



# Budget

2021-22

*Crown Corporation Business Plans*



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Crown Corporation Business Plans  
Finance and Treasury Board  
March 2021

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Art Gallery of Nova Scotia

Develop Nova Scotia

Halifax Harbour Bridges

Innovacorp

Nova Scotia Business Incorporated

Nova Scotia Crop and Livestock Insurance Commission

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Nova Scotia Fisheries and Aquaculture Loan Board

Nova Scotia Gaming Corporation

Nova Scotia Lands Inc.

Nova Scotia Liquor Corporation

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Nova Scotia Power Finance Corporation

Perennia Food and Agriculture Inc.

Tourism Nova Scotia



Art Gallery *of* Nova Scotia

# **| Business Plan 2021-22**





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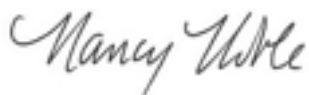
# Message from the Director and CEO

The key to any business strategy for the next year is adaptability. So much of the world has changed as we move into our second year of a global pandemic. We have learned to be more resilient but understand that recovery may be a long way off. There is hope that the vaccines will slow and eventually halt the spread of COVID-19 and we will reach some sort of new normal in the year ahead. But our perspectives and priorities have changed, and we will have to continue to adapt and be flexible as we navigate to a post-pandemic world.

The Art Gallery of Nova Scotia, like so many others, closed its doors for almost half of the last year. We found a way to adapt and like other museums, found new audiences online. The team did an outstanding job, with very few resources, engaging with audiences young and old to keep art and artists at the forefront. It was a needed distraction for many but also a testament to the need for art in people's lives.

In the year ahead, the Gallery is focused on ensuring that we are ready for the future. We will continue our commitment to contemporary art and artists through the delivery of outstanding programs and exhibitions, both online, at the Gallery, and in other institutions across Canada and abroad. Our primary attention, however, will be on realizing key milestones for our new gallery and arts district on Halifax's waterfront, while ensuring that we create a place that is by and for the community. Engagement with existing and new audiences, including stakeholders and supporters, is key to meeting our goals for the new Gallery. We also need to improve both our governance and the way we operate by securing the resources needed to ensure future success.

There are many challenges ahead, but the Art Gallery is resilient and proud of its many accomplishments during a difficult year. We are confident we can continue to realize more success as we move towards a new home on the Halifax waterfront.



Nancy Noble

# 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.

The Gallery shall be an agency of the Province acting as custodian for the people of Nova Scotia with respect to their collection of visual art, which role shall include access to, collecting, preserving, exhibiting and interpreting works of visual art in a regional, national and international context relevant to the communities of and in Nova Scotia.

## A New Art Gallery of Nova Scotia

The Art Gallery of Nova Scotia articulated a new vision, mission and belief pillars in 2018 through extensive community consultation. 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 public 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 Plan Goals and Objectives**

The four strategic initiatives driving the Business Plan for 2021-22 are:

1. Building Place
2. Engaging Community
3. Focusing on Art
4. Strengthening Organization

## **Strategic Initiative 1: Building Place**

The Art Gallery, along with its partners, have accomplished significant milestones to realize a new art gallery and arts district on the Halifax waterfront. They have completed an international design competition and selected an architectural team; established and launched a capital campaign; and begun the process of engaging with community to realize a new Art Gallery of Nova Scotia. The ultimate goal is to create a place that welcomes Nova Scotians and its visitors to a unique, extraordinary, and diverse art experience.





The Art Gallery’s ability to achieve this initiative and its goals is directly related to our ability to secure additional FTEs and operating funds in support of this significant project. Additional resources are required as staff plan, prepare, and execute on the development of the new gallery, programming in a gallery, and the transition from the existing space. (Please see also Strategic Initiative 4). These resources are not reflected in the budget.

## **GOAL 1: Complete the design of the building and site and begin construction of a new Art Gallery of Nova Scotia and arts district.**

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. The initial design process is complete, an architectural team is in place, and community engagement has begun. In 2021-22 we will move the project toward completion through a final, community vetted design and the beginning of construction.

The Art Gallery of Nova Scotia, working in conjunction with numerous partners in government and an externally contracted architectural team, are working toward project timelines that have been revised due to the impacts of COVID-19. The entire team is working to meet the revised deadlines to ensure the schedule is maintained.

<b>OBJECTIVE 1: Keep the project on schedule, working with partners to finalize schematic designs and begin construction.</b>
<b>OUTCOMES</b>
<ul style="list-style-type: none"><li>• Formal engagement plan for the new AGNS is complete and implementation begins.</li><li>• Schematic Design is complete.</li><li>• Construction begins.</li></ul>

<b>OBJECTIVE 2: AGNS articulates a new operational model for the new Gallery.</b>
<b>OUTCOMES</b>
<ul style="list-style-type: none"><li>• A preliminary organizational structure is complete.</li><li>• A draft business plan for the first three years of operation is complete.</li><li>• An offsite collections storage facility is planned.</li></ul>

## GOAL 2: Launch the capital campaign.

The Art Gallery has successfully structured its Capital Campaign and begun implementation of the quiet phase of the Campaign. The announcement of a transformational \$10 million gift and the recruitment of a Campaign Council, chaired by Dr. Jim Spatz with honorary co-chairs Donald and Rob Sobey, has set the campaign up for success.

### **OBJECTIVE 1: Continued implementation of a successful capital campaign.**

#### **OUTCOMES**

- Raise 14.75% or \$5.9 million.
- Capital Campaign marketing and communications plan is finalized and executed.

### **OBJECTIVE 2: Continue to build the capacity of the fundraising department to realize both operational and capital fundraising goals.**

#### **OUTCOMES**

- Fundraising activities of the Board Committee and Capital Campaign Council are effectively coordinated.
- Policies and procedures to support the plan are in place.
- AGNS is collaborating with an anticipated Foundation to support increased fundraising.

## Strategic Initiative 2: Engaging Community

In order to deliver on the mission and vision of the Art Gallery, engaging with community must be built into all of our planning and processes. The Gallery must consider who our audience is and is not and what they want from their provincial Art Gallery. This shift in thinking will move the gallery away from pushing content and programs to the public and allow us to produce offerings that are informed by our audience and, in certain cases, developed and delivered by community.



## **GOAL 1: Strengthen our connection with community with an emphasis on diversifying audiences.**

The Art Gallery of Nova Scotia is committed to ensuring that our efforts in working with community are focused on reaching out to communities who have not traditionally engaged with the Gallery or have been marginalized. This also includes continuing to find ways to reach out to all corners of the province whether online or through partnerships for delivery in communities.

**OBJECTIVE 1: Widen our provincial reach through the completion of a provincial program strategy and launching a pilot project outside HRM.**

### **OUTCOMES**

- Provincial Program Strategy is complete.
- Pilot project is delivered and evaluated.

**OBJECTIVE 2: Encourage greater participation from across the province.**

### **OUTCOMES**

- Online engagement increases and is more diverse.
- Staff engage new and diverse communities through programming.
- More shop product is available online.

**OBJECTIVE 3: The Gallery, within the constraints of COVID-19, ensures a positive visitor experience.**

### **OUTCOMES**

- Gift shop expands its offerings to include a focus on permanent collections and local product.
- A self-guided tour is available in select galleries.
- Front of house staffing is improved to align with changing demands.

## **Strategic Initiative 3 – Focusing on Art**

Art is at the center of what we do as the Art Gallery of Nova Scotia. Our focus is on artists, their process and the work they produce. We are committed to acquiring art of living artists, with an emphasis on increasing the diversity within the collection. A new collections strategy guides our decisions. Our exhibitions and programs also reflect our commitment to presenting contemporary art and challenging audiences through an active experience that is representative of community.

# GOAL 1 – Deliver diverse exhibitions and programs of contemporary art.

The Gallery continues to be committed to an annual slate of exhibitions and programs that challenge our visitors and engages more diverse audiences both online and in-person. The pandemic continues to impact what is possible so adaptability is key and may see in-person move to online as required.

<b>OBJECTIVE 1: Present a temporary exhibition program that challenges perspectives and addresses relevant issues.</b>
<b>OUTCOMES</b>
Exhibitions centred on contemporary art, with an increased emphasis on BIPOC artists, including: <ul style="list-style-type: none"><li>• <i>Alicia Henry: Witnessing</i></li><li>• <i>TYRANNY</i></li><li>• <i>Nelson White: Tukien (Awaken)</i> circulated by Confederation Centre of the Arts</li><li>• <i>Letitia Fraser and Darcie Bernhardt</i></li><li>• <i>Ta'n a'sikatikl sipu'l / Confluence</i></li><li>• <i>FLOE</i> (Canada House, London, UK)</li><li>• <i>Good Earth: The Pots and Passion of Walter Ostrom</i> (Canadian Clay and Glass Museum, Waterloo).</li></ul>

<b>OBJECTIVE 2: Strengthen strategic partnerships with research networks to extend the scope and reach of the AGNS's activities.</b>
<b>OUTCOMES</b>
<ul style="list-style-type: none"><li>• Work with our partners in <i>Thinking Through the Museum</i> to plan a symposium.</li><li>• Work with Grenfell Art Gallery to adapt FLOE for Canada House installation.</li><li>• Work with Contemporary Calgary on joint research to present Hubbard and Birchler exhibition.</li></ul>

<b>OBJECTIVE 3: Deliver programs to a diverse audience online, in house and in community.</b>
<b>OUTCOMES</b>
<ul style="list-style-type: none"><li>• Programs increase access to the work and artists in exhibitions through virtual conversations, lessons and virtual artmaking.</li><li>• Key programs are offered in person, as restrictions allow, including but not limited to Autism Arts, and Artful Afternoons.</li><li>• BIPOC artists are engaged through programming related to exhibitions.</li><li>• Schools continue to be engaged online and in-person as allowed.</li></ul>

## **GOAL 2: Solidify collecting strategy and make the collection more accessible to the public.**

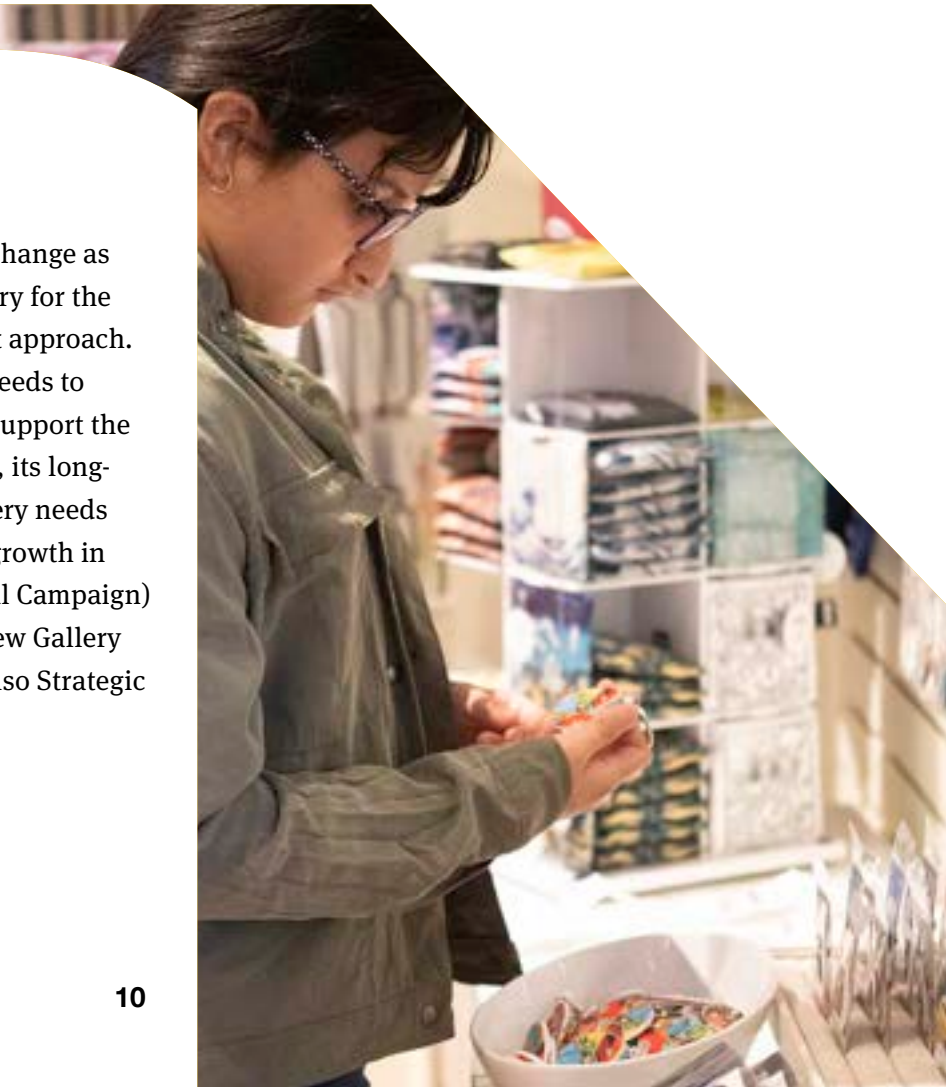
Collections are key to the success of the Gallery now and in the future, so it is critical that we plan for collections growth and how we care for them in the future. We are also committed to making them more accessible through better use of technology.

<b>OBJECTIVE 1: A collections strategy is complete, and implementation begins.</b>
<b>OUTCOMES</b>
<ul style="list-style-type: none"><li>• Collections strategy is complete.</li><li>• A new acquisitions structure and process is in place.</li><li>• A strategy for acquisitions funding is in place.</li></ul>

<b>OBJECTIVE 2: Access to collections is increased through better digital offerings.</b>
<b>OUTCOMES</b>
<ul style="list-style-type: none"><li>• A digital portal with expanded information about key collections is available to educators.</li><li>• The public interface for collections database is improved.</li></ul>

### **Strategic Initiative 4 – Strengthening Organization**

The Gallery is in a period of significant change as we work to create a new type of art gallery for the people and build a home to support that approach. In order to ensure success, the Gallery needs to secure additional operating funding to support the building of a new gallery and ultimately, its long-term operation. To achieve this the Gallery needs a combination of government support, growth in operational fundraising (post the Capital Campaign) and earned revenue generation in the new Gallery through a new operational model (see also Strategic Initiative 1).



## **GOAL 1: Strengthen support of Art Gallery of Nova Scotia.**

To achieve success with a new kind of art gallery, it is critical that we grow funding sources (from grants to donations to earned revenues), add positions (FTEs), and find methods to utilize existing resources in government of offset costs. A variety of methods will be explored to set us up for success in the future.

**OBJECTIVE 1: Secure current and future funding to ensure AGNS has the resources to support operations.**

### **OUTCOMES**

- Operating grants are sufficient and responsive to future growth.
- Additional FTEs are secured for the future.
- Funding has been secured for a collections' facility.
- Work with other government departments to find opportunities for synergy and potential cost savings.

**OBJECTIVE 2: Develop a plan to stabilize and eventually grow operational fundraising.**

### **OUTCOMES**

- Ensure MOU between AGNS and anticipated Foundation is beneficial.
- Planning for long-term sponsorship and grant commitments begins.



# 2021– 2022 Budget

Proposed Financial Plan 2021-22

2020-21 Budget	Increase (Decrease)		21-22 Consolidated Budget	2021-22 Forecast	Increase (Decrease) to Forecast	% Increase
<b>REVENUE</b>						
2,614,311	79,282	Operating	2,713,853	2,693,593	20,260	0.75%
817,000	57,750	Development	294,516	874,750	(580,234)	-66.33%
158,886	15,580	Education	96,740	174,466	(77,726)	-44.55%
430,000	-	Programming	430,000	430,000	-	0.00%
<b>4,020,197</b>	<b>152,612</b>	<b>Subtotal</b>	<b>3,535,109</b>	<b>4,172,809</b>	<b>(637,700)</b>	<b>-15.28%</b>
35,800	(35,800)	Western Branch	-	-	-	
734,000	(583,500)	Gallery Shop/Wholesale	227,500	150,500	77,000	51.16%
	750,000	Capital Campaign Contributions	5,900,000	750,000	5,150,000	686.67%
2,000	500	Acquisitions	-	2,500	(2,500)	
122,000	(21,900)	Endowment	101,000	100,100	900	0.90%
<b>4,913,997</b>	<b>261,912</b>	<b>Total Revenue</b>	<b>9,763,609</b>	<b>5,175,909</b>	<b>4,587,700</b>	<b>88.64%</b>
<b>EXPENDITURES</b>						
2,490,652	(250,858)	Salaries and benefits	2,264,017	2,239,794	24,223	1.07%
283,134	146,342	Administration	216,003	429,476	(213,473)	-49.71%
16,500	10,000	Building Operations	16,500	26,500	(10,000)	-37.74%
133,469	(101,917)	Development	38,880	31,552	7,328	23.23%
320,250	(89,250)	Communications & Marketing	230,800	231,000	(200)	-0.09%
30,000	(24,000)	Visitor Experience	45,000	6,000	39,000	650.00%
107,100	(65,100)	Public Programs	60,000	42,000	18,000	42.86%
39,500	(34,500)	Programming	10,680	5,000	5,680	113.60%
349,848	(178,946)	Exhibitions	331,964	170,902	161,062	94.24%
-	210,000	Capital Campaign Expenses	870,600	210,000	660,600	
150,124	-	Collections Management	189,800	150,124	39,676	26.43%
155,850	37,133	Education Programs	135,900	192,983	(57,083)	-29.58%
<b>4,076,427</b>	<b>(341,096)</b>	<b>Subtotal</b>	<b>4,410,144</b>	<b>3,735,331</b>	<b>674,813</b>	<b>18.07%</b>
157,003	11,601	Western Branch	4,500	168,604	(164,104)	-97.33%
581,231	(426,525)	Gallery Shop/Wholesale	227,029	154,706	72,323	46.75%
29,709	172,913	Acquisitions	25,222	202,622	(177,400)	-87.55%
44,190	-	Endowment	41,100	44,190	(3,090)	-6.99%
-	850,000	Distribution to TIR	5,029,400	850,000	4,179,400	491.69%
<b>4,888,560</b>	<b>266,893</b>	<b>Total Expenditures</b>	<b>9,737,395</b>	<b>5,155,453</b>	<b>4,581,942</b>	<b>88.88%</b>
25,437	(4,981)	Amortization of tangible capital assets	26,214	20,456	5,758	28.15%
-	-	<b>Annual Surplus (Deficit)</b>	<b>0</b>	<b>-</b>	<b>0</b>	



# 2021-2022 Business Plan



## 2021-22 DEVELOP NOVA SCOTIA BUSINESS PLAN

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## BOARD CHAIR/CEO MESSAGE

### **Building Places for People. With People.**

Nova Scotia is a place that people love. Our greatest natural advantage is our place at the water's edge. It is a beautiful place that is globally recognized for its stunning seacoast and quality of life—art, culture, nature, a vibrant culinary scene, creative small businesses, and spirited, welcoming people—this place has it all.

This quality of place sits at the centre of Nova Scotia's value proposition—our differentiating advantage in a global marketplace. Here, no one is more than 67km from the ocean. Visitors are drawn to our coast and our residents don't want to leave it.

Nova Scotia's greatest economic opportunity is to attract more people to our province to participate in our economy and to create the conditions for everyone to participate. To support this, Develop Nova Scotia works with communities to build sustainable places people love through a development strategy that builds on our natural and comparative advantage. Old models focused on GDP growth alone simply do not adequately measure our well-being. The economy needs to work for people and planet, not the other way around.

The impact of our work is as much about how we build places with community as it is about the things we build. When we build with everyone, and are deliberate about engaging with diverse people and perspectives, we build places where everyone can feel connected, and places that reflect the people who live there. The co-creation of critical economic and social infrastructure ensure places are authentic and inclusive—and when we get this right, those places are magnetic to people—to visit, to live, to invest, and to participate.

Our global context has never been more daunting—a pandemic, climate crisis, systemic racism, and growing inequality. It's an extraordinary time. And not just for the challenges and loss we face as a community, but for the opportunities it presents to come together to think and build and work differently. This plan strives to deliver on our commitment to tackle these challenges with community so that the Nova Scotia that emerges is a thriving, resilient community where everyone can enjoy a good quality of life and well being.

There are signs of recovery on the horizon, but there is an urgent imperative not to return to normal. We must learn from our collective experiences and take bold action to address the challenges before us while building inclusive, resilient communities. There is work to do. For our part in this formidable challenge, we need to work with communities to build back main streets and waterfronts and recommit our support to small local businesses; to realize the full potential of co-created public spaces to meet community needs; and to expand access to critical connective infrastructure that will facilitate digital adoption by business and industry, while also connecting Nova Scotians to health, education, safety, public services and, most importantly, to family and friends.

And fundamental to the success of these goals is our commitment to question and break down systemic barriers to participation and belonging—to work harder to create conditions

for marginalized communities and racialized people to meaningfully participate in building places where they see themselves reflected and can belong.

Together we need to continue to push the boundaries of “what we’ve always done” toward more innovative policy that streamlines bureaucracy and maximizes community impact—how do we do things faster, better, and more cooperatively than ever before?

By focusing as much on how we build places with people at the centre, as we do on what we build, we can contribute to creating the conditions to attract people to Nova Scotia and build a resilient, inclusive, regenerative place where everyone can enjoy an excellent quality of life and belong.

Original Signed by:

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Dale Godsoe,  
Chair, Board of Directors  
Develop Nova Scotia

Original Signed by:

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Jennifer Angel,  
President & Chief Executive Officer  
Develop Nova Scotia

## STRATEGIC CONTEXT

Develop Nova Scotia's three areas of focus build on Nova Scotia's natural advantages, contribute to environmental regeneration and climate resilience, and work hard to attract people to Nova Scotia. At the same time, these focus areas have the potential to be a touchstone for building inclusive, resilient communities and pride in the process.

Through our three strategic areas of focus of Thriving Communities, Authentic Destinations and Working Waterfronts, this business plan outlines how Develop Nova Scotia will support government's priorities. Projects and initiatives include investing in rural broadband connectivity, expanding key tourism sites, fostering the province's innovation ecosystem, and supporting strategic-sector and business growth.

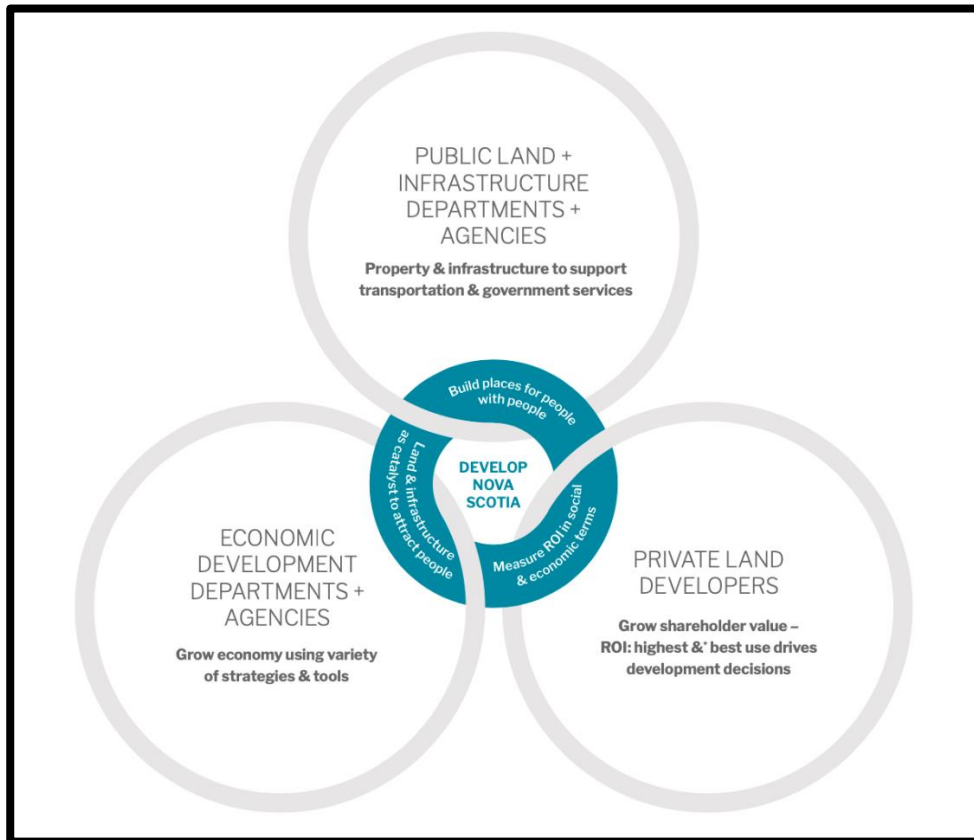
Develop Nova Scotia is a passionate team of builders—of places and community. We are engineers, planners, architects, designers, program and property developers and managers, creatives, pragmatists, stewards of public investment, believers, dreamers, and doers.

Our work lives at the intersection of the traditional roles of public land and infrastructure agencies and departments, private land developers, and economic development agencies. And the heart of the work lives in our local communities and the people who make them dynamic, meaningful, and whole.

We are focused on developing projects as a means to an end: to create authentic, inclusive, sustainable places that people love and that empower the communities that work together to build them.

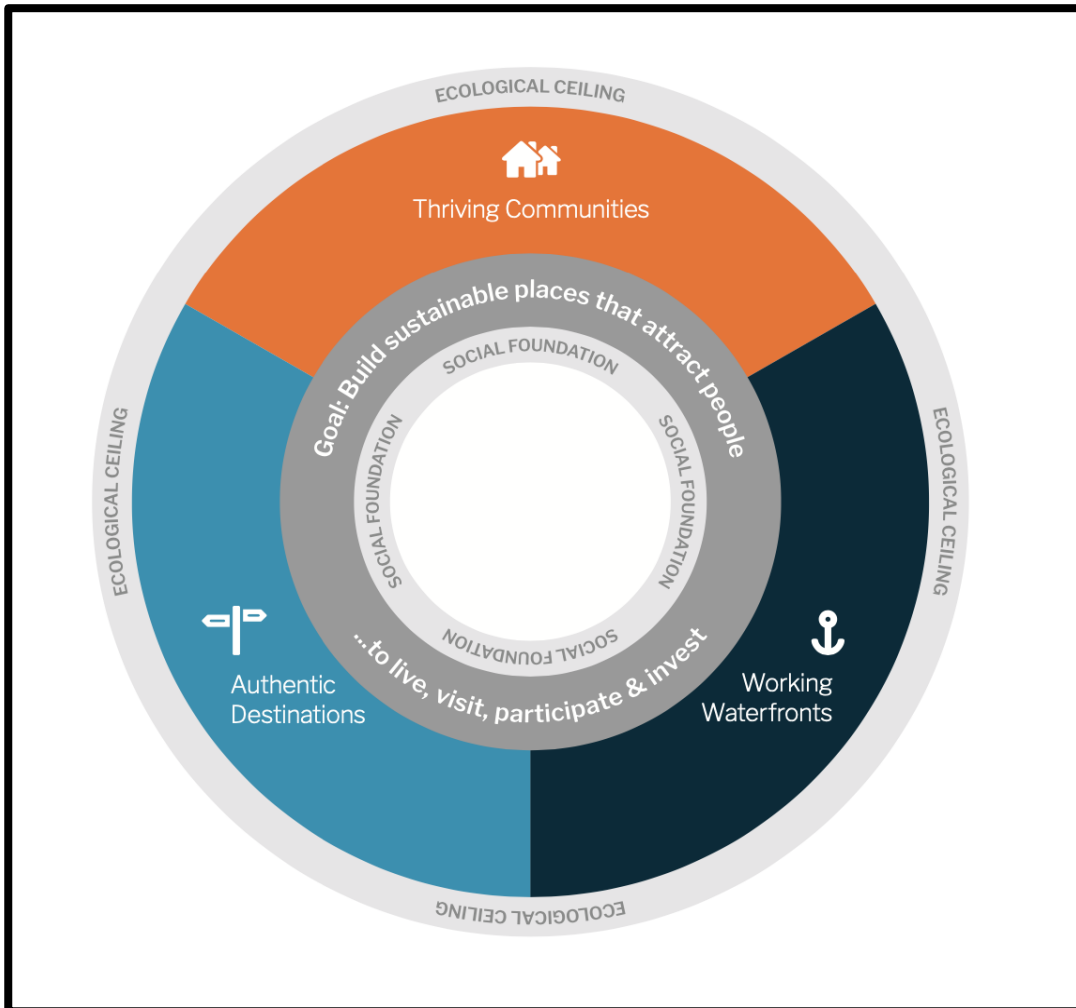
## PURPOSE OF CROWN CORPORATION

Image 1: Where We Fit In



Develop Nova Scotia operates at the intersection of the traditional roles of public land and infrastructure agencies and departments, economic development agencies, and private land developers.

Image 2: Strategic Themes



Develop Nova Scotia's three focus areas build on our strengths, leverage the opportunities that surround us, and work hard to attract people to Nova Scotia. Building on Kate Raworth's Doughnut model, we endeavour for our projects to fit within the safe and just space on an inclusive and equitable social foundation and within an ecological ceiling. *Raworth, Kate. Doughnut Economics : Seven Ways to Think Like a 21st-century Economist. London: Random House, 2017.*

## OPERATING ENVIRONMENT/CONTEXT

As a provincial crown corporation, we work closely with communities and partners to develop strategic economic and social infrastructure. We convene, partner, plan, design, develop, construct, manage, program, and maintain, to support inclusive economic growth priorities of the government of Nova Scotia.

