been achieved. The report must contain the following information:</p> <ul style="list-style-type: none"> • Incremental gross wage or payroll amount (including benefits) and the number of incremental and/or maintained employees and hours worked according to the Company's records on each anniversary date from the project commencement; • Gross wage or payroll amount, including benefits, and the total number of FTEs of the company on each anniversary date from the project commencement; • Incremental employees' province of residence; and • Applicable export, investment and capital project details (if applicable); • Confirmation of existing Nova Scotia FTEs and payroll (if applicable); • Substantiation of any other required targets.

<p>Payment Terms</p>	<p>Rebates will be paid following provision by the company of all information required by NSBI to verify compliance with the terms and conditions of the payroll rebate agreement.</p> <p>In most cases, rebates will be paid annually on each anniversary from the project commencement.</p> <p>Payment term generally average five years.</p>
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Appendix B: Nova Scotia Business Fund

The Nova Scotia Business Fund is the historic source of capital for Nova Scotia Business Inc.'s business lending activities. The Nova Scotia Business Fund has not issued any new business development incentives since fiscal 2014-2015.

The portfolio currently has approximately \$42.1 million outstanding to 23 companies located throughout the province. Net new capital needed for Nova Scotia Business Inc. to continue to meet the financing needs of current clients is estimated to be \$100,000, with repayments of current outstanding investments estimated to be about \$3.7 million.

Regulations for the Nova Scotia Business Fund require determination of specific parameters for investment decisions and the profile of the portfolio on an annual basis.

The following outline the parameters for investment decisions for the Nova Scotia Business Fund should new business development incentives be issued:

- Annual sector investment targets:
 - traditional: 16%
 - knowledge based (information and communications technology and life sciences): 20%
 - manufacturing: 45%
 - energy: 9%
 - ocean technology: 5%
 - other: 5%
- \$15 million maximum per company (investments exceeding this amount will be considered in exceptional circumstances).
- Maximum of 20% of the Nova Scotia Business Fund available for working capital investments.
- Borrowing rates established based on risk, term, and optionality (e.g., interest capitalization, principal holiday, extended amortization).

Crop and Livestock Insurance Commission

Business Plan 2020–21

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Message from the Minister Chair and CEO

We are pleased to present the Crop and Livestock Insurance Commission's business plan for 2020 - 21. The plan outlines the Commission's continued commitment to offer Nova Scotia's primary agricultural producers insurance against production losses.

The last two cropping seasons have resulted on record indemnity payments to Crop Insurance clients. The Province, through the AgrilInsurance Program, has taken a proactive approach to minimizing the financial impacts of these severe loss events to provide stability to both the Commission and its clients.

The AgrilInsurance product line continues to expand the opportunities for risk transfer in the production of agricultural products. The Commission is committed to expand its product line, offering increased benefits and more insurance options. The Commission is proud of its history of offering crop and livestock insurance products that are developed in Nova Scotia to meet our farmers unique business needs and agronomic mix.

The Commission continues to work toward increased administrative efficiency to meet the needs of its clients and funding partners. Work will continue on additional improvements to its information technology systems following the replacement of an outdated and inefficient underwriting system.

Hon. Keith Colwell, E.C.N.S.
Minister, Agriculture

Mr. Avard Bentley
Chair

Mr. Bill MacLeod, P.Ag.
CEO

Mission

The mission of the Nova Scotia Crop and Livestock Insurance Commission is to provide Nova Scotia farm managers with insurance products with which they can manage the financial risk associated with reduced crop yields or animal production losses due to insurable perils.

Alignment with Government Priorities

The strategic themes of the Department of Agriculture support Government's priority of inclusive economic growth. They include: enabling responsible economic growth, support for research and innovation, building public trust and market acceptance, increasing trade and market access and encouraging value added opportunities.

The Nova Scotia Crop and Livestock Insurance Commission supports these strategic themes by providing agricultural entrepreneurs with the opportunity to transfer some of the risk of financial loss caused by crop or production failures in a fiscally responsible manner. The Commission supports a climate that fosters private sector economic growth through its crop and livestock- based insurance programs encouraging employment and development in the province's rural communities. Through cost-shared programs, the Commission provides farmers with the opportunity to transfer the risk of production failure due to unpredictable natural causes. This supports and encourages further on-farm development such as expanded value-added opportunities, the ability to access export markets, and the exploration of increased on-farm research and/or innovation capacity in rural agricultural communities.

Planning Context

The Nova Scotia Crop Insurance Commission was established over 50 years ago in 1968 to provide Nova Scotia farmers the opportunity to manage the risk of production failure. The Nova Scotia *Crop Insurance Act* was amended in 1978 to provide for the administration of the Livestock Insurance Program and is now cited as the *Crop and Livestock Insurance Act*.

The Commission reports to the Minister of Agriculture and is a key component of the business risk management services that the Department of Agriculture offers to the industry under the AgrilInsurance platform. The Commission and supporting staff administer 16 crop insurance plans, a dairy livestock insurance plan and a poultry insurance plan covering 65 different commodities. The Commission also administers a Wildlife Compensation Program which, while not an insurance-based program, compensates farmers for losses as a result of wildlife. Cost sharing of AgrilInsurance (also known as Production Insurance and Crop Insurance) in Nova Scotia is governed by the Canadian Agricultural Partnership (CAP), a federal-provincial-territorial (FPT) framework agreement on agriculture, agri-food and agri-based products. This agreement outlines cost sharing arrangements and administrative requirements that govern the design and delivery of AgrilInsurance programs. AgrilInsurance is required to

be a fiscally self-sustaining partnership with cost sharing by producers, and both the federal and provincial governments.

Federal and provincial policy direction has encouraged the expansion and strengthening of the role of AgrilInsurance programs to offer more coverage to commercially grown crops and livestock species. In this context, the Commission is continuing its work with industry stakeholders to develop insurance products for crops and livestock that have not traditionally been covered under AgrilInsurance in Nova Scotia.

A severe spring frost in June 2018 significantly impacted a large number of agricultural producers in the province including a large portion of clients with coverage under the AgrilInsurance program. This resulted in the largest indemnity payment in the Commission's 50-year history. This was followed in 2019 by poor spring and summer weather and a fall hurricane that resulted in a second year of record indemnity payments to insured producers. While the AgrilInsurance program responded as designed and supported insured clients affected by these events, it will have lasting impacts on the Commission's financial position for a number of years into the future. The Commission will be challenged to find solutions that reduce the negative impacts of premium rate increases due to these unprecedented losses in the program.

The Commission has recognized the need to improve its service delivery and in particular, to modernize its information management capabilities. A continued emphasis on the redesign of the Commission's information technology (IT) infrastructure has resulted in a number of significant improvements including the move of most crop insurance underwriting processes to a more stable and secure platform. Future work will focus on further strengthening the Commission's IT infrastructure and improving client online interaction.

Strategic Goals

- Stabilize agricultural business incomes through the provision of fiscally responsible and sustainable insurance products to support the economic growth of the province.
- A competitive, sustainable and profitable farm industry proactively managing risk through income stabilizing insurance-based programs.
- A modern, highly responsive, efficient, reliable and secure service delivery system.

Core Business Areas

The core business of the Nova Scotia Crop and Livestock Insurance Commission is the delivery of insurance products for production agriculture. This is conducted pursuant to the Crop and Livestock Insurance Act and federal and provincial regulations and in

accordance with the Business Risk Management components of FPT cost sharing agreements.

Priorities for 2020 - 21

A key priority of the Commission is to increase the insurance coverage it offers to Nova Scotia agricultural producers. The value of coverage is actively managed by increasing the number of clients using AgrilInsurance, or by increasing the number of products offered and the range of options available to the farming community. The Commission will pursue increased program participation through:

1. Program expansion / enhancements

- a. Complete major actuarial recertification work and implementation of its recommendations of the Commission's Tree Fruit plan.
- b. Continue to consult with industry stakeholder groups to review current policies and regulations aimed at improving existing insurance plans. Examples include consultations with wild blueberry, tree fruit, and horticulture sectors.
- c. Work with industry stakeholders on the development of new insurance programs/options such as grapes vines and haskap.
- d. Consult with industry stakeholders on the feasibility of livestock price insurance products.
- e. Develop its regulations consistent to the mandate of the Province's office of Regulatory Affairs and Service Effectiveness. Examples include continued work to update the form and content of current dairy plan regulations and revisions to the Arbitration regulations.
- f. Work with stakeholder groups to continue to review the effectiveness of its Wildlife Compensation Program.

2. Administrative Priorities

- a. Explore programming and funding options that will mitigate reductions in client participation due to premium rate increases resulting from back to back record indemnity payouts in 2018 and 2019.
- b. Proactively promote AgrilInsurance as a key business management option for agricultural producers in Nova Scotia.
- c. Over the next year, use a phased approach and both internal and external resources, to modernize its information technology infrastructure to achieve a more accurate, reliable, and secure data handling system including more client focused interaction through online payments and applications.

Financials

The Commission budget is included in the budget estimates of the Department of Agriculture. The Implementation Agreement under the *Canadian Agricultural Partnership* provides for reimbursement of 60% of the administrative costs (includes staffing costs) related to AgrilInsurance and Wildlife Compensation. Insurance premiums are cost shared by farmers (40%), the federal government (36%), and the provincial government (24%) and are administered directly by the Commission. Only the provincial premium contributions are included in Department of Agriculture budget figures.

Table 1. Estimate of Income and Fund Balances

	Authority 2019-20 (\$ 000)	Forecast 2019-20 (\$ 000)	Budget 2020-21 (\$ 000)
Revenues			
Insurance Premiums paid by Clients	823	912	1003
Insurance Premiums Contributed by Govt. (Federal)	736	771	898
Wildlife Compensation Payments (Federal)	150	25	150
Insurance Premiums Contributed by Govt. (Provincial)	491	514	599
Wildlife Compensation Payments (Provincial)	100	17	100
Interest Income	5	75	5
Total Revenues	2305	2314	2755
Expenses			
Indemnity Claims	3000	6500	2500
Wildlife Compensation Payments	250	42	250
Reinsurance premiums	0	0	0
Bad Debt Expense	5	5	5
Total Expenses	3255	6547	2755
Net Income from Insurance Activities	(950)	(4233)	0
Reinsurance Advances			
Federal	0	0	0
Provincial	0	299	0
Total Reinsurance Advance	0	299	0

Net Income	(950)	(3934)	0
Crop and Livestock Insurance Fund Balance			
Beginning of Year	5000	5000	1066
End of Year	4050	1066	1066
Administrative Expenses			
Government Contributions (Canada)	624	611	624
Government Contributions (Nova Scotia)	434	447	434
Total Administrative Expenses	1058	1058	1058
Net Govt. Expenditure			
Canada (Premium + Administration)	1510	1407	1672
Nova Scotia (Premium + Administration)	1025	1277	1133
Total Program Expenditure	2535	2684	2805

NOVA SCOTIA FARM LOAN BOARD BUSINESS PLAN

2020 - 2021

You see potential. So do we.



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Message from the Acting Board Chair and CEO

As a Nova Scotia based agricultural lender, the Nova Scotia Farm Loan Board (FLB) is committed to supporting the rural economy of the Province. We work on behalf of Nova Scotians to maximize the potential of our agricultural sector by helping farms reach their full potential to build prosperity in rural Nova Scotia by providing employment and economic opportunities for today and into the future.

Homegrown Lending

Our lending programs are specially designed to address the most common needs of Nova Scotia farm and agri-food enterprises. Over the past year, the board has undergone a full revamp of its regulations to modernize our services and ensure we can continue to offer the flexibility we are so well known for in the sector.

Partners in Growth

We work with Nova Scotia farms and agri-food producers to build capacity, diversification, and product development as well as planning for marketing and export. In 2020-21, the FLB will continue to build on its strong reputation and history of service to rural Nova Scotia. Working with our partners in the Department of Agriculture and at Perennia Food and Agriculture Inc, we continue to have a unique linkage and ability to respond to the needs of our client base. We have an important ability to connect our clients with programs and partners to find the resources they need to succeed.

We recognize the importance of agriculture to the rural areas of the province. Our commitment to this is as strong as ever as we look to assist existing enterprises with expansion and succession planning, while at the same time offering lending programs to support new entrants. We take a long-term view and consider an enterprise's full business cycle when making lending decisions. Our success comes from our client's success, and we offer flexible lending products and competitive interest rates that reflect this.

Opportunities and Innovation

In 2020-21, we will continue our work helping farm enterprises and agri-food operators navigate their financing options to overcome barriers to growth and help them reach their full potential. Building on recent international trade agreements, we will work with farmers and agri-food businesses to help them maximize their reach and opportunities to sell their products into export markets. At the same time, we will work with clients to finance new and innovative ideas in their businesses to ensure they remain competitive here at home.

Our ability to be agile and responsive to industry needs remains a priority for the FLB. In collaboration with the Department of Agriculture and other provincial partners, we will continue looking for new and better ways to meet the lending needs of our clients.

Nova Scotia Farm Loan Board Business Plan 2020 - 2021

Our recent regulation updates were based on ongoing conversations with clients and their experiences with previous applications. We have heard the challenges from clients, staff and industry stakeholders and as a result, have revamped our lending program regulations. We are continuing work internally to align our lending processes with those of our sister board, the Nova Scotia Fisheries and Aquaculture Loan Board, to improve processing times and identify internal efficiencies. The Boards jointly intend to begin implementation of a new, modernized lending software in 2020-21 which will enable better client service, faster response times and streamlined processing.

We are pleased to present the Nova Scotia FLB Business Plan for 2020 -2021. The plan outlines the Board's commitment to support the rural economy by providing responsible lending services targeted for agriculture and agri-businesses in Nova Scotia.

Andrew Vermeulen
Acting Chair

Jennifer Thompson
Chief Executive Officer (CEO)

Mission

The FLB supports the development of sustainable agriculture and agri-rural business in Nova Scotia through responsible lending.

Mandate

To support the agricultural industry through the provision of capital financing. It operates as a corporation of the Crown under the *Agriculture and Rural Credit Act*. This Act provides authority to the Board to make loans to, or guarantee loans of, a borrower for acquiring or improving any farm asset, including livestock. Regulations made under the Act govern the terms and conditions of loans provided by the FLB.

The FLB also serves the forest industry, as the Timber Loan Board established by the *Forest Act*.

Vision

The Farm Loan Board is a recognized leader in agricultural lending, creating opportunities in rural Nova Scotia.

About the Farm Loan Board

The FLB has been active since 1919 as an agricultural development agency, acting to build a financially stable and sustainable agricultural base in Nova Scotia. It supports agriculture and rural agri-businesses by providing short, medium and long-term capital with competitive interest rates.

The FLB is committed to serving industry, offering several products designed to meet specific lending needs, ranging from small dollar micro-loans to large loans for real estate, quota and orchard development, etc. The FLB works to set-up loans that work for the individual business, with the ability to structure loans to meet client needs.

The CEO of Crown Agencies reports to the Deputy Minister of Agriculture and is responsible for the operations of both the FLB and the Nova Scotia Fisheries and Aquaculture Loan Board. The Board of Directors consists of Nova Scotia residents who are corporate or community leaders who understand the economy and needs of those working in these sectors. They are recommended by the Minister of Agriculture and appointed by Governor in Council.

The FLB is a critical link in the capitalization of rural Nova Scotia businesses with an estimated

Nova Scotia Farm Loan Board Business Plan 2020 - 2021

investment of \$163 million in provincial farms and agricultural processing. This capital is used to buy farmland, construct farm buildings, plant new crop varieties, improve animal genetics, purchase efficient equipment, adopt and develop new agricultural technology, purchase marketing quotas and provide working capital.

Farm Loan Board Focus

The FLB team met with hundreds of unique farm and agri-food operators in 2019-20, showcasing our client centred approach and our commitment to be the leading agriculture lending expert in Nova Scotia.

In 2020-21, the FLB will continue to build upon its past successes and reputation in the sector to further support Nova Scotia agriculture with the capital needed to innovate and expand. We will continue to develop and foster deeper relationships with key industry partners to expand knowledge of our product offerings.

We will expand our focus in the value-add/processing and agri-food sectors by adding a new team member with a dedicated focus on value-add and high value financing. This will serve to further diversify the portfolio and expand the Board's role as a developmental lender.

The FLB undertook a reinvigorated promotional and branding campaign in 2019-20. The Board will continue with this push into 2020-21 with plans to launch an updated website and attend more industry conferences to raise awareness of the Board's programs and activities.

Portfolio Management

The FLB is responsible for an estimated \$163 million over 695 loans, invested with a lending cap of \$200 million. We will continue to work closely with our clients, ensuring service excellence while at the same time navigating individual client and broader commodity challenges that can lead to complex financial circumstances.

The developmental nature of the FLB means that the Board will work with clients who are unable to find reasonable rates or obtain loans at a traditional bank due to the nature of their business or industry and the risks involved. To better manage risk and provide greater likelihood for success, the Board works toward individually customized solutions, including credit and risk assessment. In unfortunate circumstances where the Board is forced to recover on loans, we will work to manage a maximum return on these assets on behalf of the Province.

The FLB invested an estimated \$28 million in 2019-20, contributing to Nova Scotia's agriculture

economy in both local and export markets. The Board makes every effort to assist its clients by providing support through all business cycles including industry downturns. Whenever possible, innovation and value-added processing are also supported. The FLB will invest up to \$40 million in 2020-21.

Performance Goals

The Crown Lending Agency, the administrative unit supporting the FLB, operates under two themes and five strategic goals:

Efficient and Effective Service

1. Increasing impact on industry through **quality lending** and superior client service
 - Develop a balanced portfolio of established enterprises, new entrants and developmental initiatives that have the potential to benefit multiple producers or sectors. Allocate a percentage of new loans to new initiatives and highly developmental projects.
 - Adapt and develop lending products by assessing client profiles, industry trends and satisfaction levels, including a new client satisfaction survey in 2020-21 and a survey to all registered farms in Nova Scotia.
 - In 2020-21, new programs for Buy Local and Climate Change initiatives will be developed to support local producers and processors in bringing products to retail scale and adapting new efficient technologies such as LED lighting.
2. Building trusting relationships through **accountability** for quality and timely work
 - Produce accurate financial information, including an independent audit.
 - Work to replace legacy loans management software to enable better client contact, self service options, and easier, more timely reporting to stakeholders.
3. Improving team effectiveness through a positive work environment and **continuous improvements**
 - Implement activities resulting from the Lean Business Processing initiatives undertaken in 2019-20 by streamlining administrative processes and providing staff with the tools to excel.
 - Monitor trends in employee engagement and offer development opportunities to attract and retain high-performing employees.

Positioned for Success

4. **Growing the rural economy** through responsible lending

Nova Scotia Farm Loan Board Business Plan 2020 - 2021

- Growing rural and coastal communities by providing a range of lending products and services designed to meet specific client needs, no matter their phase of business growth.
5. Positioning for **continued success** through effective systems and responsiveness to industry changes
- FLB will use market trends, build key partnerships, develop new products in response to industry needs, respond to client and industry expectations and improve the lending environment.

Projects will be developed in 2020-21 to advance the Crown Lending Agency's themes and goals of efficient and effective services, growing the rural economy through responsible lending and responsiveness to industry changes. These may include enhancing elements of current products and developing new product offerings, developing and implementing improved information technology and reporting systems and using the new client satisfaction survey to help inform change.

