



# Business Plan

2021–22

*Inclusive Economic Growth*



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Departmental Business Plans  
Finance and Treasury Board  
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## MESSAGE FROM THE MINISTER

The global COVID-19 pandemic is the most significant global event of this century. It has brought change. It has, for Nova Scotia, been a galvanizing crisis that demonstrated our strengths and bonds of community. Nova Scotia businesses made many sacrifices for the public good and by doing so, consumer confidence has been and will be more quickly restored in our province as we adapt and prepare for the recovery.

Sectors across Nova Scotia were impacted as we all responded and adjusted to the challenges put in front of us. There is no doubt, however, that there have been unequal impacts across sectors. Our tourism, hospitality, travel, events and performing arts sectors, among others, continue to feel the shock of the global pandemic. We will continue to work with all sectors, and in particular tourism, travel and hospitality, as we mitigate, adapt and recover.

Nova Scotia had a strong economy before this pandemic, and collectively, we will build on that strength as we emerge from these challenging times. The public health measures put in place that were followed by our businesses and citizens enabled the quicker return of consumer confidence and, in relative terms, our economy fared better than many others. We are well-positioned to participate in and benefit from the global economic recovery as we move ahead.

While we are not yet at pre-COVID levels, the province's financial position improved in the last several months and our businesses are open, with staffing and revenue returning.

It hasn't been business as usual over that past year and it won't be in the future. The severe interruption caused by the virus and changes in consumer behavior presents challenges and opportunities. Our businesses have risen to meet these challenges by adapting and offering new or different products or services both locally and around the world; exploring new ways of operating such as moving online and offering delivery and pick-up options; identifying new markets and customers; and creating new work arrangements.

In 2020, the province had the highest population levels on record. The historic tide of out-migration of Nova Scotians to other parts of the country has turned in the past five years. The pandemic brought positive interprovincial migration to all 18 counties in Nova Scotia. We are reversing a decades-long trend of people leaving Nova Scotia in search of opportunity. A growing population is both a cause and consequence of economic growth. To maximize the opportunity, foundational economic infrastructure and programming is needed so Nova Scotia's inherent "quality of place" can be enhanced through placemaking. In 2021-22 the Department of Inclusive Economic Growth, working in coordination with our Crown corporations, will work to grow our population to increase aggregate demand in Nova Scotia. This will contribute to the recovery of our small business sector which was hard hit by the pandemic.

Upon completing the Internet for Nova Scotia Initiative, our province will have 99% coverage for homes and businesses for high-speed internet. The Department of Inclusive Economic Growth will continue this momentum by developing policy and program initiatives with all of the Crown corporations that enable digital adoption, bridging the digital divide.

The economic, physical and networking assets of ecosystems and clusters are now incubators, accelerators, co-working spaces and post-secondary institutions – geographic clusters, large and small- where people and organizations meet and collaborate to generate new ideas and commercial activities. With research institutions, universities, community colleges and livable communities, we have many advantages. The Department of Inclusive Economic Growth will continue to collaborate with partners to build on our advantages.

Before COVID-19, employment was strong and exports of goods and services reached a record high in 2019 with significant gains in seafood, tires, blueberries and lumber. NSBI will continue to expand our export opportunities with an even greater focus on innovation, production, productivity and export growth.

As we enter 2021 and look ahead, the focus at the Department of Inclusive Economic Growth will be to further align efforts and work collaboratively with our Crown corporations and Invest Nova Scotia, our provincial departments, key partners and the business community to help businesses recover, thrive and rebuild so that all Nova Scotians can participate in and benefit from a strong economy.

All of our work will be done through a citizen-centred approach, ensuring we measure progress beyond only economic metrics to consider the improvements to the quality of life and social well-being of our citizens. Each Crown corporation and the department will put inclusion and improved opportunities for economic participation and benefit of all Nova Scotians at the center of our programs.

Working together, we can and will build a stronger economy, creating opportunity for all Nova Scotians.

Sincerely,

Original signed by

The Honourable Labi Kousoulis

## DEPARTMENT MANDATE

The mandate of the department is to lead and align all government efforts to expand business and social enterprise growth in Nova Scotia. The department provides strategic direction and leadership to all provincial government departments, Crown corporations and agencies to achieve alignment on strategy for business and social enterprise growth.

