



# Budget

2019–20



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2019–20

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Budget 2019–20: Crown Corporation Business Plans  
Finance and Treasury Board  
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Art Gallery *of* Nova Scotia

# 2019/2020 Business Plan





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# Message from the Art Gallery of Nova Scotia Board Chair

On behalf of the Board of Governors of the Art Gallery of Nova Scotia, I am pleased to present the Gallery's business plan for 2019/2020.

One of the most important achievements in the past year was establishing a new vision for the Art Gallery of Nova Scotia. In 2019/2020 we will look to the future while building on our substantial legacy to create "an inclusive public gathering place that connects people with art to inspire new ways of thinking." The Gallery will increase its focus on presenting contemporary perspectives to address and challenge the key issues facing artists and society at large.

On an operational front, the team is already deeply engaged in executing on five key goals: building capacity; creating deeper community connections; applying a contemporary lens to exhibitions and programs; creating a more inclusive visitor experience; and continue our work towards a new building on Halifax's waterfront.

2019/2020 will be a pivotal year in the history of the Gallery. We will take bold new steps to embrace an exciting future that engages all Nova Scotians in the power of contemporary art.



Erik Sande  
Chair, Board of Governors



# Art Gallery of Nova Scotia

## Mandate

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

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

## A New Art Gallery of Nova Scotia

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

## Vision

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

## Mission

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

# Beliefs

## **Be welcoming**

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

## **Be contemporary**

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

## **Be challenging**

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

## **Be ambitious**

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

# Business Strategy

The Art Gallery of Nova Scotia's strategy for the next year has shifted, with a focus on building our organizational capacity to ensure we are prepared to take on the additional responsibilities of a major capital project. Strategies for fundraising, a new approach to governance, and a strong workforce are some of the areas we believe can contribute to our capacity.

The year will also see a continuation of our commitment to working with community partners to build a more inclusive and diverse gallery. The focus in 2019/2020 will be to work with Indigenous and African Nova Scotia communities. Further, we will continue to build partnerships with people and groups throughout society that share our interest in using the visual arts to inspire new ways of thinking.

Lastly, the Gallery will begin the longer process of delivering on our visions for a 'new' Art Gallery of Nova Scotia. Some of this will not be fully realized until we have a new gallery, but it is critical to our success that we begin living our beliefs to be welcoming, contemporary, challenging and ambitious. This plan reflects those beliefs.

The goals and objectives outlined below continue to support Community, Culture and Heritage's Culture Action Plan in four areas: Promote Mi'kmaw Culture; Creativity and Innovation; Advance Cultural Diversity; and Excellence in Cultural Stewardship.

## Business Plan Goals and Objectives

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

1. Build capacity to deliver on the Gallery's new vision and mission.
2. Build deeper community connections and engagement to broaden and change perspectives.
3. Apply a contemporary lens to our exhibitions and programs.
4. Create a more inclusive visitor experience both on and offsite.
5. Design and implement a plan for building a new Gallery on the waterfront.

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

The Gallery is about to undergo significant change, not only as we deliver on our new vision, mission and belief pillars but because of our desire to build a new home on the waterfront in Halifax. As a result, we need to ensure that we have the capacity to deliver on these promises. We need strong leadership, appropriate governance structures, and a team of staff and volunteers with the right skills, abilities and experience to match our ambitions. Strong policies and processes and stable funding are also necessary to support the Gallery through a period of substantive change.

## Objective 1: Improve governance.

Outcomes	KPI	Lead
An implementation plan is complete based on recommendations from the governance review.	Plan is completed in first quarter and implementation begins.	HR/Governance Committee and CEO
Acquisitions process is more effective.	Acquisitions process is changed by Q3.	Acquisitions Committee and Curatorial

**Objective 2: Staff and volunteers have the right skills and abilities to execute the business plan.**

<b>Outcomes</b>	<b>KPI</b>	<b>Lead</b>
Staff and volunteer complement have appropriate skills and abilities.	Goals and objectives are being met on time and on budget.	HR and Directors
Training needs are identified and delivered.	Training needs identified in Q1.  Training plan is in place by Q1 and implementation begins.	HR and Directors
A performance evaluation system is fully functional.	Performance evaluation is standardized and done quarterly.	HR
FTE requirements for future growth have been identified.	FTE count is sufficient to hire appropriate staff now and in the future.	CEO with CCH

**Objective 3: Stabilize funding by meeting fundraising targets.**

<b>Outcomes</b>	<b>KPI</b>	<b>Lead</b>
Membership revenues realize modest growth.	Membership revenues are \$60,000.	Development
Sponsorship revenues increase 55%.	Sponsorship revenues are \$225,000.	Development
Donations, annual appeal and leadership gifts raise \$190,000.	Targets are met.	Development
Gala event raises \$150,000.	Targets are met.	Development Committee
Increase number of prospective donors.	Increases by 15%.	Development

## Goal 2: Build deeper community connections and engagement to broaden perspectives.

The Art Gallery of Nova Scotia is determined to challenge its own approach to programming and exploring the idea of fostering a culture that creates opportunities for intersection between artists, their work and our audiences. As an organization that embraces difference, we want to encourage dialogue and debate, and strive to present multiple points of view regardless of race, gender, sexual orientation, class or creed. Through this type of engagement, the Gallery hopes to challenge the way we do things and encourage others to engage in conversations and activities that can lead to social change. The focus in 2019/2020 will be on furthering dialogue from the perspective of Nova Scotian's Indigenous community and developing a more inclusive relationship with African Nova Scotians.

### Objective 1: Indigenous representation and perspectives are evident at the Art Gallery of Nova Scotia.

Outcomes	KPI	Lead
The Gallery is participating in furthering the understanding of Indigenous perspectives in museums.	Increased participation in initiatives related to Indigenous work in museums.	Curatorial
Indigenous Gallery is completed and provides new community perspectives.	Indigenous Gallery is completed by Q4.	Curatorial
All Gallery staff, board and volunteers better understand indigenous perspectives and protocols.	Training is completed by Q2.  Appropriate protocols are introduced and followed.	CEO and Curatorial
Indigenous representation on staff, board and committees increases.	More staff, board and committees have Indigenous representation.	CEO, Board and Curatorial

## Objective 2: African Nova Scotians are more engaged with the Gallery.

Outcomes	KPI	Lead
More African Nova Scotians are engaged with the Gallery.	The exhibition <i>Here We Are Here</i> is presented and supplemented by African Nova Scotian artists.  African Nova Scotians are active participants in planning programs that reflect their community.	Curatorial  Programs
The Gallery collection plan better reflects African Nova Scotian artists.	As part of a larger assessment of the Gallery collection, begin planning to collect African Nova Scotian artists.	Curatorial and Development
African Nova Scotian representation on staff, board and committees increases.	More staff, board and committees have African Nova Scotian representation.	CEO, Board and Curatorial

## Objective 3: The Gallery continues to strengthen relationships with community organizations and deliver art programs in communities across the province.

Outcomes	KPI	Lead
A provincial strategy for the Gallery is complete.	Strategy is completed by Q4.	CEO/senior team and Board.
The groundbreaking work with Autism is documented and shared for the benefit of other communities.	Publish and disseminate the Autism Arts book by Q2.	Programming
Artful Afternoons, Autism Arts, Phoenix etc continue to positively impact lives.	Positive evaluations of programs.  Enrolment is maintained or increased.	Programming

## Goal 3: Apply a contemporary lens to gallery exhibitions and programs.

The Gallery will present an engaging program of contemporary art that addresses relevant issues and challenges perspectives through temporary exhibitions and public programming. The program will also continue to celebrate the rich and varied historical collection, but view it from a fresh perspective, bringing contemporary concerns to its presentation. This will be done through several temporary exhibitions and the re-hang of a number of permanent galleries.

### Objective 1: Present a temporary exhibition program of contemporary art that challenges perspectives and addresses relevant issues.

Outcomes	KPI	Lead
Bring in new audiences and promote meaningful conversations about contemporary issues.	<p>Present the following exhibitions and accompanying programming for:</p> <p>A Sense of Site (continued); Althea Thauberger; NSCAD Lithography Workshop; Ned Pratt; Here We are Here; Halifax Harbour 1918; Industrial Arts.</p> <p>Increase visitation by 6%.</p> <p>Develop new partnerships with community.</p>	Curatorial, programming.

**Objective 2: Rehang the permanent galleries using the new approach articulated in the new vision, mission and belief pillars.**

<b>Outcomes</b>	<b>KPI</b>	<b>Lead</b>
More gallery space is dedicated to Indigenous artists.	The new Curator of Indigenous Art works with community to create Indigenous Gallery by Q4.	Curatorial
A new Indigenous Gallery reinforces a contemporary context for Indigenous Art.	Indigenous Programmer works with Indigenous Curator to develop partnerships to deliver programming.	Programming with Curatorial
New perspectives and approaches are used in the rehang of these galleries.	The Folk Art and Shaw Galleries are rehung by Q4.	Curatorial

## Goal 4: Create a more inclusive visitor experience both on and offsite.

Significant investment in improving the visitor experience has begun at the Art Gallery of Nova Scotia, with a new approach to providing security, more engagement with visitors, members and donors, and improved training for staff. Much remains to be done, however, to ensure that the quality of all touch points with visitors (before, during and after their visit) is consistent and high quality and encourages the growth of audiences and return visitation. Programming on and offsite is key and together with marketing can create a better experience for all.