In addition, the FLB advances the Department of Agriculture strategic themes in the following ways:

Enabling Responsible Economic Growth: At over \$24 million in 2018-19 and an estimated \$28 million in 2019-20, FLB investments make Nova Scotia a better and more productive place to harvest, grow and produce food and agri-products. These investments also support production of more local food for Nova Scotians and create economic spin-offs in related industries such as building and material suppliers, building contractors and equipment dealers. This year, the Board will invest up to \$40 million in the development of agriculture and growing the rural economy.

Supporting Research and Innovation: The FLB will continue to support innovative farmers in the development of new crops, in the pursuit of improved processing techniques and in the adoption of new and innovative technologies such as modern energy efficient LED lighting for greenhouses or new technology for blueberry harvesting.

Building Public Trust and Market Acceptance: The FLB will continue to disburse funds for food production, and processing and quality improvements including food safety, building confidence in our products for local and international consumers. Investments in improved genetic quality for breeding stock, for both livestock and horticultural products, is one example of how the FLB supports building public trust and market acceptance.

Increasing Trade and Market Access: In 2018, wild blueberry exports reached a three-year high of \$104.4 million. Total vegetable exports reached \$40 million and fur exports rebounded to \$48.6 million. These exports made up over half of the total agri-food exports for Nova Scotia in 2018. Other export products that benefited from FLB loans include Christmas trees, a variety of vegetables, berries and apples, wines, and non-alcoholic beverages.

Encouraging Value Added Opportunities: The wine industry continues to grow in Nova Scotia. Though the risks can be higher for value-added products, so are the potential economic outcomes. The Board will continue to offer financial support to clients when taking on value added opportunities with good business potential.

Regulatory Changes

The FLB completed a review of the *Nova Scotia Farm Loan Regulations* to modernize and align it with the *Nova Scotia Fisheries and Aquaculture Loan Board Regulations* and updated regulations were implemented in 2018-19. In 2019-20, the Boards undertook to streamline and align its processes to increase efficiencies, increase capacity and reduce administrative processes. The two Boards will continue to operate separately to maintain their unique sector supports, making each Loan Board a more appealing institution for borrowers by providing businesses with greater and more flexible loan options that fit their needs and reducing loan turn-around times.

Capital Funds

Description	2019-2020	2019-2020	2019-2020
	Estimate	Forecast*	Estimate
	(\$ 000)	(\$ 000)	(\$ 000)
Opening principal	167,355	180,453	166,040
Add loan advances	40,000	28,000	40,000
Less repayments	(28,000)	(36,000)	(28,000)
Less principal written off	(2,000)	(6,413)	(2,000)
Closing principal	177,355	166,040	176,040
Provision for impaired accounts			
Opening provision	13,143	15,067	15,406
Less accounts written off	(2,000)	(6,413)	(2,000)
Additions (principal portion of bad debt expense +/- adjustments)	253	6,752	253
Closing allowance	11,396	15,406	13,659
Net portfolio at year end	165,959	150,634	162,381

*Forecast data from January 23, 2019

The operating costs of the Nova Scotia Farm Loan Board are consolidated with the Nova Scotia Fisheries and Aquaculture Loan Board and included in the Crown Lending Division of the Department of Agriculture. Interest costs and revenues related to the lending activities of the board are reported through the Department of Finance and Treasury Board.



**NOVA SCOTIA
FISHERIES & AQUACULTURE
LOAN BOARD**

BUSINESS PLAN

2020 - 2021

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Message from the Board Chair and CEO

As a Nova Scotia based fisheries lender, the Nova Scotia Fisheries and Aquaculture Loan Board (FALB) is committed to supporting the rural economy of the Province. We work on behalf of Nova Scotians to maximize the potential of our fishing and aquaculture sectors by helping fishers and aquaculturists reach their full potential to build prosperity in rural Nova Scotia by providing employment and economic opportunities for today and into the future.

Homegrown Lending

Our lending programs are specifically designed to address the most common needs of Nova Scotia fishers, aquaculture enterprises, and seafood processors. Over the past year, the FALB has undergone a full revamp of its regulations to modernize our services and ensure we can continue to offer the flexibility we are so well known for in the sector.

Partners in Growth

We work with Nova Scotia fishers and seafood producers to build capacity, diversification, and product development as well as planning for marketing and export. In 2020-21, the FALB will continue to build on our strong reputation and history of service to rural Nova Scotia. Working with our partners in the Department of Fisheries and Aquaculture and at Perennia Food and Agriculture Inc, we continue to have a unique linkage and ability to respond to the needs of our client base. We have an important ability to connect our clients with programs and partners to find the resources they need to succeed.

We recognize the importance of fisheries to the rural areas of the province. Our commitment to this is as strong as ever as we look to assist existing enterprises with expansion and succession planning, while at the same time offering lending programs to support new entrants. We take a long-term view and consider an enterprise's full business cycle when making lending decisions. Our success comes from our client's success, and we offer flexible lending products and competitive interest rates that reflect this.

Opportunities and Innovation

In 2020-21, we will continue our work helping fishing enterprises, aquaculturists and seafood processors navigate their financing options to overcome barriers to growth and help them reach their full potential. Building on recent international trade agreements, we will work with these clients to help them maximize their reach and opportunities to sell their products into export markets. At the same time, we will work with clients to finance new and innovative ideas in their businesses to ensure they remain competitive here at home.

Our ability to be agile and responsive to industry needs remains a priority for the FALB. In collaboration with the Department of Fisheries and Aquaculture and other provincial partners, we will continue looking for new and better ways to meet the lending needs of our clients.

Our recent regulation updates were based on ongoing conversations with clients and

Nova Scotia Fisheries and Aquaculture Loan Board Business Plan 2020 - 2021

experiences with previous applications. We heard the challenges from clients, staff, and industry stakeholders and have revamped our lending program regulations and are continuing work internally to align our lending processes with those of our sister board, The Nova Scotia Farm Loan Board to improve processing times and identify internal efficiencies. The Boards jointly intend to begin implementation of a new, modernized lending software in 2020-21 which will enable better client service, faster response times, and streamlined processing.

We are pleased to present the Nova Scotia Fisheries and Aquaculture Loan Board business plan for 2020-2021. The plan outlines the Board's commitment to support the rural economy by providing responsible business lending services targeted for fishers, aquaculture enterprises, and seafood processors in Nova Scotia.

Denny Morrow
Chair

Jennifer Thompson
Chief Executive Officer (CEO)

Mission

The Board supports the development of fisheries and aquaculture businesses in Nova Scotia through responsible lending.

Mandate

To support the fisheries and aquaculture industry through the provision of capital financing. It operates as a Crown Corporation established under the *Fisheries and Coastal Resources Act* (Act). This Act provides authority to the Board to make loans to, or guarantee loans of, a borrower for any purpose which will encourage, sustain, improve or develop the fishing and aquaculture industries in the Province. Regulations made under the Act govern the terms and conditions of loans provided by the FALB.

Vision

The Nova Scotia Fisheries and Aquaculture Loan Board is a recognized leader in fisheries and aquaculture lending, creating opportunities in rural and coastal Nova Scotia.

About the Fisheries and Aquaculture Loan Board

The FALB has been active since 1936 as Nova Scotia's fisheries and aquaculture development agency, acting to build a financially stable and sustainable fishing sector in Nova Scotia. It supports fishers and fishing enterprises by providing short, medium and long-term capital with competitive interest rates.

The FALB is committed to serving industry, offering several products designed to meet specific lending needs, ranging from small dollar micro-loans, to large loans for new vessels, licenses and processing equipment, etc. The FALB works to set-up loans that work for the individual's business, with the ability to structure loans to meet client needs.

The CEO of Crown Agencies reports to the Deputy Minister of Agriculture and is responsible for the operations of the FALB and the Nova Scotia Farm Loan Board. The Board of Directors consists of Nova Scotia residents who are corporate or community leaders who understand industry, the economy and the needs of those working in these sectors. They are recommended by the Minister of Fisheries and Aquaculture and appointed by Governor in Council. The FALB is a critical link in the capitalization of rural Nova Scotia businesses with an estimated investment of \$196 million in provincial fishing, aquaculture, and processing enterprises. This capital is used to buy licenses, new and used vessels, vessel modifications, gear, seed stock, and processing equipment to name a few of the lending programs we support.

Fisheries and Aquaculture Loan Board's Focus

The FALB team met with hundreds of unique operators in 2019-20, showcasing our client centred approach and our commitment to be the leading fisheries and aquaculture lending experts in Nova Scotia.

The FALB will continue to build upon our past successes and reputation in the sector to further support Nova Scotia fisheries and aquaculture-related enterprises with capital needed to innovate and expand on their success. We will continue to develop and foster deeper relationships with industry peers to expand knowledge of our product offerings.

We will expand our focus in the value-add and processing sectors by adding a new team member with a dedicated focus on value-add and high value financing. This will serve to further diversify the portfolio and expand the Board's role as a developmental lender.

The FALB undertake a its first promotional and branding campaign in 2019-20, including the introduction of a standalone website. The Board will continue with this push into 2020-21 with plans to attend more industry conferences to raise awareness of the Board's programs and activities in Nova Scotia.

With new regulations in place, the FALB has expanded its commitment to the industry by lending for a broader range of fishing and seafood projects, such as specialized equipment and other value add opportunities.

Portfolio Management

The FALB is responsible for an estimated \$196 million over 850 loans, invested with a lending cap of \$205 million. We will continue to work closely with our clients, ensuring service excellence while at the same time navigating individual client and broader commodity challenges that can lead to complex financial circumstances.

The developmental nature of the FALB means that the Board will work with clients who are unable to find reasonable rates or obtain loans at a traditional bank due to the nature of their business or industry and the risk involved. To better manage risk and provide greater likelihood for success, the Board works toward individually customized solutions, including credit and risk assessment. In unfortunate circumstances where the board is forced to realize on security, we will work to manage a maximum return on these assets on behalf of the province.

The FALB invested an estimated \$60 million in approximately 140 clients in 2019-20, contributing to Nova Scotia's fisheries and aquaculture economy in both local and export markets. The Board makes every effort to assist its clients by providing support through all business cycles including industry downturns. Whenever possible, innovation and value-added

processing are also supported. The FALB plans to invest up to \$60 million in 2020-21.

Performance Goals

The Crown Lending Agency, the administrative unit supporting the FALB, operates under two themes and five strategic goals:

Efficient and Effective Service

1. Increasing impact on industry through **quality lending** and superior client service
 - Develop a balanced portfolio of established enterprises, new entrants and developmental initiatives that have the potential to benefit the broader fishing sector in Nova Scotia. Allocate a percentage of new loans to new initiatives and highly developmental projects.
 - Adapt and develop lending products by assessing client profiles, satisfaction levels, and industry trends and introducing a new client survey in 2020-21
 - In 2020-21, new programs for Buy Local and Climate Change initiatives will be developed.
2. Building trusting relationships through **accountability** for quality and timely work
 - Produce accurate financial information, including an unqualified audit opinion.
 - Work to replace legacy loans management software to enable better client contact, self-service options, and easier, more timely reporting to stakeholders.
3. Improving team effectiveness through a positive work environment and **continuous improvements**
 - Implement activities resulting from the Lean Business Processing initiatives undertaken in 2019-20 by streamlining administrative processes and providing staff with the tools to excel.
 - Monitor trends in employee engagement and offer development opportunities to attract and retain high-performing employees.

Positioned for Success

4. **Growing the rural economy** through responsible lending
 - Growing rural and coastal communities by providing a range of products and services designed to meet specific client needs, no matter their phase of business growth.
5. Positioning for **continued success** through effective systems and responsiveness to industry changes

Nova Scotia Fisheries and Aquaculture Loan Board Business Plan 2020 - 2021

- FALB will use market trends, build key partnerships, develop new products in response to industry needs, respond to client and industry expectations and improve the lending environment.

Projects will be developed in 2020-21 to advance the Crown Lending Agency's themes and goals of efficient and effective services, growing the rural economy through responsible lending and responsiveness to industry changes. These may include enhancing elements of current products, developing new product offerings, developing and implementing improved information technology and reporting systems and improving their client survey.

In addition, the FALB advances the Department of Fisheries and Aquaculture strategic themes in the following ways:

Enabling Responsible Economic Growth: At almost \$52 million invested in 2018-19 and an estimated \$60 million in 2019-20, FALB investments make Nova Scotia a better and more productive place to harvest, grow and process seafood products. These investments also support production of more local food for Nova Scotians and create economic spin-offs in related industries such as boat building, material suppliers, and equipment dealers. This year, the Board plans to invest up to \$60 million in the development of the seafood sector and growing the rural economy.

Supporting Research and Innovation: The FALB will continue to support innovative fishers, aquaculturists and processors in the development of more efficient vessels, in the pursuit of improved processing techniques and in the adoption of new and innovative technologies.

Building Public Trust and Market Acceptance: The FALB will continue to disburse funds for food production, processing and quality improvements, including food safety, building confidence in our products for local and international consumers.

Increasing Trade and Market Access: The FALB will continue to support businesses seeking new markets, both domestically and internationally.

Encouraging Value Added Opportunities: The FALB encourages valued-added opportunities with good business potential. This includes expanding eligibility to shore-based infrastructure and operations, allowing industry to increase the value of its products while ensuring the sustainable and responsible use of related resources. Though the risks can be higher for value-added products, so are the potential economic outcomes. The Board will continue to offer financial support to clients when taking on value added opportunities with good business potential.

Regulatory Changes

The FALB completed a review of the *Nova Scotia Fisheries and Aquaculture Loan Board Regulations* to modernize and align with the *Nova Scotia Farm Loan Board Regulations* and updated regulations were implemented in 2018-19. In 2019-20, the Boards undertook to streamline and align the processes of the boards to increase efficiencies, increase capacity, and reduce administrative processes. The two Boards will continue to operate separately to maintain their unique sector supports, making each Loan Board a more appealing institution for borrowers by providing businesses with greater and more flexible loan options that fit their needs and reducing loan turn-around times.

Nova Scotia Fisheries and Aquaculture Loan Board Business Plan 2020 - 2021

Capital Funds

Description	2019-20 Estimate (\$000)	2019-20 Forecast* (\$000)	2020-21 Estimate (\$000)
Opening principal	154,918	154,372	189,705
Add loan advances	60,000	60,650	60,000
Less repayments	(27,000)	(24,170)	(27,000)
Less principal written off	(-)	(1,147)	(-)
Closing principal	187,918	189,705	222,705
Provision for impaired accounts			
Opening provision	1,299	2,160	1,822
Less accounts written off	(-)	(416)	(-)
Additions (principal portion of bad debt expense +/- adjustments)	78	78	78
Closing allowance	1,377	1,822	1,900
Net portfolio at year end	186,541	187,883	220,805

*Forecast data as of January 17, 2019

The operating costs of the Nova Scotia Fisheries and Aquaculture Loan Board are consolidated with the Nova Scotia Farm Loan Board and included in the Crown Lending Division of the Department of Agriculture. Interest costs and revenues related to the lending activities of the Board are reported through the Department of Finance and Treasury Board.

2020-21 BUSINESS PLAN

January 2020

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Message from the Minister, Chair, and President & CEO

We are pleased to present the Nova Scotia Gaming Corporation (NSGC) Business Plan for 2020-21. The Plan focuses on our commitment to offer an industry that is well regulated, fun and entertaining, and provides Nova Scotians with tangible, financial benefits. This Plan is about being a key contributor to the Province, its people and good causes that are important to Nova Scotians and creating a gaming industry Nova Scotians are proud of and enjoy.

NSGC's mandate is to run the business in a manner that is socially responsible, accountable and sustainable and includes offering first-class responsible gambling programs to Nova Scotians. One hundred percent of the profits from regulated gambling are returned to the government to fund priority programs and services including health care, education and transportation. NSGC and its operators are proud to be key contributors to the Nova Scotia economy.

The 2020-21 Business Plan demonstrates a business culture that promises to give back to the people of Nova Scotia. Since it began in 2006, the *Support4Sport* Program has raised more than \$42 million to support local athletes, coaches, officials and community sport organizations. This program is now the largest contributor to sport in Nova Scotia and reflects a longstanding historical link between gambling and sport. Modelled on the success of the *Support4Sport* program, NSGC launched *Support4Culture* in 2013, a program that has contributed more than \$16 million to support the arts, culture and heritage sectors.

NSGC's Plan for 2020-21 highlights its strategies to achieve responsible economic returns in an environment where there is increasing competition from both regulated and non-regulated gambling options. NSGC is committed to offering Nova Scotians a socially responsible and economically sustainable gaming industry.

Respectfully submitted,

The Honourable Karen Casey
Minister responsible for Part I of the *Gaming Control Act*

Byron Rafuse
Chair, Board of Directors

Robert MacKinnon
President & CEO

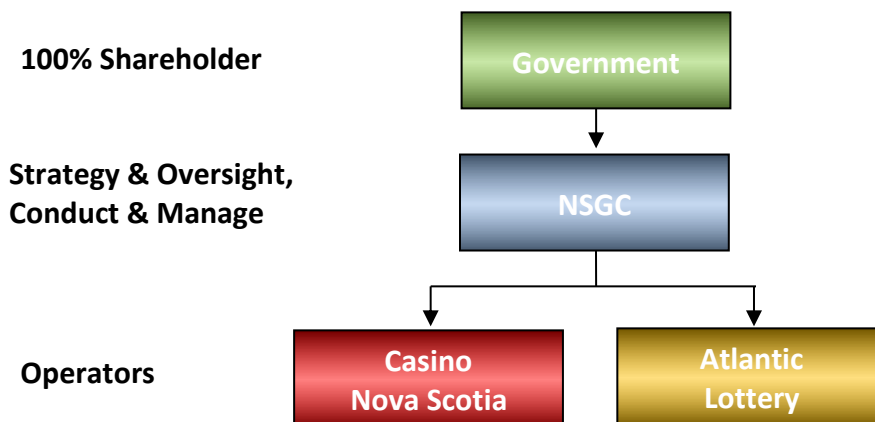
Mission

The Nova Scotia Gaming Corporation's mission is to offer trusted and entertaining responsible gaming experiences, optimizing the benefits for Nova Scotians.

Organization Mandate

The Nova Scotia Gaming Corporation (NSGC) is responsible for conducting and managing regulated gambling in the province. It is a Crown corporation governed by Part I of the *Gaming Control Act*, charged with leading a viable and socially responsible gaming industry for the benefit of all Nova Scotians. NSGC works hard to meet the needs of Nova Scotians and to earn their trust. NSGC's vision is to have a gaming industry Nova Scotians are proud of and enjoy.

NSGC's role is to ensure gambling in Nova Scotia is socially responsible while making reasonable profits for the government. In performing this role, NSGC oversees its operators, Atlantic Lottery Corporation (ALC) and Casino Nova Scotia (CNS), who carry out the day-to-day business on NSGC's behalf. The Government, and ultimately the people, of Nova Scotia are the shareholders and owners of the industry.



The public demands that government offer regulated gambling in a socially responsible manner. Nova Scotians have the right to expect the highest ethical standards, integrity, and social and fiscal accountability from NSGC. Corporate social responsibility is a critical part of NSGC and its pledge to be socially responsible includes giving players the information they need to play responsibly, ensuring the integrity of the industry, and giving back to the people of Nova Scotia.

Core Responsibilities and Services

NSGC contributes to the Province in a number of notable ways. While the economic benefits are substantial, managing the business in a socially responsible manner is a primary objective.

Each year, 100% of NSGC's profits go back to the Province and provide major benefits to Nova Scotians through the funding of programs and services including education, transportation and healthcare. In 2020-21, NSGC will provide \$146.9 million to the Province to fund vital programs and services. The industry also creates and supports employment for more than 500 people and will add more than \$37.1 million in retail commissions to local businesses.