The measure of success is the improvement of the economic and social well-being of all Nova Scotians. To achieve our mandate, the department collaborates with its Crown corporations, provincial departments, key partners in municipal and federal governments, entrepreneurs and small business owners, large businesses, post-secondary institutions, venture capital investors and Nova Scotians to create a dynamic environment for businesses to succeed. Working together and reinforcing each other's activities creates a stronger, collective impact that can realize the province's economic objectives.

The department primarily focuses initiatives in strategic areas that encourage Nova Scotia's innovation, competitiveness, entrepreneurship, export orientation, cluster development and placemaking.

The department is also responsible for the Invest Nova Scotia Board Act and the Peggy's Cove Commission Act; leading an intergovernmental initiative to facilitate regulatory coordination on major projects in Nova Scotia; and managing legacy commitments assigned to it for oversight following the dissolution of the Department of Economic and Rural Development and Tourism in 2015.

The Minister of Inclusive Economic Growth is assigned responsibility for the following Crown corporations:

- Develop Nova Scotia
- Innovacorp
- Nova Scotia Business Inc.
- Tourism Nova Scotia

and for the administration of the province's responsibilities in the Halifax Convention Centre Corporation (Events East Group).

## CROWN CORPORATIONS

The Minister of Inclusive Economic Growth has a statutory mandate to oversee a portfolio of four Crown corporations, as well as the provincial interest in Events East Group. The department provides strategic direction and policy support to align the portfolio behind a common agenda to meet government's commitment to inclusion, economic equality, and respect for the environment.

### Develop Nova Scotia

Develop Nova Scotia was established in September 2018 and is responsible for investing in strategic economic infrastructure, properties and programs that enhance our quality of place. Develop Nova Scotia works with partners and communities to make Nova Scotia an incredible place to live, work, invest and visit.

### Events East Group

Events East Group manages and operates the Halifax Convention Centre, Scotiabank Centre and Ticket Atlantic. Events East Group was created as a government partnership between the Province of Nova Scotia and Halifax Regional Municipality. It was established in 2014 through legislation to promote and develop economic development, tourism and industry in the province generally and within the municipality.

### Innovacorp

Innovacorp is Nova Scotia's early stage venture capital organization. Innovacorp finds, funds, and fosters innovative Nova Scotia start-ups. Target industries include information technology, clean technology, life sciences and ocean technology. Early stage investment is at the core of Innovacorp's business model. It also provides entrepreneurs with access to world-class incubation facilities, expert advice and other support to help accelerate their companies.

### Nova Scotia Business Inc.

Nova Scotia Business Inc. (NSBI) helps Nova Scotia businesses grow exports through access to business advisory services, skills development and training to build export capacity, market intelligence, financing and support in accessing global markets. NSBI attracts foreign direct investment to Nova Scotia to grow the economy and strengthen its ecosystems and export capacity.

### Tourism Nova Scotia

Tourism Nova Scotia (TNS) promotes the province to key markets outside of Atlantic Canada as a place to visit. TNS works with businesses, community organizations and all levels of government to improve Nova Scotia's tourism competitiveness through marketing, research, business coaching, programming and information sharing.

## STRATEGIC OBJECTIVES 2021-2022

The COVID-19 pandemic is a unique event that has changed the world.

These new realities bring new opportunities to build upon Nova Scotia's existing strengths – a workforce and population with a range of skills and perspectives, diverse regional economies, vibrant ecosystems and the ability to work together. This period of recovery presents an opportunity for Nova Scotia to achieve measurably better social well-being and sustainable economic inclusion.

Our first priority will be to collaborate with sectors that have had the biggest adverse impact from the public health measures undertaken to control the spread of COVID-19. We will continue to work with key industries hardest hit such as tourism, travel and hospitality, as we mitigate, adapt and recover from the pandemic. Each of these sectors have one thing in common – they depend on consumer spending, a major source of economic activity that collapsed as the first wave of the pandemic swept across the country. Restoring consumer demand is a priority.