### Objective 1: Improve the visitor experience onsite.

Outcomes	KPI	Lead
The Art Gallery of Nova Scotia has more user-friendly common spaces that increase visitor interaction.	Redesign of lobby completed by Q2.	Marketing and Visitor Experience
Visitors are more informed about exhibitions and programs.	Staff are trained and informed about programming.  Increased participation in programs.  Greater traffic to programs section of the website.	Marketing and Visitor Experience
Wayfinding improves.	Investment in key areas related to wayfinding completed by Q2.	Marketing and Visitor Experience

## Objective 2: Improve the visitor experience offsite.

Outcomes	KPI	Lead
An improved website enhances the pre-visit experience.	<p>Website improvements are completed by Q2.</p> <p>Website stats are reported quarterly.</p>	Marketing
Visitors are more informed about exhibitions and programs.	<p>Increased participation in public programming</p> <p>Improved website statistics on programming pages.</p>	Marketing
A digital strategy is formalized and implemented through digital initiatives.	<p>An increased number of social followers and engagement within our social channels.</p> <p>An increased number of website leads from social channels and other digital content.</p> <p>The development of richer user-generated content.</p> <p>An online publication (formerly Art Gallery of Nova Scotia Journal) is launched by Q2.</p> <p>A new portal for online programming with the permanent collection is launched (funding dependent).</p>	Marketing
The ecommerce experience of online shoppers, donors and program registrants is improved.	<p>Increased sales through our ecommerce platform.</p> <p>Improved website statistics for the ecommerce platform.</p>	Marketing

**Objective 3: Develop new audiences and grow engagement regionally, nationally and internationally.**

<b>Outcomes</b>	<b>KPI</b>	<b>Lead</b>
The Gallery has an international presence.	The Gallery opens exhibition in three venues in China.	Curatorial with CCH
Gallery exhibitions travel regionally.	At least one exhibition travels regionally.	Curatorial
Marketing initiatives bring new audiences to the Gallery.	Increased attendance by children. Increase attendance by 6%.	Marketing
Tourism marketing partnerships increases tourists from Canada and the eastern US.	Increased website traffic from outside region.	Marketing
Stronger partnerships with tourism agencies.	The Gallery is featured more often in tourism marketing campaigns.	Marketing

## Goal 5: Design and implement a plan for building a new art gallery on the waterfront.

Over the past year, the Art Gallery of Nova Scotia has taken numerous steps towards realizing its ambition to build a new art gallery on the waterfront in Halifax. A feasibility study, extensive public consultation and a functional program plan are nearing completion. Building on the public consultation, the Gallery has articulated a new vision, mission and belief pillars that will form the foundation upon which we create a new program for a new gallery. Working with our partners inside and outside of government, our next steps, pending approval of a new gallery, will include developing a strategy for raising capital and operational funds.

### Objective 1: Develop and implement a comprehensive campaign strategy for operational and capital fundraising.

Outcomes	KPI	Lead
Comprehensive campaign informs fundraising strategies for operations and capital project.	Complete the comprehensive campaign strategy by Q1.  A plan for implementation is completed by Q1.	CEO

### Objective 2: Develop and begin implementation of a multi-year plan to design and build a new gallery.

Outcomes	KPI	Lead
A detailed project plan outlines internal and external management structures and timelines that guide implementation.	The Gallery Board, board committees and staff roles and responsibilities are set by Q1.  Working relationships with partners are established with roles and responsibilities clearly identified by Q2.  Project timelines are set by Q2.	CEO with Board and partners.

**Objective 3: Develop an acquisitions plan based on the new vision and mission to build a strategy for assessing the collection.**

<b>Outcomes</b>	<b>KPI</b>	<b>Lead</b>
A tool is developed to assess the collection.	Tool is completed by Q2.	Curatorial
An acquisitions strategy informs collecting.	Plan is completed by Q3.	Curatorial
A multi-year strategy for assessing the collections is complete and implementation begins.	Implementation begins by Q4.	Curatorial

# 2019 – 2020 Budget

	<b>Budget</b>	<b>Forecast</b>	<b>Budget</b>
	2018-2019	2018-2019	2019-2020
<b>Revenue</b>			
Operating	2,518,573	2,564,626	2,543,984
Development	890,000	540,000	757,000
Education	288,260	264,045	263,856
Programming	178,000	173,750	420,000
Western Branch	67,207	52,207	52,207
Gallery Shop / Wholesale	586,110	601,900	573,600
Acquisitions	-	5,269	2,000
Endowment	66,800	92,000	92,000
<b>Total Revenue</b>	<b>4,594,950</b>	<b>4,293,797</b>	<b>4,704,647</b>
<b>Expenditures</b>			
Salaries and benefits	2,304,321	2,155,682	2,364,036
Administration	284,339	267,124	294,325
Building Operations	17,100	9,000	16,500
Development	150,500	125,700	182,850
Communications and Marketing	286,800	318,300	364,000
Visitor Experience	40,500	14,400	48,000
Programming	39,500	39,500	39,500
Exhibitions	327,946	309,239	370,841
Collections Management	167,500	143,545	150,124
Education Programs	211,736	179,443	165,888
Western Branch	186,147	172,739	169,766
Gallery Shop / Wholesale	447,871	445,701	435,255
Acquisitions	36,344	36,344	29,709
Endowment	38,500	38,500	44,190
<b>Total Expenditures</b>	<b>4,539,104</b>	<b>4,255,217</b>	<b>4,674,984</b>
Amortization of capital assets	55,846	38,580	29,663
<b>Annual Surplus</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>





**business  
plan**

**develop**  
NOVA SCOTIA



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## board chair/ ceo message

It has been a period of incredible change as we evolve from Waterfront Development Corporation to Develop Nova Scotia, bringing the same passion and perseverance to our placemaking work to build irresistible places across Nova Scotia that attract people and bring them together. Nova Scotia is increasingly recognized as an incredible place - to live, to work, to invest, and to visit – evidenced by strong indicators in population growth, tourism and ocean-related strategic sector growth. Building on our compelling natural advantage, our place by the sea, and resilient, creative people, our work will continue to contribute to Nova Scotia's value proposition and its magnetism by investing in infrastructure, properties and programs that make Nova Scotia livable and lovable.

We work together with partners around the province, and across the public and private sectors. We aim to develop projects and places that are economically feasible, environmentally sustainable and socially inclusive. The value we create is evidenced in increased economic activity and participation, including growth in strategic sectors and population, and in improved quality of life for all Nova Scotians.

Great places are accessible and they are connected. The Internet for Nova Scotia Initiative will be transformative in enabling people and business to connect to the world no matter where in Nova Scotia they call home.

This notion of connectedness can be defining for us; to the world, to the sea and to each other. With our expanded provincial mandate, we are thinking about how to stimulate economic opportunity through regional specialization. We know that the urban and rural qualities of Nova Scotia together, and the close proximity of each, are part of what makes Nova Scotia great. As we develop places in Nova Scotia we will consider how to build on the value proposition that balance provides.

By engaging with communities around the province to identify projects with a high potential to support economic growth, we are preparing a five-year plan to guide our work across Nova Scotia. Our Board has expanded to include regional representation, as has our team. The projects we undertake will be developed together with the people who live in the communities that anchor them, to ensure they authentically reflect local culture, heritage, talent and aspirations, but knit together in a rich and diverse Nova Scotia story that appeals to people outside and is a source of pride and celebration for those who call Nova Scotia home.

We are challenging ourselves to think about our work and its potential impact in new ways, bringing an entrepreneurial, innovative mindset to the business and to how we approach the business. We are focused on creating infrastructure that attracts business investment and growth, but is also a platform for social enterprise in our community. We are actively working on new ways to engage our community in our planning to achieve a more inclusive process.

Inclusion is a thread that runs through all of our upcoming projects. As we continue to engage the public in our projects, now across the province, we are creating public spaces that reflect the richness and diversity of all Nova Scotians. This year we will advance projects that make our waterfronts more accessible, together with the Mi'kmaq community we will help tell their story in the public realm, and re-think our approach to public consultations, working with diverse communities to better connect with all people in Nova Scotia.

Together we can build inclusive, sustainable places in Nova Scotia that will attract people to participate in our vibrant, growing economy with a spectacular quality of life by the sea. Our expanded mandate as Develop Nova Scotia emboldens us to continue to do important work with and for all Nova Scotians.

**Dale Godsoe**  
Chair of the Board

**Jennifer Angel**  
President & CEO



## develop nova scotia mandate

Waterfront Development Corporation Limited became Develop Nova Scotia on July 12, 2018. The new pan-provincial mandate of Develop Nova Scotia is to develop strategic economic infrastructure to support inclusive economic growth in Nova Scotia.

We believe Nova Scotia can be among the world's great places.

### PLACEMAKING

At the centre of our work is the role of place in attracting people for economic development.