NSGC will continue to achieve its core business functions, as follows:

Responsible Industry Development

NSGC focuses on initiatives that will develop a balanced and socially responsible industry that is sustainable and benefits all Nova Scotians through:

1. *Policy and Planning* – Manage the business to provide value to Nova Scotians and ensure the business and strategies are aligned with the Province's goals for gambling.
2. *Responsible Product Implementation* – Make evidence-based decisions in assessing changes to products and environments in which they are offered.
3. *Social Responsibility* – Nova Scotia leads responsible gambling and continues to be among the most socially responsible jurisdictions in the world. NSGC will continue to offer responsible gambling programs that promote awareness, education and informed choice for all Nova Scotians.

Operations Management

NSGC will continue to effectively manage its various businesses: ticket lottery, video lottery and casino locations in Halifax and Sydney. There are three aspects of this activity:

1. *Operator Management* – Oversee NSGC's Operators (i.e., ALC and CNS), to ensure there is strategic alignment with Nova Scotia's goals and that projects are completed as planned. Ensuring the Operators offer products that are fun and entertaining as well as socially responsible in an environment of security and integrity are key objectives.
2. *Risk Management and Quality Control* – Proactively manage risks and employ effective quality control of NSGC and its Operators' day-to-day activities and the business environments in which they operate.

3. *Compliance Management* – Ensure operations conform to legislation, regulations, contracts and policies. Careful oversight of operations allows NSGC to ensure the industry is managed to the highest standards of integrity, public confidence and security, and is a critical piece of NSGC’s mandate.

Status of 2019-20 Activities

In the current fiscal year, NSGC is on track to achieve all of its objectives including:

Casinos: CNS continues to focus on the food and beverage and entertainment offerings and promotions offered to its guests. Ongoing monitoring of player satisfaction results in continuous improvements to service levels and product offerings.

Ticket Lottery: ALC launched Lotto Max twice weekly with the addition of a Tuesday draw and a new regional game, ‘Hit or Miss’.

Video Lottery: The video lottery business line continued to update terminals in the market with 200 terminal replacements during the year. Continuing with the natural attrition policy resulted in the removal of 13 terminals from the marketplace during the year.

Responsible Gambling: Responsible gambling programs remain a priority for NSGC. Initiatives completed in 2019-20 included:

- Responsible Gambling Awareness Week;
- Completion of RG check certification at both casino locations; and
- Implementation of the updated Responsible Gambling Assessment program to ensure all games, promotions and materials are evaluated prior to launch in the marketplace.

2020-21 Strategic Goals and Priorities

NSGC is guided by a vision to offer a gambling industry that is fun, while being a major contributor to the economy, communities and good causes. There are four goals related to this activity:

Goal #1: Provide exceptional value by offering fun products to achieve responsible revenue and profits

NSGC will ensure a responsible return to the Province by using sustainable business models and fulfilling its commitment to integrity and security. NSGC will make evidence-based decisions that incorporate responsible gambling in the design, delivery, promotion and use of its products, and will facilitate benefits to communities, businesses, and individuals across the province.

Priorities

In striving to generate responsible economic returns, NSGC will focus its attention on the following priorities in 2020-21:

Casinos – Casino Nova Scotia plans to focus on improving guest service standards throughout the operation to further leverage the recently renovated properties. Customer research will assist in targeting programs to provide guests with games that are appealing, high-quality dining, and attractive entertainment offerings.

Ticket Lottery – Ticket lottery is NSGC's most mature business line and requires additional innovation to be sustainable. In 2020-21, ALC will leverage the investments made over the past number of years and offer new games, make improvements to the retail experience as well as expand mobile-based offering. The strategic focus is to better align with the needs of shifting demographics while continuing to maintain and appeal to the broader consumer base.

Video Lottery –The focus for 2020-21 will include efforts to further integrate responsible gambling into the day-to-day operations at retail locations to reduce the stigmatization of video lottery and its players. Terminal replacements in market as well as the natural attrition policy will continue.

Goal #2: Provide customers with products they want in an environment they expect

NSGC will deliver products that customers want, when, where and how they want them. The corporation will seek input from players to make sound decisions on how to advance the gambling industry in Nova Scotia.

Priorities

The plan for 2020-21 is to improve the player experience for those who choose to purchase lottery products online. The corporation will strive to ensure that the transactional web portal and any player-facing components meet industry standards and the players' expectations. In addition, NSGC will continue to ensure that the online platform offers a safe and regulated environment in which to play, as well as providing sufficient harm-mitigation tools for those who choose to gamble online.

Goal #3: Lead responsible gaming

NSGC will advance its social responsibility agenda by leading responsible gambling programs that provide Nova Scotians with the tools and information they need to make informed decisions. NSGC will provide fun and responsible gaming experiences, which requires the corporation to conduct business with an understanding of how its activities can impact others. NSGC's Social Responsibility Charter puts social responsibility top of mind for the corporation, and it is integrated into its corporate culture.

Priorities

NSGC will continue responsible gambling programs such as:

- ▶ Responsible Gambling Awareness Week as well as year-round responsible gambling messaging;
- ▶ Responsible Gambling Resource Centres (RGRC) at both casinos;
- ▶ Access to Responsible Gambling Information at both casinos at times when the RGRC is not available;
- ▶ Responsible gambling tools and training for ticket and video lottery retailers, casino staff, and NSGC employees;
- ▶ Evaluation of new products, initiatives and projects using the Responsible Gambling Assessment (RGA) process.

Goal #4: Focus on Nova Scotians through excellence in corporate social responsibility

The people of Nova Scotia are NSGC's valued customers, employees, neighbours, families, suppliers and business partners. The corporation strives for excellence as a steward of the gaming industry to provide entertaining, enjoyable experiences. NSGC will leverage dedicated revenue and industry expertise to support good causes throughout the province.

NSGC will provide strong management and accountability by ensuring timely and complete communication to the media, public, and stakeholders when managing the business.

Priorities

NSGC will continue:

- ▶ *Support4Sport* - a dedicated ticket lottery program that will raise funds to buy sports equipment, create recreation/participation programming for all ages, support performance training programs for competitive athletes, and hire coaches at all levels, making it the largest source of funding for amateur sport in the province.
- ▶ *Support4Culture* - a dedicated ticket lottery program that will raise funds for arts, culture, and heritage in communities throughout Nova Scotia.
- ▶ *Support4Communities* - provides in-kind support and learning opportunities for charitable organizations in Nova Scotia. This includes fundraising seminars and licensed Monte Carlo fundraisers for charitable groups.
- ▶ Quarterly reports, an annual report, a business plan, a community report, fact sheets about NSGC programs and the gambling industry, and news releases will be made available via its website throughout the year.

Outcomes and Performance Measures

Outcome	Indicator(s)	Measure(s)	Baseline	Target 2020-21	2020-21 Strategies and Initiatives	Long-term Target 2023-24
Nova Scotia has an economically sustainable and socially responsible gaming industry.	The Province has a sustainable source of revenue from gambling to help pay for programs and services	Gross sales	(2011-12) \$427.4 million	\$475.5 million	Continue to provide relevant and engaging products to players in a safe and regulated environment	\$468.6 million
		Payment to Province	6-year Average (2010 to 2016) \$135.6 million	\$146.9 million	Ensure Operators are meeting business plan objectives	\$144.3 million
	Government reduced reliance on revenue from VLTs	Video Lottery as % of total provincial revenue	(2010-11) 0.91%	0.85%	Remove VLTs through natural attrition and grow revenue from other business lines (e.g., Ticket Lottery)	0.85%
	NSGC supports small businesses across the province through commissions to retailers	Commission paid to retailers	(2010-11) \$39.8 million	\$37.1 million	Leverage new ticket and video lottery products and make further enhancements to the video lottery business model	\$38.2 million
Nova Scotia has a socially responsible gambling industry, players have the information they need to play responsibly, and games remain entertaining, safe and fun.	Nova Scotians are aware of appropriate responsible gambling behaviours	% of public that can cite two responsible gambling behaviours	(2008-09) 16%	20%	Execute responsible gambling and public awareness programs	25%
	Nova Scotians are aware of and support NSGC's support for responsible gambling programs	% of public that support NSGC's commitment to responsible gambling	(2007-08) 68%	80%		80%
Nova Scotia's gambling industry is trusted and supported.	NSGC's response time to routine access request for information	% of routine access requests responded to within two business days	100%	100%	Employ sound operations management	100%
	Nova Scotians are in favour of regulated gambling	% support for regulated gambling	5-year Average (2011 to 2016) 54%	55%	Execute initiatives in the Social Responsibility Business Plan	55%

2020-21 Budget

	Estimate 2019-20 (\$ 000)	Forecast 2019-20 (\$ 000)	Estimate 2020-21 (\$ 000)
Sales			
Casinos	\$ 85,400	\$ 88,600	\$ 89,300
Ticket Lottery	249,200	236,800	255,700
Video Lottery	<u>132,300</u>	<u>131,200</u>	<u>130,500</u>
Total Sales	<u>466,900</u>	<u>456,600</u>	<u>475,500</u>
Cost of Sales	<u>321,500</u>	<u>314,000</u>	<u>325,800</u>
Gross Profit	<u>145,400</u>	<u>142,600</u>	<u>149,700</u>
Expenses			
Responsible Gambling Programs	7,500	7,300	7,500
Commitments to Community			
Programs	<u>9,900</u>	<u>9,900</u>	<u>11,200</u>
Total Expenses	<u>17,400</u>	<u>17,200</u>	<u>18,700</u>
Net Income	128,000	125,400	131,000
Casino Win Tax	<u>15,100</u>	<u>15,800</u>	<u>15,900</u>
Payment to Province	<u>\$143,100</u>	<u>\$141,200</u>	<u>\$146,900</u>

Nova Scotia Lands Incorporated

Business Plan 2020–21



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Message from the Minister and President

We are pleased to present the 2020-2021 business plan for Nova Scotia Lands Inc. (NSLI) and Harbourside Commercial Park Inc. (HCPI).

In 14 years of service to Nova Scotians, NSLI has successfully managed multiple major environmental remediation projects and site management efforts and will continue to do so. For example, the long-term monitoring and maintenance of the cleaned up and remediated Sydney tar ponds and coke ovens sites will continue by those on site at HCPI. Additional clean up efforts continue for the slag pile area, with a potential buyer in place for the 75+ acre parcel, once remediation is completed. As well, groundwater treatment efforts are required on the former coke ovens site, which continues to be monitored.

Since taking over management and responsibility for the former DSME Trenton facility in 2018, we have been successful in the demolition of several outdated assets which were deemed unsustainable. An ongoing focus to market the site to prospective business and government interests for both development and job creation opportunities will continue in the upcoming year.

Other remediated sites have seen great success with Harbourside being home to 25 businesses, allowing the creation of nearly 300 jobs, while Port Mersey Commercial Park continues to host a number of businesses, with full time and seasonal employment for between 80-100 Nova Scotians.

Remediation efforts to return Boat Harbour back to a tidal estuary continue. As part of the Project, a federal environmental assessment (EA) is being conducted. Extensive site and base line assessments have been completed, and the project detail design is significantly advanced. Our stakeholder engagement continues to be significant, including the public, other levels of government, First Nations, academia, and industry.

NSLI continues to work on several other environmental remediation projects across the province. The division is providing support to Lands and Forestry on assessments for Montague and Goldenville Gold Mines, as well as providing project management for the assessment and prioritization of 67 other mine sites which are also managed by Nova Scotia Lands and Forestry. In addition to these, NSLI continued remedial work on the former RDM Waste Management Facility in Harrietsfield, worked to assess the removal of abandoned or wrecked vessels along the coastline of Nova Scotia, and managed the environmental aspects of several sites within their purview around Nova Scotia.

We are working with multiple departments on the provincial dam inventory, and we continue to collaborate with other departments and Crown corporations to develop a concise provincial land asset management system.

The Health Infrastructure Division of NSLI has grown and now hosts 90 employees made up of NS Lands Healthcare, Nova Scotia Health Authority (NSHA), and supporting departments across the province. Success has been seen with the completion of the Hants Operation Room and the opening of the Dartmouth General Expansion. We are excited to be part of this incredible project that will transform how we deliver health care across the province to all Nova Scotians.

We look forward to a productive year!

Original Signed By

Lloyd P. Hines
Minster, Transportation and Infrastructure Renewal

Original Signed By

Stephen MacIsaac, RPF, P.Eng
President, Nova Scotia Lands Inc.

Background

In 2007, the Province incorporated Nova Scotia Lands Inc. At that time, the primary role was to continue remediation of the former Sydney Steel Corporation (SYSCO) and to then focus on site redevelopment and management. SYSCO remains a separate Crown corporation and retains NSLI to continue management and redevelopment of the site.

NSLI's role has increased over the past decade, with an increase in management of several properties across the province including industrial sites in Trenton, Liverpool, Sydney, and Pictou. Over the years the organization has built capacity in the areas of environmental remediation and brownfield redevelopment, land management, maintenance and monitoring, and environmental analysis and assessments. Due to these skill sets, other government departments continue to look to NSLI for support in a variety of areas. This increased capacity also led to NSLI taking the lead on returning Boat Harbour to a tidal estuary.

In January 2019, the Board of Directors of NSLI signed a resolution to create the Health Care Infrastructure Project division. The division is based on an integrated team model, which allows projects to be supported on various levels and ensures a holistic approach to project delivery. This team is managed by an oversight committee that reports directly to the Board of NSLI. The integrated team is primarily made up of NS Lands Health Infrastructure division, Clinical Supply Chain, NSHA, Department of Health and Wellness, Transportation and Infrastructure Renewal, and the Department of Finance. This division is in the midst of oversight of the largest infrastructure project ever in Nova Scotia.

This plan will highlight work being conducted in the upcoming year, broken down by NS Lands-Original Mandate and NS Lands-Health Infrastructure.

NS Lands – Original Mandate

- To assess and, where required, remediate and redevelop crown-owned properties.

Vision

- Nova Scotia Lands Inc. is the agency government looks to for environmental clean up, asset management information and brownfield land management in the Province of Nova Scotia.

Mission

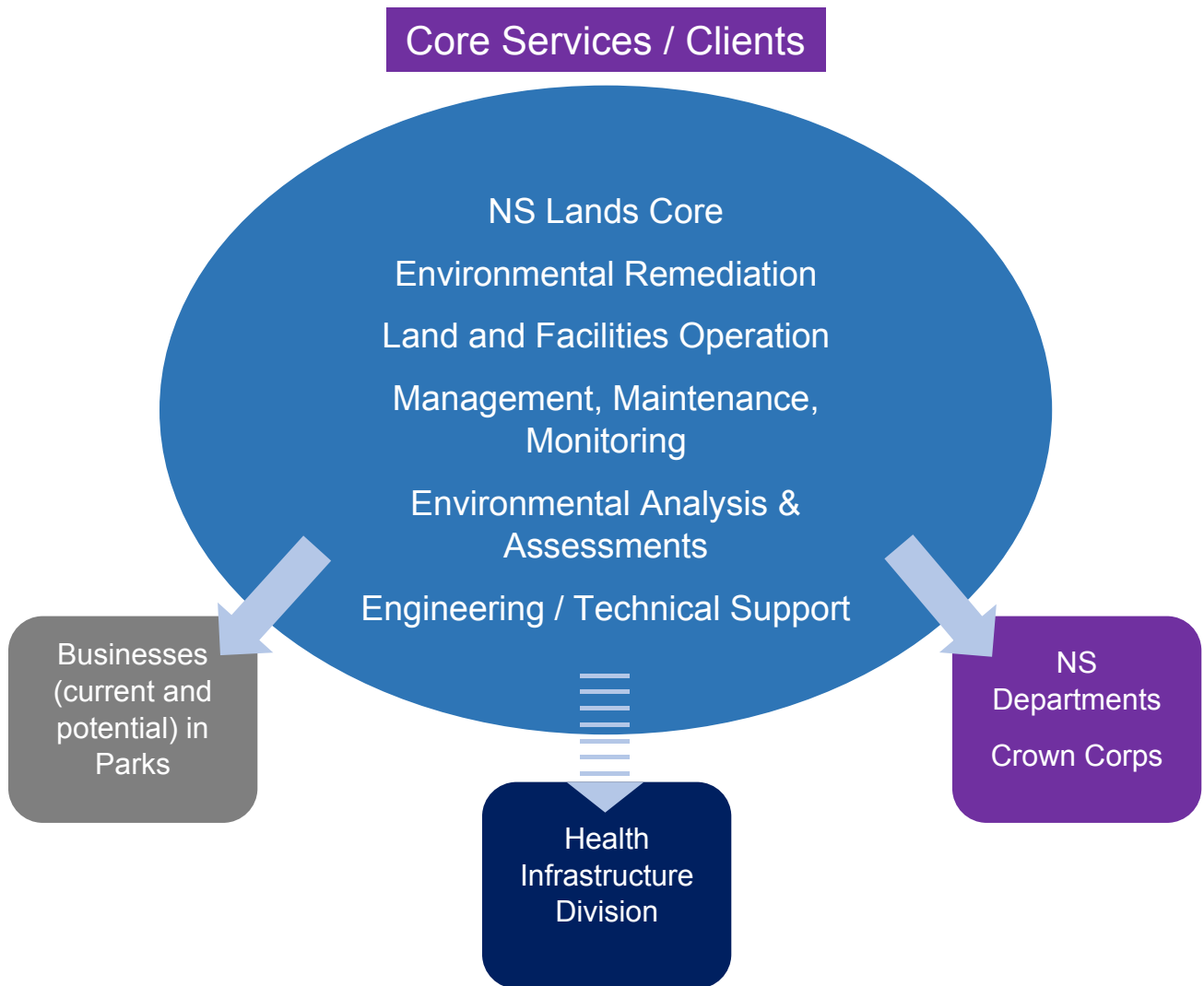
- To ensure proper remediation and best use of provincial assets.

Core Values

- To be transparent and accountable
- To capitalize on human built strengths and recognize a competent and capable workforce
- To ensure a safe working environment

Core Programs

- Environmental Analysis and Remediation
- Parks and Land Management
- Asset Inventory Management
- Boat Harbour (separate from #1 due to magnitude of project and specific legislation)
- Health Infrastructure Redevelopment¹



¹ Under Special Resolution, this program reports directly to the Executive Oversight Committee, made up of representatives from Dept of Health, Finance, Transportation and Infrastructure Renewal and the NS Health Authority, which acts as the project steering committee.

NS Lands Core Programs

Environmental Analysis and Remediation

- Continue to provide technical support and sign off, where necessary, for project activities associated with the Boat Harbour Remediation Project
- Engage with and project manage several consultants supporting environmental monitoring on projects
- Develop a monitoring system to ensure reporting requirements are met on all Industrial Approvals (IA's) with our partners at Nova Scotia Environment (NSE)
- Continue to build meaningful partnerships with government departments and maintain those already in existence
- Provide project management services for mine remediation projects for our partners at Lands and Forestry
- Complete remedial efforts for closure of the former RDM Disposal Site Assessment in Harrietsfield. Set up a Long-Term Monitoring Plan for the site.
- Complete the Assessments of Abandoned or Wrecked Vessels project and begin the removal phase for those vessels.