In the tourism sector—a very important sector for Nova Scotia—public health restrictions have had lasting impacts. The sector has shown resilience and creativity and in 2021-22 the Department of Inclusive Economic Growth is committed to being a partner as the sector adapts and recovers. We will collaborate to see the renewal of tourism markets and hosting world-class events and conferences. In addition, we will market Nova Scotia as an ideal destination for individuals, families, and employers who have found new mobility and work arrangements that allow them to not only visit Nova Scotia but to “work” here as well, any time of the year.

Economic recovery will be spurred by the adaptability of our province's workforce, businesses, and public institutions through the development of new skills and adoption of technology. Both traditional and emerging sectors will be supported to embrace innovation and leverage the economic potential of research. And we will work to ensure the widest range of people and places have opportunities to both contribute to, and benefit from, economic growth.

Working across government, and with our federal, provincial and municipal partners, we will continue our focus on meeting strategic economic objectives across all eleven of the functional economic regions of the province. The Department of Inclusive Economic Growth and its Crown corporations share this common agenda and will direct our efforts in the coming year to the following areas:

- Tourism Sector Recovery
- Innovation and Cluster Development
- Digital Economy and the Future-oriented Workforce
- Quality of Place and Creating Shared Value
- Renewing Trade and Export Growth



## PRIORITY INITIATIVES FOR 2021-2022

### TOURISM SECTOR RECOVERY

Tourism employs people in nearly every community in this province and continues to be an important sector. The department is engaged with Tourism Nova Scotia and the broader hospitality and tourism sectors to develop initiatives that mitigate the impacts of COVID-19 and allow the industry to adapt and imagine new opportunities for recovery of the tourism industry.

#### Tourism Nova Scotia

Tourism Nova Scotia is working with the Tourism Stabilization Working Group and other stakeholders to support the tourism sector. This collaborative work will include programming to advance the quality of experiences and develop Nova Scotia into a four-season tourism market. When public health conditions permit, we will be ready to restore our focus on national, North American and international markets and continue to attract first class conventions and events to the province.

#### Events East Group

Events East Group (EEG) will co-create and host locally focused events and strategically utilize the Halifax Convention Centre during the first half of the year. EEG's near-term strategy will remain focused on working with event organizers to host strategic regional events, balanced by a continued effort to foster strong relationships with national and international clients and position Nova Scotia as a safe, accessible destination in order to be ready when travel restrictions begin to ease.

#### Authentic Destinations

Develop Nova Scotia will continue community-led planning and development on properties identified by the Tourism Revitalization of Icons Program including Peggy's Cove, Harbour Islands and Lunenburg's Big Boat Shed, along with new opportunities in Cape Breton, Southwest Nova, Pictou and Sheet Harbour.

#### Tourism Accommodations Real Property Tax Rebate Program

Working with Tourism Nova Scotia, the department will implement Part 2 of the program to provide qualified operators a 50 per cent rebate on payment of the first six months of their 2021-22 commercial property tax. As municipalities issue property tax bills at different times, the program will remain open throughout the year.

### INNOVATION AND CLUSTER DEVELOPMENT

The Department of Inclusive Economic Growth and the Crown corporations will lead initiatives to support innovative solutions and develop clusters based on comparative advantages across the province. We will focus on the opportunities of a low-carbon future to stimulate economic activity. Innovation in agriculture, forestry and manufacturing sectors as well as emerging sectors such as ocean, digital, health innovation, and renewable energy is critical to the province's economic recovery.

## Innovation Ecosystem

The department works with partners to foster and strengthen the innovation ecosystem through investment in the Organization for Nova Scotia Innovation Driven Enterprise (ONSIDE) as a “backbone” organization and incubators and accelerators across the province including Volta, Ignite Labs and Cape Breton Makerspace. ONSIDE is enabling the participation of five provincial regions in the Massachusetts Institute of Technology’s Regional Entrepreneurship Acceleration Program - Nova Scotia to explore an evidence-based, practical approach to strengthening innovation-driven entrepreneurial ecosystems.

## Innovation Rebate Program

NSBI will continue to help Nova Scotia companies compete more effectively on the global stage by supporting projects that increase innovation capacity or involve investments in new technologies and business processes. The recently launched Small and Medium Enterprise Innovation Rebate program will enable companies with projects under \$2 million to access rebates.