A place is a space that has meaning for people<sup>1</sup>. Our work is Placemaking – the planning and development and management of land and infrastructure with and for people. Place has an essential role in economic development.

In the knowledge economy, quality of life is a critical determinant of the decision to live and work in a community. In this context, the beauty, dynamism and accessibility of place is a significant contributor to the creation of a highly livable environment where people want to come together.

Great places signal quality of life. And quality of life drives the decision to put down roots. In the knowledge economy, industry and investment follow talent. “Almost 64% of college-educated 25- to 34-year-olds said they looked for a job only after they’d chosen the city where they wanted to live.”<sup>1</sup>

A focus on creating great places will contribute to the compelling and differentiating value proposition for Nova Scotia on a world stage, which is important not only to attract people to visit and to live, but also to support business growth in strategic sectors.

In the context of tourism, great places attract visitors who are looking for authentic, cultural experiences.<sup>2</sup> Tourism NS’s strategy directs investment in markets of highest yield including Authentic Experiencers and Cultural Explorers. Our seacoast is a key strength and driver of the decision to visit.<sup>2</sup>

Attractive urban environmental and cultural experiences are an important aspect of ‘placemaking’ in the innovation and entrepreneurship ecosystems. Great places are central to successful innovation districts.<sup>3</sup>

Attracting more people to visit, to live and to work in Nova Scotia is a key opportunity. Our unique and spectacular landscape, never more than 67 km from the sea<sup>4</sup>, our diverse people and culture, and the province’s relative affordability position us well to attract people seeking quality of life. Develop Nova Scotia’s new mandate is to lead the placemaking strategy for Nova Scotia with Nova Scotians and will respond to this opportunity to build a province that is irresistible to people.

1. Harvard Business Review, Back to the City, May 2010

2. Tourism NS Strategy 2017-2022: <https://tourismns.ca/tourismstrategy>

3. One year after: Observations on the rise of innovation districts Bruce Katz, Jennifer S. Vey, Julie Wagner, Wednesday, June 24, 2015

4. <https://ehlisters.com/nova-scotia-beaches>



**develop  
nova scotia  
priority areas**

**plan**

with nova scotians

**connect**

nova scotia

**build**

on ocean advantage

**foster**

innovation

# plan with nova scotians (diverse, inclusive planning):

Engage with Nova Scotians, including marginalized and diverse communities, to create authentic, local places for everyone.

## PROVINCIAL GOALS:

Population Growth, Strategic Sector Growth, Economic Participation

## PROJECTS:

- Dartmouth Cove Master Plan (Dartmouth)
- Indigenous Waterfront (Halifax/Provincial)
- Accessible Places (Halifax/Provincial)
- Diversity & Inclusion Engagement Program (Provincial)
- Boardwalk Event Strategy (Provincial)

To create places for people, we need to design places with those people for whom they are built, adding the value of



diverse perspectives and ideas and creating connections. The building of the place together with the community is as important to building the community as the place that is built.

In 2019-20, the focus is on ensuring we are building great places for everyone. As Jane Jacobs said, “(Cities) **have** the capability of providing **something for everybody**, only because, and only when, they are created by **everybody**.”<sup>5</sup>

Public engagement is a critical component of placemaking and of our work. But we know that not all members of our community are represented through public engagement. Working with community, Develop Nova Scotia is developing a new framework and toolkit to ensure we are providing opportunities for all Nova Scotians in the planning process. This expanded approach will be developed in partnership with diverse communities.

We are on the ancestral territory of the Mi’kmaq people, whose history in this region date back over 10,000 years. Their settlements moved depending on the season, but the proximity to water was always present, either to fish, trap, or hunt.<sup>6</sup> We will work with the Mi’kmaq community to tell their story in the public realm. In partnership with the Assembly of First Nations, Develop Nova Scotia will advance plans for an Indigenous waterfront program, which will integrate Mi’kmaq stories in meaningful ways into the Halifax Waterfront.

Develop Nova Scotia will undertake work to create a more accessible waterfront, and ensure all developments prioritize accessibility. Working in partnership with members of the community and the Accessibility Directorate, we will implement improvements along the Halifax Waterfront that will enhance its usability for people with disabilities. As stated by Carol Coletta, a Senior Fellow with the Kresge Foundation, “As places are shaped, so too are possibilities. It’s easy to make great places with people with a lot of money. It’s even pretty easy to make places for people without money. What’s hard is to make places of possibility, where people of *different* backgrounds can feel welcome.”<sup>7</sup>

5. The Death and Life of Great American Cities, Jane Jacobs, 1961

6. [www.cbu.ca/indigenous-affairs/unamaki-college/mikmaq-resource-centre/the-mikmaq/](http://www.cbu.ca/indigenous-affairs/unamaki-college/mikmaq-resource-centre/the-mikmaq/)

7. [www.pps.org/article/place-people-and-possibility-announcing-the-bass-center-for-transformative-placemaking](http://www.pps.org/article/place-people-and-possibility-announcing-the-bass-center-for-transformative-placemaking)



## connect nova scotia (connectivity, accessibility, collective impact)

Develop infrastructure that connects Nova Scotians to the world and to each other and leverages strong places for rural economic growth.

### PROVINCIAL GOALS:

- Population Growth, Strategic Sector Growth, Economic Participation, Employment Attachment, Safe & Healthy Communities

### PROJECTS:

- Internet for Nova Scotia Initiative (Provincial)
- Taste of Nova Scotia Trails Program (Provincial)
- Marine Strategy (Provincial)
- Harbour Islands Strategy (Halifax Harbour/Eastern Shore)

Great places are accessible and connected. In our new economy, internet connectivity is the engine. Not having access to high speed internet is a barrier for some of Nova Scotia's best places.

We will continue to build on our boardwalk events and boardwalk business programs, showcasing authentic, local, diverse entrepreneurs and experiences with something for everyone which together help make the Halifax Waterfront a top destination for locals and visitors.

These new approaches to ensure social inclusiveness in our work will be applied as we implement projects around the province over the next five years. We will work closely with local communities to ensure local culture and aspirations are captured in the fabric of the places we co-create. We will create opportunities for all people to engage in placemaking and to participate in the economy.

We will create new channels to connect with our community and enhance our market research and engagement programs this year to obtain a better understanding of our progress and identify areas where we can do better.

Develop Nova Scotia is leading the Internet for Nova Scotia Initiative, to provide competitively priced, high-quality, high-speed internet access service to more than 95% of rural Nova Scotians, enabling and promoting the social, educational, health, community, and economic advantages it supports. Through robust stakeholder consultation, we are building an inclusive process that maximizes participation by partners of different sizes and skills, leverages financial participation, and inspires ingenuity in addressing this formidable challenge. We will prioritize this openness to a variety of potential partners with the need for rigor in our project management, reliability in our solution and stewardship of significant public funds.

When we think of Nova Scotia's unique assets, we often think about them through a local lens. But Nova Scotia competes in a global economy; for talent, for visitors, for investment. The strength of the Nova Scotia brand abroad will reflect our relative cohesiveness as a community and province at home.



## build on ocean advantage (unique assets/strategic sectors):

### Develop highest potential property and infrastructure to attract people and investment to Nova Scotia

#### PROVINCIAL GOALS:

- Population Growth, Strategic Sector Growth

#### PROJECTS:

- Halifax Waterfront, Queen's Marque Precinct (Halifax), Cunard Project (Halifax), Arts District (Halifax/Provincial), Boardwalk North/Cogswell)
- Boardwalk Events Strategy (Halifax/Provincial)
- Tourism Revitalization of Icons Program (Halifax Harbour, Lunenburg, Peggy's Cove)
- Marine Destination Network
- Lunenburg Working Waterfront (Big Boat Shed, Zwicker Revitalization, Shipyard, Ocean Gear Seawall)

Nova Scotians are becoming increasingly aware of the important role the ocean plays in our lives. We rebuild Canada's navy at one end of the Halifax Waterfront, and connect with the world from cruise passengers to shipping containers, at the other. And the place in between attracts people, locals and visitors in increasing numbers year over year, to come together at the water's edge. Researchers come from around the globe to study ocean sciences at our universities and colleges. We compete internationally as an ocean supercluster, to build the Canadian economy and help protect the world's oceans. This maritime story plays out around the province in strategic sectors including transportation and shipbuilding, fisheries and aquaculture, and tourism. Nova Scotia is a waterfront province and we believe our future prosperity will depend on the extent to which we are able to harness this natural and compelling advantage.

For more than 40 years, Waterfront Development Corporation developed ideas, infrastructure and experiences that stimulate business investment and community pride. This work contributed to the transformation of waterfronts from brownfield sites to some of our most visited destinations, creating platforms for business, spaces for innovation and places for community, and driving significant economic impact for Nova Scotia.

The Nova Scotia value proposition is strongest when the entire region works together. It's the balance of a dynamic medium sized urban centre with strong regional specializations, and everywhere no further than 67km to the sea, that make Nova Scotia such a special place.

So when we think about connections this year, we are thinking not only about Internet, but also about how to connect projects, programs and businesses across Nova Scotia to leverage strengths and build a strong and cohesive place value proposition that will resonate externally. One such example is the Taste of Nova Scotia trails program.