At the centre of our work is the belief that quality of place is a differentiator for Nova Scotia. Our focus is on the sustainable development of places in Nova Scotia so they contribute to growing our economy and securing an environmentally sustainable, socially inclusive, equitable future for everyone.

Nova Scotia continues to feel the effects of COVID-19 and the impacts of the necessary public-health measures on strategic sectors, small business, creative industries, and communities.

In addition to the impact to community related to limits on public programming that could be safely delivered, Develop Nova Scotia's tenants were significantly impacted by a shorter operating season, decreased foot traffic, necessary health requirements and the restrictions that all but eliminated tourism visitation during 2020/21. We focused on continued safe operation of owned properties and appropriate programming wherever possible to mitigate impacts. We identified opportunities to accelerate the deployment of approved high-speed Internet projects across the province. We also enabled business recovery through the economic impacts of construction by undertaking an additional \$40m of infrastructure projects focused on working waterfronts, main street improvements and key tourism destinations built for locals first, in order to stimulate demand for people to visit and live in Nova Scotia.

Economic growth was on a promising trajectory pre-COVID-19 and we continue to focus on catalyzing growth, particularly where that growth serves the equally important measure of enhanced quality of life and well being for all residents, and building back better.

Our Business Plan 2021-22 is focused in three overlapping phases:

### **Immediate: Public Health + Business Continuity**

We will continue to extend and accelerate the Internet for Nova Scotia Initiative to enable high-speed Internet connectivity in rural Nova Scotia to enable personal connectivity, digital literacy and adoption. We will ensure our properties are clean, green, and safe, ensuring protocols are maintained and updated to comply with public-health directives to protect our community. We will support our tenants (vital small businesses) by looking for opportunities to reduce their financial burdens and support recovery efforts and programs when it is safe to do so.

### **Mid-term: Recovery + Stimulus**

In 2020-21, our focus was on investing in programs and projects to enable business recovery through the economic impacts of construction and revitalizing key destinations like main streets, working waterfronts and marine infrastructure, and high-value

destinations such as Lunenburg, Peggy's Cove, Baddeck, Mahone Bay, and Halifax. The primary focus of these projects is building with community, to ensure they meet local priorities and needs first, while still readying them for returning and growing visitation over time. The 2021-22 fiscal year will see the completion of many of these infrastructure projects and a shift in focus to operationalizing these locations to support the eventual safe return of tourism visitation and ensuring social infrastructure is enabling community to come together and; helping new and returning businesses and industries to recover quickly, grow, and thrive.

### **Long-term: Transformation & Resilience**

The value proposition of Nova Scotia as an incredible place to live is strengthened through our placemaking work and development of critical social and economic infrastructure. In addition, the value proposition of rural Nova Scotia grows even stronger through the continued extension of critical connective infrastructure, enabling digital adoption for business and industry in a growing global marketplace and work-from-anywhere world. Before COVID-19, we knew jobs followed talent and that people often valued where they lived over the job opportunities provided by a single location. Now, in a post-COVID-19 context, we know that place is far more important than ever before. In 2021-22 we will advance the first cohort of projects of our three-year **Thriving Communities program**, focused on placemaking projects that build capacity and momentum in communities, build on Nova Scotia's natural advantage, and cultivate community resilience through collaboration. Key places like waterfronts, iconic destinations and critical main streets and community gathering spaces have never been more important as a touchstone for community.

Our place-based approach for inclusive economic growth will also continue to foster discussion on the role and impact of placemaking in community resilience, economic recovery, and economic growth with a people-centred measure of success in quality of life for everyone.

As developers and planners squarely focused on the public good, we will also consider our role in supporting efforts to address housing affordability, which is both a social and an economic barrier in our community. Our planning work is advancing in Dartmouth Cove for which we have prioritized housing affordability in a novel complete mixed-use community with an opportunity to test different ideas around policy, program and construction in partnership with public and private sector partners, while building an irresistible community in the urban centre.

We will continue to cultivate partnerships, initiate conversations, and support events that bring diverse people together to challenge and inspire us and to contribute to creating places where everyone can feel welcome and belong. Initiatives such as the annual Art of City Building conference and program partners like Youth Art Connection, Black Business Initiative, and the Mental Health Foundation of Nova Scotia challenge us to think differently about our work and our role in building Nova Scotia for everyone.



## DEVELOP NOVA SCOTIA'S ROLE AND FOCUS FOR 2021-22

We believe the focus on place is a significant contributor to a compelling value proposition for Nova Scotia that can successfully attract people and investment, while also providing an important touchstone for community participation and equity.

### **Develop Nova Scotia Priority** | **Thriving Communities: Connecting Nova Scotians**

A connected Nova Scotia enables Nova Scotians to participate in the digital economy, connect with loved ones, and access important services, no matter where in the province they live. As part of our strategic focus on **Thriving Communities**, Develop Nova Scotia is leading the **Internet for Nova Scotia Initiative** on behalf of the Province. The objective of the Initiative is to enable global connectedness and accessibility across Nova Scotia with the goal of providing more than 95% coverage. As we have achieved contracts that exceed that goal in 2020, we continue the work to get access to reliable, high speed Internet to as close to 100% of Nova Scotians coverage as possible

This project was established in 2018 to address the lack of reliable, high-speed Internet access in non-urban communities across the province. At that time only 70% of Nova Scotia had access to high-speed connections that met the minimum speed targets set out by the CRTC. This strategic economic infrastructure facilitates access to vital services like education and healthcare, along with the opportunity to stimulate economic activity through entrepreneurship, innovation, and export sales.

As of January 2021, Develop Nova Scotia has announced projects to connect more than 87,200 homes and businesses in rural Nova Scotia, with \$30M remaining in the Nova Scotia Internet Funding Trust. To date, the total provincial investment of \$163M through the Trust has leveraged \$137M in additional funding—\$118M of which is private sector investment.

When complete by end of 2023, projects currently underway will reach 97% coverage across the province, with another 2% reached by ongoing independent municipal projects. Nova Scotia is tracking to be among the first provinces in Canada to achieve this level of coverage.

On average, most steps in the infrastructure planning and development work are moving two-to-three-times faster than industry norms. We are hustling for Nova Scotia and this is good progress, but we're not done yet. We are focused on the people and places that remain underserved and we're continuing the work to reach as many of them as we possibly can.

## **Develop Nova Scotia Priority | Thriving Communities: The Program**

In 2021-22, Develop Nova Scotia will lead a program focused on locally led main-street, waterfront, and public-infrastructure projects in communities across the province. The **Thriving Communities Program** is part of a contribution agreement between the Province and the Dalhousie University Nova Scotia COVID-19 Response Council (NSCRC). Over three years, approved projects will receive funding directly from the Nova Scotia COVID-19 Recovery Fund to help communities co-create places that people love, build local placemaking capacity, and encourage inclusive economic participation.

Projects like this enable a sense of collective ownership and responsibility in communities to co-create public spaces together and inspire a feeling of belonging. This work will create places for people through the co-creation of critical social and economic infrastructure like main streets, public spaces, and working waterfronts. These places are composed of hard infrastructure like wharves and sidewalks and public squares, alongside amenities and programming; they support multiple users and uses; they spur small business growth; and they create places that people love, which attracts locals and visitors alike. Development of new public infrastructure provides opportunities to contribute to coastal resilience and regeneration, to support climate action through enhanced active transportation opportunities, to minimize environmental footprint in design and operation of new places.

In placemaking work, the process is as important as the outcome. The way these projects are built is as important as what we build together. The most welcoming and supportive places are built by people, for people; the process of building them is deeply participatory, inclusive, and intentional; and the outcomes are authentic places that provide greater opportunity for economic participation while reflecting and belonging to everyone.

Community projects will be selected based on their potential to foster inclusive economic growth potential, financial and environmental sustainability, social inclusion, and likelihood of attracting new people to the province. Develop Nova Scotia will support community-led projects, providing resources, support, and counsel directly and through partners such as Common Good Solutions and the Cities and Environment Unit, based at Dalhousie University.

These projects are mapped to three strategic categories.

**Momentum Projects** are in communities where Develop Nova Scotia has been working to establish a network and identify high-impact main street projects. These projects are generally longer term and will leave a permanent legacy. Communities identified for Momentum Projects include Sheet Harbour, Inverness, Louisbourg, Annapolis Royal and Pictou.

**Community Energy Projects** will encompass smaller projects with communities to advance the value of main streets and build local capacity in placemaking. These projects may be temporary or experimental. Communities identified for Community Energy Projects include Windsor-West Hants, East Preston, St. Peter's, Digby, Dominion and Maitland.

**Pan-Provincial Impact Projects** will invest in several projects that are rooted in Halifax but strive for provincial reach in their program delivery or benefit. Projects in this category include a Participatory City pilot project, a research project with Davis Pier to measure the impact of project activity and investment on well being of residents, a new Boat School on the Halifax waterfront, and an annual holiday festival (Evergreen Festival) to showcase Nova Scotia businesses, makers, artists, and drive tourism and spending throughout the province.

The first cohort of projects to be advanced in 2021-22 includes the **Evergreen Festival**, which was planned for 2020 and pivoted to a primarily virtual focus in response to COVID-19 and public health directives. Despite COVID-19 restrictions on gatherings, thousands of people safely enjoyed the Evergreen Bright installations and proved that the waterfront can be a four-season destination. The 2021 edition of the festival will be centered on the Halifax waterfront and throughout Downtown Halifax but will be a platform for pan-provincial festivities. The Festival serves as both a platform for provincial businesses to establish a presence in Halifax during the holiday season and an opportunity to sell locally made products online. It will also work to promote other satellite and virtual events throughout the province that support both small business, community, non-profit organizations and the arts and culture sector. Evergreen Festival is supported by NSBI, Tourism Nova Scotia, and Innovacorp programs to drive digital adoption among small and medium businesses and leverages the progress of Develop Nova Scotia's Internet for Nova Scotia Initiative.

Our work with the **Municipality of the County of Inverness** aims to tackle both the livability and sustainability issues facing the community of Inverness and to ensure the community can capitalize on its dramatic upturn in visitation. This work presents a strategic opportunity to combine several required infrastructure projects (like the replacement of underground infrastructure and repaving of Central Avenue) with a "complete streets" approach that strived to enhance safety, accessibility, and the experience of the community's main street while building confidence and encouraging private investment.

In **Louisbourg**, the community's Visitor Experience Enhancement project plans to attract a greater number of fortress visitors to the community's waterfront and encourage spending within the town. The former Louisbourg Craft Centre, public waterfront, and former municipal campground will be redeveloped into a new Louisbourg Centre that will serve as a platform for a variety of community and visitor experiences in addition to Parks Canada visitor services in the heart of the community.

Active transportation planning and infrastructure work being led by the province and HRM in **East Preston** will benefit from a focus on community-participation, building on work already completed to date to understand community needs and priorities and explore how infrastructure investments could be enhanced to create places locals love where they want to, and can safely, gather, support local businesses and services, and provide a touchstone for community resilience.

**Boat School** is a development proposal involving Maritime Museum of the Atlantic (MMA) and Develop Nova Scotia. The current development on the Halifax waterfront allows for the expansion of the small craft program and displays at MMA, creating a distinct visitor attraction featuring an authentic small craft collection while creating a place for hands-on training in the construction of traditional small boats engaging at risk youth from around the province to participate. 2021-22 will focus on phase one of construction and design work for phase two.

Develop Nova Scotia will work with community in all identified locations to scope low carbon footprint, high impact tactical projects to contribute to the utility and magnetism of public spaces, improve conditions for small business, and invite broad community participation. Once projects are scoped and budgets are refined, partnerships with federal, other provincial and municipal programs, may provide for additional community projects this year.

### ***Develop Nova Scotia Priority | [Authentic Destinations](#)***

The Halifax and Lunenburg waterfronts are authentic destinations with continued and growing importance to attract people to Nova Scotia. Grounded in the success of our development and management of these strategic properties, Develop Nova Scotia, in partnership with Tourism Nova Scotia, has undertaken community-led planning and development work on properties identified by the Tourism Revitalization of Icon Program (TRIP), including Peggy's Cove, Harbour Islands, and the Lunenburg waterfront's Big Boat Shed.

The Big Boat Shed revitalization on the Lunenburg waterfront is complete and we're working with our partners on operationalizing the property and maintaining it for our tenants.

Develop Nova Scotia has been working closely with the community of **Peggy's Cove** since 2018 to co-create a comprehensive master planning and design process for the community. Given the Cove's unique identity as both tourism icon and living community, the plan strives to ensure the continued liveability of the village alongside tourism activity and protection of the tourism icon. In 2020-21 we continued our work to move from planning to design of key components of the draft master plan in close collaboration with the community. Work on road, traffic, and parking improvements, a new breakwater, new public washrooms, and revitalization of the historic DeGarthe Studio is underway. The focus of our work has been on building a resilient, safe, accessible place that contributes to the well being of residents and welcomes visitors with an extraordinary experience of

coastal Nova Scotia. Work on roadway and parking improvements enable better traffic management, which has been a longstanding and limiting challenge for the Cove, its residents, and its many visitors and most of this work is expected to be complete by the end of 2020-21. In 2021-22, we will continue to work with the community to refine and implement the master plan, operationalize the infrastructure improvements, support the Province and Commission in the review and revision of land-use bylaws to enable small businesses and the local community to take advantage of the opportunities the infrastructure improvements will create, and tell the authentic stories of the people of Peggy's Cove.

Locals and visitors have been eager to visit and experience Halifax's **Harbour Islands** for a long time—and the first step is access. Despite COVID-19, locals got their chance to experience **Georges Island** in 2020-21. Thanks to the ingenuity and determination of our many partners at all levels of government, it came together—by working together. In 2021-22, Develop Nova Scotia will continue to work with our partners to support Parks Canada in standing up a full programming plan for Georges Island and ensuring we continue to enable and expand access.

Further opportunities have been identified since, including the development of the Cape Breton Seawall Trail, Inverness Main Street Revitalization, Louisburg Waterfront Revitalization, Dark Skies Biome in Southwest Nova, the Pictou Waterfront Revitalization, and Sheet Harbour as a gateway to explore 100 Wild Islands and the interior Eastern Shore.

The Departments of Environment and Business recently endorsed the community-led project to build and operate a **Cape Breton Seawall Trail** within the Polletts Cove-Aspy Fault Wilderness area. The Departments convened an interdepartmental group to work with the Seawall Trail Society, community, and Develop Nova Scotia is working to ensure the group is well-supported, coordinated, aligned with the needs of both the community and priorities of government.

The Halifax waterfront continues to be the most visited destination in the province and is largely owned and managed by Develop Nova Scotia. In 2021-22 we will be working to rebuild regular visitation of locals and, when appropriate, building back tourism visitation.

First and foremost, our work on the **Halifax waterfront** will focus on its role as the backyard of a growing urban population, a platform to showcase local business, and a playground filled with art, culture, history, recreation, and learning for everyone. We will focus on coastal resilience, contribute to active transportation improvements, and generally enhance the sustainability of the Halifax waterfront through improvements at the water's edge. Develop Nova Scotia will be working with community to develop and implement a full **Accessibility Plan** for the waterfront and to better reflect and evidence founding cultures through our **Indigenous Waterfront initiative**.

Activating the waterfront and providing a range of experiences and programming will be central to our efforts to continue to drive traffic and visitation while re-imagining the waterfront as a year-round destination. We will work to move up our spring opening with an earlier edition of **Open City** and promote the winter season with **Evergreen Festival**. We'll also be collaborating with community partners and tenants to program exciting new public spaces and ensuring we continue event programming during construction of Arts District and Cunard developments. In 2021-22, we will celebrate the opening of the public space, marine infrastructure, and retail businesses at **Queen's Marque** and work to operationalize the marina and program the public space.

The design team and conceptual design for a new waterfront **Arts District** for Nova Scotia was selected in 2020-21, forming the starting point for deep engagement with communities throughout the province. This work presents an opportunity to redefine the importance of art to a broader and more diverse audience. In 2021-22, Develop Nova Scotia will work with the project and design teams to focus on meaningful community engagement with the intention of completing the handover of the land by Fall 2021.

The **Cunard Development** has received design approval and Develop Nova Scotia's focus this year will move to re-engagement with the community. The property was turned over to Southwest Properties in January 2021, after which site preparation and construction will commence. This development helps advance Develop Nova Scotia's goal of attracting more people to the province and downtown core to live, to visit, to work, and to participate and at the same time provide an opportunity to raise the public space and boardwalk to meet aggressive sea level rise projections. This project also enables us to revitalize approximately two acres of public space which will be planned with the community and build on previous public engagement activities related to this site where we heard a strong desire for more opportunities for recreation, inclusive play, and spaces that make downtown living more attractive for families.

### ***Develop Nova Scotia Priority*** | [Working Waterfronts: Marine Network](#)

In Nova Scotia, working waterfronts work hard for our economy. Develop Nova Scotia's focus is on building shared access and multi-purpose marine infrastructure to foster ocean-related sector growth, attract marine visitation, and preserve public access to the water's edge.

Working waterfronts support a variety of marine-dependent uses and users in strategic sectors across Nova Scotia. Investments in strategic marine infrastructure support sector growth in marine supply-chain, shipbuilding and boatbuilding, marine service and repair, tourism, and enhance local recreational boating. And ensuring this infrastructure is flexible enough to allow for year-round usage and accommodate a range of locals, visitors, and vessels (from recreational to commercial) further extends the economic potential of our working waterfronts. Through thoughtful infrastructure and program design, these places can contribute in significant ways to climate resilience and climate education, as through our Blue Flag marina designation for a sustainable port operation and newly recognized .

A strong provincial marine network helps to build business, create new public spaces for community on land and sea, attract regional visitors by sea, and, when safe, attract marine visitation from Canada, North America, and beyond.

Develop Nova Scotia's role in the **Marine Network** projects vary, from the full design, build, ownership, and operation, to assisting in work with communities on design, development, program design and delivery, to helping leverage private and public sector investment to support project progress. Our work will actively contribute to creating a provincial network of ports that enhance Nova Scotia's value proposition as a destination for boating and an elevated visitor experience, while minimizing impact on the environment and enhancing resilience to impacts of sea level rise.

Waterfronts and marine infrastructure projects are identified based on a Marine Visitation Plan which frames a provincial itinerary based on port market readiness, existing demand (as measured by marine traffic data), clusters of recreational and marine businesses to support visitation, and level of community mobilization.

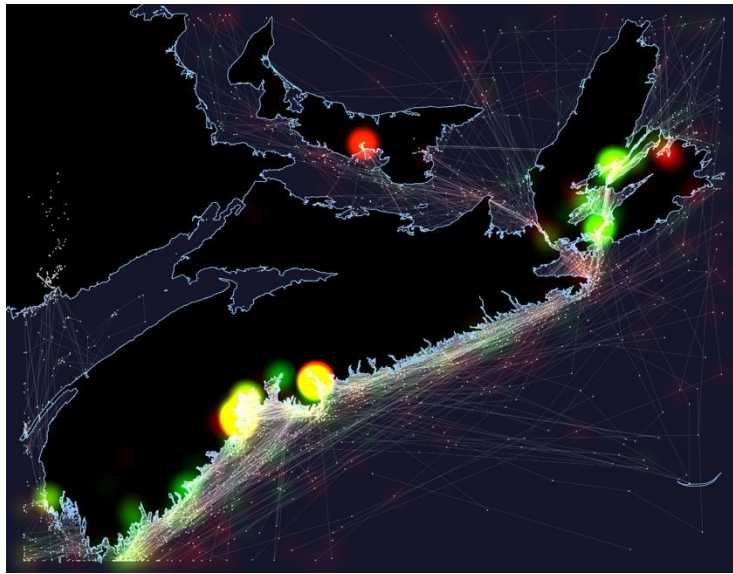
Projects completed in 2020-21 will be stood up and operationalized in 2021-22.

- **Foundation Wharves and the Halifax Boardwalk** – operationalize improved coastal infrastructure and public space, maintain and manage additional, and explore opportunities for future business growth and community partnerships at Foundation Wharves and surrounding area on Halifax waterfront.
- **Zwicker Building, Lunenburg** - activation of recapitalized 19th century, three-story waterfront fish warehouse, with a focus on marine-related business alongside food and beverage amenities. We will also operationalize permanent, accessible marine-visitiation facilities and seasonal attractions, including amenities for marine visitors such as a marina office, laundry, shower, and public washrooms.
- **Smith & Rhuland Shipyard Revitalization, Lunenburg** - manage and maintain common-user marine infrastructure, including two recapitalized wharves, new floating docks, and new shipyard electrical services, on the town's historic working waterfront to support strategic sector development in ship repair, marine services, and tourism.
- **COVE South Marine Terminal** - operationalize recapitalized marine terminal in 2021-22 to support growing demand in the marine and ocean sectors (clearly evidenced by the demand at the North Marine Terminal at COVE).
- **Improved Marine Infrastructure, Halifax, Baddeck, and Mahone Bay** - support operations and communications surrounding improved shared-access marine infrastructure completed in 2020-21.

Develop Nova Scotia is exploring future projects and will investigate further marine network development opportunities in Pictou, Sheet Harbour, and Southwestern Nova Scotia.

In 2021-22, Develop Nova Scotia will strive to implement the objective in the Marine Visitation Plan to enhance ports across Nova Scotia and, eventually, to welcome visitors by sea once it is safe to do so. This work will further strengthen the connection between strategic partners and communities focused on marine services supply chain and support the development of marine-dependent uses that advance the entire sector.

**Image 3: 2019 Marine Visitation Heat Map**



AIS data via MarineTraffic.com, July to September 2019.  
Includes both Superyachts (80'+) and large yachts (60' – 80').

***Develop Nova Scotia Priority* / [Working Waterfronts: Innovation Infrastructure](#)**

Develop Nova Scotia supports Nova Scotia's innovation ecosystems through infrastructure.

Working with partners in government, private sector and post-secondary institutions, we saw an opportunity to catalyze growth in the ocean technology space in Nova Scotia and purchased a former Coast Guard property with an ambition to redevelop it into an innovation hub for ocean technology companies. Together with partners, the site was transformed into The Centre for Ocean Ventures and Entrepreneurship (COVE) in 2018 with the recapitalization of the buildings and wharves.



As property owner and manager of COVE, Develop Nova Scotia worked with the Institute for Ocean Research Enterprise to attract a dynamic mix of ocean technology leaders and new companies in the opening tenant mix. By building shared-access, marine-dependent infrastructure, Develop Nova Scotia contributed to building the platform and value proposition for COVE, which is becoming a globally recognized brand and is playing a key role in growing the province's ocean technology sector.

The recently completed recapitalization of the **COVE South Marine Terminal** allows for 1,500 feet of additional wharfage to accommodate working vessels connected to the companies and projects underway at COVE, as well as other working research and commercial vessels.

In 2021-22, Develop Nova Scotia will work with COVE and regional public and private partners to continue discussions on the feasibility of **COVE Outposts** in locations across Nova Scotia that build on existing functional economic activity in the region.

PERFORMANCE MEASURES/ EXPECTED OUTCOMES - FISCAL 2021-22

Crown Strategic Theme/Pillar	Activities	Outcomes
<b>Corporate</b>		<ul style="list-style-type: none"> <li>• 5% decrease of operating grant as a % of total revenue</li> </ul>
<b>Authentic Destinations:</b> Strategic Sector Growth	<p><b><u>Engagement:</u></b></p> <ul style="list-style-type: none"> <li>• Inclusive engagement program executed for all projects, exclusive of repair work to existing infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>• Participation rate benchmark – Determine baseline representative rate based on size of community</li> </ul>
	<p><b><u>Infrastructure:</u></b></p> <ul style="list-style-type: none"> <li>• 7 improved public space locations</li> <li>• Activation of public space through 160 days of proactive programming on Develop NS owned/managed properties, of which a minimum of 25% are designed for non-peak season, October to March</li> </ul>	<ul style="list-style-type: none"> <li>• 50% increase in visitation compared to previous year– measured via pedestrian counts on Develop Nova Scotia owned and managed properties</li> <li>• 20% increase in tenant sales compared to previous year</li> </ul> <p>Note: These targets are significantly higher than usual due to the 2020-21 season being</p>

		<p>drastically impacted by COVID. They are dependent on the level of restrictions in place throughout 2021-22</p>
	<p><b><u>Satisfaction/attachment:</u></b></p>	<ul style="list-style-type: none"> <li>• Visitor satisfaction – benchmark using updated measurement scale to be developed with Tourism and other partners</li> <li>• Community satisfaction in project communities – benchmark</li> </ul>

<p><b>Thriving Communities:</b></p> <p>Safe and Connected Communities</p> <p>Placemaking</p> <p>Remote work/distributed workforce</p>	<p><b><u>Engagement:</u></b></p> <ul style="list-style-type: none"> <li>• Inclusive engagement program executed for all projects.</li> <li>• 7 community projects initiated and focused on development of placemaking competencies throughout the province</li> </ul>	<ul style="list-style-type: none"> <li>• Participation rate benchmark – Determine baseline representative rate based on size of community and types of projects</li> <li>• 1% increase community confidence in their ability to lead placemaking projects in communities that</li> </ul>
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		<p>have worked with the Develop NS team</p>
	<p><b><u>Infrastructure:</u></b></p> <ul style="list-style-type: none"> <li>• 5 community projects initiated</li>   <li>• Support for 7,000 km of fibre being built</li> </ul>	<ul style="list-style-type: none"> <li>• Use of community space in Communities with a completed Thriving Communities project – benchmark the possible growth</li>   <li>• 5% increase in access to connections available reaching 90% of Nova Scotia homes and businesses</li>   <li>• 1% increase in use of digital tools by industries in rural areas</li> </ul>
	<p><b><u>Satisfaction/attachment:</u></b></p>	<ul style="list-style-type: none"> <li>• Subjective wellbeing – benchmark</li>   <li>• Community attachment to relevant space/infrastructure and community-benchmark</li> </ul>

<p>Working Waterfronts: Strategic Sector Growth</p>	<p><b><u>Infrastructure:</u></b></p> <ul style="list-style-type: none"> <li>• Participation in exploration of 2 COVE satellite sites</li> <li>• Maintain minimum of 90% occupancy at COVE</li> <li>• Operationalize 6 wharf projects</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline economic impact from COVE on Oceans sector</li> <li>• 20% Increase in overnight vessel stays*</li> <li>• Benchmark economic impact of marine traffic*</li> <li>• Benchmark impact to marine supply chain*</li> </ul> <p>*Note: If US border remains closed, this will consist primarily of regional vessels from Atlantic Canada</p>
	<p><b><u>Satisfaction/attachment:</u></b></p> <ul style="list-style-type: none"> <li>• Tenant satisfaction</li> <li>• Marine visitation satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain 90% in tenant satisfaction</li> <li>• Marine satisfaction survey – benchmark</li> </ul>

**BUDGET CONTEXT 2021-22**

Financial Summary – Develop Nova Scotia			Operating Budget 2021-22		
	Budget	Forecast	Budget		
	2020-21	2020-21	2021-22		
Revenue					
Rents & Wharfage	4,072,500	2,679,500	3,496,000		
Parking	1,300,000	680,000	650,000		
Other Income	704,000	1,187,500	774,000		
Grant Income	2,687,000	3,937,000	3,957,000		
Total Revenue	8,763,500	8,484,000	8,877,000		
Operating and Administrative Expenses					
Program Expenses	2,365,300	2,259,600	2,170,500		
Maintenance/Repairs & Other	1,284,400	1,333,100	1,374,500		
Administrative Expenses	5,113,800	4,891,300	5,332,000		
Total Expenses	8,763,500	8,484,000	8,877,000		
Surplus (Deficit) Before Other Items	-	-	-		
Other Items					
Capital Grants	1,610,700	34,355,900	8,615,000		
TRIP TCA	2,395,000	985,400	1,687,000		
Capital Amortization	2,126,000	2,664,000	3,447,000		
Total Other Items	1,879,700	32,677,300	6,855,000		
Surplus (Deficit) After Other Items	1,879,700	32,677,300	6,855,000		

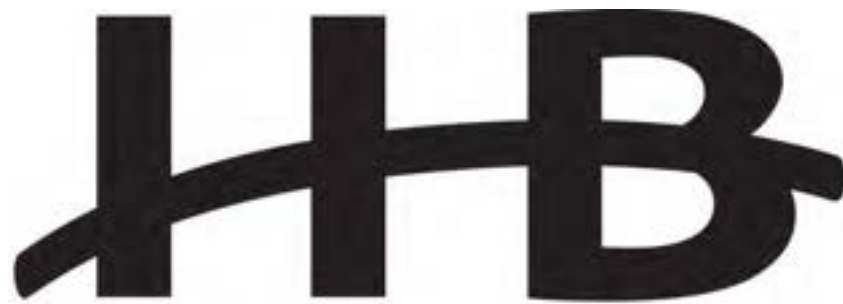
## APPENDIX A: HYPERLINKS TO ADDITIONAL INFORMATION

### Corporate Governance

- [Role and membership list of the Board of Directors](#)
- Board Committees and Members
- [Names and job titles of senior management](#)
- Governance principles
- Significant reporting relationships

### Organizational Overview

- [Enabling Statute](#)
- [Mandate](#)
- [Vision and Values](#)
- Business Areas



Halifax Harbour Bridges

**Halifax Harbour Bridges**

**Business Plan for Fiscal 2021-2022**



## Message from the Chair of the Board and the CEO

On behalf of the board of commissioners and management we are pleased to present the 2021 - 2022 business plan for Halifax Harbour Bridges (HHB).