## Productivity and Innovation Voucher Program

NSBI will continue to help small and medium sized companies form research and development partnerships with our universities and community college campuses to accelerate innovation and commercialization. The program funds businesses to seek out expertise within post-secondary education institutions to improve productivity; develop a new product, service, or process; and create growth.

## Forestry Innovation Rebate Program

NSBI will continue to offer the Forestry Innovation Rebate Program to support businesses in the forestry sector to undertake projects to add value to end products, utilize waste-streams and by-products and implement new technologies as government innovates away from industrial forestry to ecological forestry.

## Centre for Ocean Ventures and Entrepreneurship (COVE)

Develop Nova Scotia will continue to own and manage the COVE site and infrastructure on the Dartmouth waterfront and will work with COVE and regional public and private partners to continue discussions on the feasibility of two COVE outpost sites in locations across Nova Scotia. Innovacorp will continue to offer programming at the Start-Up Yard at COVE to build and strengthen the pipeline of ocean technology start-ups in Nova Scotia.

## Blue Economy

A blue economy means sustainable use of ocean resources for economic growth, improved livelihoods, and jobs while preserving the health of ocean ecosystems. We will work with other departments to respond to Canada’s Blue Economy Strategy and highlight how our unique strengths and capabilities can contribute to a national strategy while ensuring the regional and community-level needs of Nova Scotians are identified.

The department and its Crown corporations will also continue to be an active partner in the Ocean Supercluster, a cross-sectoral initiative of leaders in fisheries, aquaculture, offshore resources, shipping, defense, marine renewables and ocean tech. Supercluster projects leverage innovation to improve competitiveness in our ocean-based industries while protecting ocean and coastal areas.

## Venture Capital Investment

Innovacorp will continue to manage the Nova Scotia First Fund, the province's early stage venture capital fund, making capital investments in early-stage, high-growth start-ups so they can grow to a point where they can raise additional capital from private investors. Innovacorp is focused on "Deep Technology" start-ups, including target industries in the information technology, clean technology, and ocean technology sectors, as well as in life sciences.

Innovacorp will also continue to work with private-sector funds to increase access to venture capital for local software technology start-ups (Build Ventures and Concrete Ventures) and to close the investment gap for initiatives developed and led by women (Sandpiper Ventures).

## Incubation Facilities

Innovacorp will support emerging companies by continuing to offer space, infrastructure, flexible leasing, on-site support and access to a community of like-minded people at three locations. The Bays at Innovacorp (Dartmouth) targets companies in clean technology and other knowledge-based sectors. The Labs at Innovacorp (Halifax) focuses on the life sciences industry. The Start-Up Yard at COVE is for ocean technology ventures.

## Acceleration Programs

Innovacorp will offer a variety of acceleration activities to build and strengthen the pipeline of investment-grade start-ups in Nova Scotia including start-up competitions and the Start-Up Visa Program. Acceleration programs help move post-secondary research to market, give expert guidance for start-ups approaching investment readiness and provide services and support for the highest potential companies.

## DIGITAL ECONOMY AND THE FUTURE-ORIENTED WORKFORCE

The Department of Inclusive Economic Growth and the Crown corporations are committed to working with partners on policy and program initiatives that will enable businesses, communities and citizens to fully participate in the digital economy. We will collaborate with partners to ensure Nova Scotians have the skills to engage in new job opportunities and through distributed and proximity optional workforce structures.

### Internet Infrastructure and Access

Develop Nova Scotia will continue to expand and accelerate the Internet for Nova Scotia Initiative to facilitate high-speed internet connectivity in rural Nova Scotia to enable personal connectivity, increased digital literacy and business digital adoption. Access to reliable, high-speed internet across the province gives Nova Scotians options in choosing where to live and work and helps to attract those who can work-from-anywhere chose our province. When projects are complete by the end of 2023, 99% of Nova Scotians will have access to high-speed internet. Nova Scotia is tracking to be the among first provinces in Canada to achieve this level of coverage.

### Work from Here

NSBI will collaborate with partners to develop and deliver initiatives to connect digitally-enabled workers currently in Nova Scotia with key employers, and attract those who want to call Nova Scotia home to live here and export their knowledge and skills around the globe.