With more than 200 members, mostly private-sector businesses across Nova Scotia, many of whom reside in rural Nova Scotia, Taste of Nova Scotia works to promote everything culinary in Nova Scotia. Working with Taste of Nova Scotia, and their trails program which packages multiple business offerings in themed visitor experience trails across Nova Scotia, Develop Nova Scotia will explore how our work and focus on physical infrastructure and program can support this program, including exploration of a trail head in Halifax and other key centres, signage and connective infrastructure to enhance the visitor experience and enable small business growth, supporting key Nova Scotia sectors of fisheries and aquaculture and agri food, as well as tourism.

This notion of connectedness will be an important lens as we identify projects across Nova Scotia for our five-year plan. To meet our provincial mandate, our Board and team are growing to include representation from across Nova Scotia. Develop Nova Scotia will hire four Regional Planning and Development Officers across the province who will develop close working relationships with local community stakeholders and identify key placemaking projects with strong opportunity to attract people to Nova Scotia.



QUEEN'S MARQUÉ

As Develop Nova Scotia, we are now expanding our focus to work with communities right around the province to build places that attract people and investment, many of which are at the water's edge.

Our seacoast remains a primary tourism driver. Working closely with Tourism NS and operators around the province, we will provide planning and development support to enhance key destinations and to create new experiences to explore.

The Halifax Waterfront is an important tourism destination, but it's the centre of our capital city first. We will continue to enhance the boardwalk program with a focus on locals. Significant development projects advance this year, including the \$200M Queen's Marqué precinct in partnership with Armour Group Limited, which will create new places to live, work, stay and play in the centre of downtown Halifax, as well as more than 2.3 acres of new public space, 3 new piers and a continuous public boardwalk. The Cunard project at the south waterfront will begin this year, a mixed-use project with residential density and a substantial new public realm with a focus on play. The vision for a new Arts District





We are also looking toward Dartmouth, with an Alderney Marina partnership with HRM taking shape, providing enhanced public access to the Dartmouth waterfront, and thinking about other partnership opportunities to support the evolution of Downtown Dartmouth through public infrastructure investment. And we are thinking about the Harbour, which we believe connects us. We are working in partnership with Tourism NS, the province and Parks Canada, stakeholder groups and the public to develop a Harbour Island Strategy which will drive meaningful investment in the accessibility and visitor experience of the islands.

is in the works, with the potential to create a very special centre for arts and culture in Nova Scotia. Boardwalk North planning advances in step with the ambitious Cogswell Interchange project. The waterfront is undergoing significant transformation and will be a catalyst and contributor to a downtown Halifax renaissance. What isn't changing is the prioritizing of people in our work and the preservation of public access to the water's edge.

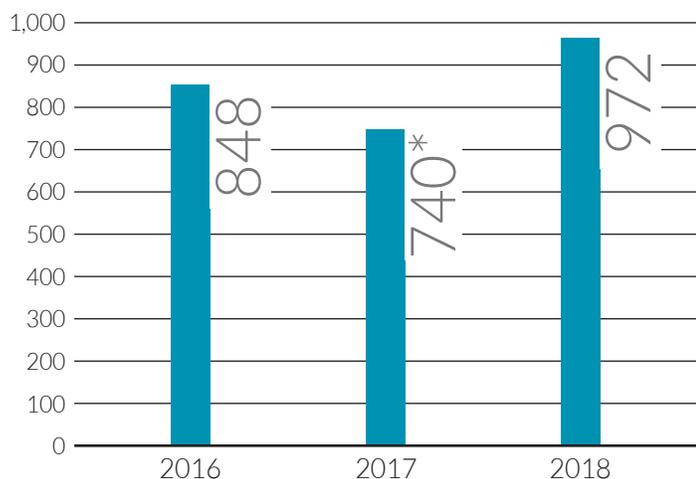
And we are looking outward around the province to find new opportunities to support inclusive economic growth through investment in strategic economic infrastructure. We are leading the Master Plan for Peggy's Cove, in partnership with Tourism NS through direct and meaningful engagement with the community of Peggy's Cove, with the ambition to focus on the sustainable functioning of this beautiful and storied fishing community at the centre of the plan.

Our work to revitalize Lunenburg’s working waterfront reaches a key milestone this year, with the advancement of the Lunenburg Master Plan, the product of substantial community and stakeholder consultation. Priority projects include the revitalization of the Zwicker Wharf precinct including substantial recapitalization of the building to house business and service an active visitors wharf, a renovated Big Boat Shed to facilitate and enable traditional boatbuilding at the site where many of iconic ships were constructed and launched, as well as a partnership with the Fisheries Museum of the Atlantic to tell the story, and a revitalized marine trades cluster with shared infrastructure and access to Lunenburg Harbour in a revitalized Shipyard. Investment in the seawall ensures private sector businesses can continue to lead the economic resurgence of Lunenburg’s working waterfront.

We know our spectacular seacoast is a key tourism driver. Increasingly we are recognizing the exoticism of our rural landscape more broadly. We are exploring infrastructure projects that appeal to Tourism NS target markets with an emphasis on leveraging our natural advantages, including the Cape Breton seawall.

In 2018, the Halifax Waterfront saw 275 boat nights by superyachts, a 17% increase since 2016. Nova Scotia is attracting increasing numbers of visitors by sea and is well-positioned to become a favourite destination for boaters internationally. With 13,000 km of coastline, the Nova Scotia boating experience stands up to any destination; spectacular

### Visiting Vessel Growth in Halifax (Boat Nights)



\*Marina capacity was reduced due to Tall Ships.



coastline, varied and unforgettable shore side excursions, and a capable marine services supply chain at the ready. This year we will begin executing on our Marine Strategy together with partners around Nova Scotia. We will focus on core marine side infrastructure and program development, working with public and private partners to create a collection of experiences that together are a destination that is irresistible for visitors by sea and creating a platform for a diversified marine economy in Nova Scotia.

We have identified opportunities to enhance strategic marine infrastructure along the Eastern Shore to the Bras d’Or Lakes which will be a focus of our planning this year. Building on the infrastructure created, we will enhance itinerary and shore side programs, working with local partners, in tourism and visitor experiences and in the marine services supply chain, to enhance the product and service offering. As we enhance market readiness, we will work closely with Tourism Nova Scotia to share the message with niche markets.



Through the development of Develop Nova Scotia's 5-year Place Plan, projects will be identified that have a high potential to generate economic activity through strategic sector and population growth across the province. Our work to identify and analyze these opportunities will take place in communities through early fiscal 2019. This could come through revitalization of strategic, underutilized infrastructure, planning and design of new infrastructure to

support sector growth, collaborative programming, planning and project management support, and investment.

Partnerships all across the province are key to the success of these initiatives. In concert with the partners, we will collaboratively work to determine projects across Nova Scotia where we can generate the greatest level of economic activity.

### Economic Impact Summary, 2011-2018

The total 8-year spending impacts from Develop Nova Scotia activities\* (excluding visitor spending) on the Nova Scotia economy are:



\$340.1 million

in direct and spinoff Gross Domestic Product

5,442 person-years

in direct and spinoff employment



\$254.8 million

in direct and spinoff household income

\$27.6 million

in direct and spinoff provincial government tax revenues



\$1.6 billion

in estimated spending by 4.6 million non-resident visitors to the Halifax Waterfront

\* Based on a recent Economic Impact of Develop Nova Scotia (DNS) in the period from 2011 to the year ended 2017/2018 (the period April 1, 2010 to March 31, 2018).

## foster innovation (capability / capacity):

Create places and infrastructure to support business innovation, collaboration and growth

### PROVINCIAL GOALS:

- Strategic Sector Growth, Start ups

### PROJECTS:

- Centre for Ocean Ventures & Entrepreneurship (Dartmouth + Rural Satellite Sites)
- Creative Island Plan (Cape Breton)
- Halifax Innovation District (Halifax/Dartmouth)

A lot of people are talking about innovation and innovation districts and their importance for places with an ambition to be relevant and attractive in the knowledge economy. The Brookings Institute defines Innovation Districts as geographic areas where leading-edge anchor institutions and companies cluster and connect with start-ups, business incubators, and accelerators<sup>8</sup>. Innovation districts are generally characterized by a concentration of early stage and high growth companies and research institutions centered around vibrant, well-designed, connected places where people want to be. The idea is that by pulling together diverse players, innovation districts can help catalyze new ideas, and help good ideas get to market quickly.

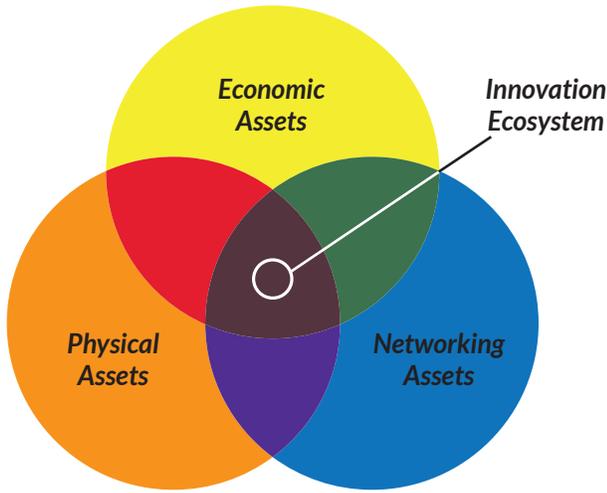
Innovation and placemaking are tightly connected constructs. Opportunities to connect people together physically or virtually in a setting that fosters creativity and collaboration are at the heart of placemaking, and also key to successful innovation clusters. We are focused on the physical assets that contribute to an innovation rich environment that attracts people.