Parks and Land Management

Open Hearth Park

- Build on the success, to date, of park use for promotional events
- Continue to highlight the link between Open Hearth Park and Harbourside Commercial Park

Port Mersey Commercial Park (PMCP)

- Continue to maximize short term revenue via short term leases, where possible
- Support the expansion of existing business, where reasonable
- Support existing business with expansion plans, when appropriate
- Continue to liquidate redundant assets

Trenton Commercial Park (TCP)

- Continue demolition on outdated assets
- Continue efforts to sell or lease TCP remaining property

Asset Inventory Management

- Complete testing of the application developed for the Nova Scotia Surplus Land Inventory Project

- Pilot with TIR on use of application as it relates to provincially owned assets
- Develop plan to introduce application to departments who own the majority of provincial assets

Boat Harbour

The Boat Harbour Remediation Project is being undertaken to clean up Boat Harbour and restore it to a tidal estuary. Pilot scale testing was completed, and a detailed design of the remedial solution is being finalized. The proposed remediation activities are estimated to be complete in four to seven years commencing, at the earliest, in 2021. The project is subject to a federal environment assessment (EA) process, which includes consultations with Pictou Landing First Nation (PLFN) and the general public.

NS Lands has continued engagement with PLFN and the general public in the Pictou area, with a public consultation plan for the life of the Impact Assessment Agency of Canada (IAAC) assessment already in the implementation phase.

The following are key initiatives within the Boat Harbour Remediation Project:

- All site assessments and baseline studies completed
- Real-time air monitoring complete and air monitoring on the National Air Pollution Surveillance Program (NAPS) schedule ongoing
- Industry briefing planned for 2020

NS Lands – Health Infrastructure Division

NS Lands Health Infrastructure Division focuses on multi year projects across Nova Scotia. The projects are diverse in nature and contain additions, renovations, and new construction which will transform how we deliver health care throughout the province. There are two key Design, Build, Finance, Maintain (DBFM) projects, along with numerous others, which will be developed in HRM, Hants, and Cape Breton. As part of the overall QEII Redevelopment Project, Hants Operating Rooms have already been completed. Success of the projects to date, and in future, is dependent on the collaborative relationships that have been formed. Numerous government departments at a variety of levels, along with various private sector advisors, play an integral role in this holistic approach.

Below is a list of Principle Government Partners:

- Nova Scotia Health Authority
- Department of Health and Wellness
- Department of Finance and Treasury Board
- Department of Justice
- Transportation and Infrastructure Renewal
- Communities, Culture and Heritage
- Communications Nova Scotia
- Executive Council Office
- Halifax Regional Municipality
- Department of Service Nova Scotia and Internal Services
- Public Service Commission

- Premier's Office

The next section highlights various aspects of the two DBFM projects underway.

QEII Redevelopment Project

This multi-year project is a massive undertaking, as well as an incredible opportunity that will allow the Province to transform how we deliver and meet the health care needs of Nova Scotians across the province. For example, a new QEII Cancer Centre will be part of the Halifax Infirmity Expansion. Below is a list of ongoing major projects in HRM within the QEII Redevelopment:

- Dartmouth General Hospital Renovation and Expansion
 - Primary goal is to facilitate the transition of services from, and eventual replacement of, the VG Centennial Building
 - Construction of a six-unit Dialysis Unit
 - Demolition of a government warehouse to develop parking
- QEII New Generation Program
 - Bayers Lake Community Outpatient Center
 - Will provide a more convenient option for thousands of Nova Scotians who have to travel to Halifax for certain health care services
 - Halifax Infirmity Expansion Project
 - Construction of Inpatient Centre
 - Construction of an Innovation and Learning Centre
 - Construction of a new Ambulatory Centre
 - Construction of the new QEII Cancer Centre
 - Halifax Infirmity 3rd / 5th floor Project
 - CBC Demolition Project
 - Summer Street Parkade
- Chemo Prep Laboratory

Cape Breton Redevelopment Project

The goal of the CBRM Healthcare Redevelopment projects is to build, re-organize, and strengthen health services in CBRM. These projects will open the door to better meet the needs of individuals, families, and communities now and for future generations. Quality health care services will be provided via innovative solutions which will be shown with the new Community Health Centre (CHC) planned for New Waterford.

- Glace Bay Hospital
 - Expansion and renovations include a new emergency department, renovated emergency rooms, new dialysis unit stations and surgical services
- Cape Breton Regional Hospital
 - Expansion and renovations include a new emergency department, critical care centre, cancer centre and surgical services
 - New inpatient units

- New Waterford Primary Care Facility
 - New Waterford Consolidated Hospital will be decommissioned and replaced with a new Community Health Centre (CHC), including a space for a collaborative family practice team, community-based services, day clinics and clinical support services
 - A new 60-bed long-term care facility
 - Grades 6-12 school, Breton Education Centre

- North Sydney Hospital
 - A new, modern community health centre
 - A 60-bed long-term care home
 - A new laundry centre

Nova Scotia Lands – Original Mandate Budget Context

	Estimate 2019-2020 ('000)	Forecast 2019-2020 ('000)	Estimate 2020-2021 ('000)
REVENUES			
Management Fee from HCPI	175	175	180
Miscellaneous Recoveries	110	134	445
Leases	94	68	55
Wharf Usage	48	79	129
Equipment Rentals	10	5	10
Ec Dev Provincial Recovery	1,259	1,259	1,259
PNS Grant	1,000	1,000	750
Grant-Pictou Wharf	0	9	0
OHP LTMM Fund & Admin Fee	1,168	966	1,161
Boat Harbour & Admin Fee	7,407	8,610	7,205
NDMP Dam Project	72	72	0
Sysco LTMM & Admin Fee	4,207	1,316	4,200
Miscellaneous Income	100	161	125
Gold Mines Project & Admin Fee	430	430	20,152
Future Building/School Demolition & Admin Fee	300	0	550
Marine Vessel Program & Admin Fee	170	170	429
Tidal Energy Project	0	0	50
Trenton Commercial Park	1,364	1,364	1,076
Harrietsfield Landfill	4,115	1,038	8,081
LAF Contaminated Sites	110	105	560
Spring Hill Well Capping	496	0	0
Victoria Beach Fish Plant	0	83	0
Harbour Bottom Divestiture	0	50	0
TOTAL REVENUE:	22,635	17,094	46,417
EXPENSES			
Payroll	2,099	1,964	2,098
General & Administration Expenses	1,737	1,964	1,610
Provincial Economic Development Initiatives PMCP	1,259	1,259	1,259
Site Reconstruction – PMCP	40	73	25

	Estimate 2019-2020 ('000)	Forecast 2019-2020 ('000)	Estimate 2020-2021 ('000)
Sysco LTMM	3,769	878	3,751
OH Park & CO LTMM	840	638	824
Pictou Wharf	2	8	6
Boat Harbour	6,969	8,173	6,756
Gold Mines	350	350	20,000
Future Building/School Demolition Project	250	0	500
Marine Vessel Program	140	140	350
NDMP Dam Project	54	52	0
Tidal Energy Project	0	0	0
Trenton Commercial Park	1,131	1,131	890
Harrietsfield Landfill	4,000	980	8,000
Unbudgeted Items	0	8	
LAF Contaminated Sites	100	100	500
Well Capping Spring Hill	400	0	0
Victoria Beach Fish Plant	0	75	0
Harbour Bottom Divestiture	0	52	0
TOTAL EXPENSES:	23,140	17,545	46,569
NET INCOME (LOSS):	-505	-451	-152

**Prior to 2020/2021, the Port Mersey Commercial Park context was reported separately.*

*** All assets of the Crown corporations are held by Harbourside Commercial Park, therefore any loss/gain on sale of assets related to the commercial parks is recorded in Harbourside, while operations remain under Nova Scotia Lands.*

Harbourside Commercial Park Budget Context

	Estimate 2019-2020 ('000)	Forecast 2019-2020 ('000)	Estimate 2020-2021 ('000)
REVENUES			
Leases and Rent	200	191	184
Provincial Funding	510	510	35
Other	12	172	232
TOTAL REVENUE:	722	873	451
EXPENSES			
General Operating Expenses	888	849	509
Management Fees	175	175	180
TOTAL EXPENSES	1,063	1,024	688
OPERATING INCOME (LOSS)	-341	-151	-237
One Time Gain on Sale Of Assets	850	553	392
NET INCOME (LOSS)	509	402	155
Capital Expenditure	50	50	200

** All assets of the Crown corporations are held by Harbourside Commercial Park, therefore any loss/gain on sale of assets related to the commercial parks is recorded in Harbourside, while operations remain under Nova Scotia Lands.*

Nova Scotia Lands - Health Infrastructure Budget Context

	Estimate 2019-2020 ('000)	Forecast 2019-2020 ('000)	Estimate 2020-2021 ('000)
REVENUES			
Provincial Funding	7,400	9,466	12,393
TOTAL REVENUE:	7,400	9,466	12,393
EXPENSES			
Salaries and Benefits	6,507	5,768	9,921
General Operating Expenses	893	3,698	2,472
TOTAL EXPENSES	7,400	9,466	12,393
NET INCOME (LOSS)	-	-	-

ANNUAL BUSINESS PLAN
FISCAL YEAR 2020-2021



AN INTRODUCTION TO A NEW CHAPTER

CELEBRATING THE GOOD

At the NSLC, we take pride in providing Nova Scotians with exceptional customer service and responsible sales of beverage alcohol and cannabis in our retail network and online. Our legislated mandate for beverage alcohol has remained the same since we opened our doors in 1930 but the way we operate our business has changed. This mandate was broadened to include Cannabis on October 17, 2018 when the regulations under the federal Cannabis Act came into force.

Through these shifts, our anchor has always been our people. Our aim is to create exceptional employee experiences, which in turn create personalized customer service across all our retail touchpoints. We work hard to be an employer of choice and a jurisdiction known across the country for taking a leadership position in corporate social responsibility and a willingness to find innovative ways to work with our business partners and local industry.

Our customers tell us through research that they are pleased with the service we provide, but that is not enough for us. We are proud of what we have accomplished during our last five-year strategic plan and recognize that the 1800 Nova Scotians we employ are the heart of the business and the key to our success. They represent everything we are proud of and are responsible for generating all the good we do. For this reason, this strategic plan and this annual business plan, will focus on our people, our commitment to corporate social responsibility and continuing to deliver exceptional customer experiences. We are determined to take the good we do to the next level by collaborating, learning more about how to better serve our customers, partnering with local industry and looking for ways to share the good we do with the people of Nova Scotia.

OUR LEGISLATIVE MANDATE

As a Crown Corporation, we support Nova Scotians and the priorities of the Government of Nova Scotia by: working together to contribute to economic growth; offering support to our large base of employees; and by providing exceptional and responsible customer service. We do this with fiscal sustainability and service delivery top of mind, while directing 100% of our profits to the Province of Nova Scotia, as our Shareholder, to support key public services.

Our legislative mandate is outlined in the Nova Scotia Liquor Control Act and Cannabis Control Act. Our role as outlined the Liquor Control Act (LCA) includes responsibility for the receipt, distribution, regulation and control of beverage alcohol in Nova Scotia. Safe and responsible distribution and sale of beverage alcohol, including the prevention of alcohol sales to minors, is fundamental to our mandate. The Cannabis Control Act (CCA), gives us the authority purchase, possess, sell, and distribute cannabis.

LIQUOR CONTROL ACT (LCA) OBJECTIVES:

CUSTOMER: Attainment of acceptable levels of customer service

RESPONSIBILITY: Promotion of social objectives regarding responsible drinking

LOCAL: Promotion of industrial or economic objectives regarding the beverage alcohol industry in the province

FINANCIAL: Attainment of suitable financial revenues to government

PROVINCIAL CANNABIS CONTROL ACT (CCA) OBJECTIVES:

1. Promote social objectives respecting the responsible consumption of cannabis; and
2. Control and carry out the purchase, possession, distribution and sale of cannabis in accordance with the CCA

FEDERAL CANNABIS CONTROL ACT (CCA) OBJECTIVES:

1. Protecting the health of young persons by restricting their access to cannabis
2. Protecting individuals from inducements to use cannabis
3. Providing access to a quality-controlled supply of legal cannabis

OUR BRAND FRAMEWORK

This annual business plan represents the first year of our new Five-Year Strategic Plan (2020 - 2025). Through our strategic planning process, our Purpose and Vision have been refined to capture the essence of the organization.

We support Nova Scotians by focusing our operations and efforts on fulfilling our mandated responsibilities, and by living our Purpose and Vision. As a Crown Corporation, we support Nova Scotians and the priorities of the Government of Nova Scotia: working together to contribute to economic growth, and providing opportunities for all Nova Scotians, all within an overall context of fiscal responsibility and service delivery.

OUR PURPOSE | OUR REASON FOR BEING

TO COME TOGETHER
FOR THE **GOOD** OF
NOVA SCOTIA.

OUR VISION | WHO WE ASPIRE TO BE

To be recognized as a trusted retailer, partner, employer and responsible industry steward that is helping create a stronger Nova Scotia.

OUR VALUES | HOW WE ACT

- Knowledgeable
- Optimistic
- Responsible
- Respectful
- Engaged

THIS IS HOW WE WILL
**COME TOGETHER
FOR THE GOOD OF
NOVA SCOTIA**

OUR STRATEGIC PRIORITIES

We are launching a new Five-Year Strategic Plan in the 2020-2021 fiscal year, where we will continue our focus on becoming a customer-first organization. We will continue to work hard to create exceptional experiences for our customers and take our role as the responsible steward of beverage alcohol and cannabis sales in Nova Scotia seriously. The foundation for both these responsibilities is anchored in trust and connection – and this starts and ends with our people and our customers.

More than ever before we are exposed to forces that shape our business and the purchasing decisions of our customers, including expectations of how product is accessed in an era of personalization and convenience. All these forces add increased complexity to our business and challenge the status quo. Nova Scotia will continue to be faced with changing demographics, increased expectations, and shifting preferences. We are tasked with understanding the evolving customer journey and finding new ways meet our customers' expectations.

CUSTOMER

We will be steadfast in our commitment to become a truly customer-first organization by building on the foundation of trust we have established through authentic retail engagements and our focus on corporate social responsibility. We will work together to evolve our strategies and how we come together to execute them. We will put customers first and create moments of engagement across all channels while ensuring Nova Scotians can purchase the products they want, where they want them through an evolved channel and distribution strategy balancing digital and physical touchpoints. This starts with listening to our customers, our vendor partners, and each other and acting on what we hear. How we evolve the shopping experience to meet customers on their terms is a challenge with no one solution.

PEOPLE

We believe that the strength of our team will make it possible to deliver authentic, consistent and exceptional customer experiences. We will empower our people to continue to build relationships with Nova Scotians by offering consistent, knowledgeable and reliable service. Supporting all employees through their entire employment life cycle will be a priority during the life of this plan.

RESPONSIBILITY

Our corporate social responsibility mandate is at the heart of the organization, and we commit to taking our programs and initiatives to the next level by weaving the responsibility theme throughout the organization. We believe in responsibly offering the products we've been entrusted to sell. Our retail team challenges more than two million customers for ID every year, helping to keep our products out of the hands of minors. We will work hard to support our customers in their celebration of life's moments and help them choose products responsibly. We will continue to support our communities and ensure responsible environmental and industry stewardship for Nova Scotia. To celebrate the good that we do for our province, we plan to develop programs and initiatives our employees are proud of and share our corporate story outside the organization in new and different ways.

LOCAL

The buy-local movement continues to increase in popularity and demand by customers. We will always look for opportunities to collaborate with local industry and support them as they work to bring their products to market. By finding new and innovative ways to work together, sharing best practices and leveraging expertise, we will continue to support them in our capacity as a retailer.

FINANCIAL

We will remain steadfast in our commitment to supporting our focus areas and making a positive impact in the communities we serve through partnerships, environmental stewardship, volunteering, supporting local industry, and by our financial contribution. There's so much good to celebrate with our employees, customers and business partners, but this is just the beginning of the story.

CUSTOMER

Deepen our customer focus through a customer-first approach across the organization

We will continue the journey to become a truly customer-first organization by better defining what exceptional customer experiences look like in a changing landscape. We will do this by listening to our customers, collecting insights and aligning ourselves to deliver on the findings.

STRATEGIES	ACTIONS
Listen to our customers, understand and respond to their needs to drive exceptional experiences	<ol style="list-style-type: none">1. Create new paths to listening and feedback loops2. Align the organization to drive actionable insights
Ensure Nova Scotians can responsibly purchase the products they want through an evolved channel and distribution strategy	<ol style="list-style-type: none">1. Develop a channel optimization strategy in support of a holistic experience, balancing digital and physical, enabled by a strategic supply chain
Empower our people to deliver authentic, consistent and exceptional customer experiences	<ol style="list-style-type: none">1. Define and align organizational approach to exceptional customer experience2. Develop new approaches for training to drive consistency – Leadership, Service and Product training3. Provide appropriate tools and support to our teams to enable them to meet customers on their terms
Continue to create moments of meaningful discovery and engagement for customers across all channels	<ol style="list-style-type: none">1. Assess program effectiveness and streamline activity that drives engagement and return on investment2. Update our customer segmentation to grow and support effective customer programs3. Identify optimal engagement touchpoints to improve performance of effective programs

PEOPLE

Create exceptional employee experiences to drive exceptional customer experiences

Our people are the heart of what we do, why we do it and the key to our ongoing success. We will look for ways to support them through their employment lifecycle to create increased engagement, enabling them to better serve our customers.

STRATEGIES	ACTIONS
Build programs and a culture that attracts, develops and retains talent & celebrates the contributions of our people	<ol style="list-style-type: none">1. Implement the Human Resources Transformation Roadmap to create a greater impact in support of attraction, retention and employee development2. Implement Human Resources Information System (HRIS) foundations project3. Develop employee engagement strategy
Build a purposeful leadership orientation within the organization	<ol style="list-style-type: none">1. Define leadership for the NSLC and develop training supports and culture integration tactics

RESPONSIBILITY

Fully integrate corporate social responsibility into our organizational DNA

We commit to enhancing our efforts and celebrating our commitment to our legislated mandate through continued engagement with our people, partners and stakeholders.

STRATEGIES	ACTIONS
Deepen CSR function across the organization and build ambassadorship among our people, customers, partners and stakeholders	<ol style="list-style-type: none">1. Identify meaningful points of engagement with our partners and throughout the organization
Strengthen our community partnerships to drive knowledge and awareness of moderate consumption	<ol style="list-style-type: none">1. Build on intra and inter provincial partnerships to align and extend messaging2. Expand and strengthen young adult focused SR education
Celebrate the Good – demonstrate the value of the NSLC as a leading corporate citizen	<ol style="list-style-type: none">1. Develop a multi-year internal and external communication strategy
Balance social, environmental and business needs to create sustainable success	<ol style="list-style-type: none">1. Develop a holistic measurement approach to the business, including CSR dashboard2. Define and align environmental sustainability commitment and goals and ensure integration into the organization
Clarify and evolve our role in regulatory framework as a responsible steward of the Nova Scotia industry	<ol style="list-style-type: none">1. Evaluate the current oversight framework related to local production and sales. Explore opportunities to streamline regulatory processes to provide more consistency and efficiency.

LOCAL

Build strong partnerships for mutual success

We commit to collaborating with local manufacturers and producers to offer support and expertise and find innovative ways to help bring their products to market in our capacity as a retailer.

STRATEGIES	ACTIONS
Sustainably grow our trusted local partnerships	<ol style="list-style-type: none">1. Create innovative opportunities to showcase local products across our channels2. Continue to invest in Retail Product Education in support of local category focus areas3. Enhance local partnerships and increase outreach to local industry associations to better support growth strategies
Share best practices to support industry evolution and knowledge	<ol style="list-style-type: none">1. Share and leverage our expertise as a retailer and share best practices2. Celebrate local success stories

FINANCIAL

Deliver consistent returns to the people of Nova Scotia, while balancing our legislative responsibilities

We commit to managing the business efficiently and effectively, maximizing investments in our key focus areas and controlling expenses to the best of our ability to deliver \$1.2B in earnings over the five years of the strategic plan.