### Lifestyle Travellers and Digital Nomads

Tourism Nova Scotia will continue to inspire Lifestyle Travellers, Digital Nomads, and long stay visitors to Nova Scotia and will explore non-traditional partnerships with the private sector to support the attraction of remote workers.

### Digital Adoption

NSBI will support businesses to invest in and improve e-commerce solutions through the Digital Adoption Stream of the Export Growth Program while incenting behaviours that are vital for productivity gains and business resilience.

Tourism Nova Scotia will continue its partnership with Digital Nova Scotia on the Tourism Digital Assistance Program to help tourism operators adopt digital technologies and meet consumer expectations.

## QUALITY OF PLACE AND CREATING SHARED VALUE

The Department of Inclusive Economic Growth and the Crown corporations are committed to addressing environmental, economic and equity challenges to sustainable and inclusive economic growth. Part of this work necessitates all the resources of a community working together in a place-specific, horizontal approach. Through collaboration with partners across our organization and communities we will focus on placemaking and the creation of shared value.

### Invest Nova Scotia

Invest Nova Scotia will continue to fund community projects that have broad sectorial impacts and create long-term gains for Nova Scotia, providing grants and repayable loans to community-based organizations that foster cooperation and collaboration across the province in agriculture, education, social enterprise, and arts and culture sectors.

### Regional Enterprise Networks

In the coming year, the department will assume responsibility for the Regional Enterprise Networks (RENs) from the Department of Municipal Affairs. The seven regional networks take a collaborative approach to economic development and supporting business growth. The department will work with the RENs to focus mandates, enhance relationships with the portfolio of Crown Corporations and leverage the comparative advantages in the functional economic regions of the province.

### Thriving Communities

Working closely with communities, Develop Nova Scotia will lead a program focused on locally led main street, waterfront, and public infrastructure projects in communities across the province. These places are composed of hard infrastructure like wharves, sidewalks and public squares, alongside amenities and programming. They support multiple users and uses, spur small business growth, improve quality of life and create places that people love, attracting locals and visitors alike.

### Working Waterfronts – Marine Network

Develop Nova Scotia will support planning projects in Lunenburg and a potential network of marine destinations across Nova Scotia to establish shared access, multi-purpose marine infrastructure that in turn will foster ocean-related sector growth, attract marine visitation and preserve public access to the water's edge.

### RENEWING TRADE AND EXPORT GROWTH

The Department of Inclusive Economic Growth and Crown corporations recognize that growing the value of exports is a pathway to economic success. We will contribute to growth in the volume and value of exports by assisting Nova Scotia businesses develop capacity and increase access to market opportunities.

NSBI has a range of programs to support new exporters as well as long standing mainstays of our export success. In the short term, NSBI's export efforts will focus here at home to build capacity and scale homegrown, leading-edge companies. Innovacorp invests in finding, funding and fostering early stage innovation-driven entrepreneurs that are "born global".

COVID-19 drastically altered the global business environment and 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. NSBI will continue to provide financial support through the Export Development Program and Digital Adoption stream enabling businesses to overcome barriers to export growth and increase export sales outside of Nova Scotia.

## DEPARTMENTAL EXPENSES SUMMARY

### Departmental Expenses Summary

(\$ thousands)

<b>Programs and Services</b>	<b>2020-21 Estimate</b>	<b>2020-21 Forecast</b>	<b>2021-22 Estimate</b>
Senior Management	933	919	1,075
Policy and Operations	2,286	1,623	1,900
Halifax Convention Centre Amortization	7,720	7,720	7,720
Nova Scotia Jobs Fund	12,300	9,400	13,198
Crowns and Major Projects	125,783	172,707	101,701
<b>Total - Departmental Expenses</b>	<b>149,022</b>	<b>192,369</b>	<b>125,594</b>
<b>Ordinary Recoveries</b>	688	1,540	536
<b><u>Funded Staff (# of FTEs)</u></b>			
<b>Total - Funded Staff</b>	<b>28.4</b>	<b>24.7</b>	<b>28.7</b>
Less: Staff Funded by External Agencies	(1.4)	(1.1)	(0.2)
<b>Total - Departmentally Funded Staff</b>	<b>27.0</b>	<b>23.7</b>	<b>28.5</b>