In June of 2018, the Centre for Ocean Ventures and Entrepreneurship (COVE) site in Dartmouth was officially opened, making Nova Scotia home to a best-in-class collaborative facility for entrepreneurs, post-secondary institutions, and all sizes of industry to co-locate, with shared access to tools, programs and Halifax Harbour, to advance commercialization of ocean technology. COVE is home to more than 30 companies, as well as the Start-up Yard operated by Innovacorp, and Dalhousie University and NSCC. COVE intersects several of Develop Nova Scotia's strategic

8. [www.brookings.edu/essay/rise-of-innovation-districts/](http://www.brookings.edu/essay/rise-of-innovation-districts/)



## Innovation Ecosystem



priorities – it advances ocean related sector development and is a critical cornerstone of the province’s innovation agenda.

In 2019-20, Develop Nova Scotia will work closely with partners to advance the COVE program and brand and to ensure it is adding significant value to constituent business operations, that it has a catalyzing effect on ocean technology commercialization, that it is operating at maximum capacity, and that the tenant mix is contributing to a vibrant, productive centre of economic activity in the centre of the emerging Halifax Innovation District.

We will explore the potential to leverage the COVE program and brand at sites around the province to support regional specialization. This will ensure that the diverse ways Nova Scotia participates in the ocean economy can be well-represented in our innovation agenda and the developing COVE brand can be



leveraged as well as benefit from significant rural innovation in ocean technology taking place around the province.

The Halifax Innovation District, with the Harbour at its centre, is bounded by world-class research institutions, anchored in COVE and at Volta and benefitting from commercial activity in the downtown core. Our city building work will continue to reinforce the value proposition of the Halifax Innovation District, by contributing to the livability and lovability of the urban centre, and making ongoing improvements to the public realm experience to support creative entrepreneurs across high potential sectors.

The innovation district model may be extended in a rural context to include more dispersed sites for innovation supported by a consistent, unifying backbone of program, marketing and infrastructure. The Cape Breton Partnership is leading the Creative Island Strategy, a vision for an innovative, connected Cape Breton leveraging low cost of living and robust creative culture to attractive creative sector and start-ups around the island. Develop Nova Scotia will work with the Cape Breton Partnership and other partners to support the planning and development of supporting infrastructure to advance this initiative and positioning for Cape Breton.

Attracting young people to Nova Scotia remains an important provincial focus. Our low cost of living compared to larger Canadian centres is an advantage and particularly attractive to young people and new businesses. “After a decade of investment in parks and greenspace, homegrown tech hubs, and downtown redevelopment, many small and mid-size metros are seeing more signs of life and increased migration, according to a recent Brookings Institution analysis of U.S. Census data. This comes at a time when larger superstar cities are seeing slower population growth and an uptick in domestic out-migration.”<sup>9</sup> And Canada is seeing similar trends.<sup>10, 11, 12</sup>

9. The new magnetism of mid-size cities: For many millennials, second cities are becoming their first choice. Patrick Sisson May 1, 2018

10. Cheaper Halifax real estate draws buyers from Ontario, western provinces, The Chronicle Herald, December 27, 2018

11. Many Young Professionals Leaving Vancouver Over High Cost of Housing, The Globe and Mail, January 13, 2019

12. Canada’s Largest Cities Slump on Rankings of Best Places to Find Work. Huffington Post



It isn't just about a lower cost of living, “(...millennials increasingly see mid-sized cities) not just as places to find a lower cost of living, easier commute, and closer connections with family, but also a more approachable, neighbourhood-oriented version of the urban lifestyle that sent many to the larger cities in the first place.”<sup>13</sup>

Thoughtful development is critical, including learning from the challenges of larger cities around affordability, and sustainability of civic infrastructure and transit. Investment in enabling infrastructure and places, that contribute to the quality of life and access to opportunities for residents – real and prospective – will contribute to economic, environmental and social sustainability of our community long term.

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13. Mid-sized cities are the perfect places to build a startup Scott Stirrett & Parm Gill, The Globe and Mail, October 15, 2018.



Develop Nova Scotia will look to advance the Dartmouth COVE Master Plan in 2019-20. This land, strategically located next to COVE, adjacent the Dartmouth Harbourwalk multi-use trail, proximate transit, in the centre of the Halifax Innovation District can be used to advance Nova Scotia's overall innovation agenda and also achieve important goals for social inclusion through the type and mix of uses and housing, with an emphasis on progressive, inspired, affordable housing. This will be a future looking project that is built on the principle of inclusive city building through innovation in the approach to development as well as innovative planning and design, drawing inspiration from around the region and around the world.

Place is a critical focus for building community and economy. We will continue to develop relationships with high performing partners across our province including municipalities, private business, and economic development organizations, the private sector and community. We will work together toward a common agenda; to build irresistible places in Nova Scotia that attract people and investment, leveraging existing assets and focusing on our highest potential properties.



Over 1.8 million people  
crossed the Sea Bridge in 2018.\*

\*Based on pedestrian counters on the Halifax Waterfront.





## core competencies

### public and stakeholder engagement

We engage with public and private sector organizations, as well as the public at large, to understand community priorities and design projects and properties and programs that are inclusive, that are uniquely Nova Scotian, and that reflect our shared heritage and aspirations.

### land and infrastructure planning

We plan projects that maximize economic value and prioritize social inclusion and environmental sustainability. We preserve public access to the water's edge and prioritize people in our planning.

### infrastructure development and management

Our multi-year development projects attract private and public investment and enhance strategic properties and infrastructure. These destinations, for locals and visitors, support strategic sector and entrepreneurial growth and contribute to the magnetism of Nova Scotia as a place to live.

### property and project management

Our portfolio includes some of Nova Scotia's highest profile and most visited properties. We have expertise in commercial, industrial and public realm property management, including specialized expertise in the management of marine infrastructure, and complex public – private sector project partnerships.

### business and program development

Our assets are platforms for business, innovators, events, and social enterprise to flourish and the community to come together. Revenue generated from operations is reinvested in the property for public benefit.



## outcomes/measures

### connect nova scotia

**PROVINCIAL GOALS:** Population Growth, Strategic Sector Growth, Economic Participation, Employment Attachment, Safe & Healthy Communities

*Develop strategic economic infrastructure that connects Nova Scotians to the world and to each other and leverages strong places for rural economic benefit.*

MEASURE	GOAL
<b>1. Internet for Nova Scotia Initiative</b>	
Scheduled stakeholder engagement sessions	24
Participation in stakeholder engagement sessions	1200
Public communication Internet dashboard completed	Q1
CTI projects support with provincial Trust funding	9
% province with access to coverage	Baseline measure
Internet Timeline, 2019/20 Milestones: Call for Bids Recommendations to the Trust	Summer 2019 Fall 2019
<b>2. Place Development for Regional Specialization</b>	
Projects in Planning	8
Projects in Development	4
Projects Completed	2

### plan with all nova scotians

**PROVINCIAL GOALS:** Population Growth, Strategic Sector Growth, Economic Participation

*Engage with Nova Scotians, including marginalized and diverse communities, to create authentic, local places for everyone.*

MEASURE	GOAL
<b>3. Community Engagement, Diversity &amp; Inclusion</b>	
Community/public engagement sessions	30
Participants in community engagements (in person & online)	Baseline measure
Diversity of participants	Baseline measure track YOY improvement
Projects/Partnerships to enhance diversity & inclusion on waterfronts	4

## build on ocean advantage

**PROVINCIAL GOALS:** Population Growth, Strategic Sector Growth

*Develop highest potential property and infrastructure that takes advantage of our natural seacoast advantage to attract people and investment to Nova Scotia.*

MEASURE	GOAL
<b>4. New Place Projects</b>	
Amount of new public space created or improved	2,126.6 acres
Projects in Planning	2 acres
Cunard Arts District	3.8 acres
Dartmouth Cove	5.5 acres
Projects in Development	1,157 acres
Peggy's Cove	956 acres
Harbour Islands	
Projects Substantially Completed	2.3 acres (Queens Marque)

## 5. Visitation, Experience & Visitor Satisfaction

Increase in visitation to Halifax Waterfront, Peggy's Cove, and Lunenburg Waterfront	5%
Events Halifax waterfront	+2
Events Lunenburg waterfront	+1
Public satisfaction with place experience (satisfied or very satisfied)	90%