STRATEGIES	ACTIONS
Invest strategically in our technology and retail network to support the foundations of our business and positive customer and employee experiences	<ol style="list-style-type: none">1. Execute IT Roadmap foundational items such as SAP and SRS Upgrades2. Establish a retail network maintenance roadmap
Balance investments in our key focus areas with operational efficiency to drive ease of doing business & ensure consistent returns	<ol style="list-style-type: none">1. Focus on efficiency and process improvement in key areas of product listings, technical supports to aid mobility for store teams and HR foundations
Enable business strategy across our key focus areas – Customer, People, Local and Responsibility	<ol style="list-style-type: none">1. Align our insights foundation and organizational focus on <u>Customer-First</u> initiatives that drive sustainable profitability2. Invest in developing our <u>People</u> and support them to drive exceptional customer experiences3. Continue to strategically support <u>Local</u> industry through the NSLC's expertise4. Continue to support <u>Corporate Social Responsibility</u> initiatives

PERFORMANCE MEASURES

In order to manage our operations effectively, we monitor a core set of metrics - key performance indicators (KPIs), which ensure we stay focused on delivering on our business priorities. Our corporate KPI's and stated targets in our Five-Year Strategic Plan are shown below. We will be adding additional measures in support of Corporate Social Responsibility during the life of this plan to reflect a more holistic view of the business.

CUSTOMER

Customer Satisfaction:

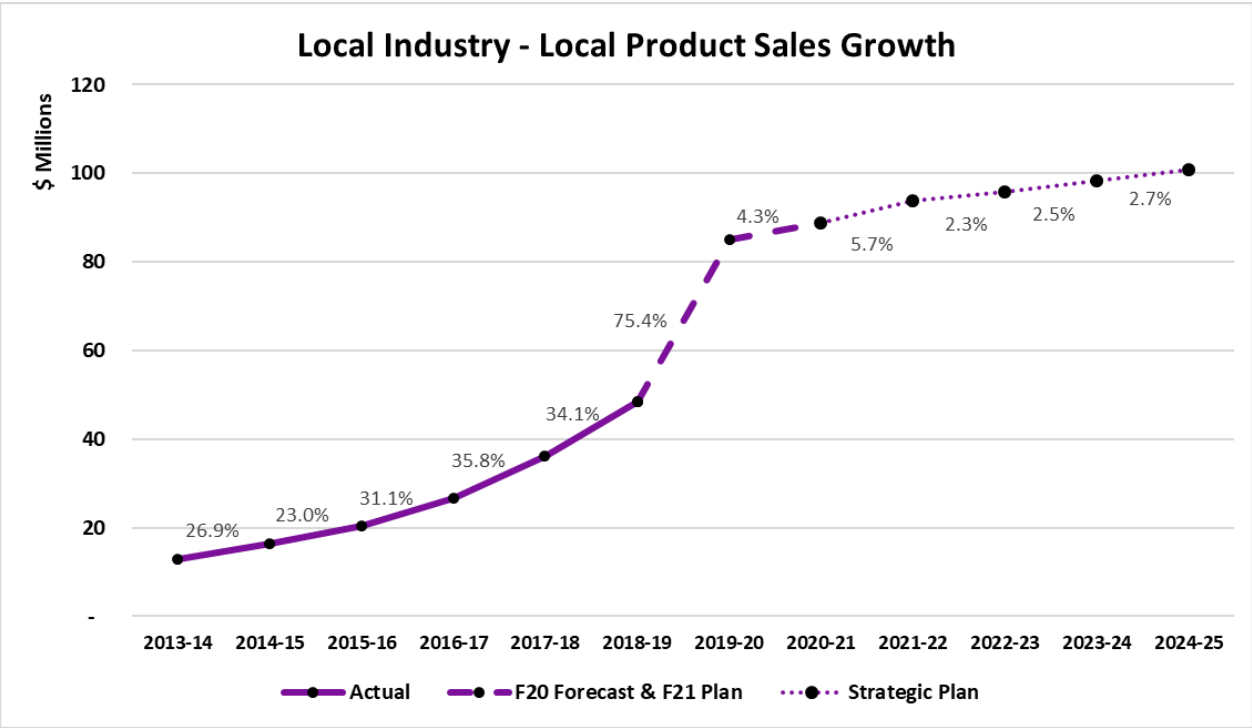
2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Ongoing Target
83%	85%	89%	87%	86%	88%	88%	88%	90%	90%	89%	89%	88%	90%

PEOPLE

Employee Engagement:

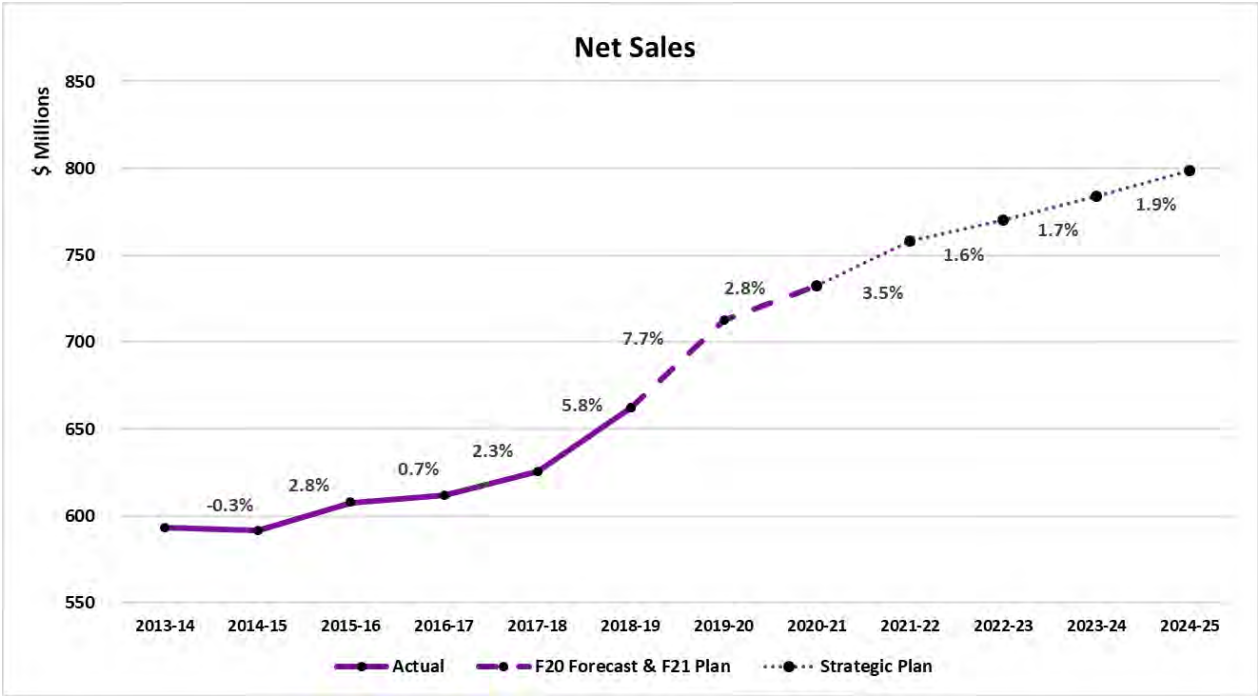
2003	2005	2008	2011	2013	2015	2017	2019	Ongoing Target
75.8	76.6	73.7	72.8	76	76.3	76.1	76.1	80.0

LOCAL INDUSTRY

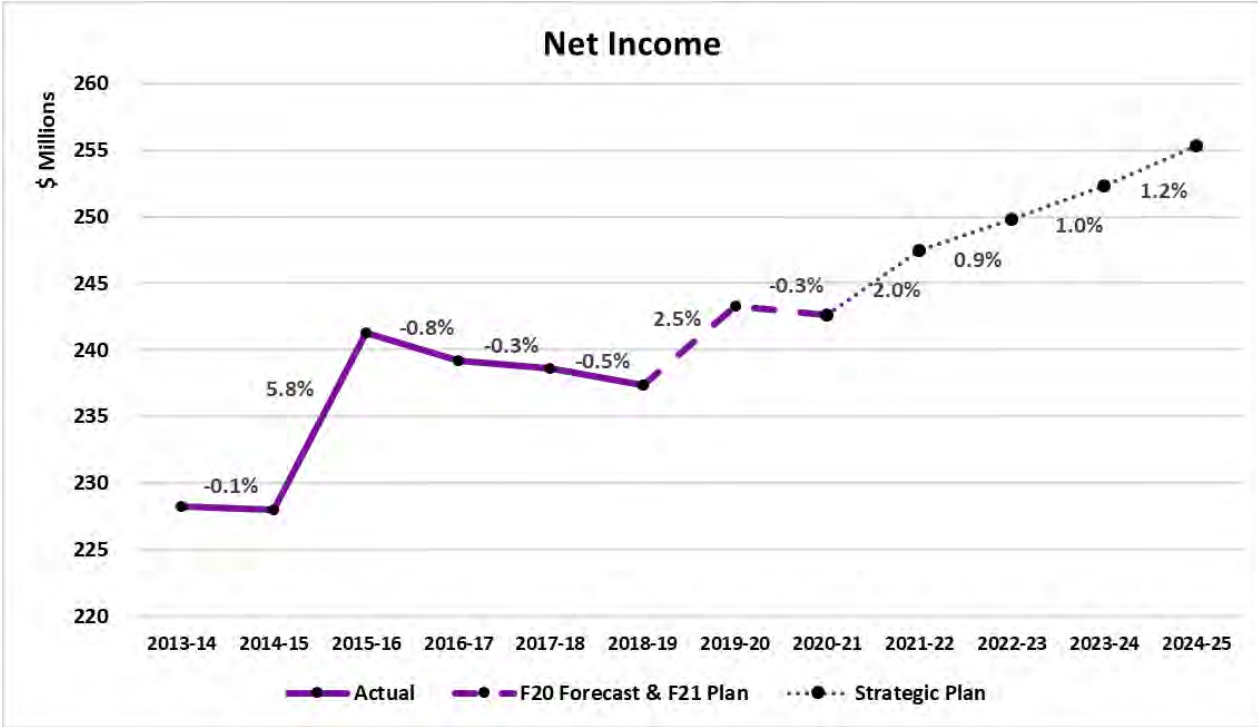


Excludes sales of commercial wine & beer.

FINANCIAL

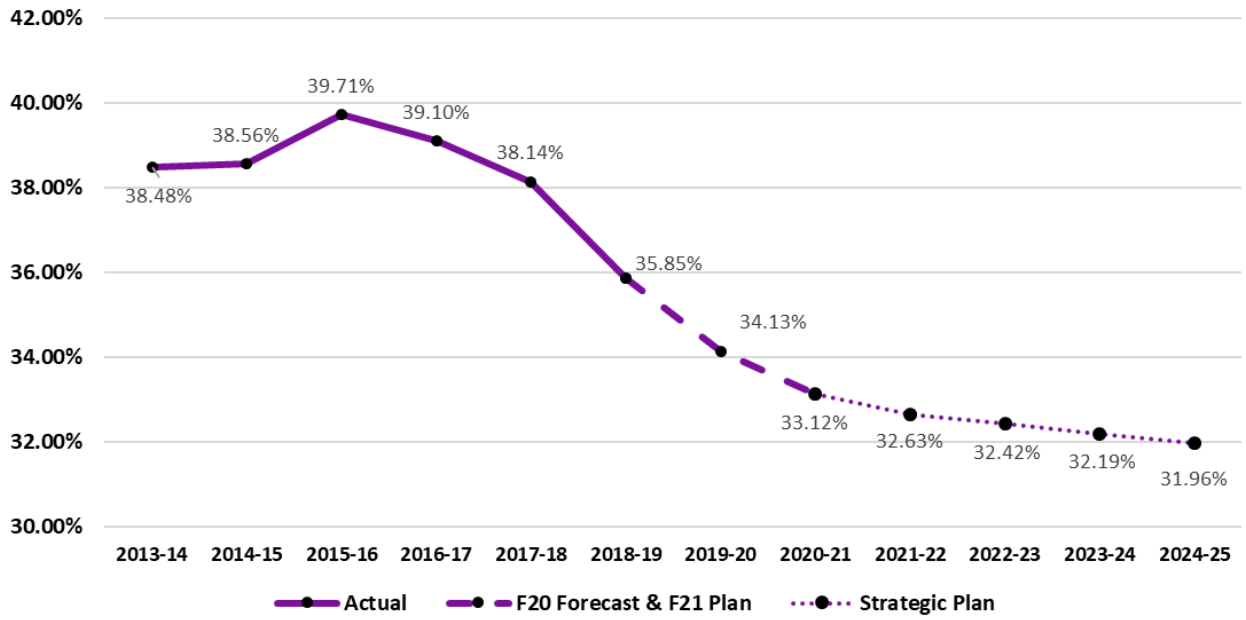


Percentage indicates the percentage change in Net Sales from previous year.



Percentage indicates the percentage change in Net Income from previous year.

Net Income as Percentage of Sales



Average Retail Transaction Value



BUDGET CONTEXT

	Actual 2015-16 \$	Actual 2016-17 \$	Actual 2017-18 \$	Actual 2018-19 \$	Forecast 2019-20 \$	Sales (%)	Budget 2020-21 \$	Change (%)
Spirits	165,636,957	165,837,842	168,645,797	168,613,116	172,293,960		172,988,708	
Wine	141,348,224	143,569,801	150,788,173	148,814,870	152,675,916		153,803,598	
Beer	281,484,342	278,893,578	282,066,202	279,800,490	277,684,122		272,605,269	
Ready-to-drink	30,557,393	34,962,836	37,700,822	45,145,429	55,620,585		64,129,348	
Non-liquor	121,396	130,786	136,211	116,991	118,782		118,782	
Cannabis	0	0	0	33,188,581	68,697,318		83,405,199	
Total Gross Sales	619,148,313	623,394,843	639,337,205	675,679,477	727,090,683	102.0%	747,050,904	2.7%
Less: Discounts	11,563,725	11,549,801	13,675,313	13,595,882	14,250,200	2.0%	14,437,363	
Net Sales	607,584,588	611,845,042	625,661,892	662,083,595	712,840,483	100.0%	732,613,541	
Cost of Sales	269,611,009	274,909,681	284,136,988	311,241,996	346,938,981	48.7%	360,793,068	
Gross Profit	337,973,579	336,935,361	341,524,904	350,841,599	365,901,501	51.3%	371,820,473	
Less: Store Operating Expenses	61,231,677	61,334,942	63,555,752	69,867,242	71,321,227	10.0%	73,947,869	
Gross Operating Profit	276,741,902	275,600,419	277,969,152	280,974,357	294,580,274	41.3%	297,872,604	
Less: Supply Chain	7,048,509	7,058,180	7,216,564	9,239,509	9,406,237	1.3%	9,583,962	
Corporate Services	24,697,017	24,530,382	23,877,917	28,305,539	28,467,368	4.0%	31,631,875	
Other Expenses	-40,017	1,729,630	4,945,050	1,486,897	1,939,179	0.3%	1,712,000	
Add: Other Revenue	5,387,396	5,565,709	5,032,858	4,498,577	4,109,272	0.6%	4,035,716	
Total Expenses (excl. stores)	26,318,113	27,752,483	31,006,673	34,533,368	35,703,512	5.0%	38,892,121	
Operating Income before Depreciation	250,423,789	247,847,936	246,962,479	246,440,989	258,876,762	36.3%	258,980,482	
Less: Depreciation	9,166,691	8,626,736	8,356,789	9,068,302	15,562,745	2.2%	16,355,737	
Income from Operations	241,257,098	239,221,200	238,605,690	237,372,687	243,314,017	34.1%	242,624,745	-0.3%
Actuarial Loss (Gain)	(3,297,500)	265,700	282,700	(1,487,300)	-	0.0%	-	
Comprehensive Income	244,554,598	238,955,500	238,322,990	238,859,987	243,314,017	34.1%	242,624,745	-0.3%
Total Expenses (not depreciation)	87,549,790	89,087,425	94,562,425	104,400,610	107,024,739	15.0%	112,839,990	
Total Expenses	96,716,481	97,714,161	102,919,214	113,468,912	122,587,484	17.2%	129,195,727	

						Change (%)		Change (%)
Volume (hectolitres)								
Spirits	49,240	48,171	49,360	49,039	49,649	1.2%	49,302	-0.7%
Wine	97,056	100,147	100,354	97,634	98,138	0.5%	97,928	-0.2%
Beer	599,552	569,377	586,831	581,499	567,392	-2.4%	550,296	-3.0%
Ready-to-drink	42,909	53,925	51,817	61,851	76,345	23.4%	87,810	15.0%
Total	788,756	771,619	788,362	790,022	791,524	0.2%	785,336	-0.8%
Volume (Kilograms)								
Cannabis	-	-	-	3,279	6,564	0.0%	7,983	21.6%

Nova Scotia Municipal Finance Corporation

Business Plan 2020–21



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Message from the
Minister and the Chair

Since its inception as a provincial Crown corporation in 1979, the Nova Scotia Municipal Finance Corporation has worked closely with clients to build healthy and vibrant communities. The Corporation's work touches the lives of all Nova Scotians.

Over its 40-year history, it has helped municipalities make significant investments in the infrastructure Nova Scotians use and rely on every day - from fire services equipment to improve public safety, and wellness centres that support healthy communities, to facilities that provide clean drinking water for thousands of residents.

The Corporation is governed by a Board of Directors appointed by the Governor in Council. Legislation requires that two of the board members be appointed on the recommendation of the Nova Scotia Federation of Municipalities. An additional member of the board is appointed on the recommendation of the Association of Municipal Administrators of Nova Scotia. These appointments provide municipalities with an important voice on the Corporation's board. Three full-time staff members of the Corporation are supported through staff and resources from the provincial departments of Finance and Treasury Board, Justice, and Municipal Affairs and Housing.

The Corporation's mandate remains as relevant today as it was when first established, though the means through which it achieves its mandate continues to evolve to reflect changing economic and social conditions. Ensuring municipalities throughout the province have modern infrastructure helps attract and retain residents and businesses and helps Nova Scotia to remain competitive.

The Nova Scotia Municipal Finance Corporation is forecasting to have over \$772.7 million in debentures outstanding at March 31, 2020. New debenture issues in 2020–2021 are estimated to be approximately \$145.0 million, which will be balanced against debenture retirements of \$112.2 million.

Original signed by

The Honourable Chuck Porter
Minister

Original signed by

Nancy MacLellan
Chair

Mission

The purpose of the Nova Scotia Municipal Finance Corporation is to provide the lowest cost of financing available to its clients, which include municipalities, municipal enterprises and health authorities. In accordance with the *Municipal Finance Corporation Act*, all municipalities and municipal enterprises must finance their external capital requirements through the Corporation. Currently, hospital capital expenditures are financed directly by the Province.

In addition to its core mandate, the Corporation works directly with clients to support the sound financial management of Nova Scotia municipalities. Staff provides advice on the debenture process. Through the development of several tools and programs - the Debt Affordability Model, Financial Management Best Practices, a Mentoring Program, a High Interest Savings Account Program, and sponsorship of financial modules delivered by the Association of Nova Scotia Municipal Administrators - the Corporation can help municipalities improve their financial planning and capacity. Finally, by using its biennial client surveys to measure the success of its programs and services, the Corporation can identify and respond to ongoing client needs. The results of the 2019 survey are reported in this business plan. As throughout its 40-year history, the Corporation remains committed to fostering a client-focused approach.

