

Accountability Report

2016–2017

Department of Business
July 2017

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Accountability Statement

The Accountability Report of the Department of Business for the year ended March 31, 2017 is prepared pursuant to the *Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the Business Plan of the Department of Business for the fiscal year just ended. The reporting of the Department of Business outcomes necessarily includes estimates, judgments and opinions by Department of Business management.

We acknowledge that this Accountability Report is the responsibility of Department of Business management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the Department of Business 2016-2017 Business Plan.

Original signed by

Honourable Geoff MacLellan
Minister of Business

Original signed by

Murray Coolican
Deputy Minister of Business

Message from Minister

As Nova Scotia's new Minister of Business, I'm pleased to update you on our work.

The pages which follow outline our financial choices in detail. They also explain the actions we're taking to grow our economy, create jobs, keep young people at home and be more competitive. Our focus on innovation and private sector growth is working.

2016 was an outstanding year for tourism. A record 2.2 million people visited Nova Scotia, generating an estimated 2.6 billion dollars in revenue.

There's growing demand for our products. Nova Scotia was Canada's leading exporter of seafood in 2016, with \$1.8 billion worth of products sold to international markets.

Our start-up community is thriving. New companies are forming and entrepreneurs have a growing network of support through accelerators like Volta, Propel ICT and Navigate Startup House.

More Nova Scotians are exploring social enterprise and working on ideas for profit and social good.

We're also better connected. Approximately 5000 households and 450 businesses in rural Nova Scotia are gaining better internet service through our Community and Municipal Grants program.

What's next for Nova Scotia?

We need to embrace innovation and grow our priority sectors. Focusing on information and communications technology (ICT), oceans, seafood, agri-food, shipbuilding and tourism will create jobs, build a stronger economy and help us compete internationally.

Through the Department of Business and our Crown corporations, the Government of Nova Scotia will continue to invest in innovation and entrepreneurship, align strategic outcomes across government, launch a new private-sector-led venture capital fund, further improve internet service and increase exports. Government and its partners will also shepherd exciting projects like the Centre for Oceans and Entrepreneurship (COVE) through completion, with the new COVE facility expected to open in April 2018.

There's much to look forward to.

Original signed by

Honourable Geoff MacLellan
Minister of Business

Financial Results

	2016-2017 Estimate	2016-2017 Actuals	Variance	
Program and Service Area	(\$ thousands)	(\$ thousands)	(\$ thousands)	
Senior Management	666	799	133	
Corporate Services	1,816	1,413	(403)	(1)
Halifax Convention Centre Amortization	1,128	0	(1,128)	(2)
Department & Crown Relations	7,665	7,316	(349)	
Corporate Policy	0	317	317	
Nova Scotia Jobs Fund	35,240	35,023	(217)	
Business Relations & Innovation	14,183	12,502	(1,681)	(3)
Crown Corporations and Partnerships	76,752	74,173	(2,579)	(4)
Clearing Centre	0	146	146	
Total	137,450	131,689	(5,761)	

Note:

- (1) Lease rate adjustment
- (2) Delay in substantial completion of Halifax Convention Centre (amortization)
- (3) Timing of cash flows for Invest Nova Scotia approved projects; change in direction for planned spending on Rural Highspeed Internet; Innovation Ecosystems
- (4) Delay in substantial completion of Halifax Convention Centre (pre-opening costs); Tourism Nova Scotia underspend due to end of year decision by CRA to allow 100% HST claim; Waterfront Development revised capital project costs and cash flows; Nova Scotia Business Inc increased Payroll Rebates

Measuring Our Performance

In 2016-2017, the Department of Business coordinated efforts of its agencies and other departments who work more directly with Nova Scotia businesses to enhance Nova Scotia's innovation, competitiveness, entrepreneurship, and export orientation. The Department aligns and coordinates all of government behind a common economic growth agenda. While this work does not lend itself to easy measurement, the applicable outcomes identified in the 2016-2017 Business Plan are discussed in terms of activities that were undertaken to support them.

Innovation

During 2016-2017, the Department of Business was identified to lead efforts to advance government's innovation agenda. The Department was involved in several initiatives around improving coordination across government, advancing regional approaches, and supporting the innovation ecosystem.

The Department led the successful application process to obtain \$7.2 million in federal funding for the Centre for Ocean Ventures and Entrepreneurship (COVE), a collaborative facility for applied innovation in the ocean sector. This funding is in addition to the \$12.6 million provincial funding for capital repairs and renovations to the site.

The Department provided a secretariat function to the Invest Nova Scotia Board. Through Invest Nova Scotia, three applications that advance innovation across the province were approved. The funding amounts to \$3 million over three years.

Collaboration

The Department plays a key role in supporting economic growth and international competitiveness by providing strategic policy oversight, accountability and facilitating connections among the private sector and levels of government. An example of this includes the Province working closely with the federal government and the other Atlantic provinces to advance the Atlantic Growth Strategy, a plan designed to drive economic growth in the Atlantic Region through targeted, evidence-based actions. In 2016-2017, the Department advanced pan-Atlantic and federal collaboration by working with Tourism Nova Scotia to renew the Atlantic Canada Agreement on Tourism (ACAT) and working with Nova Scotia Business Inc. to establish the Atlantic Trade and Investment Growth Agreement (ATIGA).