## foster innovation

**PROVINCIAL GOALS:** Strategic Sector Growth, Increase Start ups

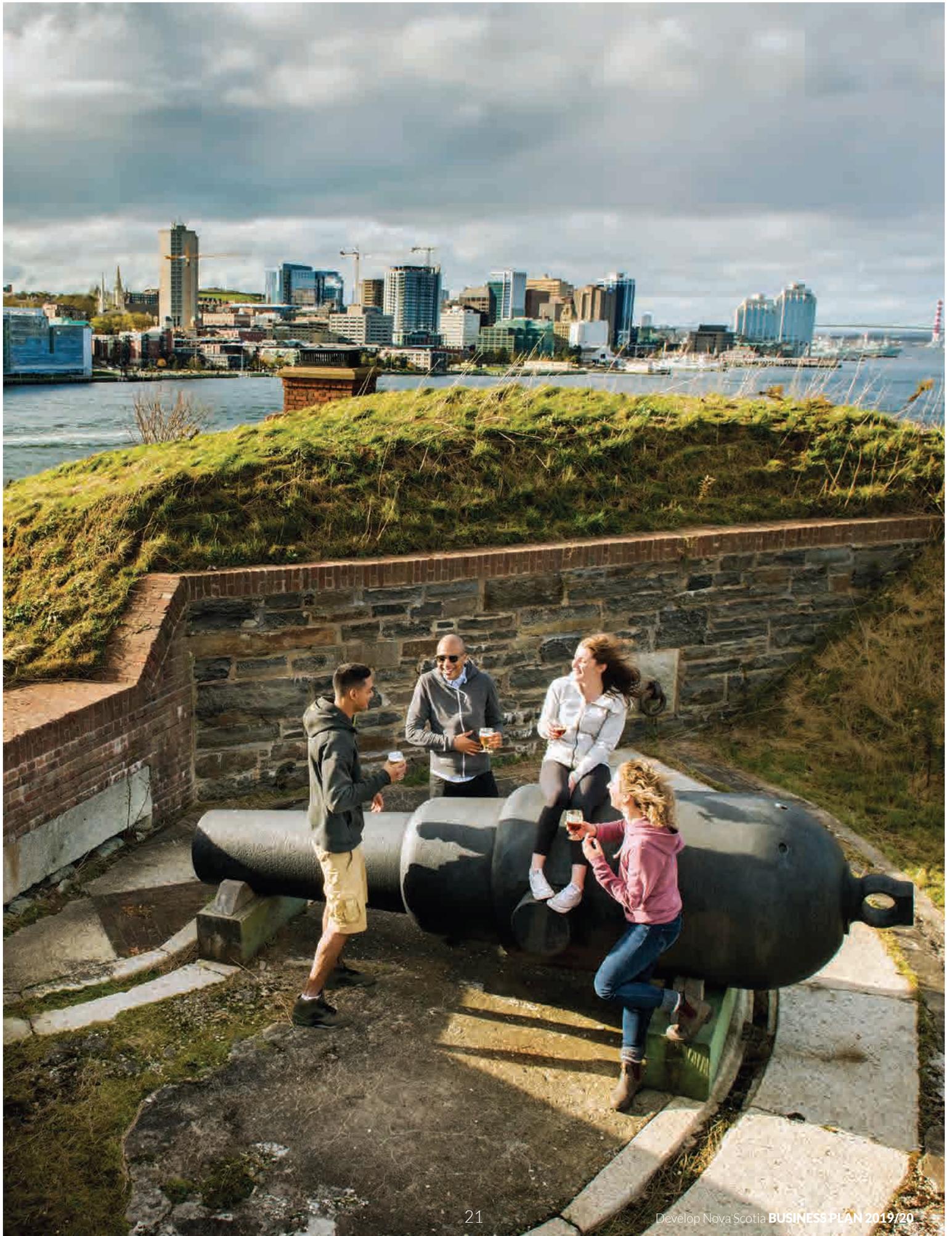
*Create places and infrastructure to support business innovation, collaboration and growth.*

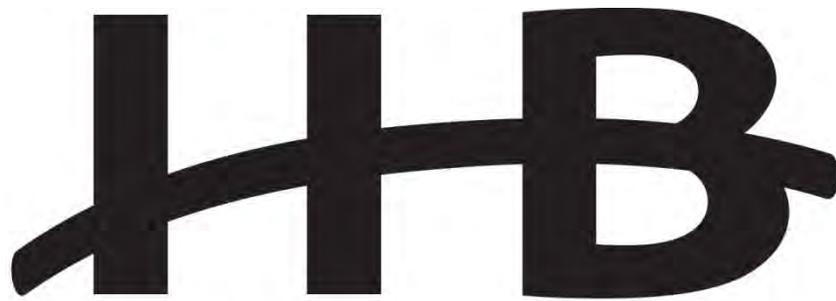
MEASURE	GOAL
<b>6. Business &amp; Innovation Growth</b>	
Innovation projects in planning in NS	7
Halifax Waterfront business cluster growth:	
Tenants Halifax Waterfront	+5
Tenant Sales growth	+5%
Tenant satisfaction (satisfied or very satisfied)	90%
Halifax and Lunenburg Marina usage growth:	
Boat nights - Halifax and Lunenburg Waterfronts	+10%
COVE innovation centre growth:	
Tenants COVE	40
Occupancy	75%
Tenant satisfaction (satisfied or very satisfied)	80%



## develop nova scotia limited budget

	<b>Budget 2018-19 (\$)</b>	<b>Forecast 2018-19 (\$)</b>	<b>Budget 2019-20 (\$)</b>
<b>Revenue</b>			
Rents & Wharfage	3,072,000	2,599,000	3,418,000
Parking	1,487,000	1,500,000	1,421,500
Other Income	154,000	372,234	684,000
Grant Income	3,933,000	3,605,424	2,867,000
<b>Total Revenue</b>	<b>8,646,000</b>	<b>8,076,658</b>	<b>8,390,500</b>
<b>Operating and Administrative Expenses</b>			
Program Expenses	2,279,000	2,336,427	2,407,114
Maintenance/Repairs and Other	1,206,000	1,296,000	1,249,500
Administrative Expenses	5,161,000	4,444,231	4,733,886
<b>Total Expenses</b>	<b>8,646,000</b>	<b>8,076,658</b>	<b>8,390,500</b>
<b>Surplus (Deficit) Before Other Items</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Other Items</b>			
Capital Grants	4,058,000	12,414,316	2,857,500
TRIP TCA	—	300,000	1,800,000
Capital Amortization	(1,700,000)	(1,359,734)	(1,800,000)
<b>Total Other Items</b>	<b>2,358,000</b>	<b>11,354,582</b>	<b>2,857,500</b>
<b>Surplus (Deficit) After Other Items</b>	<b>2,358,000</b>	<b>11,354,582</b>	<b>2,857,500</b>





Halifax Harbour Bridges

**Halifax Harbour Bridges**

**Annual Business  
Plan Fiscal  
2019-2020**



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

We are pleased to present the 2019 - 2020 business plan for Halifax Harbour Bridges (HHB).

As the stewards of the Macdonald and MacKay bridges, HHB is continually planning for the future to ensure the bridges are safe and well-maintained. This fiscal year is a good example of that planning. In 2019/20 we will present the results of studies that:

- **Evaluate options for the future of the MacKay Bridge.** The MacKay Bridge is 49 years old and while it continues to be safe we know that in the next 20 years it will need to be replaced or rebuilt.
- **Evaluate options for the next generation of tolling at HHB.** The existing tolling system is 11 years old and the toll plaza infrastructure at both bridges needs to be replaced. This study reviews either updating the toll plazas or removing them and implementing open road tolling or all-electronic tolling. Whatever direction is accepted implementation will take several years.

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

We have a dedicated board of commissioners and their engagement ensures we continue to strive towards being recognized as world class for providing innovative transportation solutions.



Wayne F. Mason  
Chairman of the Board of Commissioners



Steve Snider  
General Manager and CEO



## Mandate

The Halifax-Dartmouth Bridge Commission (operating as Halifax Harbour Bridges or HHB) is a self-funding commission of the Nova Scotia government responsible for operating and maintaining two toll bridges that span the Halifax harbour: the Angus L. Macdonald Bridge and the A. Murray MacKay Bridge. Halifax Harbour Bridges 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.

HHB is governed by a board of commissioners consisting of nine commissioners nominated by the following entities. Five are appointed by the province of Nova Scotia and four are appointed by Halifax Regional Municipality.

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

## Mission

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

## Vision

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

## Core Values

**Safety.** A fundamental focus and shared responsibility.

**Stewardship.** The protection and maintenance of our bridges.

**Customer Service.** Focused on excellence.

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

**Community.** Engagement and support of our communities.

**Integrity.** Act with integrity, credibility and accountability.

**Engagement.** Promote personal and professional development.

**Leadership.** Competent, energetic and focused.

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## Key Priorities

Through its strategic planning process HHB has identified **four strategic goals** that guide its work. What follows are the goals and the major initiatives for 2019/20 that support each goal.

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

#### *Desired outcomes*

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

#### 2019/20 initiatives

##### 1. Corrosion prevention

The existing coatings on the 63 year-old Macdonald Bridge are no longer effective in protecting the bridge from corrosion and steel degradation. The project began in 2018 and will continue for the next several years. HHB will replace the existing coatings on the approach spans, cable bents and towers, beginning on the Halifax side of the bridge. The work includes removing the existing coating, repairing steel where required and applying new paint.