Planning Context

The Corporation faces both challenges and opportunities in meeting its strategic goals in the upcoming year.

Ensure access to capital markets and the financial and administrative ability to meet municipal government demand for capital infrastructure funding.

Challenges:

- Canadian capital markets generally experienced stable short-term interest rates in 2019, in part due to the actions taken by the Bank of Canada in late 2018 to raise administered interest rates and not having any reason to raise interest rates any further. The Federal Reserve Board in the United States raised administered interest rates three times in 2019, for a total increase of 75 basis points. To date in fiscal year 2019-20, Government of Canada 10-year yields have remained in a relatively narrow range of between 1.10% and 1.82%, with no discernable trend after a significant fall in 10-year yields in 2018. The interest rate on Government of Canada 10-year bonds remains well below the average experienced over the past 10 years. These low interest rates continue to be very beneficial to borrowers. Over the past year, liquidity in the municipal debt sector has remained relatively unchanged, with a few large municipal issuers enjoying a limited amount of liquidity while serial debt issuers having less liquidity in the Canadian market. Liquidity remains an important factor in the investment decision process, and municipal debt continues to be viewed as providing less liquidity to investors. Municipal credit spreads have maintained stable levels compared to their host province over the past year.
- In 2017, the *Canada Infrastructure Bank Act* was passed setting in motion its establishment. The Bank is a tool that provincial, territorial, municipal and Indigenous government partners can use to access innovative financing for revenue-generating infrastructure projects. The aim is to attract private and institutional investment to such projects in Canada, which will help public dollars go further by leveraging the capital and expertise of the private sector. To date, no municipal client of the Corporation has used this avenue and therefore, the establishment of the Canada Infrastructure Bank has had no effect on the Corporation lending activities to date.

Opportunity:

- The Corporation continues to be able to borrow under the Province of Nova Scotia's guarantee that provides greater borrowing predictability and stability. The province's General Revenue Fund has purchased all the Corporation's debt issues since 1998 and is expected to continue to do so

in the future.

Maintaining current knowledge of developments in municipal government capital finance.

Challenge:

- As a small organization, it is challenging to develop, maintain, and demonstrate expertise in municipal government.

Opportunity:

- Professional development is a priority at the Corporation. Full time staff participate in courses and/or conferences annually to maintain expertise in their field.

Maintain financial self-sufficiency.

Challenge:

- The Corporation must remain economically viable in both the short and long terms. This includes matching assets and liabilities both to amount and maturity; maintaining banking arrangements and credit facilities, credit risk, adequate reserves; and the ability to manage administration expenses within the Corporation's budget.

Opportunity:

- The Corporation remains stable, as it has for over 40 years. In addition, no client of the Corporation has ever defaulted on a loan.
- The Corporation has access to a \$50 million line of credit from the Department of Finance and Treasury Board to fund its short-term loan program. This program was previously funded through the Corporation's reserve fund. This change creates an opportunity for our municipal clients to pay less interest with low interest loans.

Identify client needs and respond to them.

Challenge:

- Municipalities in Nova Scotia must plan and finance their long-term capital infrastructure needs.

Opportunities:

- Opportunities exist to assist municipal governments in Nova Scotia with long-term capital planning and financing options.
- Opportunities also exist to work with local governments to achieve North American standards in municipal financial management capacity through

the adoption of recommended practices.

- The Corporation continues to promote its high interest savings account program that allows participating municipalities the opportunity to earn a higher rate of return on capital funds and reserves than what they would at their own financial institutions.
- Through the Corporation's Mentoring Program, newly hired Directors of Finance can get the basic training needed to understand municipal government from a retired Municipal Director of Finance.
- The Corporation sponsors two of the Association of Municipal Administrators of Nova Scotia Municipal Management modules; one on finance for administrators and one for elected officials.
- Using the \$50 million line of credit from the Department of Finance and Treasury Board to fund the short-term loan program will allow for greater capacity to help fund cash flow requirements of municipalities between the completion of capital projects and the issuance of debentures.
- The major risks to the Corporation are reduced capital market receptiveness to smaller serial debt issues and the availability of human and financial resources needed to carry out its mandate. Some resources are directly under the control of the board, whereas others are provided by provincial departments. The Corporation will continue to work with provincial departments to align both sets of priorities.

Strategic Goals

The Corporation's strategic goals are designed to further municipal and departmental infrastructure objectives. Capital infrastructure is a major component of economic development in both attracting and retaining business investment and promoting communities that are appealing places to live.

The following strategic goals have been developed to assist the Corporation in meeting its mission, as well as provide support for infrastructure, economic, and community priorities:

- Our clients will be provided with capital infrastructure financing at the lowest possible cost, within acceptable risk parameters, and their debt structure and timing needs will be met.
- Access to capital markets will be ensured through sound management of all financial aspects of the Corporation, including credit risk and asset/liability management.
- Financial management knowledge in municipalities will be strengthened, and municipal capital project planning and financing will be promoted.

Building and maintaining infrastructure creates jobs; allows local businesses to transport goods to market; connects Nova Scotians to vital services, employment, and education; and leads visitors to every corner of the province.

Core Business Areas

1. Providing flexible financing options at the lowest available cost.

- Provide financing for clients' approved funding requirements by using pooled debenture issues and short-term loans.
- Facilitate and participate in loans to municipalities from financing sources such as the Federation of Canadian Municipalities Green Municipal Fund, where funding is available for projects meeting established criteria at below-market rates.

2. Ensuring access to capital markets.

- Ensure that appropriate processes are in place for evaluating the creditworthiness of the loans made by the Corporation.
- Ensure that the Corporation's assets and liabilities are closely matched in both amount and maturity.
- Administer the Corporation's financial resources prudently to ensure that the Corporation's administrative expenses and reserve balances are within approved policies.

3. Helping build financial management and knowledge.

- Partner with municipal clients, the Department of Municipal Affairs and Housing, and the Association of Municipal Administrators of Nova Scotia on the topic of capital planning and finance.
- Develop programs and services geared toward enhancing our clients' knowledge of capital planning and financing.
- Maintain links with the investment community, public sector finance practitioners, and academics, and carry out research as required to enable the Corporation to respond to changing client needs.

Priorities for 2020–2021

The following priorities detail the actions, products, and services the Corporation intends to carry out to fulfill its mission and meet its strategic goals.

1. Providing capital financing at the lowest available cost.

- The Corporation will provide low-cost financing by issuing pooled debentures for the approved amount required to meet municipal borrowing requirements and lending a similar amount to our clients. In 2020–21 the new debenture issuances are expected to be approximately \$145.0 million, which is balanced against retirements of existing debentures of approximately \$112.2 million.
- Pooling of capital requirements allows the Corporation to access capital markets and achieve pricing based on the Province of Nova Scotia credit spreads.
- The Corporation will access its \$50 million line of credit from the Department of Finance and Treasury Board to offer short-term financing for municipalities to help fund the cash flow requirements between the completion of capital projects and the issuance of debentures.
- The Corporation will facilitate and participate in loans to municipalities from the Federation of Canadian Municipalities Green Municipal Fund. Funding is available at below-market rates for projects meeting established criteria.

2. Ensuring access to capital markets.

- Obtain verification of creditworthiness from the Department of Municipal Affairs and Housing (for municipal borrowers) prior to setting the parameters for pooled issues.
- Match the amount, term, and timing of the Corporation's debentures with loans to municipalities.
- Manage the Corporation's financial resources (budget and reserves) in accordance with policies established by the Corporation's Board of Directors.

3. Helping build financial management and knowledge.

- Sponsor and assist in planning workshops aimed at enhancing the overall knowledge of municipal finance and budgeting for municipal staff and councillors.
- Offer training and assistance on the Corporation's core best practices and research support to municipalities to promote effective and efficient financial management.
- Continue to promote the use of the Debt Affordability Model and provide technical support for municipal administrators. The Debt Affordability Model is a tool used by municipalities to help determine how much debt is too much debt to carry. The model can also be used by municipalities for multi-year budgeting and forecasting and analyzing revenue and expenditure options.
- Continue to promote the Mentoring Program to municipalities that hire a new Director of Finance with limited or no municipal experience. The program connects the new municipal Director of Finance with a retiree who previously held the position so the new director can gain a better understanding of the way municipalities function and operate.
- Conduct research and analysis of what our municipal clients require to increase their infrastructure borrowing capacity, and for the Corporation to develop and tailor its programs and services accordingly.
- Work with the Corporation's lead managers and other members of the investment community, staff of the Nova Scotia Department of Finance and Treasury Board, other municipal finance corporations, and others involved in municipal capital financing to identify evolving municipal government financial needs and the optimum means of satisfying those needs.

Human Resource Strategy

Organizations with small staff are challenged when developing human resource strategies. Development and training opportunities so staff stay abreast of developments in the industry.

[Link to Municipal and Departmental Priorities](#)

The Corporation contributes to the Department of Municipal Affairs and Housing priorities by helping to finance infrastructure projects that create economic opportunities and safe and sustainable communities. The Corporation's loans are used to finance sewage treatment plants, solid waste facilities, water services and wind farms that promote clean and healthy communities. Loans are also made to finance streets, buildings, recreation services, and the purchase and development of land. Improvements in each of these areas contribute to safer and healthier communities in Nova Scotia. By working with municipalities to develop recommended financial management practices, the Corporation also contributes to the fiscal stability of Nova Scotia municipalities. These priorities support the priorities of the Department of Municipal Affairs and Housing, as well as the One Nova Scotia Commission's *Now or Never* Report.

Budget Context

Nova Scotia Municipal Finance Corporation Administration Budget

	Estimate 2019-2020 (\$000)	Forecast 2019-2020 (\$000)	Estimate 2020-21 (\$000)
Total program expenses— (gross current)	512.9	448.7	448.8
Net program expenses— (net of recoveries) *	0.0	0.0	0.0
Salaries and benefits	326.4	327.3	315.8
Funded staff (gross FTEs)	3	3	3

* The Corporation is completely self-funded. The costs of administration are covered through an administrative fee that is levied on all municipal loans and from interest revenue earned on investments.

Nova Scotia Municipal Finance Corporation Statement of Financial Position, March 31, 2019

Financial assets	(\$)
Cash and cash equivalents	8,135,457
Accrued interest receivable	8,753,125
HST receivable	3,043
Accounts receivable	106
Loans to municipal units	782,144,831
<hr/>	
Total Assets	799,036,562
<hr/>	
Financial liabilities	
Accounts payable	50,667
Accrued interest payable	8,737,272
Employee obligations	70,957
Short-term loan due to PNS	1,128,250
Deposits	45,854
Due to municipal units	125,051
Debentures	782,113,851
<hr/>	
Total liabilities and equity	792,271,902
<hr/>	
Net financial assets	6,764,660
<hr/>	
Accumulated surplus	6,764,660
<hr/>	

Nova Scotia Municipal Finance Corporation Annual Plan 2020-2021

Nova Scotia Municipal Finance Corporation Statement of Operations, year ended March 31, 2019

	Estimate 2019 (\$)	Actual 2019 (\$)
Revenue		
Interest on loans to units	25,936,953	26,233,771
Interest on short-term investments	107,714	175,978
Recovery of issue cost	341,666	358,783
Administration fee	400,000	450,386
<hr/>		
Total revenue	26,786,333	27,218,918
<hr/>		
Expenses		
Interest on debenture debt and short-term loans	25,934,901	26,254,007
Debenture issue expense	341,676	360,953
Administrative expense	492,298	444,844
<hr/>		
Total expenses	26,768,875	27,059,804
<hr/>		
Annual operating surplus (deficit)	17,458	159,114
Accumulated surplus, beginning of year	6,605,546	6,605,546
<hr/>		
Accumulated surplus, end of year	6,623,004	6,764,660
<hr/>		

Outcomes and Performance Measures

Core Business Area 1 – Providing Capital Financing at the Lowest Available Cost

Outcome	Measure	Data	Target 2019-2020	Target 2020-2021	Strategies to Achieve Target
Provision of lowest available cost of financing to clients in a timely manner	Percentage of clients that are satisfied with the timing of debenture issues	100% (2019 client survey results)	97%	97%	<ul style="list-style-type: none"> Align debenture issues with the construction completion schedule and capital budgeting process Improve application process by working with clients to ensure quick processing of debenture documents
	Percentage of clients that agree the debenture terms and structure are flexible enough to meet their needs	96% (2019 client survey results)	97%	97%	<ul style="list-style-type: none"> Promote short-term financing program Work with clients on financing options (payments and terms) Communicate financing options more effectively (e.g. through the website and consultations) Communicate the Corporation's rates and products more effectively with clients (e.g., through the AMA list server and consultations)
	Quality of credit loans	Procedures ensure creditworthiness of loans	Regular review of loan procedures	Regular review of loan procedures	<ul style="list-style-type: none"> Maintain quality of portfolio
	Pricing received from lead managers in relationship to the Province of Nova Scotia's cost of funds	Provincial guarantee allows the Corporation to price off the Province of Nova Scotia spread	Maintain access to the provincial guarantee	Maintain access to the provincial guarantee	<ul style="list-style-type: none"> Promote profile of the Corporation's credit quality to maintain a strong relationship with government to ensure its support of the provincial guarantee

Core Business Area 2 – Ensuring Access to Capital Markets

Outcome	Measure	Data	Target 2019-2020	Target 2020-2021	Strategies to Achieve Target
A sustainable source of funding is available from clients to ensure the operational viability of the Corporation	Client default rate	0%	0%	0%	<ul style="list-style-type: none"> • Ensure that all loans are creditworthy • Promote the Debt Affordability Model • Monitor loan payment process
	Matching assets and liabilities Matching of aggregate amounts, terms, and timing of debentures and loans	Assets are closely matched to term and timing	Maintain matching strategy	Maintain matching strategy	<ul style="list-style-type: none"> • Match the term and timing of the Corporation's debentures and loans to clients

Core Business Area 3 – Helping Build Financial Management Knowledge

Outcome	Measure	Data	Target 2019-2020	Target 2020-2021	Strategies to Achieve Target
The Corporation's client use of the Debt Affordability Model	Percentage of municipal clients that have used the Debt Affordability Model	50% client survey results) (2019 client survey results)	60%	60%	<ul style="list-style-type: none"> Work with clients to help them implement the Debt Affordability Model Tailor Debt Affordability Model to better suit the needs of clients
The Corporation's client use of the Financial Management Best Practices	Percentage of municipal clients that have used the Financial Management Best Practices	37.5% client survey results) (2019 client survey results)	40%	40%	<ul style="list-style-type: none"> Work with clients to help them implement best practices of their choice
Increased overall municipal finance knowledge among municipalities	Attendance at the Corporation's sponsored Municipal Finance Workshops	53% (Percentage of municipalities who attended 2019 workshop)	80%	80%	<ul style="list-style-type: none"> Assist in planning the agenda of the workshops Promote the workshops more effectively to municipal staff Maintain the no-fee structure to attend the workshop
Increased knowledge of the Corporation's programs and services	Percentage of municipal clients that are aware of the Corporation's programs and services	85% client survey results) (2019 client survey results)	95%	95%	<ul style="list-style-type: none"> Update and revitalize website Develop web-based programs, such as webinars Quarterly newsletter sent to Councillors, CAOs and Directors of Finance Use email to communicate with Directors of Finance to keep them informed about the Corporation's programs and services Obtain greater exposure to municipal councils to promote programs and services

Nova Scotia Power Finance Corporation

Business Plan 2020–21



Section 1 – Mandate

Nova Scotia Power Finance Corporation (NSPFC) works to **ensure that the debt of Nova Scotia Power Corporation (NSPC), which is guaranteed by the Province of Nova Scotia, is discharged in an orderly and timely manner.**

By way of background, under an Asset Transfer Agreement, dated August 10, 1992, Nova Scotia Power Corporation (NSPC) transferred all its existing assets, liabilities, and equity, except for long-term debt and related sinking funds, to the privatized company Nova Scotia Power Inc. (NSPI) in exchange for matching notes receivable equivalent to the outstanding long-term debt, matching notes payable equivalent to sinking fund assets, and an amount of fully paid common shares. The common shares were sold in a secondary offering on August 12, 1992. Subsequent to the reorganization and privatization, the business activities of NSPC continued under NSPI. Concurrently, the Nova Scotia Power Corporation changed its name to NSPFC.

NSPFC retained the long-term debt, which is guaranteed by the Province of Nova Scotia, and the related sinking funds. The entire original debt of \$2,152,879,732 in Canadian dollars, guaranteed by the Province, was offset by sinking fund assets, and the balance was defeased, as per the agreed schedule and terms of the Defeasance Agreement at December 31, 1997. The process of ensuring cash and / or bonds sufficient to service and retire all outstanding NSPC debt guaranteed by the Province as the debt comes due, is known as defeasance.

In terms of the Nova Scotia Power Reorganization (1998) Act, NSPI was reorganized as a holding company, NS Power Holdings Inc., in December 1998. The holding company structure does not change the underlying obligations under the existing agreements. The holding company changed its name to Emera Incorporated on July 10, 2000.

As noted above, the sole mandate of NSPFC is to monitor the adequacy of the defeasance asset portfolio and to ensure the repayment of all NSPC debt, guaranteed by the Province of Nova Scotia, at the respective dates of each debt maturity.

Nova Scotia Power Finance Corporation's strategic goal for the fiscal year 2020-2021 and key actions are to:

- Continue to monitor the adequacy of the defeasance portfolio and to ensure continuing progress toward elimination of NSPC debt guaranteed by the Province of Nova Scotia and defeased by NSPI.
- To review the defeasance assets to ensure that the defeasance program is positioned such that any potential capital losses are minimized and that there is a very high likelihood of the program achieving its goals.

Section 2 – Core Responsibilities

NSPFC continues to be on target to meet its mission objective outlined above during the course of the current planning horizon.

Actions	Performance Measures
Entire outstanding debt defeased in accordance with the Defeasance Agreement.	<ul style="list-style-type: none"> The Defeasance Agreement required the defeasance of a minimum of \$1,381,600,000 of outstanding NSPC debt by December 31, 1997. This minimum has already been met and surpassed, \$1,440,290,000 having been defeased by March 31, 1997. Public reporting of interim financial results through public forecast documents.
Defeasance assets are adequate to ensure the repayment of all NSPC debt guaranteed by the Province of Nova Scotia.	<ul style="list-style-type: none"> Outstanding par value of debt as at March 31, 2019, was \$350,000,000 denominated in Canadian dollars and US issued par value of debt was \$400,500,000 in Canadian dollars. Defeased assets as at March 31, 2019, had par values in excess of the outstanding par value of debt. As at March 31, 2019 Canadian long-term debt had carrying values of \$514,498,000 and U.S. debt had carrying values of \$464,416,000 in Canadian dollars totalling \$978,914,000. Canadian assets had carrying values of \$520,556,000 and U.S. assets had carrying values of \$463,891,000 in Canadian dollars totalling \$984,447,000. The NSPFC defeasance portfolio maintains sufficient assets to service and retire all outstanding NSPC debt, guaranteed by the Province, as the debt comes due thus rendering the guaranteed debt fully defeased. The adequacy of defeasance assets to fully repay all the outstanding NSPC debt guaranteed by the Province is verified by the auditing firm of KPMG.