The 2021/22 fiscal year will be significant for HHB as we begin to implement a 10-year, rehabilitation and maintenance plan (capital plan). This plan, estimated to cost more than \$280 million is necessary to ensure the bridges are well maintained and operational for the safety and convenience of the travelling public.

To help fund this capital plan HHB has made an application to the Nova Scotia Utility and Review Board (NSUARB) for a toll increase, the first request in a decade.

HHB is asking NSUARB's approval to increase the tolls 25 per cent for all classes of vehicles. The cost for regular passenger vehicles using MACPASS would go from \$.80 to \$1 and from \$1 to \$1.25 for cash customers. The NSUARB will hold hearings in June 2021 and, if approved, the increase is expected to come into effect January 2022.

The ongoing pandemic continues to impact the number of crossings on the bridges and corresponding toll revenue. Traffic volumes between April 1, 2020 and December 31, 2020 decreased by 24.5 per cent and we project that traffic volumes will not return to pre-pandemic volumes until 2024.

We invite you to read about the projects that will be implemented this year in this business plan which will help us achieve the mission of providing safe, efficient and reliable cross harbour transportation infrastructure in a cost effective manner.

Respectfully submitted,



Vicki Harnish  
Chair 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 harbour: the Angus L. Macdonald Bridge and the A. Murray MacKay Bridge.

HHB is governed by a board of commissioners consisting of nine commissioners of which 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

To provide safe, efficient and reliable cross harbour transportation infrastructure in a cost effective manner.

## Vision

To be recognized as world class for providing innovative transportation solutions.

## Core Values

**Safety** of employees and bridge users is our fundamental focus and a shared responsibility.

**Stewardship** of our assets and the environment is our corporate and social responsibility.

**Respect** means acting with professionalism, integrity and accountability.

**Engagement** with employees, customers and partners helps us achieve our mission.

**Teamwork** is supporting employee growth and building on each other's strengths.

## Strategic plan

In 2020 the board of commissioners approved HHB's 2020 – 2025 strategic plan.

### Goal 1: Improve safety, efficiency and environmental stewardship in operations and maintenance

#### Strategies:

- Create a work plan to address toll plaza congestion and safety issues (by 2024)
- Improve organizational performance, including workplace safety, through data collection and analysis.
- Extend the life of the bridges through ongoing inspection, planning and investment
- HHB environmental strategies guide operations and maintenance and are used to evaluate projects for impact and stewardship

#### 2021/22 actions

- Implement the first phase of a multi-phase project to replace the legacy tolling system, which is 13 years old, with a modern system so HHB can provide enhanced customer experience
- Continue rehabilitation of elements on the Macdonald Bridge that were not replaced as part of the Big Lift including: concrete repairs, steel and paint repairs and the replacement of approach span bearings.
- Complete a life cycle inventory for the bridge components for all structures
- Revise HHB's environmental action plan and framework and embed the environmental commitment into organizational culture.

### Goal 2: Provide customer value through seamless, reliable and safe bridge crossings

#### Strategies:

- Optimize lane closures by coordinating maintenance efforts
- Use techniques and materials that allow the maximization of the life cycle of repairs
- Utilize technology to detect collisions to resolve incidents more quickly
- Engage customers to enhance communication strategies to keep customers informed about the bridges.

#### 2021/22 actions

- Develop an integrated lane/bridge closure calendar for 2021 and maximize the work taking place with each closure.
- Expand the use of traffic cameras and analyze where incidents occur to minimize disruption caused by traffic incidents
- Enhance communications to increase engagement, understanding and support of bridge operations and maintenance by ensuring all stakeholders are regularly informed about what is taking place at HHB

### **Goal 3: Demonstrate financial sustainability**

#### **Strategies**

- Toll revenue supports the wise use of capital and operating resources
- Enhanced asset management plan reflects the age of the structures
- Relevant and cost-effective technology is utilized in all HHB operations and bridge maintenance

#### **2021/22 actions**

- Implement a toll increase to fund HHB's 10-year capital, rehabilitation and maintenance plan and related borrowings to ensure the bridges are well maintained and operational for the safety and convenience of the travelling public.
- Develop and implement an Asset Management Plan (AMP) for the MacKay Bridge
- Develop and implement a Bridge Information Model Management System (BIMMS) for the Macdonald Bridge. This system provides 3D access in one location to all critical information (inspection reports, drawing, photos, repair history, bridge element information and condition ratings).

### **Goal 4: Create a workplace where employees thrive**

#### **Strategies**

- Develop and monitor an inventory to track alignment of employee skills with workforce needs, identifying gaps for training, development or recruitment of needed skills
- Promote diversity of the workforce by attracting, developing, and retaining skilled people reflective of the communities we serve in Nova Scotia
- HHB policies support a culture of employee health, wellness, safety, and engagement

#### **2021/22 actions**

- Implement an equity diversity & inclusion strategy and gain cultural competency and knowledge.
- Implement a human resources information system

### **Goal 5: Establish a culture and practice of innovation**

#### **Strategies**

- HHB maintains a practice of looking to industry and global leaders for world class bridge operations, maintenance and tolling innovations
- Strengthen and leverage partnership with the city, province and community stakeholders as well as industry
- Culture change, changes in technology and in customer practices are supported with change management planning and strategies

#### **2021/22 actions**

- Explore formal MOU with bridge owners/operators around North America to share knowledge

& experience with issues, challenges and opportunities

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### **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

	<b>2020-2021 Budget</b>	<b>2020-2021 Forecast</b>	<b>2021-2022 Budget</b>
<b>Revenue</b>	(\$thousands)	(\$thousands)	(\$thousands)
Toll revenue	32,565	25,284	30,099
Interest income	401	264	157
Other income	579	436	319
<b>Total revenue</b>	<b>33,545</b>	<b>25,984</b>	<b>30,575</b>
<b>Expenses</b>			
Administration	3,035	2,852	3,123
Operating	4,666	4,509	4,904
Maintenance	4,878	4,500	3,761
Amortization	9,221	9,129	9,258
Debt servicing	4,186	4,238	4,089
Loss (profit) on disposal of property, plant & equip.	-	-	-
<b>Total expenses</b>	<b>25,986</b>	<b>25,228</b>	<b>25,135</b>
<b>Net operating and comprehensive income</b>	<b>7,559</b>	<b>756</b>	<b>5,440</b>


# BUSINESS PLAN

2021-2022

**innovacorp**

EARLY STAGE VENTURE CAPITAL

We get invested.



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## Message from the Board Chair

Last year was a challenging one for all of us. Nova Scotia's start-ups were no exception. While many of these companies were remarkably resilient, sometimes even finding new opportunities through the COVID-19 pandemic, it continues to be an extremely difficult time for founders, their employees, and investors.

Fortunately, there is help available.

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 commission's vision for a more prosperous province. Our work also helps address many government priorities, especially related to supporting the Minister of Inclusive Economic Growth's mandate to foster an innovation ecosystem and support innovative businesses.

In particular, Innovacorp supports the goals related to inclusive economic growth, venture capital investment per capita, export growth, number of new start-ups, strategic sector growth, international immigration, retention of international students, and R&D partnerships in the private sector. The organization addresses gaps in the market, providing capital, facilities, programs and other support otherwise unavailable to early stage, high-risk ventures in the deep technology sectors.

Not only do start-ups help solve global challenges, but they have a much larger economic impact than we often appreciate. They create a disproportionate number of good jobs, they make established businesses more competitive and they drive economic growth. We need that now more than ever.

As outlined in the pages that follow, in 2021-2022 Innovacorp will continue to find, fund and foster Nova Scotia start-ups. This work will include collaborating with the other Department of Inclusive Economic Growth Crown corporations to take advantage of trends around a more distributed workforce. Innovacorp will ensure we support entrepreneurs that come to Nova Scotia to live and grow their high-potential technology companies.

Sincerely,

Nicole LeBlanc  
Board Chair, Innovacorp

## Innovacorp’s Strategic Approach and Purpose

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

Our **vision** is that Atlantic Canada 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.

Innovacorp is focused on start-ups in clean technology (i.e., low-carbon products and processes for all sectors), life sciences (e.g., medical devices, digital health, therapeutics), information technology, and ocean technology. Our clients are developing technologies that will help Nova Scotia become a leader in addressing some of the world’s biggest challenges – from climate change, to ocean and food sustainability, to human health.



### 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 the province’s 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 and our investments in privately managed funds. Venture capital-backed start-ups typically have a greater economic impact than their non-backed peers and demonstrate stronger growth in employment and innovation. Innovacorp is ultimately driven, however, by generating financial returns on its fund. We also leverage our dollars with other venture capital and angel co-investors, to attract 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, our support sometimes comes in the form of information-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.

## Operating Context

High-growth start-ups have an outsized positive impact on the economy.

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

The Government of Nova Scotia's goal for inclusive economic growth and the ONE Nova Scotia commission's targets guide Innovacorp. 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 2019.

Entrevestor found 697 high-growth, innovation-driven companies in the region in late 2019, up 27 per cent from a year earlier. Three hundred seventy-one of those companies were based in Nova Scotia.

Entrevestor's analysis also indicates company quality has improved in all areas, with revenues growing at about 70 per cent – the third year in a row of 70 per cent growth or higher. Further, in 2019, Atlantic Canadian start-ups raised \$651.5 million in capital (excluding money raised on the stock market). This was three times more than any previous year. About 6,500 people worked directly for the companies at the end of 2019, up 23 per cent from a year earlier.

Rural innovation is also increasing. According to Entrevestor, more structured collaboration is happening between rural entrepreneurs and urban support organizations.

Innovacorp is joined by many other organizations and individuals offering funding and support to Nova Scotia start-ups. Risk capital from Concrete Ventures, coaching and angel funding through Creative Destruction Lab (CDL), start-up hubs such as Volta and Ignite, online acceleration from Propel, educational programs from post-secondary institutions, and much more. These groups typically target specific sectors or populations and offer a particular type of support to companies. Innovacorp is focused on deep technology<sup>1</sup> start-ups with high-growth potential, providing them with a unique combination of venture capital, incubation infrastructure and acceleration programs.

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<sup>1</sup> Innovacorp defines deep technology start-ups as those based on a scientific discovery or new engineering innovation. Target industries include information technology, clean technology, life sciences and ocean technology.

Over time, the start-up ecosystem players in Nova Scotia have become better at collaborating with each other and avoiding duplication of resources. One thing all the organizations agree on is that start-ups will play an important role in our economic recovery post COVID-19. Most of Innovacorp's clients have survived COVID-19 so far, and in some respects the crisis is leveling the playing field for Nova Scotia start-ups by giving them the same access (albeit virtual) other start-ups around the globe have to investors, partners, suppliers, talent and customers. But we know we will all feel COVID-19's challenges for a long time to come, and we must work together to ensure start-ups have the support they need so they can maximize their economic impact.

## 2021-2022 Priorities and Activities

This business plan outlines how Innovacorp will support government priorities through our approach to find, fund and foster Nova Scotia start-ups. We will achieve this through three main interdependent areas of activity: **venture capital investment**, **incubation facilities**, and **acceleration initiatives**.

### Investment

Innovacorp's venture capital fund, the Nova Scotia First Fund, helps ensure early stage, high-growth start-ups get access to the funds they need to grow to a point where they can raise additional capital from private investors. Innovacorp's fund fills a market gap, providing dollars that start-ups could not otherwise access, due to their early stage and high-risk nature, as well as the relatively low level of private venture capital available in the province.

In 2021-2022, Innovacorp will focus on:

- making **venture capital investments** in early stage Nova Scotia technology companies with high-growth potential and attractive risk-return prospects;
- **leveraging its investments** through co-investors, with an emphasis on venture capital partners from outside Nova Scotia; and
- **generating a return** for Nova Scotia on its venture capital investments.

### Incubation

Innovacorp manages three incubation facilities that are premier destinations for early stage companies in Nova Scotia's strategic growth sectors.

1. The Labs at Innovacorp focuses on companies in the life sciences industry.
2. The Bays at Innovacorp targets companies in clean technology and other knowledge-based sectors.
3. Start-Up Yard at COVE is for ocean technology ventures.

These facilities offer lab, office and light-industrial space and infrastructure unavailable in the commercial real estate market, as well as flexible leasing, on-site support, programming, and a community of like-minded people.

In 2021-2022, Innovacorp will focus on:

- providing **incubation infrastructure and services** through our three sites.

## Acceleration

Innovacorp's acceleration activities build and strengthen the pipeline of investment-grade start-ups in Nova Scotia, ideally as prospects for Innovacorp's venture capital fund.

Often delivered after a competitive process to identify participants, the activities provide financial and non-financial support, such as education, mentoring and expert guidance, to start-ups from idea stage to a Series A financing round. While the funding is needed to help emerging companies hit early technical and business milestones, the non-financial support is also critical. Many start-ups are led by technical experts who lack the business acumen to understand commercial opportunities, complete proper customer discovery, determine a relevant business model, attract the needed talent, take a product to market, etc. Innovacorp's programs help fill those gaps in know-how and provide non-dilutive funding towards the company's milestones. These are dollars that a pre-revenue company is not earning and could not access through a bank.

In 2021-2022, Innovacorp will focus on:

- finding and supporting high-potential new technology companies and encouraging 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;**
- delivering **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; and
- enhancing our **services and support (i.e., venture services) for our highest potential portfolio companies**, addressing their individual operational, technical and strategic needs.

## Strategic Initiatives

Innovacorp's focus is on building individual Nova Scotia start-ups with high-growth potential. However, the organization is also driven to help create a world-class ecosystem for start-ups in general. To that end, Innovacorp works collectively with private and public organizations to 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.

In 2021-2022, Innovacorp will focus on:

- working with like-minded partners to establish an **angel network organization** that will be responsible for recruiting and assembling angel investors, bringing companies

forward for investment consideration, and fostering success through information and educational tools;

- increasing the **availability of venture capital** through partnering with the private sector to create funds for the ocean technology and life sciences sectors, as well as through investing in a new fund for women investors and founders;
- partnering with the Verschuren Centre to help **Cape Breton become a destination where companies in the agricultural technology and industrial biotech sectors** can scale up their technologies and business. Verschuren Centre’s technical assets and expertise will be complemented by Innovacorp’s business expertise and programming and ability to build a supportive ecosystem;
- playing an active role in the **next phase of the Ocean Start-Up Project (OSP)**, which is a co-funded, pan-Atlantic collaboration to double the number of high-quality, ocean technology start-ups thriving in Atlantic Canada; and
- collaborating across the Department of Inclusive Economic Growth’s Crown corporation portfolio to **attract remote workers to the province**. Innovacorp’s role will include: telling stories to show Nova Scotia’s vibrant and world-class start-up community; demonstrating the remarkable non-dilutive support and collaborative environment Nova Scotia offers start-up founders; highlighting Nova Scotia’s unique offering for start-up founders in the ocean technology, agricultural technology and industrial biotech sectors; and amplifying the government’s overall marketing campaign through Innovacorp’s social channels and website.

## Performance Indicators 2021-2022

Below are the performance targets for Innovacorp’s 2021-2022 work outlined above.

<b>Performance Indicators</b>	<b>2021-2022 Target</b>
<b>Investment</b>	
Number of Innovacorp investments	12
Amount invested by Innovacorp	\$4 million
Amount raised by portfolio companies	\$50 million
TVPI ratio (total value to paid-in capital)	1.3
Number of portfolio companies that raise Series A investment	2
<b>Incubation</b>	
Occupancy rate at facilities (The Labs and The Bays at Innovacorp)	85%
Occupancy rate of companies that are venture-grade at The Labs and The Bays	45%
<b>Acceleration</b>	
Number of new early stage opportunities in Innovacorp’s client pipeline	180
Number of client companies that raise angel investment	10

## Budget Context

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

### INNOVACORP

	<b>Estimate 2020-2021 (\$)</b>	<b>Forecast 2020-2021 (\$)</b>	<b>Estimate 2021-2022 (\$)</b>
<b>Revenue</b>			
Provincial funding	9,726,000	9,436,000	9,054,000
Other provincial funding	-	5,100,000	94,000
Incubation	1,092,000	1,282,000	1,215,000
Acceleration	944,000	668,000	918,000
Corporate Services	42,000	42,000	26,000
	<b>11,804,000</b>	<b>16,528,000</b>	<b>11,307,000</b>
<b>Expenses</b>			
Incubation	2,774,000	2,774,000	2,776,000
Investment	1,143,000	1,123,000	1,116,000
Acceleration	4,390,000	4,169,000	4,511,000
Corporate Services	2,810,000	2,775,000	2,904,000
	<b>11,117,000</b>	<b>10,841,000</b>	<b>11,307,000</b>
<b>Surplus before non-operating items</b>	<b>687,000</b>	<b>5,687,000</b>	<b>-</b>
<b>Other income (expense)</b>			
Impairment on investments and loans receivable	(500,000)	(500,000)	(500,000)
Depreciation	(569,000)	(569,000)	(399,000)
Amortization of deferred capital funding	241,000	241,000	147,000
<b>Deficit</b>	<b>(141,000)</b>	<b>4,859,000</b>	<b>(752,000)</b>

### Revenue

**Provincial funding** 2021-2022 estimate is \$672,000 lower than the 2020-2021 estimate primarily due to a reduction of \$687,000 in funding to eliminate Innovacorp's surplus before non-operating items, net of \$15,000 in new funding for salary increases.

**Other provincial funding** 2021-2022 estimate is \$94,000 higher than the 2020-2021 estimate due to funding from the Department of Inclusive Economic Growth for the Ocean Startup Project.

**Incubation** 2021-2022 estimate is \$123,000 higher than the 2020-2021 estimate primarily due to an increase in client revenue at the facilities.

**Acceleration** 2021-2022 estimate is \$26,000 lower than the 2020-2021 estimate primarily due to reduced funding of activities in Cape Breton and reduced client revenue at Start-Up Yard at COVE, partially offset by an increase in funding for the Ocean Startup Project.

**Corporate Services** 2021-2022 estimate is \$16,000 lower than the 2020-2021 estimate primarily due to an increase in investment management fees.

### **Expenses**

**Incubation** 2021-2022 estimate is \$2,000 higher than the 2020-2021 estimate.

**Acceleration** 2021-2022 estimate is \$121,000 higher than the 2020-2021 estimate primarily due to the Ocean Startup Project and various other increases, partially offset by a decrease in activities in Cape Breton and a reduction in expenses at Start-Up Yard at COVE.

**Corporate Services** 2021-2022 estimate is \$94,000 higher than the 2020-2021 estimate primarily due to an increase in insurance costs and licenses for various software.

**Depreciation** 2021-2022 estimate is \$170,000 lower than the 2020-2021 estimate primarily due to a reduction in capital spending in Cape Breton.

**Amortization of Deferred Capital Funding** 2021-2022 estimate is \$94,000 lower than 2020-2021 due to completion of amortization for some capital funding received.



## Appendix A: Hyperlinks to Additional Information

### Corporate Governance

- [Innovacorp Board of Directors](#)
- [Innovacorp Senior Management Team](#)

### Organizational Overview

- [Innovation Corporation Act](#)
- [Vision and Mission](#)



400-1871 Hollis Street  
Halifax, NS B3J 0C3 Canada

902.424.8670  
1.800.565.7051

[info@innovacorp.ca](mailto:info@innovacorp.ca)  
[www.innovacorp.ca](http://www.innovacorp.ca)  
[@innovacorp](#)

# Nova Scotia Business Incorporated

Business Plan 2021–22



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## MESSAGE FROM THE BOARD CHAIR AND CEO

The COVID-19 pandemic affected every Nova Scotian and business in 2020-21, causing considerable challenges for many, yet providing opportunity for some sectors of our economy. Our province as a whole exhibited remarkable resiliency and tenacity as we navigated through the impacts of travel and public health restrictions. As we look ahead to continued recovery in 2021-22, NSBI embraces our role in building a better Nova Scotia. We know that the path to a sustainable economy is built on a foundation of export, and we will ensure our companies are ready and able to take advantage of opportunities for growth in key export markets.

We will stand behind the province's environmental mandate and explore new ways to support businesses as they create clean technology products and services, improve sustainability and productivity, and reduce their carbon footprint. We will prioritize the environment in our business development efforts and revise and target our programming to ensure sustainable and responsible economic growth in the province of Nova Scotia.

NSBI will start by focusing close to home and will be the critical first point of contact for businesses in all communities, helping them navigate export programs and services and connecting them with the training and resources they need. Through our newly enhanced and streamlined Export Growth Program, we will provide critical market intelligence, support businesses to connect with customers, partners and investors in global markets, and ensure they are able to access the expertise they need to break down barriers to global growth.

COVID-19 has accelerated the need for digital solutions to do business both within our province and outside our borders, and NSBI will provide funding and training to ensure our companies keep pace with online opportunities for growth. Narrowing the digital divide by supporting businesses to connect, invest, and improve e-commerce solutions will be core to our efforts in 2021-22. Supporting companies across our province to make necessary capital investments to improve productivity and drive innovation will be another key focus for us in the year ahead, and our newly launched Small and Medium Enterprise Innovation Rebate Program will continue to fill a key funding gap for investments under \$2 million.

Many across our province were and continue to be displaced from work in 2020-21, and we remain committed to our role in working with companies in all regions to grow and create jobs for current and new Nova Scotians. Sectors of our economy, such as ICT, Financial Services, and Business Services have proven resilient and adaptable to remote working, and NSBI will focus on building our "work-from-here" knowledge-based economy. We will showcase our talent to employers both here and outside of the province, promoting distributed workforces as the path to growth. We will collaborate with our partners to attract new Nova Scotians to bring their jobs with them as they join us and take advantage of our safe, connected, thriving ocean lifestyle.

Integrating new, innovative global leaders into our Nova Scotia economy is key to our export success and provides unique opportunities for our firms to connect to global value chains. NSBI will look beyond our borders and identify and chart the course for attracting companies that are well-positioned to benefit from our province's comparative advantages, will create high-value job growth across Nova Scotia, and will support our sustainability and climate change mandate.

Finally, and most importantly, NSBI stands behind the Province of Nova Scotia's inclusive economic growth agenda and we will ensure that all Nova Scotians see themselves in our export success as we continue to recover and rebound from the impacts of COVID-19. We remain committed to building the partnerships and making the connections that will drive the attachment of under-represented groups to our workforce. Women, youth, Indigenous persons and African Nova Scotians were among those most negatively impacted by the pandemic, and we will focus our business development and investment attraction efforts on growing and building employers with diversity woven into their corporate fabric.

Our targets for this year are reflective of our efforts to recover and rebuild. We know that we are stronger together and we join with our provincial, federal, and global partners as we work collaboratively to ensure a stable, resilient, innovative, and inclusive economy in our province, today and for many years to come.

## STRATEGIC CONTEXT

2020-21 has presented businesses in Nova Scotia with economic and public health conditions unlike any year in recent history. Despite its challenges, COVID-19 provides us with an opportunity to rebuild a better Nova Scotia: one that's more innovative, more inclusive, more resilient, more socially and environmentally aware, and with businesses that are more globally competitive than ever before. NSBI embraces our role in driving Nova Scotia's inclusive economic growth agenda by working with companies across the province to recover, rebuild, and ensure resiliency as we navigate through an ever-changing global trade environment.

NSBI's business development efforts in 2021-22 will be focused in the following key areas:

### Growing the Value of Exports as the Pathway to Economic Success

Exporting has been a key driver behind Nova Scotia's economic prosperity, with trade representing 37% of the province's GDP in 2019. As a small jurisdiction, selling Nova Scotia products and services to key markets around the world is foundational to the creation of good jobs and wealth for families and, in turn communities, here at home. 2020-21 has been a particularly challenging year for Nova Scotia's exporters, and our work with clients across the province to ensure they are prepared for the realities of doing business in global markets has never been more critical. NSBI's export programming and services will ensure our companies adopt and embrace technology, improve sustainability, and are ready and able to take advantage of export opportunities as the world emerges and rebounds from the COVID-19 pandemic.

### Strengthening Nova Scotia's Export Mix For Strategic Sector Growth

Attracting and growing new innovative export leaders in our province provides a unique opportunity to propel Nova Scotia's international growth in key industries and to targeted markets of priority. NSBI will enhance our "Team Nova Scotia Concierge" approach to identify industry and company targets that are aligned with Nova Scotia's comparative advantages and support the province's sustainability and climate change mandate. We will develop and begin the implementation of a plan to attract environmentally responsible companies that will strengthen Nova Scotia's export mix, reflect the province's clean, low-carbon focus, create high-value jobs, and provide significant opportunities for our firms to attach to key global value chains.

### Building Our "Work-From-Here" Knowledge Economy

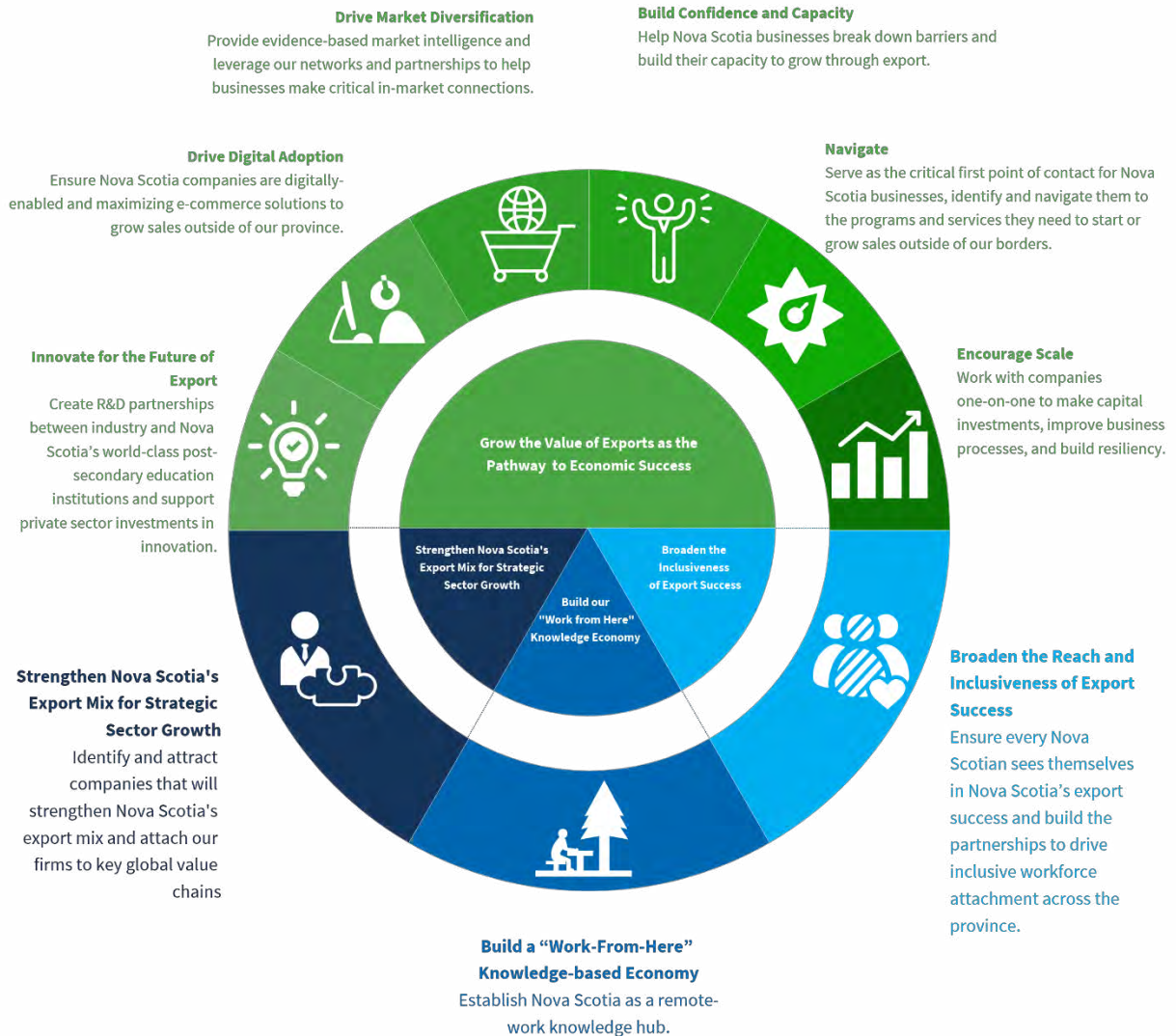
Virtual business development and remote working experienced unprecedented growth in 2020-21 due to travel and health restrictions brought about by COVID-19, with forecasts indicating the continued prevalence of these models in the years to come. In 2021-22, NSBI's efforts will expand beyond the traditional export of goods and services and will promote the opportunity for businesses operating in the knowledge economy to hire remote workers who are currently living in Nova Scotia, as well as attract talented digital natives to "work-from-here" and "export" their knowledge and skills around the globe.

### Broadening the Inclusiveness of Export Success

All Nova Scotians have felt the impact of COVID-19 and all should benefit from and see themselves in Nova Scotia's future export success. NSBI's efforts to nurture exporters of diversity, encourage inclusive employment attachment, and drive regional investment and opportunity will ensure that all Nova Scotians benefit from our business development efforts. We will drive our partnerships with organizations such as the Black Business Initiative and focus on further developing our relationship with African Nova Scotian, Indigenous partners and employment organizations across the province to make meaningful connections between Nova Scotian employers and those currently under-represented in our workforce.