##### 2. MacKay Bridge

After several years of focusing efforts on the Macdonald Bridge to ensure it is safe for the next generation, significant work will take place on the MacKay Bridge during this fiscal year. The work includes inspecting the main cable, replacing expansion joints at the abutments and replacing waterproofing and asphalt on at least two of the four lanes of traffic. This work will take place on evenings and weekends to minimize disruption to the traveling public.

HHB will have the results of a study to recommend an approach for the future of the MacKay Bridge. The study is examining a variety of options including rehabilitating the existing bridge (redecking, strengthening, widening) or replacing it with a new bridge. Each option takes into consideration structural constraints, connections to approach roads, implications for infrastructure (structure, roads, buildings, wharves, property ownership and utilities) increasing capacity, regulatory issues, environmental considerations, cost, and implications for existing traffic operations.

##### 3. Security project

HHB has approximately 150 cameras on both bridges. The existing cameras are 10 years old and in 2019/20 the process will begin to replace the cameras and servers. The new technology will have improved capabilities to help ensure the security of the bridges.

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## Recognition of value - Provide an excellent customer experience.

### *Desired outcomes*

- Increased customer satisfaction with bridge operations
- Expanded use of MACPASSPlus for parking
- Improved access and egress for cyclists
- Reduced delays on bridges

### **2019/20 initiatives**

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

- 1. Introduce a higher performing transponder.** HHB has been using the same transponders since electronic tolling was introduced in 1998. HHB will implement a smaller, more reliable, less expensive transponder.
- 2. Track and analyze incidents.** HHB works to minimize incidents from happening and on clearing them quickly when they do occur. Determining the root cause of incidents will allow HHB to address the causes to improve the customer experience.
- 3. Implement an awareness campaign for toll plaza safety.** This program began at the end of 2018 and will continue and be expanded in 2019/20. Educating drivers regarding the most common reasons why incidents occur in the toll plaza will create awareness and can contribute to the reduction of incidents and improve traffic flow.

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

### *Desired outcomes*

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

### **2019/20 initiative**

#### **Next generation tolling**

The existing tolling system and infrastructure is approaching the end of its life. HHB will assess its current tolling model and determine the costs, benefits and risks associated with converting to all electronic tolling (AET).

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

### *Desired outcomes*

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

### **2019/20 initiatives**

1. **Behaviour-based safety.** HHB's safety program has made significant strides over the past eight years. HHB will build on this success and move towards a behaviour-based safety program through engaging, motivating and assisting employees thereby reinforcing and sustaining safe behaviours.
2. **Employee engagement** – continue to implement a human resources vision and strategy to ensure consistency, harness talent and build engagement. The focus will be on:
  - Surveying employees
  - Developing leadership competencies
  - Career development through training and education

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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 through completion of the repair projects completed by HHB in the current year against the high and medium priority 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. These projects include:
  - Corrosion prevention on Macdonald Bridge
  - MacKay Bridge maintenance and feasibility study
  - Security project
  - Track and analyze incidents
  - Awareness campaign for toll plaza safety
  - Implement a higher performance transponder
  - Next generation tolling
  - Behaviour-based safety
  - Employee engagement

## Financial summary

	<b>2018-2019 Budget</b>	<b>2018-2019 Forecast</b>	<b>2019-2020 Budget</b>
<b>Revenue</b>	(\$thousands)	(\$thousands)	(\$thousands)
Toll revenue	31,103	32,306	32,629
Other rate charges	197	159	197
Trust fund investments	315	421	461
Interest promissory notes	10	156	34
Other	385	358	355
Investment income	50	210	105
<b>Total revenue</b>	<b>32,060</b>	<b>33,610</b>	<b>33,781</b>
<b>Expenses</b>			
Operating	7,252	7,311	7,454
Maintenance	3,267	3,601	4,359
Amortization	8,706	8,533	8,778
Debt servicing	4,952	4,952	4,771
Loss (profit) on disposal of property, plant & equip.	-	53	-
<b>Total expenses</b>	<b>24,177</b>	<b>24,450</b>	<b>25,362</b>
<b>Net operating and comprehensive income</b>	<b>7,883</b>	<b>9,160</b>	<b>8,419</b>



# Housing Nova Scotia

Business Plan 2019–20



## Message from The Minister and CEO of Housing Nova Scotia

It is our privilege to provide this overview of Housing Nova Scotia's anticipated areas of focus for the 2019-2020 fiscal year. This year starts a new chapter for the Province, as we work with the Government of Canada through the National Housing Strategy to advance long-range housing outcomes for Nova Scotia.

The National Housing Strategy, announced in November 2017, sets the stage for a new partnership between the Government of Canada and Provinces and Territories, with the shared goal of better serving households in housing need across the housing spectrum. Negotiations are underway for a new nine-year Housing Agreement with the Government of Canada that will advance the National Housing Strategy.

Once the new Agreement is concluded, Housing Nova Scotia will release a three-year Action Plan that demonstrates our long-term commitment to serve the most vulnerable Nova Scotians and to build safe and connected communities. While there are many details to be worked out, our plan will advance Housing Nova Scotia's long-range strategic focus to *preserve, expand, and transform* the province's affordable housing system over the next decade. A key focus will be to set the stage for long-term growth of the community housing portfolio along with transforming the province's social housing portfolio to best meet client needs now and into the future.

We will also continue to ensure that the most vulnerable Nova Scotians receive access to affordable housing through strategic investments in the Province's public housing stock. These required repairs and investments will ensure that over 17,000 public housing tenants can continue to live safely and at affordable rental rates.

We are in year two of our three-year commitment to implement up to 1,500 new rent supplements. This will advance our commitment to further reduce the waitlist by thirty per cent over three years.

Supporting low-income seniors and persons with disabilities remains a critical element of our priorities for the upcoming year. Programs targeted to these vulnerable groups, such as our home repair/adaptation programs, will continue to be an important part of serving clients across the housing spectrum. Similarly, we will advance opportunities to increase supports for Nova Scotians who experience homelessness.

We look forward to working with our partners during this exciting time, as we continue to provide housing solutions for Nova Scotians in housing need and to advance innovative solutions that serve Nova Scotians across the housing spectrum.

*Original signed by*

The Honourable Kelly Regan  
*Minister responsible for Housing Nova Scotia*

*Original signed by*

Nancy MacLellan  
*President and Chief Executive Officer, Housing Nova Scotia*



## Mandate

Housing Nova Scotia (HNS) is the primary housing delivery agency in Nova Scotia. It is responsible for ensuring access to safe, suitable, and affordable housing for all Nova Scotians. The organization's Ministerial Mandate includes the following items: 1) Further reduce the waitlist for affordable housing by 30 per cent over three years, beginning in 2018; 2) Help first-time home buyers by creating a down payment assistance program.

## Core Business Functions

Housing Nova Scotia's core functions, as set in the *Housing Nova Scotia Act* are:

- Establish housing projects and construct housing accommodations.
- Plan, design, build, own, maintain, manage, and operate housing projects.
- Construct, acquire, renovate, and maintain housing of all types and sell, lease, or otherwise dispose of such housing.
- Promote, construct, and provide more adequate and improved housing for low-income households.
- Improve the quality of housing and the quality of amenities related to housing.

## Context – National Housing Strategy

The National Housing Strategy was released by the Canada Mortgage and Housing Corporation in November 2017. It sets out a renewed role for the Government of Canada to engage with provinces and territories as they deliver affordable housing solutions across the housing spectrum. Nova Scotia endorsed a multilateral Housing Partnership Framework in April 2018 that sets parameters for bilateral funding agreements.

Housing Nova Scotia is currently negotiating a new nine-year Housing Agreement with the Canada Mortgage and Housing Corporation that will advance the National Housing Strategy. The new Agreement will include funding commitments from both the Government of Canada and Nova Scotia that will be directed to both provincial and national housing objectives. Once the new Agreement is finalized, Housing Nova Scotia will release its first three-year Action Plan that describes how Nova Scotia will use National Housing Strategy funding to advance provincial long-range housing outcomes, as well as meet national targets.

In the interim, as the Agreement is being finalized, the section that follows describes the anticipated areas of focus for Housing Nova Scotia over the next year.

## Anticipated Areas of Focus for 2019-2020

In 2019-2020, Housing Nova Scotia anticipates advancing the following outcomes through planned actions that align with provincial priorities and National Housing Strategy Goals:

1. Advance Government Strategic Goal – *Safe Connected Communities – Affordable Housing*
2. Reduce the public housing waiting list
3. Ensure long-term sustainability of community housing (government, coop, and not-for-profit)
4. Ensure the most vulnerable populations are served
5. Increase supply of affordable housing
6. Leverage external (federal) funding
7. Achieve operational efficiency and effectiveness

## Financial Summary

The figures for 2019-20 provided below reflect the estimate for Housing Nova Scotia based on known budget allocations and programs at this point in time, and do not include the outcome of negotiations under the National Housing Strategy. A three-year Action Plan will be released later in the 2019-2020 fiscal year once federal funding and planned actions are finalized through concluding the bilateral agreement.