NSPFC has no employees. NSPI executes necessary transactions to create and maintain the defeasance portfolio. The monitoring of NSPI debt defeasance is performed by a board of directors, appointed by the Government of Nova Scotia, with staff support from the Nova Scotia Department of Finance and Treasury Board. The accounting firm of KPMG verifies the defeasance assets arranged by NSPC are sufficient to fully defease the outstanding NSPC debt guaranteed by the Province. Under the terms of the privatization agreements, NSPI is responsible for the payment of all NSPFC expenses.



Business Plan 2020-2021

Message from Chair

I am pleased to present the business plan for Perennia Food and Agriculture Inc. (Perennia) for 2020/21. Perennia is Nova Scotia's development agency focused on maximizing the value and sustainability of our agriculture, seafood and food and beverage sectors with innovative applied programs, services and projects.

In 2020/21 we will be focused on initiatives under our five key strategic priorities: being a driving force for industry advancement; offering comprehensive services from idea to market; increasing our impact in the fisheries sector; increasing our profile and leadership position; and increasing operational efficiency and organizational capacity.

A key focus for us will be increasing our capacity in identifying, seeking funding for and implementing impactful development projects to address industry opportunities and challenges.

We will also be working on providing technology solutions and applications to share content and provide decision making tools for farmers, fishers and food processors.

Environment and climate change, as well as industry responsiveness to adverse weather, and full utilization of seafood, livestock and crops will be themes throughout our work.

Our work to support food companies in accessing new markets through the adoption of international food safety certification programs will continue to be important to us this fiscal.

Increasing our profile and leadership position in all our target markets is a priority for us – we want as many new and established businesses to know we are here to help support their goals through our programs, services and projects.

And finally, we are growing – which is very exciting – but requires new financial and corporate processes. We will be developing and implementing new software and process and procedures this year to support our current and future growth and operational efficiencies.

Relationships and partners will continue to be important to us and even more this year we will be working to strengthen our connections with industry associations, other agencies and all three levels of government to provide high quality and impactful solutions to industry.



Charles Keddy
Chair, Perennia Food and Agriculture Board

Vision

Nova Scotia is a recognized world leader in producing innovative, environmentally responsible food of impeccable quality

Mission

Supporting growth, transformation and economic development in Nova Scotia's agriculture, seafood, and food and beverage sectors

Values

- **Passion:** for the industries we work in, for the success of clients, and the success of Perennia so we can continue to add more value to Nova Scotia's economy
- **Independence:** of thought and direction, to provide objective advice to clients and industries
- **Proactive Leadership:** to anticipate client needs, to bring new opportunities to sectors, to be unafraid to step up and work with industry to make tough but necessary changes for the future
- **Curiosity and Learning:** to have a thirst for knowledge and sharing that knowledge, to be problem solvers, to encourage both in industry and our clients
- **Integrity and Accountability:** to make commitments where our word means something, where we don't take on more than we can do well, to meet our goals
- **Green Focus:** to make the small and big changes as a company to lessen our environmental footprint and support best practices in this area for clients

Corporate Key Performance Indicators

- Annual revenue generated
- Percentage of revenue from private sector consulting
- Percentage of revenue from Perennia-developed projects
- Impact of our work with clients
- Impact of our development projects on industry

Key Priorities

Through its strategic planning process, Perennia has identified five strategic priorities that guide its work. What follows are the goals and the major initiatives for 2020/21 that support each priority.

#1. Be a driving force for industry advancement

Desired outcomes

- New opportunities identified
- Impactful applied research to address industry issues
- Enhanced awareness in industry of environmental and climate change mitigation strategies
- Regional leader in the cannabis sector
- Local analytical services available to industry
- Robust reporting on development programs
- Development of new software solutions for industry
- Expanded services

2020/21 Initiatives

1. Seek multi-year funding for one livestock and one horticulture development project to support new commercial sectors
2. Work in partnership with the Nova Scotia Department of Agriculture and the Nova Scotia Federation of Agriculture to launch an environmental sustainability program
3. Seek funding for and/or participate in a multiparty initiative to address the need for real-time comprehensive weather data to support models to alert farmers to make effective management decisions
4. Support the growing cannabis sector by increasing our cannabis analytical testing service and undertake edible and drinkable product development projects as a regional leader in this area
5. Launch virus testing for new berry crops and launch full-time plant pathology support for industry
6. Implement a revised planning and reporting process for our province-wide Agriculture Extension and Development Program and focus on using technology to have a broader impact
7. Increase industry uptake in the cost-shared components of the Agri-Food Accelerator Program and begin development and seek funding for Phase II of the program
8. Explore more opportunities to use apps and software to support industry growth and data collection to make informed business and management decisions
9. Explore offering auditing services under our Quality and Food Safety Services
10. Assess our role in supporting innovative food and beverage processing and transition services as needed

#2. Offer comprehensive services from idea to market

Desired outcomes

- Standardized efficient easy-to-understand process
- Increased resources to support the understanding of the full commercialization cycle

- New products of market
- Expanded available specialties

2020/21 Initiatives

1. Define a Perennia-branded commercialization process
2. Focus on content development of the commercialization process as part of the Agri-Food and Seafood Accelerator programs
3. Grow our affiliated consultant roster in areas we don't currently service

#3. Increase our impact in the fisheries sector

Desired outcomes

- Increased awareness of Perennia and our services in the sector
- New seafood clients
- Demonstrated impact of our current and completed development projects to industry
- New funded development projects
- New skill sets added to the team

2020/21 Initiatives

1. Develop commercialization plan for a grading prototype resulting from a current project
2. Complete the first year of a seafood quality standards project under the Atlantic Fish Fund
3. Work with partners to seek funding for two new projects focused on full utilization, climate change and/or new commercial sector development
4. Develop and execute an outreach plan
5. Increase the number of product development projects under the Seafood Accelerator Program
6. Assess the cost of production software for use by seafood companies and identify a pilot partner

#4. Increase our profile and leadership position

Desired outcomes

- Increased awareness of Perennia in key target markets
- Comprehensive evaluation of services
- Enhanced perception of us as a leader in understanding and anticipating industry needs, and addressing them in proactive, innovative ways
- Strengthened relationships with government, industry and academia
- Innovative content development

2020/21 Initiatives

1. Develop marketing and communication plans for all major service lines and programs
2. Continue work on our Atlantic Fisheries Fund project on quality standards
3. Develop an outreach and public relations plan
4. Undertake a continuous evaluation and needs assessment process

7. Create tools so team and Board members can be the exceptional ambassadors for Perennia
8. Host one innovative event with leading international consultants

#5. Increase operational efficiency and organizational capacity

Desired outcomes

- Proactive finance and business planning and decision making
- Acceleration in special projects, business development and IP and commercialization initiatives
- Cohesive team and enhanced team work
- Up-to-date data and analysis
- Skills development plan for future needs
- Reduced business risks

2020/21 Initiatives

1. Develop integrated financial and time tracking systems
2. Create a Strategic Initiatives and Development group
3. Launch new internal communications tools and opportunities
4. Upgrade current client database and add new components
5. Revise performance management system and professional development planning
6. Develop revised contract templates and disclaimers
7. Develop office expansion plans to support growth

Financials

Operating Income Budget Summary			
(\$ thousands)			
<u>Programs and Services</u>	<u>2019-2020</u> <u>Estimate</u>	<u>2019-2020</u> <u>Forecast</u>	<u>2020-2021</u> <u>Estimate</u>
Revenues & Operating Grants	8,041	8,145	9,740
Capital Grant			
Direct Project Inputs (excluding salaries)	(1,971)	(2,191)	(2,391)
Salary & Related Expenses	(4,378)	(4,656)	(5,946)
Operating Expenses	(2,096)	(1,694)	(1,868)
Total Operating Income	(404)	(375)	(464)

Deficit for 2020-21 due to depreciation of capital expenditures.



TOURISM
NOVA SCOTIA

TOURISM NOVA SCOTIA

BUSINESS PLAN

2020-21

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MESSAGE FROM THE CHAIR & CEO

Globally, tourism is a significant driver of economic growth. Here in Nova Scotia, the provincial government recognizes Nova Scotia's tourism potential and the benefits of a robust tourism industry, making it a key part of its inclusive economic growth strategy. Tourism offers diverse business and employment opportunities for Nova Scotians in every region of the province and is uniquely positioned to create employment opportunities for under-represented groups in the province. Reflective of the importance of the tourism industry, we're seeing government invest in more direct flights from important markets like Europe, China and the United States; the strategic development of Nova Scotia's most iconic tourism sites; and infrastructure improvements in areas such as rural internet.

Tourism Nova Scotia is focused on attracting leisure visitors to Nova Scotia. We promote the province as a vacation destination in key markets beyond Atlantic Canada and we partner with tourism businesses and communities to develop experiences that capture the attention of travellers. Tourism Nova Scotia does not do this alone. There are many organizations and businesses working to strengthen the tourism industry in the province, and together we're striving to reach the Ivany Commission's goal of \$4 billion in tourism revenues by 2024. We've achieved remarkable increases in visitation and revenue in recent years, however, collaborative action toward several "strategic game-changer" opportunities will be essential for continued growth. We must own our roles and work to increase the quality and supply of accommodations throughout the province; extend the tourism season; address labour challenges; grow visitation from China; invest more in tourism marketing; and expand air capacity. More deliberate and targeted efforts are needed in order to reach the \$4 billion by 2024 goal.

In addition to helping to advance the "strategic game changer" opportunities, Tourism Nova Scotia's priorities in 2020-21 include the creation of the annual marketing campaign and partnerships with Destination Canada as well as our fellow Atlantic Canadian provinces through the Atlantic Canada Agreement on Tourism collaboration. We will continue to co-invest with tourism businesses and organizations to reach more potential visitors through our Digital Content Marketing and travel media programs. Through our award-winning World-class Experience EXCELLerator Program, our experience development team will work with businesses to grow our inventory of visitor experiences that get media and influencers talking, and ultimately inspire people to travel to Nova Scotia.

We know that to be competitive in a rapidly changing environment, tourism businesses must adapt and evolve. Our business development unit will work with new and existing businesses to ensure they are set up for success as market demands evolve. We will also continue to work with our colleagues across provincial government departments and Crown corporations to advance initiatives that contribute to the growth and sustainability of Nova Scotia's tourism industry.

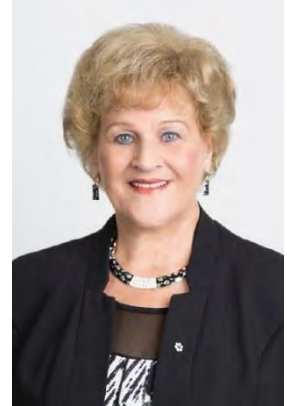
In 2020-21, we will also share 2019 Visitor Exit Survey results, which provide valuable insights about visitors to the province.

As always, we will embody our corporate vision to be recognized globally as the leading destination marketing organization.

Sincerely,

R. Irene d'Entremont, C.M., O.N.S., D.Comm hc, Chair, Tourism Nova Scotia Board of Directors

Michele Saran, CEO, Tourism Nova Scotia



R. Irene d'Entremont,
Chair, Tourism Nova Scotia



Michele Saran,
CEO, Tourism Nova Scotia

MANDATE

The Tourism Nova Scotia Act, passed on May 4, 2015, identifies the following objects of the corporation:

- achieve tourism growth in the province and maximize the value of tourism to the economy of the province;
- develop and implement a long-term strategy for tourism to drive sustainable tourism in the province that delivers growth and profitability in the tourism industry, provides economic benefit to the province, and is consistent with the province's strategic priorities; and
- communicate and collaborate with communities, private industry, and the tourism industry in the province.

MISSION

To market Nova Scotia's tourism experience to the world through innovation and collaboration.

VISION

To be recognized globally as the leading destination marketing organization.

GOVERNANCE

Tourism Nova Scotia is led by a private sector board of directors consisting of industry and business leaders from across Nova Scotia. Directors are elected to the board based on a nomination process. Tourism Nova Scotia's Chief Executive Officer reports to the Chair of the board of directors. The Chair reports to the Minister of Business.





TOURISM NOVA SCOTIA

Tourism Nova Scotia was established as a private sector-led Crown corporation to achieve tourism growth in the province and lead the industry towards the goal of growing annual tourism revenues to \$4 billion by 2024. As the destination marketing organization for Nova Scotia, Tourism Nova Scotia is responsible for developing a tourism strategy and leading tourism marketing and development efforts for the province.

Tourism Nova Scotia's five-year strategic plan, "Driving Export Revenue", was first released in 2017 and is updated annually. The strategic plan aligns with the provincial government's inclusive economic growth priority. The tourism industry is an important driver of export growth, and a vibrant tourism industry creates benefits for both rural and urban regions within Nova Scotia. This regional dispersion of benefits, coupled with the diversity of business and employment opportunities, supports inter-provincial migration, employment attachment and inclusion.

The provincial government's economic growth priorities inform Tourism Nova Scotia's strategic plan and underpin the corporation's 2020-21 business plan.

Strategic Pillars

Tourism Nova Scotia's strategic plan identifies four key pillars, which guide its activities:

1. Attract first-time visitors to Nova Scotia

While all visitors are important, Tourism Nova Scotia's advertising messages and execution focus on those who have not yet visited the province; specifically, the first-time pleasure visitor. First-time pleasure visitors spend more in Nova Scotia and are the most likely to be influenced by Tourism Nova Scotia's marketing activities.

2. Invest in markets of highest return

Tourism Nova Scotia invests its marketing dollars in markets that will attract the highest-value visitors to Nova Scotia.

3. Focus on world-class experiences

Tourism Nova Scotia leads tourism experience development and industry development through a "world-class" lens to support attracting first-time visitors to the province. Tourism Nova Scotia partners with the private sector to showcase and create experiences that align with the travel values and expectations of Nova Scotia's target travellers. It leverages the province's existing assets and icons to create new, purchasable experiences.

4. Build Nova Scotia's tourism confidence

Tourism Nova Scotia builds stakeholder knowledge of, and support for, its strategic direction to attract increased investment, grow revenues, and boost Nova Scotia's tourism confidence.



Stakeholder Alignment

Achieving Nova Scotia’s ambitious tourism revenue goal requires all stakeholders to align with the goal and own their roles.

Industry (Tourism Operators and Businesses)

Industry roles include:

- investing in product to provide the types of purchasable, world-class experiences that travellers want;
- closing the sale pre-trip and during-trip; and
- exceeding visitor expectations to drive repeat visitation and lead visitors to recommend Nova Scotia to others.

Community

Community is defined as municipalities, regional/community destination marketing organizations, and regional tourism industry associations. Community also includes all Nova Scotia residents. Community roles include:

- partnering with industry on destination development and marketing;
- engaging in positive interactions with visitors that influence them to return and recommend Nova Scotia as a vacation destination;
- helping residents understand the value of tourism; and
- providing visitor servicing.

Government (Federal and Provincial)

Government enables tourism growth by considering policies and investments in programs and infrastructure that will improve the operating environment for tourism businesses and increase Nova Scotia’s competitiveness as a tourism destination. Government roles include:

- community economic development;
- attraction of inward investment; and
- infrastructure development.

Other Key Stakeholders

The Tourism Industry Association of Nova Scotia (TIANS) acts as the “voice of tourism” to advocate for and lead the advancement of the tourism industry.

The Nova Scotia Tourism Human Resource Council promotes and supports the development of a skilled and professional workforce for Nova Scotia’s tourism industry.



Planning Context: Strategic Game Changers

Following four years of strong visitation growth between 2014 and 2017 and the province's highest recorded tourism revenues in 2018, tourism visitation and associated revenues have declined in 2019. If current conditions continue, tourism revenues are anticipated to reach only \$2.8 billion in 2024. To attain the \$4 billion revenue goal, more must be done. Tourism Nova Scotia has identified six (6) "strategic game changer" growth opportunities that tourism industry stakeholders must embrace and address collectively to create the conditions for continued growth in visitation and associated tourism spending. More information on the "strategic game changers" can be found in Tourism Nova Scotia's strategy, *Driving Export Revenue*.

1. Accommodations

There is a significant opportunity with respect to both the quantity and quality of accommodations. Accommodations that meet and exceed visitor expectations will increase Nova Scotia's capacity to attract high-value visitors who will spend more in the province.

2. Seasonality

Nova Scotia is typically not viewed by travellers as a year-round destination and has limited visitor experiences and product offerings outside the peak months. Extending the tourism season through the development of products and visitor experiences that are available during off-peak months is a key opportunity to diversify and grow Nova Scotia's tourism offerings and increase revenues.

3. Labour

Many operators experience difficulties attracting and retaining employees, due to both a general shortage of labour across the province and the current seasonal nature of tourism. Addressing this shortage of qualified labour will support the growth of tourism businesses.

4. China

Nova Scotia is well positioned to be the "next hotspot" for Chinese visitors coming to Canada. Businesses that understand the China market and adjust their offerings will be better equipped to attract and accommodate more visitors from China and provide memorable experiences that will lead to recommendations and repeat visitation.

5. Air capacity

Nova Scotia's highest spending visitors are those who arrive by air. Strategically improving air access to the province through direct flights will provide a significant opportunity to attract more high-value international visitors. In 2020, for the first time in the province's history, there will be two non-stop charter flights from Guangzhou, China to Halifax. The success of these flights and the accompanying travel packages is crucial to developing the potential for regularly scheduled direct flights beyond 2020.

6. Marketing investment

Achieving higher levels of visitation from key target markets will increasingly rely on marketing investment by all stakeholders in the tourism industry. Marketing is key to increasing awareness and generating interest in visiting Nova Scotia.

2020-21 KEY ACTIVITIES

The Province of Nova Scotia, as part of its inclusive economic growth goal, has embraced the Ivany Commission challenge to increase tourism revenues to \$4 billion by 2024. The tourism industry is important to every region of the province. Tourism is a strategic growth industry for Nova Scotia; a vibrant tourism industry provides business, employment, and quality of life benefits across the province.

In 2020-21, Tourism Nova Scotia will develop, invest in, and execute on initiatives that are aligned with provincial economic growth priorities and Tourism Nova Scotia's strategy to lead sustainable tourism growth in the province.

Lead Experience Development

Experience development is a strategic priority for Tourism Nova Scotia. The experience development process inspires tourism operators to innovate and embrace change to create unique and authentic Nova Scotia experiences that appeal to target markets and differentiate Nova Scotia as a vacation destination.

In 2020-21, Tourism Nova Scotia will partner with tourism operators through the World-class Experience EXCELLerator Program to develop experiences that will attract high-value visitors to the province. In 2020-21, the EXCELLerator program will, through collaboration with industry, expand to include the development of Indigenous, African Nova Scotian, and off-peak seasonal experiences.

EXCELLerator partners that have already developed experiences will be supported by coaching and mentoring to enhance their ability to market their experiences and attract visitors to Nova Scotia.

Tourism Nova Scotia will also work with tourism businesses, through strategic co-investment initiatives, to develop new products, improve market readiness, and enhance existing tourism products and experiences.



Target Key Markets with Consumer-focused Advertising Campaign

Each year, Tourism Nova Scotia develops and implements a consumer advertising campaign featuring TV, search engine marketing (SEM), social media ads, digital video, and digital display units. Each year, Tourism Nova Scotia evaluates and identifies media options best suited to tell the story of Nova Scotia to prospective visitors.

In 2020-21, the campaign will continue to target the Cultural Explorer and Authentic Experiencer Explorer Quotient® traveller segments in key geographic markets (see tourismns.ca for more information on Explorer Quotient®). The 2020-21 campaign continues the creative strategy to increase awareness of and interest in Nova Scotia as a vacation destination by highlighting the breadth of compelling experiences and activities in the province. The 2019-20 campaign performed very well in terms of generating interest and influencing travel to Nova Scotia.