# NSBI Strategic Priorities



## PURPOSE OF CROWN CORPORATION

### Mandate

Led by a private sector Board of Directors, NSBI is a key business development agency for the Province. Our mandate is to enable Nova Scotia businesses across the province to 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

To develop and enable Nova Scotia businesses to grow through export, creating opportunity and benefit for all those who call Nova Scotia home.

### Vision

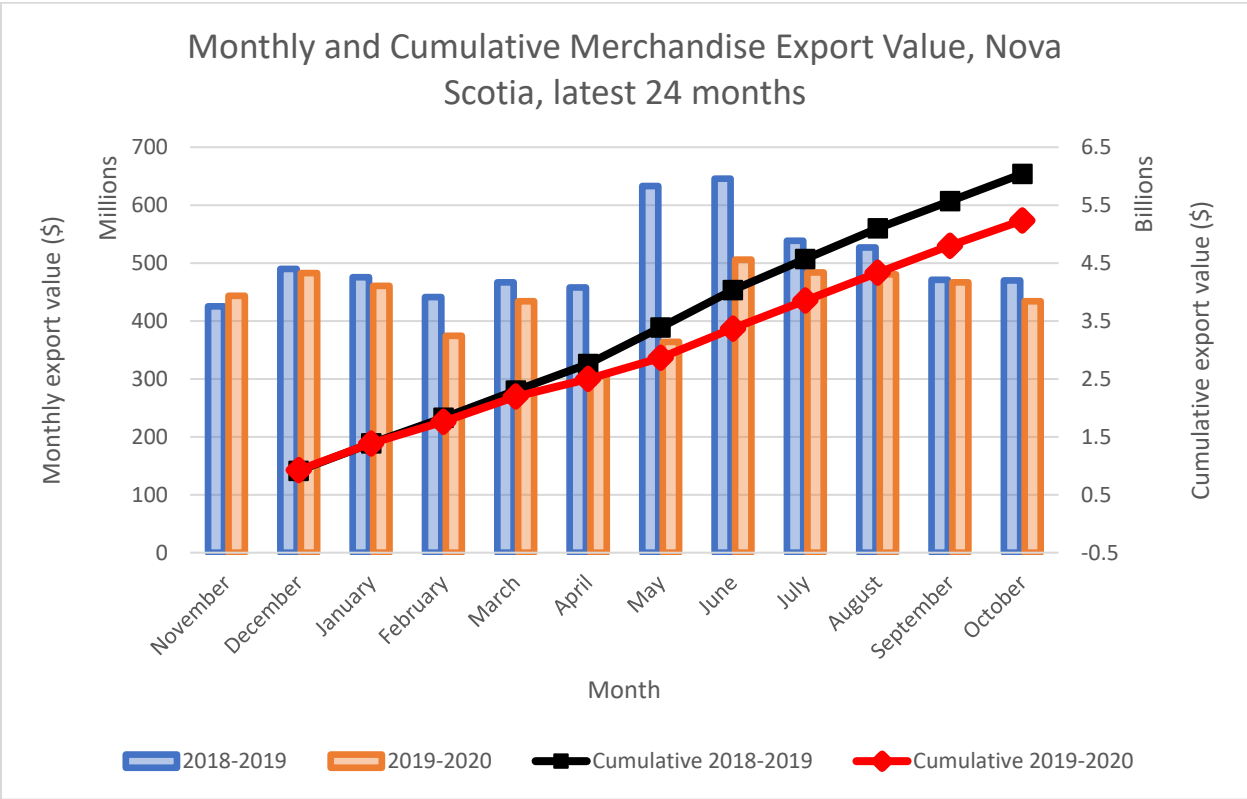
A prosperous, globally successful, and inclusive Nova Scotia, today and for generations to come.

## ECONOMIC CONTEXT

In March and April of 2020, Nova Scotia experienced the greatest decline in employment on record and international and interprovincial trade faced enormous fluctuations due to the COVID-19 pandemic. The impact on Nova Scotia sectors since March 2020 has been unevenly distributed. Total international merchandise exports from our province are down 15.9% year-to-date, with tire manufacturing dropping by 23.6%. Other areas, however, have seen increased demand, such as sawmills (25.2% growth) and frozen food (4.6% growth). The tourism and hospitality sector has been the most significantly impacted by travel and health restrictions, while employment and exports in the knowledge-based sectors of information and communications technology (ICT) and financial services have proven to be more resilient.

The Nova Scotia economy is showing some promising signs of emerging from the impacts of the pandemic, with merchandise exports rebounding strongly toward the end of 2020. September’s merchandise exports were 99% of the value reported in September 2019, and October’s export value held steady at 92% when compared with the same month a year prior. Similarly, Nova Scotia’s unemployment rate dropped from 8.7% in October 2020 to 6.4% in November 2020 - 1.4 percentage points lower than the pre-COVID level of 7.8%. November 2020 marked the first time since 1976 that Nova Scotia had the lowest monthly unemployment rate in Canada.

Figure 1. International Merchandise Export Value<sup>1</sup>



<sup>1</sup> Trade Data Online, Domestic Exports, Nova Scotia, latest 24 months, all products (Accessed 07-12-2020)

Further from home, economic impacts have been felt around the globe and within Nova Scotia's key export markets. Gross Domestic Product (GDP) growth is forecasted to be negative for all of Nova Scotia's primary trading partners for 2020, with the exception of China. In 2019, exports to the United States accounted for 62.2% of Nova Scotia's merchandise exports by value. New daily COVID-19 cases have been rapidly increasing in the United States since October 2020, reaching a 7-day average of 195,000 cases per day in early December, and impacting demand from Nova Scotia's largest trading partner.

Foreign direct investment (FDI) has also been hampered, with global FDI flows down by 49% in the first six months of 2020. A further 5%-10% drop in FDI is forecast in 2021, with recovery only beginning in 2022. As jurisdictions begin to move into the recovery phase and spur new economic activity and investment, competition for fewer FDI projects is expected to intensify, putting increased pressure on Nova Scotia to be highly targeted and evidence-based in our efforts to attract new, innovative exporters to our province.

To be best positioned to continue to emerge from the economic impacts of 2020 and grow in the coming years, Nova Scotia businesses will need to focus on digital adoption - companies with better online capabilities reported much smaller sales declines during the pandemic. It has never been more important to support our Nova Scotia businesses to invest, innovate, diversify, and grow international competitiveness, and we look forward to continuing our work with companies across the province as they rebuild and emerge from the COVID-19 pandemic.

## NSBI'S ROLE AND FOCUS FOR 2021-22

NSBI recognizes and embraces our role in working with business across the province to recover and rebuild from the impacts of COVID-19, and this business plan outlines how our organization will support government's priorities, including selected action items in our Minister's mandate letter.

### Growing the Value of Exports as the Pathway to Economic Success

#### Export Growth

NSBI's export development efforts will begin by first focusing here at home to build capacity, improve sustainability, and scale our homegrown, leading-edge companies. Our Regional Business Development team will be the critical first point of contact for businesses across the province. This team, entrenched in communities in all regions, will identify and connect with potential, emerging, and experienced exporters and navigate them to the support they need to start or grow sales outside of our borders.

COVID-19 drastically altered the global business environment in an unprecedented, condensed timeframe. Travel and public health restrictions imposed due to the pandemic pushed businesses across the globe to shift to virtual means of working. It is critical for Nova Scotia businesses to continue to implement and improve e-commerce solutions and adopt new hardware and digital processes to enable remote working, connect with key customers outside of our borders, and increase productivity while ensuring social distancing. Additionally, small businesses undertaking digital adoption will be more apt, more ready and more prone to future export, building a cohort of potential new exporters in the Province. Our enhanced and streamlined Export Growth Program will provide funding for businesses to provide support in three key areas:

1. Adopting digital technologies to enable remote working, improve productivity, and create or improve e-commerce solutions to grow sales outside the province.
2. Mitigating the costs of connecting with current and potential clients, partners, and investors in global export markets (including participation in virtual events and conferences).
3. Engaging with an external expert to address challenges or barriers standing in the way of export growth, including addressing skills or knowledge gaps within senior leadership teams.

NSBI's Export Capacity Building team will continue to provide complementary, wrap-around services to build on our digital supports for businesses and deliver webinars, virtual training, education, and international business skill building workshops. Our Trade Market Intelligence service will provide companies with evidence-based market research to help them make informed decisions on which markets to pursue for the sale of their products and services.

A key commitment from the Government of Nova Scotia is to provide export accelerator services to Nova Scotia companies. NSBI will continue to drive key partnerships, including our initiative with the Halifax Chamber of Commerce to deliver the Trade Accelerator Program (TAP) to ensure Nova Scotia firms have the skills they need to export to key markets. NSBI will also lead Nova Scotia's participation in the \$20 million Atlantic Trade and Investment Growth

Strategy (ATIGS) and continue to partner with federal and provincial governments to support our firms to achieve international growth.

Canada's trade agreements and our partnerships in key international markets position Nova Scotia companies for continued export success. NSBI will work with our clients to ensure they are prepared and able to leverage opportunities brought about 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 develop and implement virtual initiatives to help Nova Scotia businesses connect and sell products and services within the recovering Association of Southeast Asian Nations (ASEAN) market. Our Scotians Global Advisor network will be of renewed importance to ensure Nova Scotia companies build the connections they need to make in-market connections, and we will continue to deliver and develop new and different ways for businesses to benefit from an in-market presence in key markets.

### Research and Innovation

Nova Scotia businesses will need to make key investments and innovate to improve productivity and sustainability and build global competitiveness during the current turbulent economic conditions. In our work with companies across the province, we have uncovered a need for assistance with high-value capital projects under \$2 million, particularly within the area of technology adoption. NSBI's newly launched Small and Medium Enterprise Innovation Rebate Program will help to fill this gap for businesses looking to increase their global competitiveness and accelerate the rate of innovation adoption. This new program will provide financial incentives on projects that enable a company to increase innovation capacity and drive sustainability through private-sector capital investments or the adoption of new technologies and business processes.

Research and development will enable our firms to pivot, innovate, and commercialize products and services in demand in global markets. Our Productivity and Innovation Voucher Program will create and deepen research and development linkages between businesses and Nova Scotia's leading-edge universities and our community college campuses across the province. NSBI will also support businesses to leverage post-secondary institute research expertise through our expanded partnership with Mitacs. This key partnership will reduce the cost for a business to access collaborative R&D teams from post-secondary institutes to complete a research project aimed at solving a unique business challenge.

### Strengthening Nova Scotia's Export Mix For Strategic Sector Growth

#### Strategic Sector Growth

Key knowledge-based sectors have proven resilient to the economic shocks over the past year, while companies in other industries look to pivot their business model and expand their footprint in jurisdictions in closer proximity to key North American markets. Nova Scotia is well positioned to attract and grow innovative export leaders that can benefit from the comparative advantages of operating from our province.

NSBI's data mining strategy will identify signals from firms in key sectors to inform our investment attraction efforts as we look beyond our borders for innovative, R&D intensive, exporting companies that would benefit from Nova Scotia's comparative advantages. Our

payroll rebate tool will focus on attracting companies in sectors that have proven resilient to the impacts of COVID-19, such as ICT and Financial Services, and will attract and incent firms to grow our workforce by creating high-value employment opportunities for Nova Scotians across the province.

NSBI will enhance our “Team Nova Scotia Concierge” approach to identify key industries and company targets that are aligned with Nova Scotia’s comparative advantages. We will research and develop new attraction strategies and create impactful and targeted content that will showcase our value proposition. Our evidence-based lead generation initiatives will enable us to identify companies to strengthen Nova Scotia’s export mix, support the province’s sustainability and climate change mandate, and provide significant opportunities for our firms to attach to key global value chains. We will research and create new and unique ways to attract innovative exporters that align with Nova Scotia’s comparative advantages, including the promotion and management of NSBI land assets and certified sites for industrial development across the province.

NSBI will maintain our focus on working with clients within the high potential clusters of ICT, FinTech, Digital Health, Oceans, Clean Technology, Life Sciences, Seafood, Agri-food and Beverage, to rebuild and grow in international markets. We will continue our partnership in the Centre for Ocean Ventures & Entrepreneurship (COVE), working with resident companies at every stage of their export journey. NSBI will ensure that our leading OceanTech companies have the digital assets required to highlight the depth and breadth of the innovation being driven from our ocean economy.

We will stand behind the province’s efforts to combat climate change, support a circular economy and ensure environmental sustainability. NSBI will explore new ways to support businesses as they create clean technology products and services, improve productivity, and reduce their carbon footprint. We will prioritize the environment in our business development efforts and revise and target our programming to deliver on the environmental mandate of the province of Nova Scotia as we work with companies to ensure a clean, low carbon recovery.

Nova Scotia’s forestry sector has undergone significant change in 2020-21 due to the closure of Northern Pulp, and NSBI’s Forestry Innovation Rebate Program was created to support companies in the forestry sector to undertake projects to improve their competitiveness. We will continue to work with our government and industry partners on efforts that support the transformation of the forestry sector and deliver programming that responds to the investment needs of forestry companies operating in our province.

## Building Our “Work-From-Here” Knowledge Economy

### Population Growth

A silver lining of the pandemic has been Nova Scotia’s continued population growth. As of July 1, 2020, our population was estimated to be 979,351, an increase of 9,604 over the same month in 2019, and the third highest growth rate since 1971. In 2021-22, we will expand beyond supporting companies through the traditional sale of goods and services and introduce efforts to continue this growth trajectory. NSBI will develop and deliver initiatives to connect digitally-enabled workers who are currently in Nova Scotia with key employers, and attract those

who may choose to call Nova Scotia home to live here and “export” their knowledge and skills around the globe. Nova Scotia has all the building blocks to establish itself as the “work from here” knowledge hub - our pristine, scenic, stable and safe environment, our ever-increasing digital connectedness, and our diverse and welcoming communities provide an ideal foundation for professional services and knowledge export.

NSBI will work with our Crown Corporation and provincial government partners to drive knowledge export growth in all regions. We will work with companies to drive Nova Scotia’s established and resilient export services economy with a continued focus on the strategic sectors of ICT, Financial Services and Business Services. NSBI will target investment attraction efforts to new employers who embrace distributed workforces to create jobs and drive migration and immigration to Nova Scotia. We will work with Tourism Nova Scotia to develop and deliver promotional campaigns to recruit remote knowledge workers who can work from anywhere to relocate to Nova Scotia and work from here.

## Broadening the Inclusiveness of Export Success

### Economic Participation and Benefit

As our province recovers and rebuilds in 2021-22, it has never been more important that all Nova Scotians benefit from our business development efforts. NSBI’s “Businesses of Diversity” programming will support companies with owners and leaders from an under-represented group to identify and leverage procurement opportunities that they are uniquely positioned to benefit from. We will work one-on-one with these companies to build capacity and grow through export, making the connections they need to be successful in markets outside of our borders.

Achieving inclusive economic growth is heavily reliant on key partnerships and commitment from all parties to remove barriers to economic success standing in the way of under-represented groups across our province. Our partnership with organizations such as the Black Business Initiative will enable our efforts to assist in ensuring a strong and resilient Black business community in Nova Scotia. We will work to enhance our connections with African Nova Scotian, Indigenous partners and employment organizations across the province to bridge gaps between Nova Scotian employers and those currently under-represented in our workforce. NSBI will continue our work to identify and build new and better relationships with employment organizations focused on inclusive employment attachment in Nova Scotia, and we will connect our industry clients with talent needs with these critical partners.

### Employment Attachment

2020-21 saw many Nova Scotians displaced from employment or working fewer hours due to the impacts of COVID-19. Although many Nova Scotians successfully reattached to the workforce throughout the year, many remain unemployed - particularly women, youth, and those traditionally under-represented in our workforce. NSBI will focus our investment attraction efforts in regions of the province with above average unemployment rates and within groups currently under-represented in Nova Scotia’s workforce.

We will continue to evolve our investment attraction efforts to attract diversity-minded employers to build their global workforces by offering and promoting remote working employment opportunities to those currently under-represented in our workforce. NSBI is well positioned to work one-on-one with companies across all regions of Nova Scotia to grow and create jobs, and we will do so with a renewed focus on the attachment of those most impacted by the COVID-19 pandemic.



PERFORMANCE MEASURES

<b>Measures</b>	<b>2021 - 2022 Targets</b>
1. Grow the value of Nova Scotia's exports	Building from a reduced export performance in 2020-21, we will continue recovery with the goal of achieving a minimum of a 10% increase in export sales among NSBI's clients, and by clients within the high potential clusters of ICT, Oceans, and Seafood & Agri-food
2. Create Nova Scotia's next exporters	A minimum of 25 NSBI clients will 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. Diversify into new export markets	Recognizing continued travel restrictions facing companies as they work to grow sales in new markets, a minimum of 10% of NSBI clients will diversify exports through sales to an additional market
4. Build a knowledge-based export economy	Attract 5 knowledge-based exporters aligned with Nova Scotia's comparative advantages
5. Grow payroll across the province	Continuing to emerge from the economic downturn, NSBI clients will increase their payroll by a minimum of 10%
6. Promote Inclusion in Nova Scotia's Workforce	Make a minimum of 50 connections between Nova Scotian employers and organizations across the province focused on the attachment of under-represented groups to the workforce

## BUDGET CONTEXT 2021-22

### Budget Context

(Amounts in \$000s)	Budget 2020-21	Forecast 2020-21	Budget 2021-22
<b>Revenues</b>			
Provincial Grants	73,424	70,530	44,059
Gain on sale of tangible capital assets	0	10	0
Gain on sale of equity investments	0	191	0
Nova Scotia Business Fund: Loans, equity and properties	1,320	1,651	1,250
Miscellaneous revenue	1,623	2,897	1,373
<b>Total</b>	<b>76,367</b>	<b>75,278</b>	<b>46,682</b>
<b>Expenses</b>			
Operating	18,637	21,277	19,432
Strategic Investments	15,410	15,307	11,000
Nova Scotia Film & Television Production incentives	25,000	25,000	0
Innovation Rebate Program	10,000	8,520	10,000
Innovation Rebate Program under \$2M	0	2,000	2,000
Forestry Innovation Rebate Program	5,000	322	2,000
Provision for credit losses	1,000	-765	1,000
Transfer payments to Province of Nova Scotia	0	10	0
Nova Scotia Business Fund: Loans, equity, and properties	834	883	835
<b>Total</b>	<b>75,881</b>	<b>72,554</b>	<b>46,268</b>
<b>Surplus</b>	<b>486</b>	<b>2,725</b>	<b>415</b>

## Appendix A: Governance

### Corporate Governance

- Role and membership list of the Board of Directors:  
<https://www.novascotiabusiness.com/about/directors>
- Board Committees and Members:  
<https://www.novascotiabusiness.com/about/directors>
- Names and job titles of senior management:  
<https://www.novascotiabusiness.com/about/team>

### Organizational Overview

- Enabling Statute:  
<https://www.novascotiabusiness.com/sites/default/files/ACT-Nova-Scotia-Business-Inc.pdf>

## Appendix B: Strategic Investment Funds (SIF)

The Payroll Rebate Program is the only business incentive funded by the Strategic Investment Funds (SIF) in fiscal 2021-22.

STRATEGIC INVESTMENT FUNDS PURSUANT TO NSBI REGULATIONS POLICIES AND GUIDELINES/PROCEDURES, NSBI 2021-22 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>

	The company will collect and remit employee payroll taxes in accordance with the Income Tax Act (Canada).
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"> <li>• Strong management (corporate and local)</li> <li>• 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)</li> <li>• Going concern financial growth prospects</li> <li>• A commitment to diverse and inclusive hiring practices for the Nova Scotia operation</li> </ul>
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"> <li>• 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;</li> <li>• Gross wage or payroll amount, including benefits, and the total number of FTEs of the company on each anniversary date from the project commencement;</li> <li>• Incremental employees' province of residence; and</li> <li>• Applicable export, investment and capital project details (if applicable);</li> <li>• Confirmation of existing Nova Scotia FTEs and payroll (if applicable);</li> <li>• Substantiation of any other required targets.</li> </ul>

Payment Terms	<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 C: 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 portfolio currently has approximately \$40.5 million outstanding to 21 companies located throughout the province. The Nova Scotia Business Fund has not issued any new business development incentives since fiscal 2014-2015. The annual portfolio lending cap is set at \$100,000 for fiscal 2021-2022 solely for the purposes of realization costs.

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 lending limits are determined based on portfolio targets versus specific dollar amounts:
  - traditional: 16%
  - knowledge based (information and communications technology and life sciences): 20%
  - manufacturing: 45%
  - energy: 9%
  - ocean technology: 5%
  - other: 5%
- Maximum loan and guarantee limit is \$15 million 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 2021–22



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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 2021 - 22. The plan outlines the Commission's continued commitment to offer Nova Scotia's primary agricultural producers insurance against production losses.

Two of the last three cropping seasons have resulted in record indemnity payments to Crop Insurance clients. The Province, through the AgriInsurance Program, has taken a proactive approach to minimizing the financial impacts of these severe loss events to provide stability to the Commission, its clients, and the agriculture industry.

The COVID-19 pandemic resulted in many challenges throughout 2020. Many of these challenges are expected to continue into 2021-22. Throughout the pandemic, the Commission was able to maintain the majority of its core programs and services.

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 AgriInsurance 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 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.

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

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Mr. Avarad Bentley  
Chair

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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 risks 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 are 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. These themes primarily support Government's priority of inclusive economic growth.

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 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. The Commission and supporting staff administer 16 crop insurance plans, a dairy livestock insurance plan and a poultry insurance plan, which cover 66 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, 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 continues 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, there will be 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 to modernize its information management capabilities. A continued emphasis on the redesign of the Commission's information technology 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**

The Commission seeks to achieve the following outcomes:

- 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 2021 - 22**

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. Implement the Commission's actuarially redesigned discount/surcharge methodology.
- b. Consult with industry stakeholder groups to review current policies and regulations aimed at improving existing insurance plans. Examples include with the wild blueberry, tree fruit, dairy, and horticulture sectors.
- c. Work with industry stakeholders on the development of new insurance programs/options such as grape vines, acreage loss crops and haskap.
- d. Consult with industry stakeholders on the feasibility of livestock price insurance products.
- e. 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. Explore options for re-insurance coverage for the Commission's livestock programs.
- c. Proactively promote AgrilInsurance as a key business management option for agricultural producers in Nova Scotia.
- d. Over the next year, use a phased approach, 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 CAP provides for reimbursement of 60% of the administrative costs (includes staffing costs) related to Agrilnsurance 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**

	<b>Authority 2020-21 (\$ 000)</b>	<b>Forecast 2020-21 (\$ 000)</b>	<b>Budget 2021-22 (\$ 000)</b>
<b>Revenues</b>			
Insurance Premiums paid by Clients	823	1121	1281
Insurance Premiums Contributed by Govt. (Federal)	736	1071	1232
Wildlife Compensation Payments (Federal)	150	167	150
Insurance Premiums Contributed by Govt. (Provincial)	491	833	957
Wildlife Compensation Payments (Provincial)	100	111	100
Interest Income	5	17	20
<b>Total Revenues</b>	<b>2305</b>	<b>3320</b>	<b>3740</b>
<b>Expenses</b>			
Indemnity Claims	2500	2500	2800
Wildlife Compensation Payments	250	278	250
Reinsurance premiums	0	0	0
Bad Debt Expense	5	5	5
<b>Total Expenses</b>	<b>2755</b>	<b>2783</b>	<b>3055</b>
<b>Net Income from Insurance Activities</b>	<b>(450)</b>	<b>537</b>	<b>685</b>

**Reinsurance Advances**

Federal	0	0	0
Provincial	0	0	0
<b>Total Reinsurance Advance</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Net Income**

(450)	537	685
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**Crop and Livestock Insurance Fund Balance**

Beginning of Year	4247	4247	4784
End of Year	3797	4784	5469

**Administrative Expenses**

Government Contributions (Canada)	618	601	618
Government Contributions (Nova Scotia)	447	436	447
<b>Total Administrative Expenses</b>	<b>1065</b>	<b>1037</b>	<b>1065</b>

**Net Govt. Expenditure**

Canada (Premium + Administration)	1504	1839	2000
Nova Scotia (Premium + Administration)	1038	1380	1504
<b>Total Program Expenditure</b>	<b>2542</b>	<b>3219</b>	<b>3504</b>

BUSINESS PLAN  
2021-2022

Nova Scotia Farm Loan Board  
You see potential. So do we.



**NOVA SCOTIA  
FARM LOAN BOARD**





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## Message from the Board Chair and CEO

The Nova Scotia Farm Loan Board (FLB) was established over 100 years ago to help maximize the potential of agriculture in our province. Agriculture was then, and still is, an important economic driver in the Nova Scotia economy. Farming is a critical piece of the economic landscape in rural Nova Scotia. The FLB works diligently on behalf of all Nova Scotians to support innovation, growth, sustainability, and employment in agriculture. From primary producers and up through the value chain to processors finding unique and innovative ways to utilize the outputs from Nova Scotia farms, the FLB is a respected partner working to maximize the value of Nova Scotia's agriculture and agri-food sectors.

### An Innovative Partner

The FLB will continue to develop partnerships to foster new ideas and growth. The roots of the FLB are based around developmental lending. To that end we have been working hard to build partnerships with the Nova Scotia Department of Agriculture, Perennia Food & Agriculture Inc., and others to ensure up and coming Nova Scotia based producers and processors see the FLB as a top choice financing option.

### Buy Local. Finance Local.

The past year was a challenging one with the onset of the COVID-19 pandemic. It has highlighted the importance of food security for all Nova Scotians and the vulnerability of supply chains to disruptions. Even before the pandemic, the FLB was working to support innovative projects to extend growing seasons and maximize efficiencies on farm, from new storage solutions to energy efficient LED lighting in greenhouses. This work is allowing Nova Scotians to access more local options on store shelves than ever before, even year-round in some cases.



### Nova Scotia Based Clients. Nova Scotia Based Decisions.

The pandemic has also offered a chance to reflect on the importance of having a Nova Scotia based lending partner. But the pandemic is just the latest example, from hurricanes to frost, the last number of years have offered up their share of challenges. The FLB has been moving in lockstep with our clients and partners to help them navigate these kinds of ups and downs for over 100 years. Our decisions are not driven by shareholder returns as our mission is clear in providing responsible lending to support sustainable agriculture and related businesses here at home in Nova Scotia.

### Forestry Transition

The FLB also serves the forestry sector through the Nova Scotia Timber Loan Board (TLB). The TLB is established by the *Forestry Act* with its lending authority and operations assigned to the FLB. In 2020, to align with the work of the Forestry Transition Team, improvements were made to the regulations that govern the lending terms and eligibility criteria of the TLB. In 2021-2022 we will work to raise awareness of the re-imagined TLB to potential clientele in the sector.

FLB's contribution to Nova Scotia's agriculture sector and rural communities by supporting farming and agri-food enterprises is outlined in our 2021-2022 business plan. Our overall goal is to remain a valued partner to our clients and to be a top choice for financing in the sectors we serve.

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Danny Phinney  
Chair

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Jennifer Thompson  
Chief Executive Officer (CEO)



## Mission

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

## Mandate

To support the agricultural industry through the provision of capital financing. FLB operates as a Crown corporation 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 lending authority of the TLB is allocated to the FLB by the *Forest Act*, allowing the board to support the forestry industry through provision of capital financing.

## Vision

The FLB 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 FLB also serves the Forestry sector through the TLB. The TLB was established over 55 years ago to provide access to capital for the forestry industry. The FLB is pleased to have dedicated forestry representation to provide expertise and guidance to the Board.

The CEO of FLB 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, collectively known as Crown Lending Agencies. 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 investment of \$175 million in provincial farms, agriculture processing, and forestry. 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. The FLB believes that the entire community benefits when farmers, processors and foresters have access to new and innovative technology.

## Farm Loan Board Focus

The arrival of the novel-coronavirus in the 2020-21 fiscal year presented many challenges across the province. For our farming sector, access to foreign labour at the onset of the growing season was a challenge that led to some crops not being planted. At the same time demand for locally produced products spiked as people looked to support the economy of the province and food consumption habits shifted amid restrictions on the dining and hospitality sectors. We expect this trend to continue into 2021-22 and have built our plan to be able to respond and adapt to support our clients where and when needed the most.

The FLB participated in a provincial program to allow payment deferrals to all clients. Our team made extensive efforts to personally contact every client to explain the program and other options available to assist through the pandemic. These efforts ensured that our producers had adequate access to capital through a supportive, local lender. While a full provincial deferral program is not anticipated in 2021-22, the FLB will continue to work with clients on a case-by-case basis offering deferrals and working capital to mitigate the impacts of the pandemic on their operations. The FLB provided loans that helped our clients pivot to meet their changing business environment, including financing equipment to modify distilling operations to produce hand sanitizer and working capital loans to provide much needed cash for farms to meet the COVID-19 related programming requirements of utilizing temporary foreign workers on farm. The FLB will continue to provide these supports into 2021-22 and will adapt as required to address new challenges presented by the pandemic.

In 2021-22, the FLB's main focus will continue to be supporting our clients, and the sector at large, through the coronavirus pandemic to the recovery phase. The outlook is promising with vaccine rollout underway. FLB will be ready to serve our clients as a stable, local source of capital.