The Department was also the government lead on the Innovation pillar of the Atlantic Growth Strategy. In collaboration with Federal and Provincial partners, a three-part workplan was executed:

- The Department, in conjunction with the Department of Finance and Treasury Board, completed a cluster mapping exercise for Atlantic Canada and the individual Atlantic Canadian provinces to help identify strategy clusters of innovation focus.

- The Big Data Analytics capacity for the Atlantic region was mapped for use in collaboration and deployment conferences.
- Supporting acceleration and incubation activities to advance entrepreneurship and innovation within the Atlantic region.

Aligning Government Efforts to Support Economic Growth

- Outcome agreements were successfully established with Nova Scotia Business Inc., Innovacorp, Tourism Nova Scotia, Waterfront Development Corporation Limited, and Trade Centre Limited. The agreements are a key implementation tool to ensure coordination and alignment with each of the Crown Corporations. In 2016-2017, the outcome agreements helped to strengthen the strategic orientation on the five Crown Corporations in order to advance the objectives of Government's Framework for Private Sector Growth. Examples of successes include:
 - Innovacorp continued to work with partners to enhance the development of Nova Scotia ideas and firms to support the development of high potential, scalable, innovative companies with an export focus;
 - Nova Scotia Business Inc. enhanced focus on exporting, including high potential clusters. An example of a key outcome of this work was NSBI exceeding its target of the number of first-time exporters;
 - Tourism Nova Scotia implemented programs that concentrated on targeted markets, both in terms of visitor experiences and content creation;
 - Trade Centre Limited, with an eye towards future convention operations, continued its journey towards achieving international quality assurance accreditation for excellence in convention centre management and operations;
 - Waterfront Development Corporation Ltd. enhanced infrastructure to support high potential clusters, as evidenced by their development on the Centre for Ocean Ventures Entrepreneurship (COVE).

A more detailed outline each agency's achievements can be found in its annual / accountability report.

- Alignment agreement principles were established with 11 departments and agencies that have mandates for economic growth.
- *Government's Framework for Private Sector Growth* was adopted in April 2016. The framework will guide government in specifying, prioritizing, and measuring policies and actions implemented to stimulate economic growth.
- Government's social enterprise strategy, *Advancing Social Enterprise in Nova Scotia*, was released in April 2017. The plan identifies actions Government will take to help advance social enterprise with the sector.

Coordination

- The Department established a process and led the work with internal partners to identify an approach to land disposal, retention, and remediation.
- High potential cluster profiles are being finalized and specific action plans continue to be developed.
- The Department collaborated with Nova Scotia Business Inc., Innovation, Science and Economic Development Canada, and other partners to maximize industrial and technological benefits from the National Shipbuilding Procurement Strategy and the province of Nova Scotia's specific commitments from agreements with Irving Shipbuilding Inc.
- The Department supported Innovacorp's leadership to develop a private sector-led early stage venture capital fund by issuing a Request for Submissions in fall 2016 and managing the selection process.
- A rural high speed internet funding program to support projects led by municipalities or community groups was launched in fall 2016. Funding agreements worth \$1.4 million were signed with 22 proponents and were announced March 27, 2017. In addition, a consultant team was hired in fall 2016 to develop a strategy for enhancing the middle mile and last mile internet infrastructure in the Province.

Outcomes and Performance Measures

Since the Department does not deliver economic programming (with the exception of Invest Nova Scotia), Business relies on developing and maintaining effective relationships with its agencies and other departments in order to maximize the impacts of government's economic development agenda. The 2016-2017 Business Plan identified two measures to be developed:

- *Increase the capacity of sectors or regions (in relation to the projects undertaken by Invest Nova Scotia); and*
- *Government helps to create the climate for private sector and social economic growth to support the ONE NS economic goals*

In 2017-2018, the Department of Business will work to develop and oversee an approach to monitoring and evaluating progress related to Government's agenda for economic growth. This will include collaborating and coordinating with government partners to establish both short term and other long term measures. The long-term measures identified in the 2016-2017 Business Plan will be incorporated in this planned and coordinated approach.

Appendix A: Public Interest Disclosure of Wrongdoing Act Annual Report

The Public Interest Disclosure of Wrongdoing Act was proclaimed into law on December 20, 2011.

The Act provides for government employees to be able to come forward if they reasonably believe that a wrongdoing has been committed or is about to be committed and they are acting in good faith.

The Act also protects employees who do disclose from reprisals, by enabling them to lay a complaint of reprisal with the Labor Board.

A Wrongdoing for the purposes of the Act is:

- a) a contravention of provincial or federal laws or regulations
- b) a misuse or gross mismanagement of public funds or assets
- c) an act or omission that creates an imminent risk of a substantial and specific danger to the life, health or safety of persons or the environment, or
- d) directing or counselling someone to commit a wrongdoing

As noted in the table below, the Department of Business has not received any disclosures of wrongdoing in the fiscal year 2016-17.

Information Required under Section 18 of the Act	Department of Business Fiscal year 2016-17
The number of disclosures received	None
The number of findings of wrongdoing	None
Details of each wrongdoing	N/A
Recommendations and actions taken on each wrongdoing	N/A