New in 2020-21 will be a campaign targeting the Free Spirit traveller segment. This pilot campaign will be launched in the Ontario market and is expected to leverage the visual assets that have been developed through the award-winning World-class Experience EXCELLerator Program.

Engage Travel Influencers

Tourism Nova Scotia will deliver a media relations strategy to extend the consumer advertising campaign and motivate travel through travel writers/influencers. This includes hosting qualified travel writers and influencers on press trips throughout the province who in turn will produce and share content (e.g., stories, videos, photos) with their audiences.

Travel media marketplaces give provincial tourism operators the opportunity to meet with international travel media and influencers. In 2020-21, Tourism Nova Scotia will participate in *GoMedia*, Destination Canada's premier international media marketplace.

Leverage Strategic Partnerships to Extend Reach

Nova Scotia's tourism marketing reach will be extended through the following strategic initiatives with partners to align tourism marketing investments at a provincial, Atlantic, and national level.

- The Digital Content Marketing Program allows businesses and communities to co-invest with Tourism Nova Scotia to develop marketing assets and extend their reach through customized digital advertising and/or content asset development activities.
- Strategic co-investment partnerships with Destination Canada to leverage Destination Canada's scale and reach across the direct-to-consumer, trade, and media channels in key international markets under the Canada brand, as well as a new domestic partnership, focusing on the Ontario market.
- Co-investment with the Atlantic Canada Opportunities Agency (ACOA) and the Atlantic provinces to extend reach in key international markets through direct-to-consumer advertising, media, and trade activities.

Develop Key Markets through Trade Marketing Initiatives

The travel trade strategy engages international inbound tour operators and travel agencies to extend Nova Scotia's tourism marketing reach and sales through product development, training, and partnership marketing.

This strategy is supported by in-market representatives in the UK, Germany, and China markets. The in-market representatives provide on-the-ground support to increase awareness of Nova Scotia as a vacation destination. They facilitate opportunities with travel trade (tour operators, travel agents), travel writers and influencers, and other partners (e.g., airlines, Destination Canada) in these target markets. Activities in 2020-21 include:

- attendance at business-to-business marketplaces;
- tour operator sales calls;
- media pitches;
- familiarization tours with tour operators and travel writers/influencers; and
- co-operative marketing partnerships.

Exposure to tour operators and travel agents from Nova Scotia's international markets offers provincial tourism businesses the opportunity to extend their reach in key target markets. Tourism Nova Scotia facilitates this important exposure to the international travel trade. Key 2020-21 initiatives include participation in *Rendez-vous Canada* and conducting Nova Scotia familiarization tours with international tour operators.

Leverage International Air Access

Air access is key to attracting international visitors to the province. Nova Scotia's highest-spending visitors are those who arrive by air. Nova Scotia has a strong competitive advantage within Atlantic Canada to attract international flights, as Halifax Stanfield International Airport is the area's largest airport and the regional gateway hub of Atlantic Canada. 2020-21 marketing activities will help increase awareness and consideration of Nova Scotia as a vacation destination in strategic air markets. Tourism Nova Scotia will continue to work with Halifax International Airport Authority to influence International Air Service Investment Fund market selection.

In 2020-21, Tourism Nova Scotia will support the new direct charter flights from China with dedicated marketing activities to increase awareness of Nova Scotia and generate interest in the route.



Enhance Tourism Operator Export Readiness

Quality is a critical success factor for Nova Scotia's tourism industry. Tourism operators that work to provide the highest quality product and service will stand out from the competition. Tourism Nova Scotia is committed to working with operators to improve their competitiveness and enhance their ability to attract high-value visitors and meet visitor expectations.

Following the repeal of the Tourist Accommodations Act, Tourism Nova Scotia will redirect business development resources to focus on improving the competitiveness of Nova Scotia's tourism operators. Tourism Nova Scotia will work with tourism operators and other stakeholders including, but not limited to TIANS, regional organizations and associations, and other federal/provincial partners, to elevate the quality of product and experiences that are offered to visitors. There are several initiatives to support Tourism Export Readiness.

- Research to identify the best opportunities for tourism operators to improve quality of the visitor offering.
- Development of a program that will recognize and promote tourism operators in Nova Scotia that exemplify excellence as defined by visitors.
- Export Readiness Coaching pilot initiative to provide one-on-one business coaching with up to 15 tourism operators who have completed the introductory "Travel Trade Readiness" workshop to advance them to export ready status to be able to work with international travel trade.
- Increasing industry's technology capacity through website incubator workshops.
- Cost-sharing projects with other Atlantic provinces and ACOA to increase capacity and readiness of Indigenous tourism operators.
- Quality Enhancement pilot initiative aimed at enhancing quality across the tourism industry, focussing on elevating quality standards through workshops/assessments that provide advice on consumer trends and overall opportunities for quality improvement.
- Collaboration with Nova Scotia Business Inc. to support investment attraction within the tourism industry with a focus on accommodations.

Tourism growth will require increasing the supply of qualified labour. In 2020-21, Tourism Nova Scotia will support the Nova Scotia Tourism Human Resource Council, whose role is to promote and support the development of a skilled and professional workforce for Nova Scotia's tourism industry.

Invest in Key Tourism Sites

Tourism Nova Scotia is responsible for administering the Tourism Revitalization of Icons Program (TRIP). Through this program, the provincial government is investing \$6 million to enhance five iconic tourism sites: the Cabot Trail; Halifax waterfront; Lunenburg waterfront; Peggy's Cove; and the Bay of Fundy including Annapolis Royal. Investing in infrastructure improvements at these iconic locations will create more opportunities for the private sector to develop world-class experiences that appeal to target markets and increase visitor spending.

In 2020-21, investments will be made through strategic partnerships, working in collaboration with Develop Nova Scotia and other partners, to support planning and infrastructure improvements in these iconic tourism sites. Where possible, program investments will leverage partner funds and federal, provincial, and municipal funding.

Build Nova Scotia's Tourism Confidence

Communications activities in 2020-21 will focus on enhancing stakeholder engagement and building Nova Scotia's tourism confidence. Tourism Nova Scotia will continue to provide strong leadership to achieve role clarity, reduce duplication, foster stakeholder alignment with Tourism Nova Scotia's strategy, and facilitate action on the "strategic game changer" opportunities. Rallying the tourism industry to embrace change and opportunities is key to reaching the \$4 billion goal.

Tourism Nova Scotia's stakeholder outreach initiatives encourages industry, all levels of government, and other tourism stakeholders, including TIANS and industry associations to align with the tourism strategy and invest in visitor products, experiences, infrastructure, and community development initiatives that will create the conditions for ongoing tourism growth. Tourism Nova Scotia also informs, engages, and inspires Nova Scotians to be proud of who we are as a tourism destination.

Communications activities in 2020-21 include:

- building on 2019-20's successful "Nova Scotia Unlisted" campaign, 2020-21 will feature a communications campaign to inspire Nova Scotians to feel proud of what Nova Scotia offers as a vacation destination, and to be confident and excited about opportunities that exist for Nova Scotians within the tourism industry;
- leading industry and stakeholder information sessions to encourage alignment with the strategy and rally industry and stakeholders to action the "strategic game changers" that are key to reaching the \$4 billion goal;
- regular articles in Tourism Nova Scotia's blog/newsletter, inTouch, to inform tourism operators about business development and promotional opportunities;
- proactive social and traditional media outreach to share information and celebrate industry successes;
- monthly reporting of tourism performance indicators, culminating with a year-in-review announcement of overall 2020 tourism performance and progress against the \$4 billion goal.

Tourism Nova Scotia's corporate website, tourismns.ca, will continue to be the primary source of information for industry, featuring timely and relevant news, advertising opportunities, industry partnership programs, and tourism performance indicators.

Conduct Research to Inform Strategic Decisions

Tourism Nova Scotia conducts research to inform and support key marketing, industry development and communications initiatives. Key activities for 2020-21 include:

- development of key tourism indicators, including visitation estimates;
- advertising campaign evaluation research;
- research to inform and support increasing provincial; tourism operators' ability to adapt to changing consumer behaviour; and
- experience development concept testing.

In 2020-21, Tourism Nova Scotia will analyse and share information from 2019's Visitor Exit Survey. The Visitor Exit Survey is the most comprehensive survey of visitors to Nova Scotia. It provides a detailed profile of visitors, including purpose of trip, travel party composition, types of accommodations used, participation in activities, spending, and community visitation.

Identify and Capture Alternative Sources of Revenue to Fund Tourism Nova Scotia Marketing Initiatives

Increased investment in marketing is critical to ongoing tourism growth in Nova Scotia. In 2020-21, Tourism Nova Scotia will launch a pilot initiative focussed on attracting incremental marketing investment from non-traditional sources through sponsorship and partnership activities. The pilot will be administered by Tourism Nova Scotia's advertising agency of record and will focus on identifying sources of revenues to support Tourism Nova Scotia's marketing activities.

The pilot will be assessed at the end of the year, with recommendations for future implementation.

Other Responsibilities/Services

In addition to the key 2020-21 activities that align with Tourism Nova Scotia's mandate and strategy, Tourism Nova Scotia provides support to the tourism industry in the following areas:

- Tourism Nova Scotia operates six provincial visitor information centres (VICs) at Halifax Stanfield International Airport, Halifax waterfront, Amherst, Yarmouth, Peggy's Cove, and Port Hastings. The VIC staff promote Nova Scotia's world-class experiences to visitors by providing travel planning information and encourage increased spending and length of stay. Tourism Nova Scotia is committed to supporting visitor servicing, and will continue to investigate evolving models of visitor servicing;
- Tourism Nova Scotia supports local communities' ability to deliver visitor servicing by providing funding for local visitor information centres; and
- the Tourism Contact Centre promotes Nova Scotia's world-class experiences to potential visitors looking for travel planning information.



OUTCOMES AND PERFORMANCE MEASURES

Tourism Nova Scotia works to maximize the value of tourism to the province. Through its activities, Tourism Nova Scotia helps to create the conditions that will generate interest in Nova Scotia as a vacation destination, and lead to visitation.

It is important to note that Tourism Nova Scotia does not directly influence *all* visitation to Nova Scotia or resulting visitor expenditures, and performance is assessed against outcomes that are directly related to Tourism Nova Scotia initiatives.

Outcome: Increase visitation and tourism spending through strategic marketing activities

Tourism Nova Scotia's annual advertising campaign influences visitation to Nova Scotia from key target markets. In 2019, Tourism Nova Scotia commissioned an advertising return on investment (ROI) study. This study estimated that for each \$1 invested in media buy in Tourism Nova Scotia's target markets, visitation influenced by the campaign generated \$21 in tourism spending in Nova Scotia, and \$3.14 in HST, a strong result for the 2019 campaign.

A strong campaign is one that delivers at least \$2 in HST for each \$1 invested in media buy.

In 2020-21, Tourism Nova Scotia will work to support and increase the strong level of tourism spending and resulting taxes influenced by the annual advertising campaign.

Outcome: Infrastructure improvements to create opportunities for experience development

Tourism Nova Scotia is administering the Tourism Revitalization of Icons Program (TRIP). The program will enhance five iconic tourism sites: the Cabot Trail; Halifax waterfront; Lunenburg waterfront; Peggy's Cove; and the Bay of Fundy including Annapolis Royal.

In 2020-21, Tourism Nova Scotia will identify and review at least four projects to be assessed through the TRIP program criteria.

By the end of 2020-21, Tourism Nova Scotia will have coordinated or initiated the administration of \$6 million of infrastructure investment projects that align with TRIP objectives.

Outcome: World-class experiences that attract first-time visitors to Nova Scotia

Tourism Nova Scotia directly influences the development of world-class experiences that motivate travel to Nova Scotia. The experience concepts that are developed into purchasable experiences are evaluated through research to ensure they are highly appealing to Tourism Nova Scotia's target markets.

In 2020-21, Tourism Nova Scotia will lead the development of 10 new world-class experiences, including Indigenous, African Nova Scotian, and off-peak seasonal experiences.

Outcome: Motivate tourism operators to excel and improve their competitiveness

Tourism Nova Scotia recognizes the importance of working with tourism businesses to address gaps and opportunities that will enhance their competitiveness.

In 2020-21, Tourism Nova Scotia will complete development of terms of reference for a program that recognizes and promotes tourism operators that exemplify excellence and will complete research and consultation to identify and implement at least two tourism business competitiveness initiatives that address current delivery gaps.

Outcome: Increase Nova Scotia's tourism confidence

Tourism Nova Scotia's mandate includes collaboration and communication with tourism stakeholders. Having an engaged tourism industry and a population that supports and understands the value of Nova Scotia's tourism industry will provide a positive environment for industry growth.

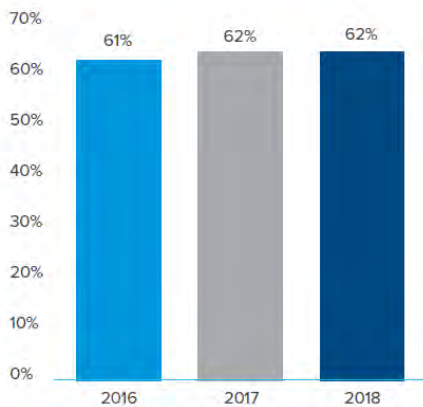
Tourism Nova Scotia offers and participates in several co-investment initiatives that extend reach in target markets. Co-investment with Tourism Nova Scotia is contingent upon the partner being confident that investing with Tourism Nova Scotia will lead to growth. In 2020-21, Tourism Nova Scotia will continue to build Nova Scotia's tourism confidence by attracting and leveraging co-investment revenues from partners, including Nova Scotia tourism operators, Destination Canada, the Atlantic Provinces, ACOA, and Halifax International Airport Authority.

In 2020-21, Tourism Nova Scotia will attract at least \$1 in matching investment for each \$1 it co-invests with partners, a 1:1 leverage ratio.

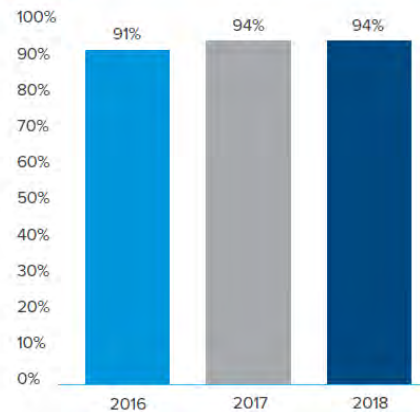
Each year, Tourism Nova Scotia assesses the perceived importance of the tourism industry to the provincial economy, and pride of place among Nova Scotians.

In 2020-21, Tourism Nova Scotia will work to support the already exceptionally strong recognition of the importance of, and pride in, the tourism industry among Nova Scotia residents.

**IMPORTANCE OF TOURISM TO THE PROVINCIAL ECONOMY
(% INDICATING 'CRITICALLY IMPORTANT')**



**I AM PROUD OF WHAT NOVA SCOTIA OFFERS TO VISITORS
(% AGREEING)**

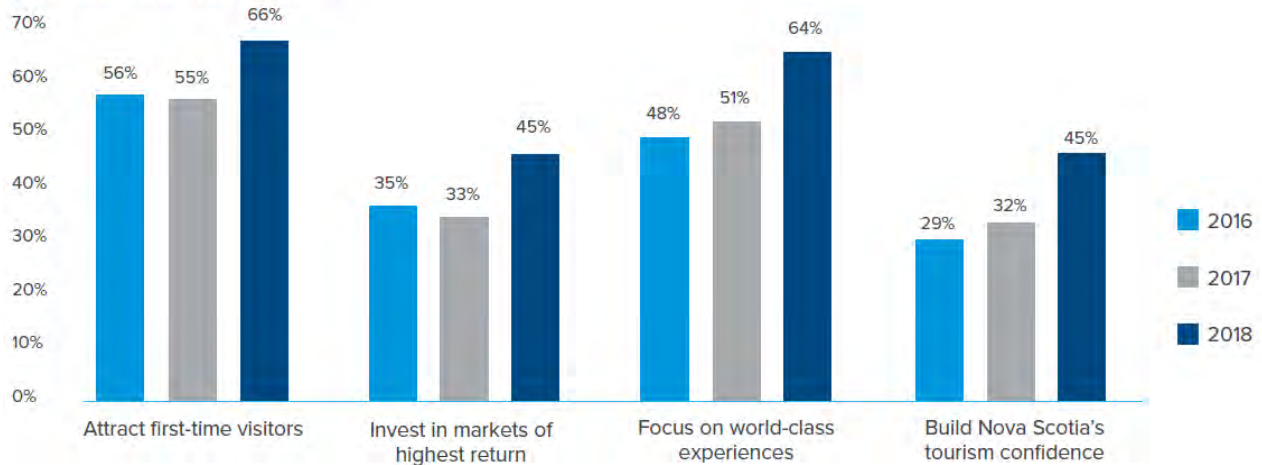


Source: Tourism Nova Scotia Annual Public Opinion Survey

The tourism industry’s ability to align efforts towards the \$4 billion tourism revenues goal is contingent on engagement across the industry to achieve understanding of, support for, the tourism strategy. Tourism Nova Scotia, through stakeholder outreach, works to inform, influence, and inspire stakeholders to embrace activities that will grow tourism in the province. Familiarity with Tourism Nova Scotia’s strategy and being satisfied with Tourism Nova Scotia’s performance are important indicators of stakeholder engagement.

In 2020-21, Tourism Nova Scotia will work to increase stakeholder familiarity with the tourism strategy.

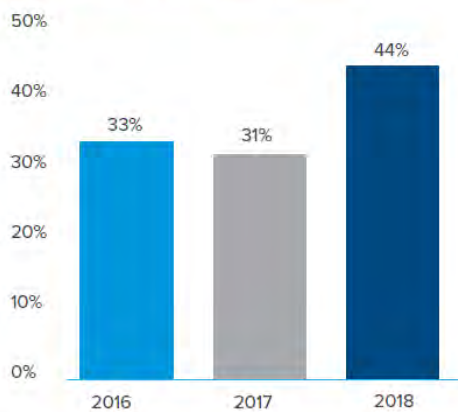
TOURISM STAKEHOLDER AWARENESS OF TOURISM NOVA SCOTIA'S STRATEGIC PILLARS
 (% INDICATING 'YES, AWARE')



Source: Tourism Nova Scotia Annual Stakeholder Survey

Tourism Nova Scotia will also work to increase stakeholder satisfaction with the corporation’s performance.

TOURISM STAKEHOLDER SATISFACTION WITH TOURISM NOVA SCOTIA'S PERFORMANCE
 (% RATING 8, 9, 10 ON 10-POINT SCALE)



Source: Tourism Nova Scotia Annual Stakeholder Survey

OPERATING BUDGET

	Estimate 2019-20 (\$)	Forecast 2019-20 (\$)	Estimate 2020-21 (\$)
Revenue			
Provincial Operating Grant	22,507,000	23,192,000	21,648,000
Tourism Recoveries	550,000	914,200	550,000
Tourism Fees & Charges	652,200	648,200	763,000
Total Revenue	23,709,200	24,754,400	22,961,000
Expenses			
CEO & Board Administration	363,400	373,000	372,100
Corporate Services	5,719,100	6,590,300	5,033,600
Communications	560,400	426,100	523,000
Research and Policy	1,052,300	1,045,200	1,069,400
Marketing	12,891,400	14,051,700	13,149,800
Sector Development	3,122,600	2,268,100	2,813,100
Total Expenses	23,709,200	24,754,400	22,961,000
Surplus (Deficit)	-	-	-