FLB will undertake a review of its marketing and communication strategy to ensure producers in the province see the Board as a top choice among potential lending partners. This work will build on the promotional efforts and rebranding work the Board has undertaken in recent years.

We will continue to promote and expand our product offerings and services into the developmental and value-add sectors. At the same time, the board will refocus on our areas of strength, namely our connection to our clients and our shared Nova Scotia roots which uniquely position us to offer tailored solutions and responses developed right here at home.

## Portfolio Management

The FLB is responsible for an estimated \$175 million over 660 loans, invested with a lending cap of \$250 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 Board makes every effort to assist its clients by providing support through all business cycles including industry downturns as evidenced by our swift response to the coronavirus pandemic. Whenever possible, innovation and value-added processing are also supported. The FLB will invest up to \$40 million to this end in 2021-22.

## Community Pasture Program

The FLB has eight community pastures located throughout rural Nova Scotia. Developed in the 1950's, the community pasture program was designed to help beef farmers reduce their costs by providing grazing land for their animals throughout the summer months.

The pastures have nearly 6,000 acres of land, with 3,775 of those acres cleared. The FLB is proud to have this land available for farmers, and to keep large pieces of land in our province for agricultural use. Unfortunately, many of these pastures were underutilized, and not realizing their full benefits for not only the Agriculture industry, but also for the communities where that they are located. To address this and related issues, in 2020 - 21 we began work to make sure that the pastures continue to be a resource available to help grow the rural economy now and for future generations. We undertook two major projects, "Nova Scotia Community Pasture Assessment" as well as a "Establish a New Vision & Governance model for Nova Scotia Community Pastures". With these projects scheduled to be completed in late 2020 - 21, the FLB will be moving forward with a plan for implementation of recommendations in 2021 - 22.

## Performance Goals

Crown Lending Agencies, the administrative unit supporting the FLB, operates under two themes and five strategic goals: Actions within each of these areas are identified below.

*Efficient and Effective Service: Providing new and existing clients, timely, accurate, and valuable lending experience. These goals strive to assist industry with quality programs and outstanding service they can trust.*

1. Increasing impact on industry through **quality lending** and superior client service
  - Increase client touch points with one annual direct mail-out, timely communications and check-ins 2-3 times per year.
  - Development of staff through training opportunities in areas such as customer relationship building, including an all staff training seminar. Increase confidence in the role of the board and learn to tell our story.
  - Develop a balanced portfolio of established enterprises and developmental initiatives that have the potential to benefit multiple producers or sectors. Allocate five percent of new loans to new initiatives and highly developmental projects.
2. Building trusting relationships through **accountability** for quality and timely work
  - Continue work to replace legacy loans management software to enable better client contact, self service options, and easier, more timely reporting to stakeholders.
  - Independently audited financial statements, including an updated process for recording FLB assets, and streamlining the process for calculating bad debt.
  - Reasonable turn around times for applications, reducing times by 2 business days, and exceeding response times of other lenders to client inquires.
  - Review loan terms and risk ratings through a retention lens to maintain balance in the overall portfolio, aim to maintain 95% of our clients at their five-year renewal period.
3. Improving team effectiveness through a positive work environment and **continuous improvements**
  - Monitor trends in employee engagement and offer each staff member two development opportunities to attract and retain high-performing employees.



- Share and celebrate success stories internally and externally, publishing four stories in the Agri-News, one in the Federation of Agriculture's News and Views, and 6 new stories published on our website.
- Continue to practice the principles of LEAN by undertaking two new projects and "Quick Hits" to improve operations.

*Positioned for Success: Growing and evolving with industry, FLB strives to stay relevant adapting to new trends and forming new partnerships to become the lender of choice for Agriculture and Forestry in Nova Scotia.*

4. **Growing the rural economy** through responsible lending
  - 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.
  - Complete a new marketing and communication strategy and begin implementation of recommendations. Promotion of the refreshed Timber Loan Board mandate
  - Build strategic partnerships that help promote the work of the board, through supporting four industry newsletters with advertising features, offering webinars or in-person seminars to two industry groups
  - Renew our focus on the next generation of farmers in the province by positioning the board as a succession planning partner, creating a targeted marketing brochure, and increasing the number of our succession loans by five.
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.
  - Respond to the growth in the value-add and processing sectors in the province that utilizes outputs from local primary producers.

Projects will be developed in 2021-22 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 will include enhancing and adapting elements of three current products for the forestry sector and as well as developing one new product offering for the sector, modifying the micro-loan and working capital loans to support clients to continue to adapt to COVID requirements, developing and implementing improved

information technology and reporting systems and using the new marketing and communication strategy to help inform change, including launching of a social media presence.

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

**Enabling Responsible Economic Growth:** FLB investments are positioning Nova Scotia as better and more productive place to harvest, grow and produce food and agri-products. These investments support production of more local food and provide more food security for Nova Scotians. Creating 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, once they are at or near the commercialization stage.

**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:** The FLB supports development of new markets and export activity by providing access to capital for scaling up production and professional support such as marketing and food safety consulting.

**Encouraging Value Added Opportunities:** The FLB has invested millions in Nova Scotia's growing wine sector and is expanding to support the brewing and distillery sectors when there is sufficient use of Nova Scotia inputs. 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. In particular, the Board is making investments in innovative technologies to extend the growing season and enhance our production and food security, new processing equipment, and new energy efficient builds and retrofits of existing facilities.

## Regulatory Changes

In partnership with the Department of Agriculture, the Department of Lands and Forestry and the Forestry Transition Team, a review of the *Timber Loan Board Regulations* was undertaken to modernize and align the regulations with sister agencies, the Nova Scotia Fisheries and Aquaculture Loan Board and the Nova Scotia Farm Loan Board, which were similarly updated and implemented in 2018-19. Under the umbrella organization of Crown Lending Agencies, staff have been working to streamline and align processes for all three boards to increase efficiencies, lending capacity, and reduce administrative processes. The FLB staff and directors are committed to promoting the revamped regulations to potential borrowers in the forest sector. The Board will continue to have an appointed forestry representative to provide advice and guidance. The revamped regulations will provide unique sector supports and make the TLB a more appealing institution for borrowers by providing businesses with greater and more flexible loan options that fit their needs.



## Capital Funds

Description	2020-2021	2020-2021	2021-2022
	Estimate	Forecast*	Estimate
	(\$ 000)	(\$ 000)	(\$ 000)
<b>Opening principal</b>	166,040	176,034	166,319
Add loan advances	40,000	26,050	40,000
Less repayments	(28,000)	(22,620)	(28,000)
Less principal written off	(2,000)	(2,943)	(2,000)
<b>Closing principal</b>	176,040	176,521	176,319
<b>Provision for impaired accounts</b>			
<b>Opening provision</b>	15,406	12,892	10,202
<b>Less accounts written off</b>	(2,000)	(2,943)	(2,000)
Additions (principal portion of bad debt expense +/- adjustments)	253	253	253
<b>Closing allowance</b>	13,659	10,202	8,455
<b>Net portfolio at year end</b>	162,381	166,319	167,864

\*Forecast data from March 2, 2021

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  
FARM LOAN BOARD**

### **Head Office**

Edward F. Lorraine Building  
74 Research Drive  
Bible Hill, NS B6L 2R2  
(902) 893-6506

### **Field Office**

Kentville Agricultural Centre  
32 Main Street  
Kentville, NS B4N 1J5  
(902) 679-6009

[FLBNS@novascotia.ca](mailto:FLBNS@novascotia.ca)

Visit our website for additional information.

[novascotia.ca/farmloan](http://novascotia.ca/farmloan)



**NOVA SCOTIA  
FISHERIES & AQUACULTURE  
LOAN BOARD**

## BUSINESS PLAN

2021-2022

Nova Scotia Fisheries and Aquaculture Loan Board

You see potential. So do we.



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## Message from the Board Chair and CEO

The Nova Scotia Fisheries and Aquaculture Loan Board (FALB) was established over 80 years ago to help maximize the potential of the fisheries in our province. The ocean was then, and still is, an important economic driver in the Nova Scotia economy. Fish harvesting, aquaculture, and the related processing business is a critical piece of the economic landscape in rural Nova Scotia. The FALB works diligently on behalf of all Nova Scotians to support innovation, growth, sustainability, and employment in our seafood sector. From harvesters and sea farmers and up through the value chain to processors finding unique and innovative ways to utilize the outputs from Nova Scotia's ocean resource, the FALB is a respected partner working to maximize the value of Nova Scotia's seafood sector.

### An Innovative Partner

The FALB will continue to develop partnerships to foster new ideas and growth. The roots of the FALB are based around developmental lending. To that end, we have been working hard to build partnerships with the Nova Scotia Department of Fisheries and Aquaculture, Perennia Food and Agriculture Inc., the Atlantic Fish Fund and others to ensure up and coming Nova Scotia based harvesters, producers, and processors see the FALB as a top choice financing option.

### Buy Local. Finance Local.

The past year was a challenging one with the onset of the COVID-19 pandemic. It has highlighted the importance of food security for all Nova Scotians and the vulnerability of supply chains to disruptions. Even before the pandemic, the FALB was working to support value add enterprises and our processors in the province to ensure we have access to a wide range of fresh, frozen, and prepared seafood right here at home. This work is allowing Nova Scotians to access more local options on store shelves than ever before.





## Export Recovery

Prior to the COVID-19 pandemic seafood exports were well established as Nova Scotia's top export. The pandemic caused an immediate and drastic drop in export volumes and cargo airlift to our largest markets, notably America and China. The FALB is not just a lender, we are a partner in ensuring our client's success and stability. To that end, the Board took quick action to offer deferral programs to our clients to ensure they had the resources available to weather a turbulent 2020. As we look toward 2021-22, we expect improving prospects for the sector as vaccine programs begin to roll out allowing international tourism and hospitality sectors to restart. This will support export recovery in our seafood sector as demand increases for the premium quality products for which Nova Scotia is well known.

## Nova Scotia Based Clients. Nova Scotia Based Decisions.

The pandemic has also offered a chance to reflect on the importance of having a Nova Scotia based lending partner. The FALB has been moving in lockstep with our clients and partners to help them navigate these kinds of ups and downs for over 80 years. Our decisions are not driven by shareholder returns as our mission is clear in providing responsible lending to support sustainable seafood and related businesses here at home in Nova Scotia.

FALB's contribution to Nova Scotia's seafood sector and rural communities by supporting harvesters, sea farmers, and processors is outlined in our 2021-2022 business plan. Our overall goal is to remain a valued partner to our clients and to be a top choice for financing in the sectors we serve.

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Denny Morrow  
Chair

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Jennifer Thompson  
Chief Executive Officer (CEO)



## Mission

The FALB supports the development of sustainable 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 FALB 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. FALB 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 the FALB reports to the Deputy Minister of Agriculture and is responsible for the operations of the FALB and the Nova Scotia Farm Loan Board, collectively known as Crown Lending Agencies. 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 \$238 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. The FALB believes that the entire community benefits when harvesters and processors have access to new and innovative technology.

## Fisheries and Aquaculture Loan Board Focus

The arrival of the novel-coronavirus in the 2020-21 fiscal year presented many challenges across the province. For our seafood sector, access to foreign labour and export markets were a challenge. At the same time, demand for locally sourced products spiked as people looked to support the economy of the province and food consumption habits shifted amid restrictions on the dining and hospitality sectors.

The FALB participated in a provincial program to allow payment deferrals to all clients. Our team made extensive efforts to personally contact every client to explain the program and other options available to assist through the pandemic. These efforts ensured that our clients had adequate access to capital through a supportive, local lender.

In 2021-22, the FALB's focus will continue to be supporting our clients, and the sector at large, through the coronavirus pandemic to the recovery phase. The outlook is promising with vaccine rollout underway and export market demand already recovering. The eventual reopening of the tourism and hospitality sectors, including casinos and cruise ships which are important markets for crab and lobster exports will further support recovery efforts. FALB will be ready to serve our clients as a stable, local source of capital.

FALB will undertake a review of its marketing and communication strategy to ensure producers in the province see the Board as a top choice among potential lending partners. This work will build on the promotional efforts and rebranding work the Board has undertaken in recent years.

We will continue to promote and expand our product offerings and services into the

developmental and value-add sectors. At the same time, the Board will refocus on our areas of strength, namely our connection to our clients and our shared Nova Scotia roots which uniquely position us to offer tailored solutions and responses developed right here at home.

## Portfolio Management

The FALB is responsible for an estimated \$238 million over 900 loans, invested with a lending cap of \$400 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 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 FALB invested an estimated \$62 million in 2020-21, contributing to Nova Scotia's ocean 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 will invest up to \$60 million in 2021-22.



## Performance Goals

The Crown Lending Agency, the administrative unit supporting the FALB, operates under two themes and five strategic goals, actions within each of these areas are identified below:

*Efficient and Effective Service: Providing new and existing clients, timely, accurate, and valuable lending experience. These goals strive to assist industry with quality programs and outstanding service they can trust.*

1. Increasing impact on industry through **quality lending** and superior client service
  - Increase client touch points with one annual direct mail-out, and through timely communications and regular check-ins 2-3 times per year.
  - Development of staff through professional development in areas such as customer relationship building including an all staff training seminar. Increase confidence in the role of the Board and learn to tell our story
  - Develop a balanced portfolio of established enterprises and developmental initiatives that have the potential to benefit multiple producers or sectors. Allocate five percent of new loans to new initiatives and highly developmental projects.
  
2. Building trusting relationships through **accountability** for quality and timely work
  - Continue work to replace legacy loans management software to enable better client contact, self service options, and easier, more timely reporting to stakeholders.
  - Independently audited financial statements, including an updated process for recording FALB assets, and streamlining the process for calculating bad debt
  - Reasonable turn around times for applications, reducing times by 2 business days, and exceeding response times of other lenders to client inquires. Review loan terms and risk ratings through a retention lens to maintain balance in the overall portfolio, aim to maintain 95% of our clients at their five-year renewal period.
  
3. Improving team effectiveness through a positive work environment and **continuous improvements**
  - Monitor trends in employee engagement and offer each staff member two development opportunities to attract and retain high-performing employees. Share and celebrate success stories internally and externally, publishing 6 new stories on our website, and publishing one story in an industry publication.
  - Continue to practice the principles of LEAN by undertaking two new projects and “Quick Hits” to improve operations.

*Positioned for Success: Growing and evolving with industry, FALB strives to stay relevant adapting to new trends, and forming new partnerships to become the lender of choice for Fisheries and Aquaculture operations in Nova Scotia.*

4. **Growing the rural economy** through responsible lending
  - 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.
  - Complete a new marketing and communication strategy and begin implementation of recommendations.
  - Build strategic partnerships that help promote the work of the Board, through supporting four industry newsletters with advertising features, offering webinars or in-person seminars to two industry groups.
  - Renew our focus on the next generation of fishers in the province by positioning the Board as a succession planning partner.
  
5. Positioning for **continued success** through effective systems and responsiveness to industry changes
  - 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.
  - Respond to the growth in the value-add and processing sectors in the province that utilizes outputs from local primary producers.

Projects will be developed in 2021-22 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 will include enhancing elements of current products and developing new product offerings, developing and implementing improved information technology and reporting systems and using the new marketing and communication strategy to help inform change, including the launching of a social media presence. The Board will continue to monitor the COVID-19 impacts and modify micro-loans and working capital loans to support clients adapting to public health and safety requirements.

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

**Enabling Responsible Economic Growth:** FALB investments are positioning Nova Scotia as better and more productive place to harvest, grow and process seafood and related products. These investments support production of more local food and provide more food security for Nova Scotians. The export market for Nova Scotia seafood products has already entered recovery following the pandemic and the FALB will be positioned to

support producers and processors reaching new and existing markets. These investments support economic spin-offs in related industries such as boat building and material suppliers. This year, the Board will invest up to \$60 million in the development of the 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, and processing and quality improvements including food safety, building confidence in our products for local and international consumers.

**Increasing Trade and Market Access:** The FALB supports development of new markets and export activity by providing access to capital for scaling up production and professional support such as marketing and food safety consulting.

**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.



## Capital Funds

Description	2020-2021	2020-2021	2021-2022
	Estimate	Forecast*	Estimate
	(\$ 000)	(\$ 000)	(\$ 000)
<b>Opening principal</b>	189,705	195,914	235,415
Add loan advances	60,000	60,150	60,000
Less repayments	(27,000)	(17,130)	(27,000)
Less principal written off	(-)	(-)	(-)
<b>Closing principal</b>	<b>222,705</b>	<b>238,934</b>	<b>268,415</b>
<b>Provision for impaired accounts</b>			
<b>Opening provision</b>	1,822	2,669	3,519
<b>Less accounts written off</b>	(-)	(-)	(-)
Additions (principal portion of bad debt expense +/- adjustments)	850	850	850
<b>Closing allowance</b>	<b>2,672</b>	<b>3,519</b>	<b>4,369</b>
<b>Net portfolio at year end</b>	<b>220,033</b>	<b>235,415</b>	<b>264,046</b>

\*Forecast data from March 2, 2021

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.





NOVA SCOTIA  
FISHERIES & AQUACULTURE  
LOAN BOARD

### Head Office

Edward F. Lorraine Building  
74 Research Drive  
Bible Hill, NS B6L 2R2  
(902) 896-4800

### Field Office

Kentville Agricultural Centre  
32 Main Street  
Kentville, NS B4N 1J5  
(902) 679-6009

### Yarmouth Office

Harbourfront Place 101  
3 Lovitt Street  
Yarmouth, NS B5A 3C1  
(902) 774-0102

[FLBNS@novascotia.ca](mailto:FLBNS@novascotia.ca)

Visit our website for additional information.

[novascotia.ca/fishloan](http://novascotia.ca/fishloan)

## 2021-22 BUSINESS PLAN

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*March 2021*

Nova Scotia Gaming Corporation  
1601 Lower Water Street, Suite 501  
P.O. Box 1501  
Halifax, NS B3J 2Y3  
[www.gamingns.ca](http://www.gamingns.ca)

Phone: (902) 424-2203  
Fax: (902) 424-0724

## **Message from the Minister, Chair, and President & CEO**

We are pleased to present the Nova Scotia Gaming Corporation (NSGC) Business Plan for 2021-22. 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 2021-22 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 \$46 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 \$20 million to support the arts, culture and heritage sectors.

NSGC's Plan for 2021-22 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 Labi Kousoulis  
Minister responsible for Part I of the *Gaming Control Act*

Byron Rafuse  
Chair, Board of Directors

Robert MacKinnon  
President & CEO

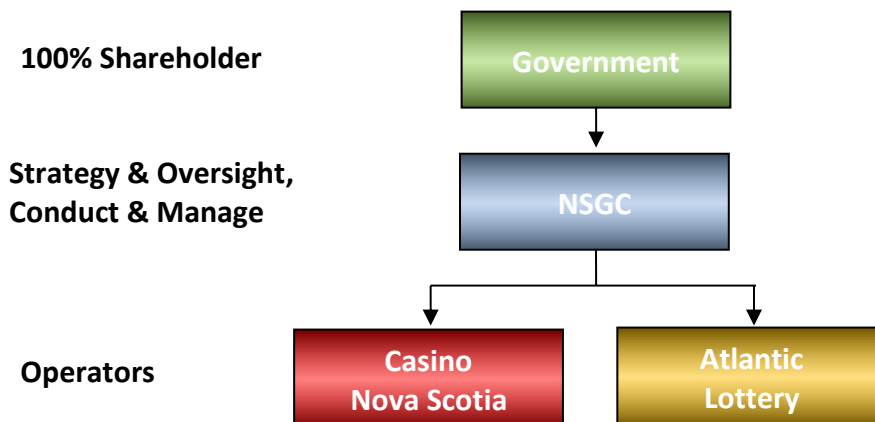
# Mission

*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.

## ***COVID-19 Impact***

NSGC's operations were impacted during the current year by the COVID-19 pandemic. The closure of the casinos and the shut down of the video lottery terminals for several months negatively impacted the financial results for the year. In addition, physical distancing requirements negatively impacted several retailers and, in some cases, resulted in closures or reduced sales. In contrast, NSGC has seen growth in online play, with record numbers of new account sign ups and revenues.

The plan for 2021-22 includes a number of initiatives targeted at building back the business that was lost during the pandemic by focussing on new dynamics in the market.

## ***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 2021-22, NSGC will provide \$149.0 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 \$35.4 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 2020-21 Activities***

Many 2020-21 activities were impacted negatively by the COVID-19 pandemic, which also contributed to a change in consumer behaviour resulting in an increase in online play. Some of the highlights in each area include:

***Casinos:*** The casinos in Halifax and Sydney have been closed during much of the fiscal year. The casinos closed on March 16, 2020 and re-opened in early October 2020, and experienced reduced traffic due to physical distancing measures and reduced offerings. This is expected to continue throughout the remainder of 2020-21. On November 26, 2020, the Halifax casino was ordered closed for at least two weeks and remained closed until public health approved otherwise.

***Ticket Lottery:*** There was growth in online sales for both traditional ticket lottery and new online games. The retail closures and physical distancing encouraged players to shift to online products.

***Video Lottery:*** The video lottery terminals were shut down on March 16, 2020 and were not available again until early June 2020. Video lottery locations have been focussing on offering the terminals in a safe manner, with enhanced cleaning protocols and physical distancing measures. On November 26, 2020, the video lottery terminals in the Halifax area were ordered shut down for at least two weeks and remained shut down until public health approved otherwise.

**Responsible Gambling:** Responsible gambling programs remain a priority for NSGC. Initiatives completed in 2020-21 included:

- Responsible Gambling Awareness Week;
- Design of new gambling literacy year-round campaign; and
- Continued implementation of the Responsible Gambling Assessment program to ensure all games, promotions and materials are evaluated prior to launch in the marketplace.

## ***2021-22 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 2021-22:

**Casinos** – Casino Nova Scotia plans to focus on inviting guests back to the casinos and improving guest service standards with the restrictions in place to reduce the spread of COVID-19. The gradual re-introduction of dining and entertainment amenities will happen during the year as public health guidelines permit.

**Ticket Lottery** – Ticket lottery is NSGC's most mature business line and requires additional innovation to be sustainable. In 2021-22, ALC will leverage the investments made over the past number of years and the shifting customer behaviour to offer new games, make improvements to the retail experience as well as expand the 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 2021-22 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. The changes at locations related to cleaning protocols and physical distancing measures will continue in 2021-22.

## ***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 2021-22 is to improve the player experience and expand the offering 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; and
- ▶ 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***

<b>Outcome</b>	<b>Indicator(s)</b>	<b>Measure(s)</b>	<b>Baseline</b>	<b>Target 2021-22</b>	<b>2021-22 Strategies and Initiatives</b>	<b>Long-term Target 2024-25</b>
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	\$449.5 million	Continue to provide relevant and engaging products to players in a safe and regulated environment	\$473.7 million
		Payment to Province	6-year Average (2010 to 2016) \$135.6 million	\$149.0 million	Ensure Operators are meeting business plan objectives	\$155.5 million
	Government reduced reliance on revenue from VLTs	Video Lottery as % of total provincial revenue	(2010-11) 0.91%	0.85%	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	\$35.4 million	Leverage new ticket and video lottery products and make further enhancements to the video lottery business model	\$36.5 million
Nova Scotia has a socially responsible gaming 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 gaming 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 Corporate Social Responsibility Business Plan	55%

## 2021-22 Budget

	<b>Estimate 2020-21 (\$ 000)</b>	<b>Forecast 2020-21 (\$ 000)</b>	<b>Estimate 2021-22 (\$ 000)</b>
<b>Sales</b>			
Casinos	\$ 89,300	\$ 15,000	\$ 54,800
Ticket Lottery	246,700	243,100	272,300
Video Lottery	<u>130,500</u>	<u>95,600</u>	<u>122,400</u>
<b>Total Sales</b>	<u>466,500</u>	<u>353,700</u>	<u>449,500</u>
Cost of Sales	<u>316,800</u>	<u>242,700</u>	<u>293,500</u>
<b>Gross Profit</b>	<u>149,700</u>	<u>111,000</u>	<u>156,000</u>
<b>Expenses</b>			
Responsible Gambling Programs	7,500	6,600	7,100
Commitments to Community			
Programs	<u>11,200</u>	<u>10,200</u>	<u>10,200</u>
<b>Total Expenses</b>	<u>18,700</u>	<u>16,800</u>	<u>17,300</u>
<b>Net Income</b>	<u>131,000</u>	<u>94,200</u>	<u>138,700</u>
<b>Casino Win Tax</b>	<u>15,900</u>	<u>2,700</u>	<u>10,300</u>
<b>Payment to Province</b>	<u>\$146,900</u>	<u>\$ 96,900</u>	<u>\$149,000</u>

# Nova Scotia Lands Incorporated

Business Plan 2021–22



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## Message from the Minister and President

We are pleased to present the 2021-2022 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 continues 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, in Liverpool, 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. Extensive site and base line assessments have been completed, and the project detailed design is substantially complete. Our stakeholder engagement continues to be significant, including the public, other levels of government, First Nations, academia, and industry.

The federal environmental assessment has been a significant focus of NSLI efforts and is well advanced. NSLI has initiated planning for the major upcoming procurements on the project as we swing towards its implementation.

NSLI continues to work on several other environmental remediation projects across the province. The division is providing support to the Department of 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 provincial 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 127 employees made up of NS Lands Healthcare, Nova Scotia Health (NSH), and supporting departments across the province. Success has been seen with the completion of the Hants County Operating 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 another productive year!

**Original Signed By**

Lloyd P. Hines  
Minster, Transportation and Active Transit

**Original Signed By**

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

## Background

In 2007, the Province incorporated Nova Scotia Lands Inc. (NSLI). 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 NSLI Board of Directors. The integrated team is primarily made up of NS Lands Health Infrastructure division, Clinical Supply Chain, NSH, Department of Health and Wellness, Transportation and Active Transit, and the Department of Finance and Treasury Board. This division is in the midst of oversight of the largest infrastructure project ever in Nova Scotia. Over the upcoming year the division will transition its reporting relationship to the newly created Department of Infrastructure and Housing.

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

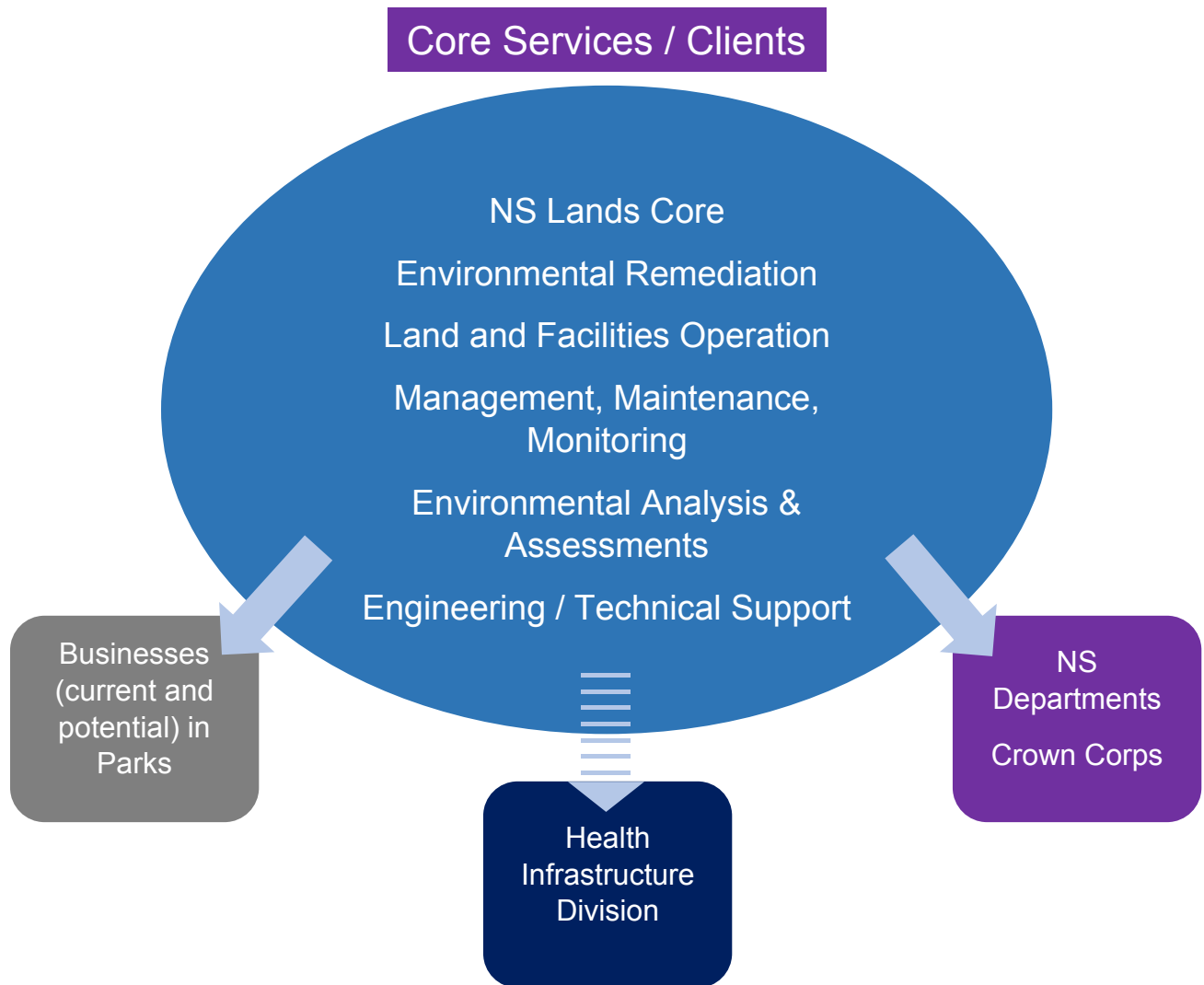
- To be transparent and accountable
- To capitalize on human built strengths and recognize a competent and capable workforce
- To ensure a safe working environment

## 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 Redevelopment<sup>1</sup>

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<sup>1</sup> Under Special Resolution, this program reports directly to the Executive Oversight Committee, made up of representatives from Dept of Health, Finance, Transportation and Active Transit and the NS Health, 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.
- Continue with long-term monitoring and maintenance efforts for the former Sydney Tar Ponds and Coke Ovens project.
- Engage with and project manage several consultants supporting environmental monitoring on several provincial projects/properties.
- Employ a monitoring system to ensure reporting requirements are met on all Industrial Approvals (IA's) with our partners at Nova Scotia Environment and Climate Change.

- Continue to build meaningful partnerships with government departments and maintain those already in existence.
- Begin the remedial efforts to address mine tailings on the Montague and Goldenville former gold mines.
- Provide project management services for mine remediation projects for our partners at Nova Scotia Department of Lands and Forestry.
- Complete remedial efforts for closure of the former RDM Disposal Site Assessment in Harrietsfield. Establish a Long-Term Monitoring Plan for the site.
- Complete the removal of Abandoned or Wrecked Vessels project and begin the removal phase for those vessels.
- Continue work on provincial dam assessment and monitoring program.

## Parks and Land Management

### Harbourside Commercial Park and Open Hearth Park

- Continue to sell land to new businesses and expand existing businesses to help foster economic growth and job creation.
- 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 process of transferring property to private ownership through purchase option agreements.
- 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 Transportation and Active Transit (TAT) 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 substantially complete. The proposed remediation activities are estimated to be complete in four to seven years commencing, at the earliest, in 2022. The project is subject to a federal environment assessment (EA) process undertaken by the Impact Assessment Agency of Canada (IAAC), 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 IAAC assessment being implemented.

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

- All site assessments and baseline studies completed
- Project design and tender ready documents are complete awaiting an IAAC environmental approval decision
- Real-time air monitoring complete and air monitoring on the National Air Pollution Surveillance Program (NAPS) schedule ongoing
- A final Environmental Impact Statement was submitted to IAAC in December 2020
- Industry briefing being undertaken in December 2020
- Procurement has been engaged through the Department of Service Nova Scotia and Internal Services
- A Fairness Monitor has been engaged to monitor procurement processes

## 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 County Operating Rooms and Dartmouth General Expansion have already been completed. Success of the projects to date, and in the 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
- Department of Health and Wellness
- Department of Finance and Treasury Board
- Department of Justice
- Department of Transportation and Active Transit
- Department of 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

The QEII Redevelopment initiative is a massive, multi-year project, and an incredible opportunity that will allow the Province to transform how we deliver and meet the health care needs of Nova Scotians. The project is focused on the development of new healthcare facilities and programs within the QEII Health Sciences network. The development of the project will enable services to be relocated from aging facilities such as the Victoria General Hospital and Dickson Centre to new, state of the art buildings and renovated program spaces. 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 Infirmary Expansion Project
    - Construction of an Inpatient Centre
    - Construction of a new designated Innovation and Learning space within the Outpatient and Cancer Care Centre
    - Construction of a new approximately 1,000 car parkade on the Halifax Infirmary block
    - Construction of a new centralized utility plant for the new buildings
  - CBC Demolition Project
  - Summer Street Parkade
  - Emergency Doctors Administration Space Relocation
- Chemo Prep Laboratory
- Halifax Infirmary 3<sup>rd</sup> / 5<sup>th</sup> Floor Project

The QEII Redevelopment project has been successful in reaching many critical milestones. The work performed by the integrated team has shown a continuous commitment to the overall vision of creating and delivering better health care to Nova Scotians across the Province. Below is a list of various milestones reached on the project:

- Dartmouth General Expansion substantially complete – December 2020
- Halifax Infirmary request for proposal release – November 2020
- Bayers Lake Community Outpatient Centre request for proposal close – August 2020
- Chemo Preparation Lab – Complete March 2020
- Summer Street Parkade request for proposal awarded July 2020
- CBC Demolition request for proposal awarded (March 2020) and substantial completion achieved January 2021
- Emergency Doctors Administration space relocation initial tender package release – December 2020

### 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 Health Centres planned for New Waterford, and communities of the Northside, as well as expansion and renovations at Glace Bay and Cape Breton Regional hospitals. Design work is well underway at all sites and early construction

work has begun at Cape Breton Regional and New Waterford facilities. The redevelopment is summarized as follows:

- Glace Bay Hospital
  - The Tom Peach Renal Dialysis Clinic has been completed and is operational. Expansion and renovations also include a new emergency department, renovated emergency rooms, 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
  - Mother and Child
- New Waterford Primary Care Facility
  - A new health centre, including 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.
- Northside Health Centre/Long-Term Care Facility and Laundry Facility
  - A new modern health centre, including space for a collaborative family practice team, community-based services, day clinics and clinical support services.
  - A 60-bed long-term care home.
  - A new laundry centre.

## Nova Scotia Lands – Original Mandate Budget Context

	<b>Estimate 2020-2021 ('000)</b>	<b>Forecast 2020-2021 ('000)</b>	<b>Estimate 2021-2022 ('000)*</b>
<b>REVENUES</b>			
Miscellaneous Recoveries	445	85	189
Leases	55	52	245
Wharf Usage	129	129	0
Equipment Rentals	10	5	5
Ec Dev Provincial Recovery	1,259	1,259	1,259
Grant-Pictou Wharf	0	3	0
PNS Grant	750	750	750
OHP LTMM Fund & Admin Fee	1,161	1,065	1,183
Provincial Funding	0	0	35
Sale of Land-Gain	0	0	290
SUL Recovery	0	0	120
Boat Harbour & Admin Fee	7,205	7,205	5,650
Dam Projects	0	41	72
Recovery from Sysco & Admin Fee	4,200	2,781	2,554
HCPI Management Fee	180	180	0
Miscellaneous Income	125	104	87
Gold Mines Project & Admin Fee	20,152	2,280	7,500
Future Building/School Demolition & Admin Fee	550	150	0
Tidal Energy Project	50	50	40
Trenton Commercial Park	1,076	1,076	1,076
Harrietsfield Landfill	8,081	15,000	310
Marine Vessel Program & Admin Fee	429	429	535
LAF Contaminated Sites	560	200	1,500
Wood Heat Conversion	0	70	0
Stimulus Grant	0	1,500	0
Miscellaneous Projects	0	0	2,170
<b>TOTAL REVENUE</b>	<b>46,417</b>	<b>34,414</b>	<b>25,570</b>



	<b>Estimate 2020-2021 ('000)</b>	<b>Forecast 2020-2021 ('000)</b>	<b>Estimate 2021-2022 ('000)*</b>
<b>EXPENSES</b>			
Payroll Expenses	2,098	2,112	2,160
General & Administration Expenses	1,610	1,584	1,761
Provincial Economic Development Initiatives PMCP	1,259	1,259	1,259
Site Reconstruction – PMCP	25	24	25
Sysco LTMM	3,751	2,331	2,075
OH Park & CO LTMM	824	728	824
Pictou Wharf	6	6	6
Boat Harbour	6,756	6,756	5,171
Gold Mines	20,000	2,200	7,400
Future Building/School Demolition Project	500	150	0
Marine Vessel Program	350	350	485
Dam Projects	0	0	72
Tidal Energy Project	0	0	0
Trenton Commercial Park	890	890	657
Harrietsfield Landfill	8,000	14,920	300
LAF Contaminated Sites	500	200	1,350
Wood Heat Conversion	0	45	0
Miscellaneous Projects	0	0	2,025
<b>TOTAL EXPENSES</b>	<b>46,569</b>	<b>33,555</b>	<b>25,570</b>
<b>NET INCOME (LOSS)</b>	<b>-152</b>	<b>859</b>	<b>0</b>

*\*HCPI, which was previously reported separately, will amalgamate with NS Lands effective April 1, 2021.*

## Harbourside Commercial Park Budget Context

	<b>Estimate 2020-2021 ('000)</b>	<b>Forecast 2020-2021 ('000)</b>	<b>Estimate 2021-2022 ('000)*</b>
<b>REVENUES</b>			
Leases	184	190	0
Provincial Funding	35	35	0
Other	624	1,539	0
<b>TOTAL REVENUE:</b>	<b>843</b>	<b>1,764</b>	<b>0</b>
<b>EXPENSES</b>			
General Operating Expenses	509	486	0
Management Fees	180	180	0
<b>TOTAL EXPENSES</b>	<b>688</b>	<b>666</b>	<b>0</b>
<b>OPERATING INCOME (LOSS)</b>	<b>155</b>	<b>1,098</b>	<b>0</b>
<b>CAPITAL REQUEST</b>	<b>200</b>	<b>230</b>	<b>0</b>

*\*HCPI will amalgamate with NS Lands effective April 1, 2021. Estimate for 2021-2022 is included in NS Lands.*

## Nova Scotia Lands – Health Infrastructure Budget Context

	<b>Estimate 2020-2021 ('000)</b>	<b>Forecast 2020-2021 ('000)</b>	<b>Estimate 2021-2022 ('000)</b>
<b>REVENUES</b>			
Provincial Funding	12,393	14,087	18,015
<b>TOTAL REVENUE:</b>	<b>12,393</b>	<b>14,087</b>	<b>18,015</b>
<b>EXPENSES</b>			
Salaries and Benefits	9,921	8,945	12,443
General Operating Expenses	2,472	5,142	5,572
<b>TOTAL EXPENSES</b>	<b>12,393</b>	<b>14,087</b>	<b>18,015</b>
<b>NET INCOME (LOSS)</b>	-	-	-

### **Budget/Forecast Variance Explanation:**

Increase of \$3.527M to reflect P3 Operating Accounting Treatments for QEII New Generation with offset of savings of vacancies and operational expenses resulting of a net increase of \$1.694M.

### **Budget/Forecast Variance Explanation:**

Increase of \$5.622M reflects majority of resources required for the redevelopment teams along with associated operational expenses including the \$2.7M for P3 Operating Account Treatments for QEII New Generation.

**ANNUAL BUSINESS PLAN  
FISCAL YEAR 2021-2022**



## A NEW CHAPTER

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# 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.

Our anchor has always been our people. Our aim is to create exceptional employee experiences, which in turn creates exceptional customer service experiences 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, our current strategic plan and this annual business plan focuses on our people, as well as our commitment to corporate social responsibility and 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 in 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.

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## 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

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## 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 second year of our new 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 embarking on the second year of our Strategic Plan for fiscal 2021-2022. Year one of the plan saw the unexpected impact of the COVID-19 pandemic, shifting our service approach to place priority on safety. We continue to work hard to create exceptional experiences for our customers in this new context and take our role as a responsible steward of beverage alcohol and cannabis sales in Nova Scotia seriously. The foundation for these responsibilities is anchored in trust and connection - 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 and COVID-19 has simply accelerated this reality.

### 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 experiences 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 safely 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. We will also continue to serve our customers through the lens of safety and care.

### 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, reliable, safe and responsible service. Supporting all employees through their entire employment life cycle will be a priority during the life of this plan. Ensuring our team members have the tools and support they need to work safely in the new context of COVID-19 will continue to be a top priority.

### 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 province through an enhanced community investment strategy and ensure responsible environmental and industry stewardship for Nova Scotia. We plan to develop programs and initiatives our employees are proud of and to celebrate the good we do for our province 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 and we plan to keep the good going.

## 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	TACTICS
<b>Listen to our customers, understand and respond to their needs to drive exceptional experiences</b>	<ol style="list-style-type: none"><li>1. Create new paths to listening and feedback loops</li><li>2. Align the organization to drive actionable insights</li></ol>	Develop integrated data solution for business reporting
<b>Ensure Nova Scotians can responsibly purchase the products they want through an evolved channel and distribution strategy</b>	<ol style="list-style-type: none"><li>1. Develop a channel optimization strategy in support of a holistic experience, balancing digital and physical, enabled by a strategic supply chain</li></ol>	Implement year two of the channel optimization roadmap  Continue to implement network development roadmap
<b>Empower our people to deliver authentic, consistent and exceptional customer experiences</b>	<ol style="list-style-type: none"><li>1. Define and align organizational approach to exceptional customer experience</li><li>2. Develop new approaches for training to drive consistency – Leadership, Service and Product training</li><li>3. Provide appropriate tools and support to our teams to enable them to meet customers on their terms</li></ol>	Implement service level standards & foundational training  Upgrade in-store inventory management tools and processes  Improve and enhance data and reporting efficiencies for internal & external audiences  Employee communication strategy & delivery solution
<b>Continue to create moments of meaningful discovery and engagement for customers across all channels</b>	<ol style="list-style-type: none"><li>1. Assess program effectiveness and streamline activity that drives engagement and return on investment</li><li>2. Align and integrate brand fundamentals</li><li>3. Identify optimal engagement touchpoints to improve performance of effective programs</li></ol>	Continue to implement improvements to shopper journey  Implement year two of the brand roadmap to help define exceptional experiences internally and externally  Complete network shopping experience assessment

## 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	TACTICS
<b>Build programs and a culture that attracts, develops and retains talent &amp; celebrates the contributions of our people</b>	1. Implement the Human Resources Transformation Roadmap to create a greater impact in support of attraction, retention and employee development	Implement: Retail Employee Development Strategy, Talent Acquisition Plan and year two of Managing Performance Fundamentals
	2. Provide HR tools to support a progressive people-centric organization	Human Resources Information System (HRIS) foundation and roadmap assessment
	3. Develop employee engagement strategy	
	4. Continue to create a culture of belonging that celebrates diversity and inclusion and aligns policies and practices to support this	Implement year two of Employee Engagement strategy and measurement framework  Implement recommendations from year one of Culture and Belonging Roadmap  Evaluate options to enhance our Employee Recognition program
<b>Build a purposeful leadership orientation within the organization</b>	1. Define leadership for the NSLC and develop training supports and culture integration tactics	Execute an analysis and assessment of leadership competencies
		Develop a succession planning framework

## RESPONSIBILITY

Fully integrate corporate social responsibility (CSR) 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 across key areas of responsible consumption education, community investment and sustainability.

STRATEGIES	ACTIONS	TACTICS
<b>Deepen CSR function across the organization and build ambassadorship among our people, customers, partners and stakeholders</b>	1. Identify meaningful points of engagement with our partners and throughout the organization	<p>Implement the Community Investment Strategy</p> <p>Complete organizational review of areas of opportunity, engage employees and begin to implement changes</p> <p>Partner with vendors on integration of CSR across community, responsible retailing/consumption and sustainability</p>
<b>Strengthen our partnerships to drive knowledge and awareness of moderate consumption</b>	<p>1. Build on partnerships to align and extend messaging</p> <p>2. Expand and strengthen responsible consumption and responsible retailing education</p>	<p>Implement and expand the impaired driving and responsible consumption platform</p> <p>Evolution and integration of responsible consumption programming focused on 19-35 year-old demographic</p>
<b>Celebrate the Good – demonstrate the value of the NSLC as a leading corporate citizen</b>	1. Develop a multi-year internal and external communication strategy	Develop plan to share the good and execute in alignment with brand roadmap
<b>Balance social, environmental and business needs to create sustainable success</b>	<p>1. Develop a holistic measurement approach to the business, including CSR Scorecard</p> <p>2. Define and align environmental sustainability commitment and goals and ensure integration into the organization</p>	<p>Publish and track measurement framework</p> <p>Complete organizational review, develop new targets and plan for environmental sustainability</p>
<b>Clarify and evolve our role in regulatory framework as a responsible steward of the Nova Scotia industry</b>	1. Evaluate the current oversight framework related to local production and sales. Explore opportunities to streamline regulatory processes to provide more consistency and efficiency.	<p>Execute new framework for oversight and enforcement</p> <p>Implement and monitor changes in the areas of permitting and product quality control</p>

## 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	TACTICS
<b>Sustainably grow our trusted local partnerships</b>	1. Enhance local partnerships and increase outreach to local industry associations to better support growth strategies	Implement Local Strategy and gain alignment on success measures  Implement Engagement Plan ongoing
<b>Share best practices to support industry evolution and knowledge</b>	1. Creative innovative opportunities to showcase local products across our channels  2. Share and leverage our expertise as a retailer and share best practices	Implement Local Marketing Strategy  Assess and expand opportunities to provide Nova Scotians access to local products they want

## 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	TACTICS
<b>Invest strategically in our technology and retail network to support the foundations of our business and positive customer and employee experiences</b>	<ol style="list-style-type: none"><li>1. Execute IT Roadmap foundational items</li><li>2. Establish a retail network maintenance roadmap</li></ol>	Continued implementation
<b>Balance investments in our key focus areas with operational efficiency to drive ease of doing business &amp; ensure consistent returns</b>	<ol style="list-style-type: none"><li>1. Enhance process improvement culture</li></ol>	Focus on efficiency and process improvement for key initiatives
<b>Enable business strategy across our key focus areas – Customer, People, Local and Responsibility</b>	<ol style="list-style-type: none"><li>1. Align our insights foundation and organizational focus on customer-first initiatives that drive sustainable profitability</li><li>2. Invest in developing our people and support them to drive exceptional customer experiences</li><li>3. Continue to strategically support Local industry through the NSLC's expertise</li><li>4. Continue to support corporate social responsibility initiatives</li></ol>	Continued implementation

# 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	2020	Ongoing Target
83%	85%	89%	87%	86%	88%	88%	88%	90%	90%	89%	89%	88%	90%	90%

## PEOPLE

Employee Engagement:

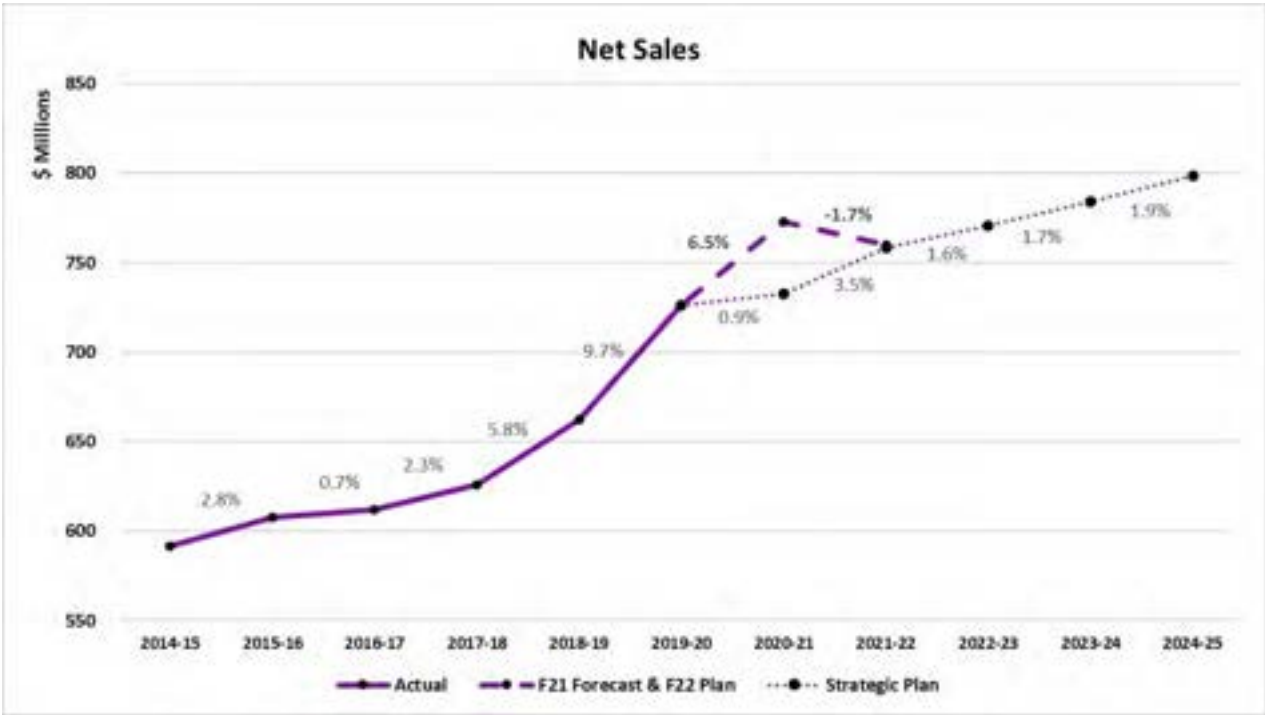
2003	2005	2008	2011	2013	2015	2017	2019	Ongoing Target
75.8	76.6	73.7	72.8	76	76.3	76.1	76.1	80.0

## LOCAL INDUSTRY

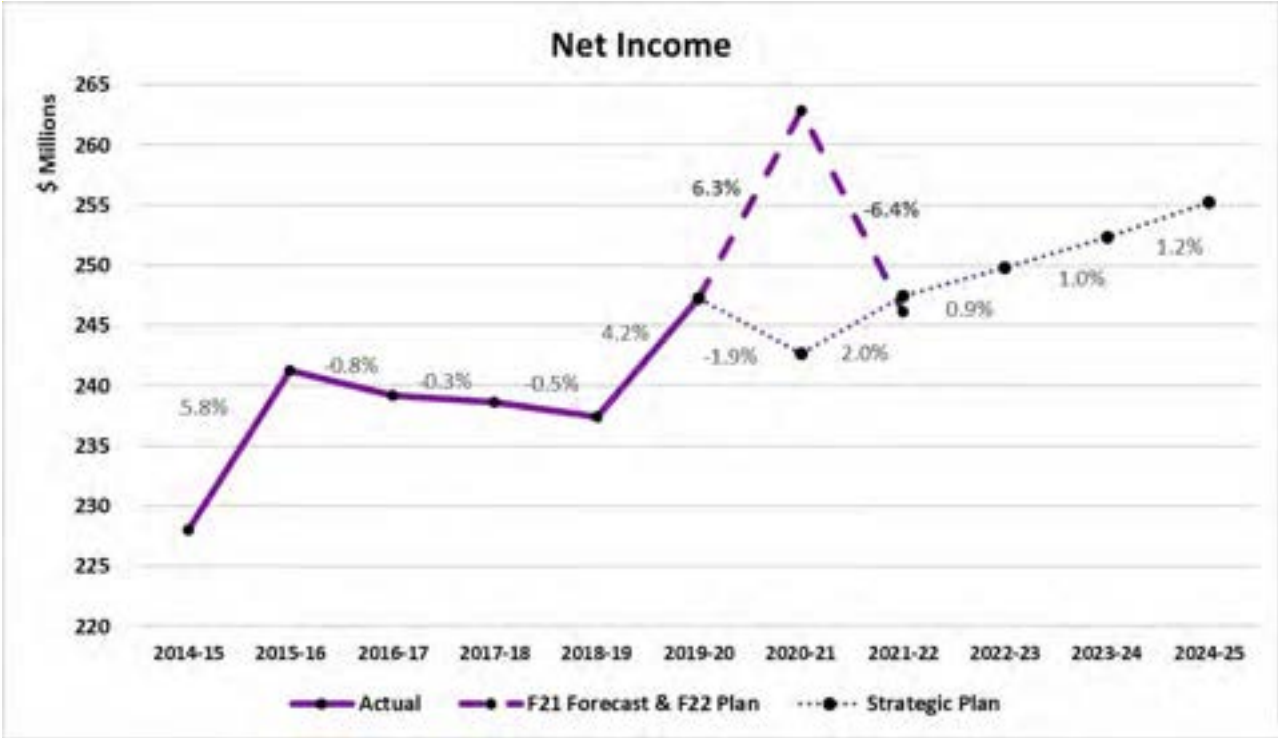
New measures are being defined to reflect consultations with industry.



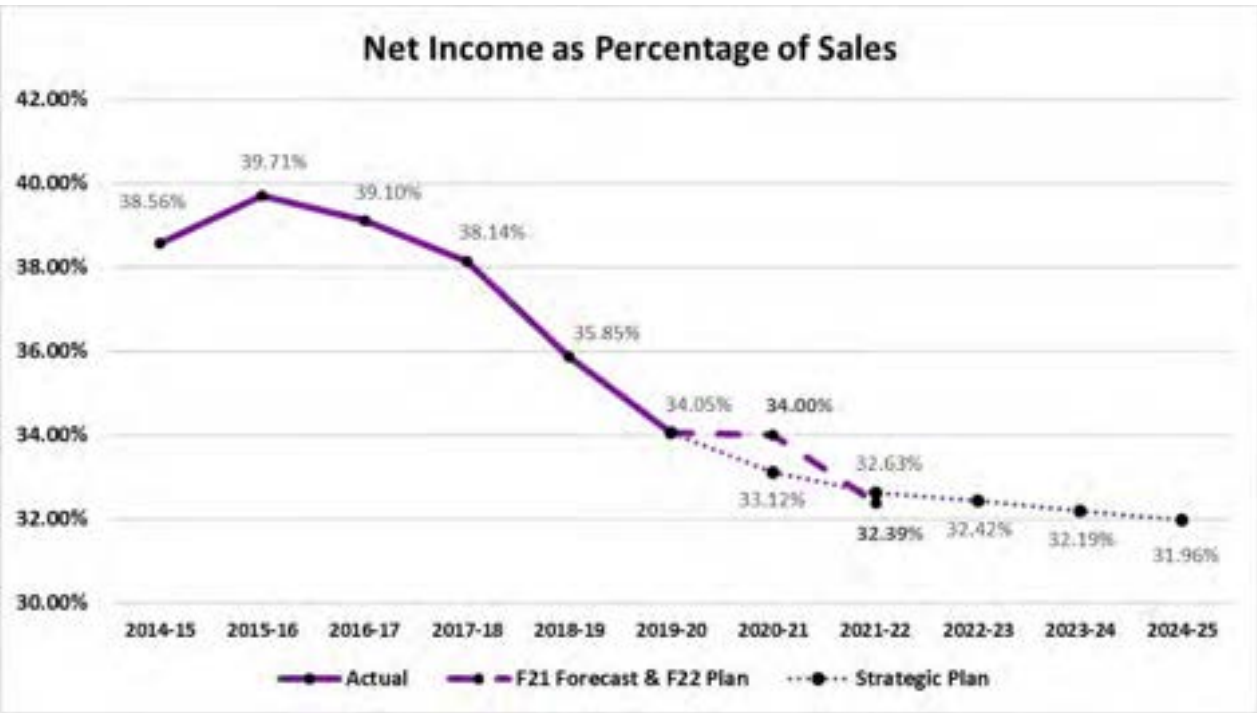
# FINANCIAL



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



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



## BUDGET CONTEXT

	Actual 2016-17	Actual 2017-18	Actual 2018-19	Actual 2019-20	Forecast 2020-21	Sales (%)	Budget 2021-22	Change (%)
	\$	\$	\$		\$			
Spirits	165,837,842	168,645,797	168,613,116	176,635,246	190,621,760		177,687,218	
Wine	143,569,801	150,788,173	148,814,870	156,516,374	152,982,623		139,105,584	
Beer	278,893,578	282,066,202	279,800,490	279,469,116	276,498,216		264,641,495	
Ready-to-drink	34,962,836	37,700,822	45,145,429	56,692,947	83,935,837		101,291,030	
Non-liquor	130,786	136,211	116,991	105,531	92,007		118,783	
Cannabis	0	0	33,188,581	71,002,606	83,405,199		91,745,718	
<b>Total Gross Sales</b>	<b>623,394,843</b>	<b>639,337,205</b>	<b>675,679,477</b>	<b>740,421,820</b>	<b>787,535,642</b>	<b>101.9%</b>	<b>774,589,827</b>	<b>-1.6%</b>
Less: Discounts	11,549,801	13,675,313	13,595,882	14,254,443	14,483,117	1.9%	14,606,165	
<b>Net Sales</b>	<b>611,845,042</b>	<b>625,661,892</b>	<b>662,083,595</b>	<b>726,167,377</b>	<b>773,052,525</b>	<b>100.0%</b>	<b>759,983,662</b>	
Cost of Sales	274,909,681	284,136,988	311,241,996	352,856,366	377,234,943	48.8%	375,423,309	
<b>Gross Profit</b>	<b>336,935,361</b>	<b>341,524,904</b>	<b>350,841,599</b>	<b>373,311,011</b>	<b>395,817,582</b>	<b>51.2%</b>	<b>384,560,353</b>	
Less: Store Operating Expenses	61,334,942	63,555,752	69,867,242	72,682,403	77,362,459	10.0%	79,498,189	
<b>Gross Operating Profit</b>	<b>275,600,419</b>	<b>277,969,152</b>	<b>280,974,357</b>	<b>300,628,608</b>	<b>318,455,123</b>	<b>41.2%</b>	<b>305,062,164</b>	
Less: Supply Chain	7,058,180	7,216,564	9,239,509	9,426,501	9,638,811	1.2%	10,082,339	
Corporate Services	24,530,382	23,877,917	28,305,539	28,093,462	31,581,278	4.1%	33,965,776	
Other Expenses	1,729,630	4,945,050	1,486,897	5,299,322	2,898,317	0.4%	1,672,000	
Add: Other Revenue	5,565,709	5,032,858	4,498,577	4,888,070	4,445,499	0.6%	4,466,009	
<b>Total Expenses (excl. stores)</b>	<b>27,752,483</b>	<b>31,006,673</b>	<b>34,533,368</b>	<b>37,931,215</b>	<b>39,672,908</b>	<b>5.1%</b>	<b>41,254,106</b>	
<b>Operating Income before Depreciation</b>	<b>247,847,936</b>	<b>246,962,479</b>	<b>246,440,989</b>	<b>262,697,393</b>	<b>278,782,215</b>	<b>36.1%</b>	<b>263,808,059</b>	
Less: Depreciation	8,626,736	8,356,789	9,068,302	15,418,918	15,926,116	2.1%	17,681,894	
<b>Income from Operations</b>	<b>239,221,200</b>	<b>238,605,690</b>	<b>237,372,687</b>	<b>247,278,475</b>	<b>262,856,100</b>	<b>34.0%</b>	<b>246,126,164</b>	<b>-6.4%</b>
Actuarial Loss (Gain)	265,700	282,700	(1,487,300)	(1,428,500)	-	0.0%	-	
<b>Comprehensive Income</b>	<b>238,955,500</b>	<b>238,322,990</b>	<b>238,859,987</b>	<b>248,706,975</b>	<b>262,856,100</b>	<b>34.0%</b>	<b>246,126,164</b>	<b>-6.4%</b>
Total Expenses (not depreciation)	89,087,425	94,562,425	104,400,610	110,613,618	117,035,367	15.1%	120,752,295	
Total Expenses	97,714,161	102,919,214	113,468,912	126,032,536	132,961,482	17.2%	138,434,189	

						Change (%)		Change (%)
<b>Volume (hectolitres)</b>								
Spirits	48,171	49,360	49,039	50,968	54,476	6.9%	50,099	-8.0%
Wine	100,147	100,354	97,634	101,708	100,246	-1.4%	90,330	-9.9%
Beer	569,377	586,831	581,499	572,696	561,034	-2.0%	531,753	-5.2%
Ready-to-drink	53,925	51,817	61,851	77,762	115,694	48.8%	139,802	20.8%
Total	771,619	788,362	790,022	803,135	831,449	3.5%	811,984	-2.3%
<b>Volume (Kilograms)</b>								
Cannabis	-	-	3,279	6,531	9,864	51.0%	11,324	14.8%

NOVA SCOTIA LIQUOR CORPORATION

93 Chain Lake Drive, Halifax NS, B3S 1A3

Tel: 902.450.6752 | [www.mynslc.com](http://www.mynslc.com)





— NOVA SCOTIA —  
**MUNICIPAL FINANCE  
CORPORATION**

BUSINESS PLAN  
2021-2022

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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 41-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.

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 will have \$703.4 million in debentures outstanding on March 31, 2021. New debenture issues in 2021–2022 are estimated to be approximately \$185.0 million, which will be balanced against debenture retirements of \$110.7 million.



The Honourable Brendan Maguire  
Minister

Mark Peck  
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 41-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 experienced considerable volatility early in the 2020-21 fiscal year due to the global pandemic and the economic and fiscal fallout on governments, business, and individuals. Short-term interest rates fell to near zero levels by the end of the fiscal year, down from about 1.65 per cent in 2019 and early 2020. The Bank of Canada was quick to react to the changing situation in early 2020, and introduced a number of financial market support programs to promote a well-functioning domestic financial market and provide the necessary liquidity at the onset of the pandemic. To date in fiscal year 2020-21, Government of Canada 10-year yields have fallen considerably to average 0.613%, down from an average of 1.427% in fiscal year 2019-20. These low interest rates on Government of Canada 10-year bonds may continue for some time to come given the slow resolution of the pandemic and the resulting economic consequences.

The Nova Scotia Municipal Finance Corporation's cost of funds is largely based on the above noted Canada bond yields plus the Nova Scotia credit spread. While credit spreads on all provincial bonds rose considerably early in the pandemic, with the financial supports from the Bank of Canada and the Federal government, these credit spreads returned to pre-pandemic levels by the end of 2020. These low interest rates, a combination of low Canada bond yields and relatively small provincial credit spreads, continue to be very beneficial to provincial-based borrowers. Over the past number of months liquidity in the municipal debt sector has improved considerably along with the overall market. Municipal credit spreads, the cost to the Corporation relative to the Province of Nova Scotia, also improved over the 2020-21 fiscal year. However, liquidity remains an important factor in the investment decision process, and municipal debt continues to be viewed as providing less liquidity to investors.

- 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 41 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.

Opportunity:

- 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 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 2021-2022

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 2021–22 the new debenture issuances are expected to be approximately \$185.0 million, which is balanced against retirements of existing debentures of approximately \$110.7 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 (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 councilors.

- 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. Continued 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 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, as well as the One Nova Scotia Commission's *Now or Never* Report.



## BUDGET CONTEXT

### *Nova Scotia Municipal Finance Corporation Administration Budget*

	Estimate 2020-2021 (\$000)	Forecast 2020- 2021 (\$000)	Estimate 2021-22 (\$000)
Total program expenses— (gross current)	<u>448.8</u>	<u>392.0</u>	<u>423.3</u>
Net program expenses— (net of recoveries) *	0.0	0.0	0.0
Salaries and benefits	320.8	314.1	319.0
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, 2020*

<b>Financial assets</b>	<b>(\$)</b>
Cash and cash equivalents	7,177,165
Accrued interest receivable	8,521,548
HST receivable	480
Accounts receivable	85
Loans to municipal units	772,781,665
<hr/>	
Total Assets	788,480,943
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<b>Financial liabilities</b>	
Accounts payable	51,491
Accrued interest payable	8,509,886
Employee obligations	45,078
Short-term loan due to PNS	80,000
Deposits	39,871
Due to municipal units	141,216
Debentures	772,703,413
<hr/>	
Total liabilities and equity	781,570,955
<hr/>	
Net financial assets	6,909,988
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<b>Accumulated surplus</b>	<b>6,909,988</b>
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*Nova Scotia Municipal Finance Corporation Statement of Operations, year ended March 31, 2020*

	Estimate 2020 (\$)	Actual 2020 (\$)
Revenue		
Interest on loans to units	26,176,793	25,200,360
Interest on short-term investments	157,110	165,004
Recovery of issue cost	341,666	312,824
Administration fee	400,000	387,295
<hr/>		
Total revenue	27,075,569	26,065,483
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Expenses		
Interest on debenture debt and short-term loans	26,172,471	25,199,092
Debenture issue expense	341,706	310,950
Administrative expense	512,911	410,113
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Total expenses	27,027,088	25,920,155
<hr/>		
Annual operating surplus (deficit)	48,481	145,328
Accumulated surplus, beginning of year	6,764,660	6,764,660
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Accumulated surplus, end of year	6,813,141	6,909,988
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## OUTCOMES AND PERFORMANCE MEASURES

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

Outcome	Measure	Data	Target 2020-2021	Target 2021-2022	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"> <li>Align debenture issues with the construction completion schedule and capital budgeting process</li> <li>Improve application process by working with clients to ensure quick processing of debenture documents</li> </ul>
	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"> <li>Promote short-term financing program</li> <li>Work with clients on financing options (payments and terms)</li> <li>Communicate financing options more effectively (e.g. through the website and consultations)</li> <li>Communicate the Corporation's rates and products more effectively with clients (e.g., through the AMA list server and consultations)</li> </ul>
	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"> <li>Maintain quality of portfolio</li> </ul>
	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"> <li>Promote profile of the Corporation's credit quality to maintain a strong relationship with government to ensure its support of the provincial guarantee</li> </ul>

**Core Business Area 2 –  
Ensuring Access to Capital  
Markets**

Outcome	Measure	Data	Target 2020-2021	Target 2021-2022	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"> <li>• Ensure that all loans are creditworthy</li> <li>• Promote the Debt Affordability Model</li> <li>• Monitor loan payment process</li> </ul>
	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"> <li>• Match the term and timing of the Corporation's debentures and loans to clients</li> </ul>

### Core Business Area 3 – Helping Build Financial Management Knowledge

Outcome	Measure	Data	Target 2020-2021	Target 2021-2022	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% (2019 client survey results)	60%	60%	<ul style="list-style-type: none"> <li>Work with clients to help them implement the Debt Affordability Model</li> <li>Tailor Debt Affordability Model to better suit the needs of clients</li> </ul>
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% (2019 client survey results)	40%	40%	<ul style="list-style-type: none"> <li>Work with clients to help them implement best practices of their choice</li> </ul>
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"> <li>Assist in planning the agenda of the workshops</li> <li>Promote the workshops more effectively to municipal staff</li> <li>Maintain the no-fee structure to attend the workshop</li> </ul>
Increased knowledge of the Corporation's programs and services	Percentage of municipal clients that are aware of the Corporation's programs and services	85% (2019 client survey results)	95%	95%	<ul style="list-style-type: none"> <li>Update and revitalize website</li> <li>Develop web-based programs, such as webinars</li> <li>Quarterly newsletter sent to Councilors, CAOs and Directors of Finance</li> <li>Use email to communicate with Directors of Finance to keep them informed about the Corporation's programs and services</li> <li>Obtain greater exposure to municipal councils to promote programs and services</li> </ul>



NOVA SCOTIA  
MUNICIPAL FINANCE  
CORPORATION



**Office location**

Suite 8317, Maritime Centre  
1505 Barrington Street  
Halifax, Nova Scotia  
B3J 3K5

**Mailing address**

P.O. Box 850, Station M  
Halifax, Nova Scotia  
B3J 2V2

**Telephone**

(902) 424-6333

**Fax**

(902) 424-0525

**Website**

[www.nsmfc.ca](http://www.nsmfc.ca)

# Nova Scotia Power Finance Corporation

Business Plan 2021–22





## 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 2021-2022 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"> <li>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.</li> </ul>
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"> <li>Outstanding par value of debt as at March 31, 2020, was \$200,000,000 denominated in Canadian dollars and US issued par value of debt was \$426,570,000 in Canadian dollars totalling \$626,570,000 in Canadian dollars. Defeased assets as at March 31, 2020, had par values in excess of the outstanding par value of debt.</li> <li>As at March 31, 2020 Canadian long-term debt had carrying values of \$339,487,000 and U.S. debt had carrying values of \$470,632,000 in Canadian dollars totalling \$810,119,000. Canadian assets had carrying values of \$364,866,000 and U.S. assets had carrying values of \$454,719,000 in Canadian dollars totalling \$819,585,000 in Canadian dollars. 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.</li> <li>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.</li> </ul>

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 2021-2022

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

## Message from Chair

I am pleased to present the business plan for Perennia Food and Agriculture Inc. (Perennia) for 2021-2022. 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.

This fiscal year, we will build on our strategic investment in project leadership, information technology, and finances to support our talented specialists in implementing and delivering development and consulting projects and programs that address exciting opportunities in the agriculture, seafood and food and beverage processing sectors.

Technology will play a key role for us. Continuing to offer robust and comprehensive services during the COVID-19 pandemic demonstrated the impact we can have with new technologies and ways to deliver our services. In 2021-2022, we will build on our desire to reach as many clients as possible in an enhanced virtual environment. We will also establish ourselves in offering online training programs in food safety, agriculture production and product development.

As a key partner with the Nova Scotia Departments of Agriculture and Fisheries and Aquaculture, we will implement several key projects including long cane raspberry development, agriculture environment sustainability, buy local, seafood branding, lobster automation, aquaculture development and temporary foreign worker initiatives.

We will continue to grow our services in cannabis with the launch of a Cannabis Development Centre, adding edibles development and crop production support under the Bloom Labs umbrella. We will also expand our virus testing and plant pathology services and will offer comprehensive beverage solutions and resources through a virtual beverage development centre.

Addressing systemic and emerging issues in both seafood, agriculture and processing will remain to be a major thrust of our teams' work. We will also undertake a formal process to ensure we are continuously aware of the needs of industry and issues and develop partnerships to help us proactively respond.

Partnerships 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 levels of government to provide high quality and impactful solutions.



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

## Key Priorities and Performance Indicators

The following are the Key Performance Indicators for Perennia's work in 2021-2022.

- Increase in sales / economic impact for clients and customers
- Number of new products and crops on the market
- Increase in import displacement
- Successful funding of projects
- Consulting revenue growth by five per cent
- Increased awareness of Perennia and its programs, projects and consulting services

In support of Perennia's three-year strategic plan, the following initiatives will be undertaken to support our key priorities.

### Key Priority: Be a driving force for agriculture industry advancement

#### 2021-2022 Key Initiatives

##### 1. Address systemic issues that are impeding industry growth

Undertake and complete current projects in environmental sustainability, climate change mitigation, new crop development, new production methods, and new uses for production and processing by-product. Market our applied research capacity and research for commercialization.

- a. Seek funding opportunities for two agriculture development projects to support new commercial sectors
- b. Implement the first full year of the Long Cane Raspberry Development Project in partnership with Horticulture Nova Scotia and the Nova Scotia Department of Agriculture
- c. Work in partnership with the Nova Scotia Department of Agriculture and the Nova Scotia Federation of Agriculture to implement the new Agri-Environmental Program
- d. Address the risks faced by changing weather by developing and seeking funding for at least one project supporting the use of weather intelligence to alert farmers to make effective management decisions to lessen the impact of severe weather events on their revenues
- e. Launch expanded virus testing for new berry crops and plant pathology diagnostic services
- f. Host a minimum of two idea competitions to address industry opportunities in agriculture or seafood
- g. Support key food production labour needs in the province through the implementation of the second year of the Temporary Foreign Worker COVID-19 Isolation Program.

## 2. **Strengthen our front-line agriculture presence**

Successfully implement and measure the impact of the Agriculture Production Extension Program, Perennia's longest running core development program with a focus on new, virtual delivery methods. Test the market for expanding our extension services virtually to other Atlantic provinces.

- a. Implement the province-wide Agriculture Extension and Development Program and focus on using technology to have a broader impact and introducing new specialists in livestock, forages and protected agriculture to industry
- b. Determine options for offering virtual agriculture production extension services Atlantic-wide

## 3. **Lead in demonstrating the practical business benefits of adopting technological solutions**

Identify and pursue ways to showcase and create software applications in weather intelligence, cost tracking, traceability and online interactive crop input tools to support the collection and analysis of information for better business decision-making by industry.

- a. Complete the Cost of Production Cost Tracker Software Program and take it to market
- b. Establish an internal working group to develop a plan for online tools, models and calculators that, if tested in the Maritimes, would provide benefit to regional producers

## 4. **Build our regional and national presence in online training and skills development**

Leverage the specialized skills and talent of our team to focus on self-directed online learning courses, webinars and virtual learning, as well as complementary resources.

- a. Launch an online learning service
- b. Investigate becoming a certified training body

## **Key Priority: Offer comprehensive services from idea to market**

### 2021-2022 Key Initiatives

1. **Change our approach to getting products to market.** Develop Perennia-branded commercialization processes for new valued added/species/crop and livestock products
  - a. Build on resources developed last year related to the commercialization cycle to develop a standardized process for new clients that supports a holistic approach to their success in the areas of technical, business and marketing expertise
  - b. Create a business plan for the Perennia Food and Beverage Innovation Centre to ensure the emerging and future needs of the food and beverage processing sector are being met
  - c. Grow our mobile bottling and filtration services

2. **Second-Generation Accelerator Programs.** Pursue update for the Agri-Food Accelerator Program and continue the Seafood Accelerator Program, providing valuable advice, resources, funding, new market access and product development in Nova Scotia's food industry
  - a. Implement phase 2 of the Agri-Food Accelerator Program with a focus on customizable content, self-directed learning opportunities, expanded funding programs, and a virtual hub supporting success in the food and beverage business
  - b. Continue to deliver the Seafood Accelerator Program with a renewed focus on opening new markets with international food safety certifications and opportunity identification for new value-added products
  
3. **Develop centres of excellence in cannabis and wine and craft beverages.** Build on our strengths in product development, brewing, winemaking, analytical testing, viticulture, mobile bottling and filtration, indoor agriculture, and food safety. Offer a total solution for cannabis companies from growing to testing to edible and drinkables. Create a one-stop resource for all provincially available services and information for the wine and craft beverages sector.
  - a. Launch a virtual Beverage Development Institute with resources, publications and research in one place for industry to access
  - b. Support the growing cannabis sector by launching a Cannabis Acceleration Centre offering production advice, edibles development and analytical testing under one roof

## **Key Priority: Increase our impact in the fisheries sector**

### 2021-2022 Initiatives

1. **Be the experts in food safety and product development for the seafood sector.** Market these services and increase our outreach in this sector. Complete the Atlantic Fisheries Fund project creating quality standards for Nova Scotia's top 18 species to support province's premium quality seafood program. Increase the delivery of food safety training to industry.
  - a. Complete the final year of a Seafood Quality Standards Project under the Atlantic Fish Fund
  - b. Increase private sector training and coaching services in seafood
  - c. Increase the number of seafood companies utilizing the Seafood Accelerator Program
  - d. Increase the number of food safety and product development resources specifically for the seafood sector
  - e. Develop specific marketing materials for these services
  
2. **Increase our presence in the seafood sector.** Undertake a comprehensive re-evaluation of the needs of industry through visits, informal meetings, presentations and holding events. Complete work in seal industry development and develop additional multi-year projects to tackle solutions to industry's challenges and opportunities to advance the industry. Create brief publications and guides, and online training for industry. Dramatically increase the number of



contacts in our seafood contact database with dedicated resources assigned to keep it current and ensuring new contacts are added.

- a. Develop commercialization plan for a grading prototype resulting from a current project
- b. Complete the full-utilization Seal Development Project
- c. Market the Cost of Production Cost Tracker Software for use by seafood companies
- d. Host a minimum of two idea competitions to address industry opportunities in agriculture or seafood
- e. Develop an annual outreach plan

## **Key Priority: Increase our profile and leadership position**

### 2021-2022 Initiatives

1. **Increase our name recognition associated with accelerating businesses.** Take a proactive approach to sharing our work, our client successes and utilizing the CEO, team and Board to build our profile and that of our partners.
  - a. Develop comprehensive marketing, communications and media plan including a refocused online presence
  - b. Promote our research projects, programs and client successes through proactive media relations
  - c. Fully implement an internal communication site and training plan
  - d. Host an Annual General Meeting with guest speaker
  - e. Build on our current board orientation process so it is more comprehensive, and the Directors have access to more Perennia-related materials
2. **Be leaders in understanding industry needs and responding proactively.** Because of our consistent industry contact, Perennia is in the enviable position of being a bridge between government and other shareholders and the industry. Labs will be introduced to define sector obstacles and opportunities, and work with industry and government to address them.
  - a. Fully launch an issues lab initiative
  - b. Implement an annual feedback and needs assessment process
3. **Out of the box thinking for office locations to support client service.** Develop a logistical plan to address easy client access to our staff and services given our changing client base and the way we work.
  - a. Complete merger of two Bible Hill offices into the Perennia Innovation Centre
  - b. Develop options for a plan for a Halifax-based anchor office
  - c. Assess office and business needs in the Kentville office location and develop a plan to address

- d. Facilitate virtual offices for work-life balance for our team, and to support recruitment and retention

## **Key Priority: Increase operational efficiency and organizational capacity**

### 2021-2022 Initiatives

1. **Upgrade our financial systems for more immediate insight.** Continue implementing new processes and software to support more robust financial reporting and business efficiencies.
  - a. Implement a purchase order system to reduce month end closure date and support proactive business decisions
  - b. Create a business manual for the team
2. **Upgrade our IT structures for collaboration, marketing and project management.** Enhance support in business software applications to support operational and team efficiencies, and automate processes
  - a. Develop and implement a multi-year IT and Business Solutions Plan
  - b. Fully implement a new client relationship management system
3. **Address corporate risks.** Continue review of all corporate disclaimers, contract and proposal templates, and continuity plans for all service areas.
  - a. Engage specialized legal support for commercialization and intellectual property needs
  - b. Review all service contract templates
  - c. Educate team members on cybersecurity risks and implement stringent controls

**Departmental Expenses Summary**  
**(\$ thousands)**

<b><u>Programs and Services</u></b>	<b><u>2020-2021 Estimate</u></b>	<b><u>2020-2021 Forecast</u></b>	<b><u>2021-2022 Estimate</u></b>
Revenues, Operating and Capital Grants	9,741	15,559	8,522
	(2,391)	(7,460)	(1,353)
Direct Project Inputs (excluding salaries)	(5,946)	(6,259)	(5,628)
Salaries and Related Expenses	(1,868)	(1,857)	(1,649)
Operating Expenses			
<b>Total – Operating Income</b>	<b>(464)</b>	<b>(17)</b>	<b>(108)</b>
<b>Ordinary Recoveries</b>	---	---	---
<b><u>Funded Staff (# of FTEs)</u></b>			
<b>Department Funded Staff</b>	---	---	---

**Note:**

The anticipated deficit in 2021-2022 relates to depreciation of existing infrastructure and will be covered from deferred revenue.

# Tourism Nova Scotia

Business Plan 2021–22



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## BOARD CHAIR/CEO MESSAGE

2020 was truly an unprecedented year for the tourism industry. There is no playbook for the circumstances that we have faced over the last year. But as we look to 2021 and beyond, there is cause for optimism. Nova Scotia's effective public health measures have made international headlines, the COVID-19 vaccine roll-out is underway around the world, and Nova Scotia's strengths as a destination – spacious natural beauty, variety of activities, friendly communities, and welcoming culture – are valued more now than ever before.

As Nova Scotia's tourism marketing and sector development organization, Tourism Nova Scotia's priorities for 2021-22 are supporting a tourism revenue goal of \$1.2 billion, helping to mitigate the impacts of COVID-19, and rebuilding and reimagining the province's tourism industry. These priorities will be achieved through our programs, partnerships, and marketing activities.

Recovery can only be achieved through partnership and collaboration. We will continue to work in tandem with our sister Crown organizations, the Tourism Stabilization Working Group, sector associations, industry organizations, and businesses across the province to emerge from the pandemic stronger than before.

From partnering with Digital Nova Scotia on the Tourism Digital Assistance Program to working directly with business and regional destination marketing organizations to create off-season travel packages, our work will help tourism operators adapt to new operating realities with an emphasis on quality, accessibility, digital adoption, and evolving to become a four-season tourism destination.

Our efforts to rebuild the tourism industry will include targeted marketing activities that capitalize on new opportunities, specifically, Canadian remote workers interested in moving here permanently, as well as those who will include Nova Scotia as a long-stay destination as part of their nomadic work life. Attracting remote workers will not only increase demand among businesses in the tourism sector but will also support the province's population growth goal. We will also work with industry to develop new self-isolation packages that enhance the quarantine experience of newcomers and long-stay visitors on arrival.

In alignment with public health protocols, our marketing efforts will target travellers who are most able and willing to visit our province when the time is right. Research will help inform when, where, and what we say to these travellers to invite them to explore Nova Scotia.

Our immediate marketing focus will be on encouraging Nova Scotians to safely explore the province and support local businesses. As conditions improve, we will expand campaigns to regional close-drive markets such as New Brunswick and Prince Edward Island to safely generate as much tourism activity as possible. We will also use our marketing expertise to support the return and recovery of events and conventions in close collaboration with Events East Group, Events Nova Scotia, and Discover Halifax.

It will be crucial to remind Nova Scotians that the tourism industry is important to our economy, communities, and quality of life. We will encourage Nova Scotians to celebrate who we are as a destination and become ambassadors for Nova Scotia's world-famous hospitality.

Mitigating COVID-19 and rebuilding the tourism industry will not happen overnight. Indeed, there will be challenges and uncertainty to overcome in the months and years ahead. However, we

also have a tremendous new opportunity to guide and create a stronger future for tourism – one that benefits all Nova Scotians.

Sincerely,

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

Michele Saran, CEO, Tourism Nova Scotia

## STRATEGIC APPROACH/CONTEXT

In 2014, the *Nova Scotia Commission on Building Our New Economy* issued a call to action for Nova Scotians to change their attitudes and behaviours and chart a new economic future for our province. Tourism was identified as one of several key sectors with the potential for growth. The commission challenged the industry to double annual tourism revenues from \$2 billion in 2010, to \$4 billion by 2024.

In 2020-21, the COVID-19 pandemic rendered the \$4 billion goal an impossible target. Tourism Nova Scotia adjusted quickly away from its “Driving Export Revenue” strategy to help mitigate the operational impacts that tourism businesses were facing due to border closures and public health restrictions. Activities in 2020-21 included direct financial support to tourism businesses and organizations that were affected by public health orders, as well as marketing and communications activities to encourage Nova Scotians and fellow Maritimers to travel within Nova Scotia. Tourism Nova Scotia conducted business training and coaching to help businesses adapt and improve their digital knowledge, and helped tourism businesses build and sell packaged experiences and products that appealed to those who were most able and willing to travel to and within Nova Scotia.

COVID-19 vaccinations started in December 2020, and will continue through 2021, with the expectation that by fall 2021, most Nova Scotians will have access to the vaccine and domestic travel and health restrictions will be lifted.

The 2021-22 business plan aligns with government’s inclusive economic growth priority and reflects the continuation of Tourism Nova Scotia’s efforts to mitigate the impacts of the pandemic and related public health orders, help industry operators adapt to current and evolving operating conditions, and support sustainable industry recovery.

The tourism industry suffered tremendous financial impact in 2020, and 2021 must be a better year in order for the tourism industry to survive and recover. To that end, Tourism Nova Scotia will focus its programming, partnerships and marketing initiatives to support an industry goal of \$1.2 billion in tourism revenues in 2021, an increase of one-third compared with 2020’s best case scenario of \$900 million.

Flexibility and responsiveness are key; Tourism Nova Scotia’s activities will be informed through ongoing consultation with the Tourism Stabilization and Recovery Working Group, comprised of representatives from the Department of Inclusive Economic Growth, Tourism Nova Scotia, and the Tourism Industry Association of Nova Scotia (TIANS). Other tourism stakeholders, including regional destination marketing organizations (DMOs), sector organizations such as the Restaurant Association of Nova Scotia (RANS) and Hotel Association of Nova Scotia (HANS), and individual tourism operators will also inform Tourism Nova Scotia’s activities.

Ongoing consultation, in concert with close monitoring of operating conditions and public health directives, will ensure activities and initiatives reflect the best available opportunities to drive tourism revenue growth in 2021-22.

## PURPOSE OF CROWN CORPORATION

Tourism Nova Scotia was established as a private sector-led Crown corporation to achieve tourism growth in the province. As the destination marketing organization for Nova Scotia, Tourism Nova Scotia is responsible for developing a tourism strategy and leading tourism marketing and sector development efforts.



## Mission

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

## Mandate

The Tourism Nova Scotia Act, passed on May 4, 2015, states the objects of the corporation are to:

- 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
- communicate and collaborate with communities, private industry, and the tourism industry in the province

## 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 Inclusive and Economic Growth.

## OPERATING ENVIRONMENT/CONTEXT

The impact of the COVID-19 pandemic has been felt globally, nationally and provincially, with a collapse in tourism demand and resulting negative impact on tourism businesses around the world. The United Nations World Tourism Organization estimates a 74 per cent decline in international tourism demand in 2020.

Nationally, Destination Canada is projecting a 62 per cent decline in overall Canadian tourism demand (international and domestic) in 2020. For 2021, depending on when international borders might open, Destination Canada is projecting an increase in overall tourism demand of between four per cent (if international borders open in October 2021) and 20 per cent (if international borders open in April 2021), compared with 2020 results.

In Nova Scotia, the COVID-19 pandemic significantly affected the tourism operating environment in 2020, and these effects will continue well into 2021, which will be another challenging year for tourism businesses.

## Tourism Demand

The COVID-19 pandemic, public health orders and travel restrictions resulted in a significant decline in travel to and within Canada. In addition to affecting desire and ability to travel, the pandemic has influenced consumer preferences. Research suggests that less-crowded, rural destinations will be more appealing than busy urban destinations, and that travellers will avoid crowded spaces for some time. Outdoor activities have increased in popularity.

Travel restrictions were further compounded by gathering restrictions, and according to estimates compiled by Destination Canada, fully 84% of business events in Canada were cancelled in 2020.

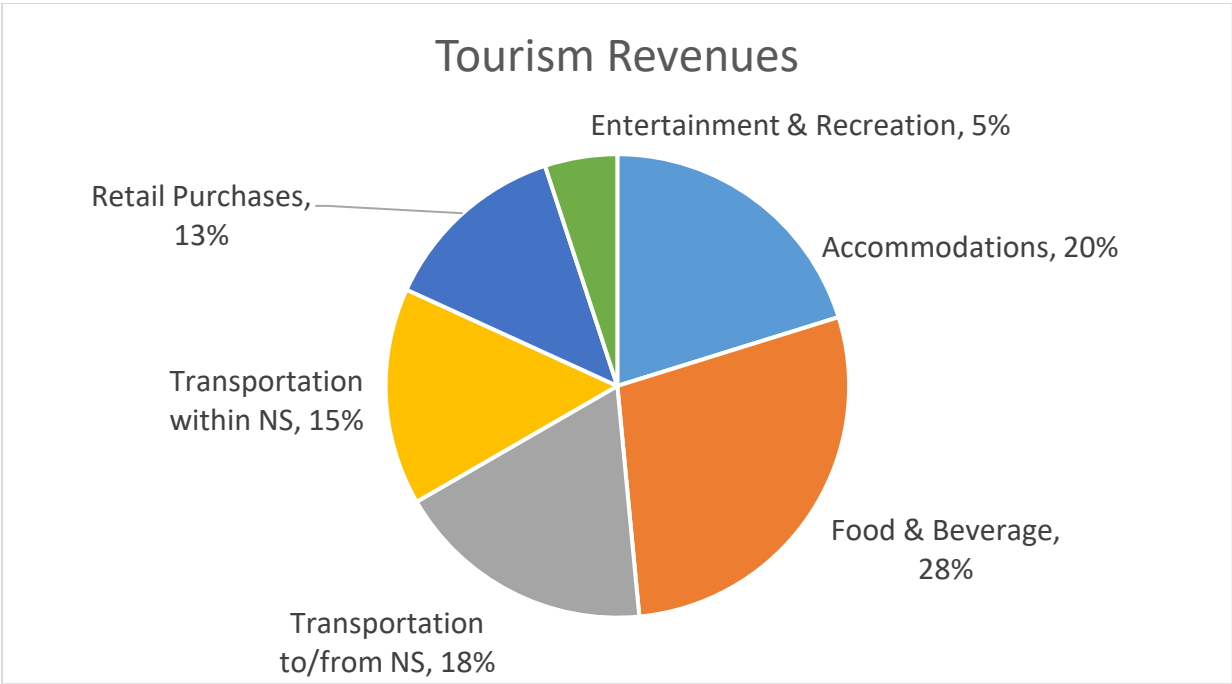
Fear of travel coupled with the various public health policies made a traditionally welcoming population much less likely to accept visitors from outside their communities or provinces. This sentiment is closely related to Canadians' perceptions of their personal health and safety, and factors such as:

- control of the pandemic in Canada as well as internationally
- availability of a vaccine
- health and safety public policy measures, such as social distancing and mask requirements
- travel industry operators' health and safety protocols

At the same time, research indicates there is pent up demand, with travellers waiting for conditions to improve and restrictions to ease. The most recent data from Destination Canada indicates that 40 per cent of Canadians are very likely to take a trip outside of their province within Canada in 2021.

### Tourism Revenues

Tourism revenues are calculated based on spending by residents and non-residents across many sectors as outlined below. At the beginning of 2020, Nova Scotia's annual tourism revenues stood at \$2.64 billion, an increase of \$600 million compared with the baseline year of 2010. It is estimated that the best case for tourism revenues for 2020 is \$900 million (to be confirmed), a \$1.7 billion decline from the previous year. 2021-22 will be another challenging year, as opportunities to attract tourism revenues from markets outside of Nova Scotia will be limited.



### Accommodations

Nova Scotia's accommodations sector was particularly hard hit by the pandemic. Across the province, room nights sold declined by 54 per cent in 2020. The Halifax region has been disproportionately affected, and the data indicates that while other regions saw some

improvement in the later months of 2020, albeit well below 2019 levels, the Halifax region did not experience this trend and saw continued significant declines.

Region	2020 Room Nights Sold	2020 versus 2019	July-Dec 2020 versus 2019
<b>Nova Scotia</b>	1,253,000	-54%	-55%
<b>Halifax Region</b>	631,000	-59%	-65%
<b>South Shore</b>	103,000	-41%	-34%
<b>Eastern Shore</b>	11,000	-38%	-32%
<b>Cape Breton</b>	199,000	-54%	-52%
<b>Northumberland Shore</b>	99,000	-47%	-45%
<b>Bay of Fundy &amp; Annapolis Valley</b>	170,000	-48%	-46%
<b>Yarmouth &amp; Acadian Shores*</b>	41,000	-29%	-14%

\*This region experienced a 20 per cent decline in room nights sold in 2019 as a result of the Maine-Nova Scotia ferry not operating.

### Food & Beverage

Nova Scotia's food services and drinking places saw a decline in demand as a result of public health orders, compounded by the significant decline in non-resident visitation to Nova Scotia in 2020. These declines were partially offset by early pivots made by these businesses to offer takeout and delivery service. Marketing and experience/package development that encouraged Nova Scotians and Atlantic Canadians to support provincial tourism and hospitality businesses also helped offset declines.

In 2020, Nova Scotia food services and drinking places receipts decreased by 24 per cent to \$1.35 billion. Canada's food services and drinking places receipts decreased by 28 per cent to \$55.5 billion. With a 24 per cent decline, Nova Scotia performed better than some provinces (Quebec and Ontario each experienced a decline of 31%), and worse than others (the other three Atlantic Provinces each experienced a decline of only 19%). Source: Nova Scotia Finance and Treasury Board

### Transportation

In recent years, approximately one-third of non-resident visitors to Nova Scotia arrived by air. Air capacity collapsed globally in 2020, with airlines cancelling or reducing routes and laying off staff.

Market	% Visitors Arriving by Air (2019)
<b>Atlantic Canada</b>	8%
<b>Quebec</b>	29%
<b>Ontario</b>	50%
<b>Western Canada</b>	79%
<b>Northeastern US</b>	31%
<b>Other US</b>	65%
<b>Overseas</b>	100%

How and when air capacity will be restored is unknown, and further away markets that have traditionally been important sources of visitation and tourism revenues for Nova Scotia businesses may take several years to fully recover. Projections developed by Destination

Canada suggest the earliest that international travel to Canada will fully recover is 2024. This means that for the next few years, tourism travel to Nova Scotia will come primarily from domestic markets.

The reduction in tourism activity in Nova Scotia in 2020 also resulted in less spending on transportation services in Nova Scotia, such as car rentals, gasoline purchases, vehicle maintenance, and paid transportation within the province.

Finally, cruise ship restrictions will continue into 2022, which will have a sustained negative impact on those businesses that rely on these vessels and their passengers.

### Remote Workers

Prior to COVID-19, technology adoption and the availability of high-speed internet service facilitated the ability to connect to one's workplace remotely and informed a new type of employee. Remote working had emerged as an employment model, with employers using the ability to work remotely as a benefit to attract skilled employees. COVID-19 health restrictions accelerated adoption of remote working, forcing more employers to shift to this type of operating model. At the end of 2020, many more employees, particularly those in knowledge sectors, can or are working remotely. With a strong tourism reputation and coastal location, widespread availability of high-speed internet access, and public health regulations that have limited the number of COVID-19 cases, Nova Scotia is uniquely positioned to attract remote workers to live, work and play here. New residents, whether temporary or permanent, will add to Nova Scotia's dynamism and can help restore consumer demand in tourism, arts and culture sectors.

### Geographic Markets

Prior to 2020, Tourism Nova Scotia directed its marketing activities at specific geographic markets outside the Atlantic region, reflective of its export-focused strategy. In 2020, Tourism Nova Scotia pivoted to adjust to COVID-19 operating conditions, with a focus on encouraging local travel within the province, and travel to Nova Scotia from markets within the Atlantic Bubble, specifically, New Brunswick and Prince Edward Island.

### Nova Scotia

Travel and related tourism spending by Nova Scotians were critically important in 2020. Despite Nova Scotians spending less per person than visitors from other markets, travel by Nova Scotia residents will remain the most important source of tourism revenues in 2021.

### Atlantic Canada

Atlantic Canada has long been an important source of visitors for Nova Scotia, accounting for approximately one-half of non-resident visitors. In 2020, reflective of travel restrictions and reduced travel demand, Atlantic Canadians were the most important non-resident visitor segment for Nova Scotia.

Although Atlantic Canadians make up a large percentage of non-resident visitors, their spending tends to be more modest compared with visitors from further away markets.

### Further Away Canadian Provinces

Canadian visitors from outside of Atlantic Canada have historically been important contributors to Nova Scotia's tourism economy, accounting for one-half of the province's non-resident tourism revenues. Compared with Nova Scotians and Atlantic Canadians, visitors from these further away provinces stay longer, spend more, and visit more regions of Nova Scotia.

In 2021, there is an opportunity to attract long-stay visitors to Nova Scotia from other Canadian provinces. As provincial vaccination programs roll out, there may be a broader opportunity to attract fall and winter 2021 visitation to Nova Scotia. By Q4 2021-22, there may also be opportunities to engage Canadians to make Nova Scotia part of their 2022 travel plans.

#### The United States/Overseas Markets

Visitors from international markets typically represent 14 per cent of non-resident visitation to Nova Scotia but contribute one-quarter of non-resident tourism revenues. These visitors stay longer, spend more, and visit more regions of the province. Visitors to Nova Scotia from these markets are much more likely than those from Canada to purchase their travel through the travel trade.

It is unlikely that travel conditions will improve in time to attract visitors from these markets to Nova Scotia in 2021. Given the longer planning cycle required for working with the travel trade, 2021 will be an important year to maintain relationships with the travel trade and keep Nova Scotia top-of-mind with travellers, in order to influence travel to Nova Scotia in 2022.

#### Technology Adoption

A 2019 report from the Atlantic Provinces Economic Council showed that Atlantic Canadian firms trail in terms of adoption of digital technologies. COVID-19 has accelerated adoption of technology and increased the gap between current technological capabilities of many Nova Scotia tourism businesses and customer expectations. With large proportions of entire communities being encouraged or told to stay home for several months, consumers became much more comfortable going online to search for and purchase goods and services. From a travel perspective, consumers are now much more proficient looking for and booking travel-related products online. Going forward, they will expect tourism businesses to have the type of online content and services (e.g., online booking) they seek. Tourism businesses must adapt to survive.

#### Seasonality

The pandemic highlighted an issue that had previously been identified as a challenge for the provincial tourism industry: seasonality. Historically, July and August have been Nova Scotia's strongest months in terms of visitation and tourism revenues. The impact of the pandemic resulted in dramatically reduced demand during the most important months of the year. Many tourism businesses operate on a seasonal basis and most year-round businesses rely on the traditional peak season for the bulk of their revenues. Year-round tourism spending is essential for Nova Scotia's tourism industry to be in a better position to take on another pandemic or global event. It is also critical to business resilience and tourism sustainability. Tourism businesses in more rural areas that stay open longer will help improve the appeal of communities for permanent residents and enhance the quality of life for Nova Scotians.

#### PRIORITIES/ACTIVITIES/INITIATIVES/ROLE AND FOCUS FOR 2021-22

In 2020, Tourism Nova Scotia quickly pivoted to adjust to the new realities and operating conditions created by the pandemic. The 2021-22 business plan is a continuation of Tourism Nova Scotia's focus on opportunities to help ensure the sustainability of tourism industry businesses across the province. Tourism Nova Scotia's programs, partnership and marketing activities will support a tourism industry goal of \$1.2 billion in provincial tourism revenues, a one-third increase over 2020's best case scenario of \$900 million. This is an aggressive goal, based

on the Atlantic Bubble re-opening in 2021, and public health self-isolation requirements being eased for visitors from other Canadian markets by fall 2021. It will require a concentrated focus across the tourism industry on activities that will increase the capacity of Nova Scotia tourism businesses to attract customers across all four seasons.

Tourism Nova Scotia's priorities in 2021-22 align with the overlapping phases of Mitigation, Adaptation and Recovery.

### Mitigation

Mitigation efforts will focus on programs and supports that are responsive to the immediate short-term needs of tourism and hospitality businesses and help increase demand across the province. Tourism Nova Scotia will continue to work with the Tourism Stabilization and Recovery Working Group, tourism operators, sector organizations and regional destination marketing organizations (DMOs) to mitigate the impacts of COVID-19 and related public health measures.

### Industry Support

Tourism Nova Scotia will help identify and provide administration support for programs and services aimed at tourism operators with a focus on assisting those most severely affected by public health orders. In 2020-21, Tourism Nova Scotia partially funded and provided administration support for the Tourism Accommodation Real Property Tax Rebate Program (TARPTR); administration support will continue in 2021-22. Tourism Nova Scotia will also provide administration support for the Small Business Real Property Tax Rebate Program.

Regional DMOs saw a marked decline in revenues in 2020 and received financial assistance through the \$2 million Regional Destination Marketing Organization Partnership Program, supported by funding from Destination Canada. This program provided funding to DMOs to support operations until September 2021. In 2021-22, Tourism Nova Scotia will work to ensure regional DMOs have enough operating funds to continue operations at or above pre-pandemic levels. Tourism Nova Scotia's RADIATE and Digital Content Marketing partnership programs will support DMOs with their marketing efforts.

### Generating Local and Regional Tourism Demand

Increasing demand for local businesses is critically important to ensure the sustainability of the provincial tourism industry. Following a successful 2020 marketing campaign, Tourism Nova Scotia will support the \$1.2 billion tourism revenue goal through a local marketing campaign that will inspire Nova Scotians to explore their own province. Tourism Nova Scotia will seek to divert travel spending that has traditionally left the province and encourage Nova Scotians to spend more at home in 2021. In addition, if conditions permit, Tourism Nova Scotia will activate a regional marketing campaign to attract travellers from within Atlantic Canada to visit Nova Scotia.

Tourism Nova Scotia will work with tourism businesses and organizations to develop and market packages that will entice locals to spend more of their travel dollars in the province. The RADIATE Tourism Program supports businesses in their development and social media marketing of travel packages that will be available across all four seasons. In addition to helping tourism businesses generate immediate demand, this program will position Nova Scotia operators to capture even more business when travel conditions improve, which is critical to tourism recovery.

Tourism Nova Scotia's customer-facing website, NovaScotia.com, will continue to be the go-to website for travellers seeking information on the wealth of things to see and do in Nova Scotia, as well as information related to COVID-19 regulations. Content on NovaScotia.com was continuously updated in 2020 to reflect operating conditions and provide relevant content for Nova Scotia travellers; this will continue in 2021-22. As well, content on NovaScotia.com will continue to reflect evolving consumer behaviour and preferences and highlight tourism assets and experiences that align with consumer demand.

### Adaptation

COVID-19 has significantly affected the tourism landscape. In response to evolving operating conditions and consumer behaviour, Tourism Nova Scotia will work with the Tourism Stabilization Working Group and the broader hospitality and tourism sector organizations in support of the \$1.2 billion tourism revenue goal. The focus will be on helping tourism businesses and organizations adapt to take advantage of available and emerging opportunities to inform tourism industry recovery.

### Strategic Marketing – Migration Focus

The attraction of remote workers, both permanent (lifestyle migrants) and transitory (digital nomads), supports the provincial government population growth priority, and specifically, the goal to attract remote workers to Nova Scotia in 2021.

Building on activities launched in December 2020 to attract remote workers, Tourism Nova Scotia will continue to inspire consideration of Nova Scotia among those wishing to relocate for work or lifestyle reasons on a temporary or permanent basis.

Remote worker attraction extends beyond Tourism Nova Scotia, with NSBI, Innovacorp, Events East Group, and Develop Nova Scotia working to amplify messaging and maximize Nova Scotia communities' potential to attract remote workers. Tourism Nova Scotia will work with non-government organizations that have connections to Canadians that have potential to move to the province, to share content and amplify the "come to Nova Scotia" messaging.

Strategic partnerships are key to the successfully attracting remote workers to the province. In addition to working collaboratively with the Crown corporations, Tourism Nova Scotia will explore non-traditional partnerships with the private sector to support remote worker attraction.

### Long-stay Travellers

In support of the provincial goal to attract remote workers, Tourism Nova Scotia will work with tourism businesses and organizations such as RANS, HANS, regional DMOs, Wine Growers Nova Scotia and the Craft Brewery Association of Nova Scotia to develop the types of long-stay accommodations-based packages that digital nomads seek. Tourism Nova Scotia will work with tourism businesses to develop and market compelling packages that will encourage travellers from outside Nova Scotia to purchase quarantine-enhancing experiences while respecting public health protocols. This will include providing self-isolating visitors with unique ways to access Nova Scotia's rich culinary, cultural and performing arts offerings.

### Digital Transformation

Digital competency is no longer a 'nice-to-have' for Nova Scotia's tourism industry, but a 'must-do'. In 2020-21, Tourism Nova Scotia launched its successful Tourism Digital Assistance Program (TDAP) in partnership with Digital Nova Scotia. This program, aimed at helping tourism

businesses adapt their digital presence to align with evolving consumer behaviour, will be offered again in 2021-22.

Tourism Nova Scotia will continue its webinar series, providing tourism businesses and organizations with relevant information and coaching related to increasing industry capacity and enhancing business readiness with a focus on topics such as digital marketing and content development.

For those businesses that will benefit from an intensive website improvement experience, Tourism Nova Scotia's Website Bootcamp will pair eligible businesses with digital consultants to enhance or develop effective digital marketing and e-commerce tools.

The Digital Content Marketing Program, adapted in 2020-21 to reflect current conditions, 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. This program helps participants increase their capacity to market in the digital environment.

#### Four Season Tourism

Year-round tourism will help "future-proof" the provincial tourism industry by providing a reliable source of tourism revenues all year. Working with the Tourism Stabilization Working group, DMOs, sector organizations and other tourism partners, Tourism Nova Scotia will focus marketing and sector development resources to help build the provincial inventory of compelling fall/winter products and experiences to entice travellers to experience the province during off-peak months. It is expected that Nova Scotians will be the initial targets for these seasonal tourism development activities.

#### Quality

Quality remains a critical success factor for Nova Scotia's tourism industry and is even more important in the COVID-19 world, as Nova Scotia works to adapt to meet consumer expectations and compete against other destinations. In partnership with TIANS, Tourism Nova Scotia remains committed to working with tourism businesses and organizations to enhance their ability to attract visitors and meet/exceed their expectations, and to ensure businesses are equipped to meet the needs of the range of travellers, including those with accessibility requirements.

Tourism Nova Scotia will work to meet or exceed the requirements of the Accessibility Directorate in support of the provincial goal of an accessible Nova Scotia by 2030.

#### Doers and Dreamers Travel Guide

In response to changing consumer behaviour, in 2021-22 Tourism Nova Scotia is piloting a digital-only version of the Doers and Dreamers Travel Guide. The digital version will be available to download and, as it may be edited in real time, will allow tourism businesses and organizations to maintain up-to-date information and add new products and experiences as they are developed. Flexibility to be able to edit listings is critical in these rapidly changing times.

#### Visitor Services

Tourism Nova Scotia, in collaboration with Develop Nova Scotia will work to innovate and update the visitor servicing model.



## Recovery

Tourism Nova Scotia will work to attract short-term visitors from further away markets when public health guidelines permit.

## Experience Development

Experience development activities seek to advance the quality and range of experiences offered by provincial tourism businesses and organizations.

Tourism Nova Scotia will continue its work to expand the inventory of experiences that reflect the province's rich cultural heritage. This includes advancing Indigenous-led, Acadian and African Nova Scotian experience development, including capturing high-quality images/video to be ready for promotion and sales in 2022. In addition, Tourism Nova Scotia will work with key cultural tourism attractions to develop/enhance new experiences that will diversify offerings and motivate visitation.

Tourism Nova Scotia's EXCELLerator program, designed to help operators create "wow" experiences that appeal to Free Spirit travellers, was suspended in 2020. In 2021-22, Tourism Nova Scotia will work with EXCELLerator partners from the 2020 participant group to develop their experiences and support content creation to launch these experiences in 2022.

## Events and Conventions

Tourism Nova Scotia creates the brand that is leveraged by sector organizations in their attraction of events, meetings and conventions, and works with sector organizations on asset creation, visitor servicing support, and encouraging pre/post visitation around the province.

COVID-19 and associated restrictions on gathering limits significantly constrained the province's ability to host events and conventions in 2020. Tourism Nova Scotia will work collaboratively with Events East Group, Events Nova Scotia and Discover Halifax to develop a marketing plan that will help position Nova Scotia for the return and recovery of events and conventions.

## Strategic Marketing – Travel Focus

When conditions permit, Tourism Nova Scotia will execute consumer advertising campaigns to inspire short-term visitation from domestic markets outside of Atlantic Canada. Tourism Nova Scotia will monitor travel conditions and restrictions, as well as tourism demand, and activate advertising campaigns accordingly.

Under the assumption that international visitation will be restricted until at least Q1 2022-23, Tourism Nova Scotia will develop an international tourism recovery marketing plan for approval by the Department of Inclusive Economic Growth. In keeping with the travel trade planning cycle, the plan will include details on how Tourism Nova Scotia staff will work with key international tour operators, travel agencies and media in these markets to keep Nova Scotia top-of-mind and build travel demand for 2022, and search engine marketing (SEM) tactics to ensure Nova Scotia shows up when travellers are dreaming about where to travel in 2022.

## Travel Media

Tourism Nova Scotia's media relations strategy evolved in 2020-21 to reflect COVID-19 operating conditions. In 2021-22, the focus will be on local and other Canadian travel writers travelling around the province, writing compelling stories about Nova Scotia's places and experiences. When markets open and public health is supportive of travel, this will expand to

include markets that hold the greatest potential. Tourism Nova Scotia will continue to attend travel media marketplaces virtually, to keep Nova Scotia top-of-mind with travellers in further away markets.

#### [Atlantic Canada Agreement on Tourism \(ACAT\)](#)

Throughout the mitigation, adaptation and recovery phases, Tourism Nova Scotia will co-invest with the Atlantic Canada Opportunities Agency (ACOA) and the Atlantic provinces in marketing and development activities that align with provincial and federal tourism priorities.

#### [Strategic Research](#)

Tourism Nova Scotia research will support industry mitigation, adaptation and recovery by informing and supporting marketing, industry development and communications initiatives and working with industry partners to inform and complete research initiatives. Research will enhance understanding of the remote worker opportunity, the development of long-stay packages, identification and confirmation of emerging traveller segments, understanding quality through the lens of the visitor, and inform marketing campaigns.

#### [Communications and Stakeholder Engagement](#)

Tourism Nova Scotia's communications and stakeholder engagement priorities for 2021-22 include sharing information and opportunities with Nova Scotia tourism businesses to assist in their recovery efforts; engaging with stakeholders to help them understand and align with provincial government priorities, and helping to rebuild Nova Scotia's tourism confidence.

In advance of its summer marketing campaign, TNS will launch a communications campaign targeted at Nova Scotians designed to encourage support for, and confidence in, Nova Scotia's tourism industry.

## PERFORMANCE MEASURES

Tourism Nova Scotia works to maximize the value of tourism to the province. In 2021-22, Tourism Nova Scotia will develop performance measures that reflect the organization's contribution to the industry goal of achieving \$1.2 billion in tourism revenues in 2021 through mitigating the impacts of the pandemic and related public health orders, helping industry operators adapt to current and evolving operating conditions, and supporting sustainable industry recovery. These performance measures may not be strictly financial in nature; they will consider how tourism contributes to the quality of life and well-being of Nova Scotians.

Tourism Nova Scotia will ensure that resources are aligned against government's strategic priorities. Progress against 2021-22 activities and their effectiveness will be tracked and reported.

<b>Tourism Nova Scotia Strategic Area of Focus</b>	<b>Priority/Activity/Initiative</b>	<b>Expected Outcome</b>
<b>Industry Support</b>	Provide administrative support for mitigation programming  Ensure DMO operational continuity  DCMP and RADIATE programs	Contribute to tourism and hospitality businesses' and organizations' ability to remain operational
<b>Generate local travel to support industry \$1.2 billion tourism revenue goal</b>	Local (and regional) marketing campaign across all four seasons  Package development  Novascotia.com content  DCMP program	Industry is better prepared to attract local travellers across all four seasons  Contribute to increased tourism revenues  Increase in off-peak tourism
<b>Strategic Marketing – Migration Focus</b>	Marketing campaign and website to attract remote workers  Collaboration to amplify distribution of “come to Nova Scotia” messaging	Contribute to government goal of attracting remote workers

<b>Strategic Marketing – Migration Focus</b>	Digital nomad long-stay accommodations-based package development	<p>Contribute to government goal of attracting remote workers</p> <p>Contribute to increased tourism revenues</p> <p>Larger collection of experiences/packages will motivate travel and attract remote workers.</p>
<b>Digital Transformation</b>	<p>Tourism Digital Assistance Program</p> <p>Webinar series</p> <p>Website Bootcamp Program</p>	<p>Increased digital readiness among tourism businesses to attract customers and increase revenues</p> <p>New/enhanced business websites</p>
<b>Experience Development</b>	<p>RADIATE Tourism Program</p> <p>Coaching</p> <p>Development of tourism differentiators</p> <p>Four season tourism</p> <p>Quality enhancement</p>	<p>Contribute to increased tourism revenues</p> <p>Increased business capacity to:</p> <ul style="list-style-type: none"> <li>-offer off-peak products and experiences</li> <li>-align products with market opportunities</li> <li>-meet/exceed customer expectations</li> </ul> <p>Nova Scotia has distinct authentic experiences that differentiate it from other destinations</p>
<b>Strategic Research</b>	Various initiatives to support strategic decision making, including remote worker attraction and alternate customers/markets	Tourism Nova Scotia and stakeholders use research support to inform decision making
<b>Communications and Stakeholder Engagement</b>	<p>Confidence campaign</p> <p>Various initiatives to share information and opportunities with Nova Scotia tourism businesses to assist in their recovery efforts, engage with stakeholders to help them understand and align with provincial government priorities, and help to rebuild Nova Scotia’s tourism confidence</p>	<p>Stakeholders understand and agree with Tourism Nova Scotia’s strategic direction</p> <p>Stakeholders believe Tourism Nova Scotia communicates information, opportunities and programs in a timely and transparent manner</p> <p>Nova Scotians consider tourism to be important to the provincial economy</p>

<p><b>Strategic Marketing – Travel Focus</b></p>	<p>Initiatives will depend upon available opportunities, reflecting the impact of COVID-19</p>	<p>Contribute to increased tourism revenues</p> <p>Focus on markets with the highest potential to drive tourism recovery – as they evolve</p> <p>Remain connected with established Canadian and international markets to ensure they do not erode</p> <p>Implement ACAT agreement</p>
<p><b>Visitor Services</b></p>	<p>Innovate and update visitor services</p>	<p>Develop plan with DNS</p>

## BUDGET CONTEXT 2021-22

### OPERATING BUDGET

	2020-21 Estimate (\$)	2020-21 Forecast (\$)	2021-22 Estimate (\$)
<b>Revenue</b>			
Provincial Operating Grant	21,648,000	25,763,000	20,671,000
Tourism Recoveries	550,000	4,549,200	1,604,000
Tourism Fees & Charges	763,000	(248,700)	100,500
<b>Total Revenue</b>	<b>22,961,000</b>	<b>30,063,500</b>	<b>22,375,500</b>
<b>Expenses</b>			
CEO & Board Administration	372,100	341,700	380,800
Corporate Services	5,033,600	3,862,900	4,545,100
Communications	523,000	444,700	514,000
Research and Policy	1,069,400	963,300	1,070,400
Marketing	13,149,800	14,952,800	12,091,400
Sector Development	2,813,100	9,498,100	3,773,800
<b>Total Expenses</b>	<b>22,961,000</b>	<b>30,063,500</b>	<b>22,375,500</b>
<b>Surplus (Deficit) before Depreciation</b>	<b>0</b>	<b>0</b>	<b>0</b>
Depreciation Expense	0	49,400	24,700
<b>Surplus (Deficit)</b>	<b>0</b>	<b>(49,400)</b>	<b>(24,700)</b>

## APPENDIX A: HYPERLINKS TO ADDITIONAL INFORMATION

### Corporate 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 Inclusive Economic Growth.

<https://tourismns.ca/about-us/corporate-overview/governance>

### Responsibility of Tourism Nova Scotia Board Chair

<https://tourismns.ca/sites/default/files/Responsibilities%20of%20the%20Board%20Chair.pdf>

### Responsibility of Tourism Nova Scotia Board Members

[https://tourismns.ca/sites/default/files/Responsibilities%20of%20Individual%20Directors\\_0.pdf](https://tourismns.ca/sites/default/files/Responsibilities%20of%20Individual%20Directors_0.pdf)

### Tourism Nova Scotia Board Charter

<https://tourismns.ca/sites/default/files/Board%20of%20Directors%20Charter.pdf>

#### Governance Committee:

- Nathalie Megann, Chair
- Lisa Bugden
- Ron Chisholm
- Ian McKinnon

#### Audit and Risk Committee:

- Miles Sweeney, Chair
- Neil Black
- Pat Lyall

### Tourism Nova Scotia Senior Management Team

<https://tourismns.ca/about-us/corporate-overview/leadership-team>

### Significant Reporting Relationships

Tourism Nova Scotia's CEO reports to Tourism Nova Scotia's Board of Directors.

The management and control of the affairs of the Corporation are vested in the Board of Directors and the Board may, subject to this Act, exercise the powers of the Corporation

### Organizational Overview

#### Enabling Statute

<https://tourismns.ca/sites/default/files/2017-01/Tourism%20Nova%20Scotia%20Act.pdf>

## Mandate

The Tourism Nova Scotia Act, passed on May 4, 2015, states the objects of the corporation are to:

- 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
- communicate and collaborate with communities, private industry, and the tourism industry in the province

## Vision

To be recognized globally as the leading destination marketing organization.

## Values

Tourism Nova Scotia is guided by three core values:

- act with integrity
- collaborate to achieve common goals
- embrace our vision to be the leading destination marketing organization

## Business Areas

- Marketing
- Experience Development
- Business Coaching
- Research
- Accommodation Licensing
- Six Visitor Information Centres
- Contact Centre