### Budget Context

#### Housing Nova Scotia - Comparative Statement of Operations (in '000)

	2017-18	2018-19	2018-19	2019-20	Variance
	Actuals	Estimate	Forecast (February)	Estimate	19/20 Estimate vs. 18/19 Estimate
Revenue from Government Sources	\$ 128,689	\$ 137,671	\$ 134,339	\$ 118,445	\$ (19,226)
Revenue from Rents	58,853	59,230	60,067	60,682	1,452
Interest, Revenue from Land Sales and Other Revenue	33,815	33,667	33,726	32,349	(1,318)
<b>TOTAL FUNDING</b>	<b>\$ 221,357</b>	<b>\$ 230,568</b>	<b>\$ 228,132</b>	<b>\$ 211,476</b>	<b>\$ (19,092)</b>
Interest on Long Term Debt	41,074	38,744	38,839	35,368	3,376
Property Management and Operation	66,546	66,153	67,878	70,337	(4,184)
Repair and Maintenance Programs	70,146	73,690	81,172	68,525	5,165
Depreciation of Investment in Social Housing	23,293	22,604	21,764	21,819	785
Provision for Doubtful Accounts	634	761	723	725	36
Social Infrastructure Fund (SIF)	16,628	17,855	10,737	9,588	8,267
Housing Initiatives	758	1,140	1,140	950	190
<b>TOTAL EXPENDITURES</b>	<b>\$ 219,079</b>	<b>\$ 220,947</b>	<b>\$ 222,253</b>	<b>\$ 207,312</b>	<b>\$ 13,635</b>
<b>ANNUAL SURPLUS</b>	<b>\$ 2,278</b>	<b>\$ 9,621</b>	<b>\$ 5,879</b>	<b>\$ 4,164</b>	<b>\$ (5,457)</b>
<b>INVESTMENT IN CAPITAL ASSETS</b>	<b>\$ 2,278</b>	<b>\$ 9,621</b>	<b>\$ 9,979</b>	<b>\$ 5,700</b>	<b>\$ (3,921)</b>

# BUSINESS PLAN

2019-2020

**innovacorp**

EARLY STAGE VENTURE CAPITAL

**We get invested.**





## Message from the Board Chair

Innovacorp is Nova Scotia's early stage venture capital organization. Our investments enable the creation and growth of innovative start-ups throughout Nova Scotia.

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

How we contribute to Nova Scotia's start-up ecosystem and support companies is outlined in our 2019-2020 business plan. Our overarching goal is to enable the creation of great start-ups that succeed in the global marketplace.

Sincerely,

Rodney F. Burgar  
Board Chair, Innovacorp

## About Innovacorp

Innovacorp is Nova Scotia's early stage venture capital organization. Our mission is to find, fund and foster innovative Nova Scotia start-ups that strive to change the world. Our vision is that this region will be among the top 10 start-up ecosystems in the world.

Early stage investment is at the core of our business model. We also give entrepreneurs access to world-class incubation facilities, expert advice and other support to help them commercialize their technologies, accelerate their companies, and succeed in the global marketplace.





## Planning Context

According to the 2017 Entrevestor start-up data, the number of companies in Atlantic Canada's start-up community grew by 85 per cent since Entrevestor first published its analysis in 2013. Of the 486 start-ups counted in late 2017, 261 were based in Nova Scotia. Entrevestor's analysis also indicated company quality had improved at all levels. Further, the start-ups and high-growth companies had become a significant employer in the region, with about 6,400 people working in this area and employment growing at an estimated seven per cent per year.

Entrevestor is forecasting strong and steady growth for its databank of companies, suggesting it is "on pace to double the companies every five years or so."

This momentum is no surprise given the number of new or enhanced assets (i.e., programs, facilities, events, funders) in the start-up ecosystem. From Propel ICT, CDL, ideaHUB, Concrete Ventures, Build Ventures II and COVE, to the Ocean Supercluster, multiple post-secondary entrepreneurship programs, and Volta's enhanced space and services. The list is growing, and in addition to supporting existing start-ups, the resources are encouraging the creation of new ones.

Innovacorp plays a foundational role in the start-up ecosystem, providing investment as well as acceleration programs and services to some of the province's most successful and most promising early stage technology companies.

As noted above, Innovacorp works to *find, fund and foster* innovative Nova Scotia start-ups that strive to change the world.

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

For Innovacorp, *fund* refers to the equity investments we make through our Nova Scotia First Fund. Venture capital-backed start-ups typically have a greater economic impact than their non-backed peers, demonstrating stronger growth in revenue, employment and assets. Innovacorp, however, is ultimately driven by generating financial returns on its fund, and we leverage our deals with other venture capital and angel co-investors, attracting new capital and expertise for the region.

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

## Innovacorp 2019-2020 Goals, Activities and Performance Indicators

Innovacorp's goals are to grow the number of high-quality start-ups in Nova Scotia, attract investment into those companies, and generate a financial return on the Province of Nova Scotia's investment in the start-up ecosystem. Our 2019-2020 work towards those targets is outlined below.

- Make **venture capital investments** in early stage Nova Scotia technology companies with high-growth potential and attractive risk-return prospects.  
*Measures: number of Innovacorp investments; amount invested by Innovacorp; amount invested by private sector funds in which Innovacorp is a limited partner (i.e., Build Ventures, Concrete Ventures)*
- **Leverage Innovacorp's investments** through co-investors, with an emphasis on venture capital partners from outside Nova Scotia.  
*Measures: amount leveraged from co-investors; amount raised by portfolio companies*
- **Generate a return** for Nova Scotia on Innovacorp's venture capital investments.  
*Measures: TVPI ratio (total value to paid-in capital); ratio of distributions to paid-in capital*
- Provide **incubation infrastructure and services** through our sites on the Dalhousie University campus, in Woodside and at the Centre for Ocean Venture and Entrepreneurship (COVE) and operate the **Nova Scotia Power Makerspace** in Sydney.  
*Measures: number of companies under incubation; occupancy rate at facilities; number of people accessing Makerspace*
- Move Nova Scotia **university and college research to market through support** for projects that demonstrate commercial readiness or are close to achieving a prototype or proof-of-concept stage.  
*Measures: number of ESCF (Early Stage Commercialization Fund) program applications; percentage of past ESCF program participants that raise investment*
- Find and support high-potential new technology companies and encourage entrepreneurial activity across Nova Scotia through **start-up competitions**.  
*Measures: number of competition submissions; percentage of past competition winners that raise investment*
- Deliver **acceleration programs** for start-ups approaching investment readiness, providing access to world-class expert advice, workshops, incubation facilities and services, financial support and other resources.  
*Measures: number of acceleration program participants; percentage of past acceleration program participants that raise investment*

- Enhance our **services and support (i.e., venture services) for our highest potential portfolio companies**, addressing their individual operational, technical and strategic needs.  
*Measures: number of portfolio companies that access venture services; percentage of companies accessing ventures services that raise follow-on investment*
- Attract start-ups to Nova Scotia through the **Start-Up Visa Program**, a federal program for immigrant technology entrepreneurs.  
*Measures: number of support letters completed for the Start-Up Visa Program; percentage of Start-Up Visa Program participants that raise investment*
- Provide **mentoring for start-ups** through peer-to-peer opportunities and more formal mentoring engagements with seasoned advisors.  
*Measures: number of companies accessing mentoring opportunities*
- Work with **partners** in the community (e.g., CDL, Volta, Propel, NSBI, ideaHUB) to build more successful start-ups, maximizing the availability of impactful expertise, capital and other resources.  
*Measures: number of partners' companies that raise investment*
- Work with universities and colleges to **stimulate more commercially viable ideas** in their research departments.  
*Measures: number of ESCF program applications*

## Performance Indicators 2019-2020

Performance Indicators	2019-2020
number of Innovacorp investments	10
amount invested by Innovacorp	\$6.5 million
amount invested by private sector funds in which Innovacorp is a limited partner	\$8 million
amount leveraged from co-investors (ratio)	1:2
amount raised by portfolio companies	\$40 million
TVPI ratio (total value to paid-in capital)	1.2
ratio of distributions to paid-in capital	0.1
number of companies under incubation	30
occupancy rate at facilities (Research Drive and Summer Street locations)	85%
number of people accessing Makerspace	100
number of ESCF (Early Stage Commercialization Fund) program applications	24
percentage of past ESCF program participants that raise investment	10%

number of competition submissions	100
percentage of past competition winners that raise investment	15%
number of acceleration program participants	8
percentage of past acceleration program participants that raise investment	30%
number of portfolio companies that access venture services	30
percentage of companies accessing ventures services that raise follow-on investment	40%
number of support letters completed for the Start-Up Visa Program	5
percentage of Start-Up Visa Program participants that raise investment	15%
number of companies accessing mentoring opportunities	20
number of partners' companies that raise investment	15

## Budget Context

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

	Estimate 2018-2019 (\$)	Forecast 2018-2019 (\$)	Estimate 2019-2020 (\$)
<b>Revenue</b>			
Provincial funding	9,266,000	9,379,000	9,660,000
Incubation	1,017,000	1,602,000	1,036,000
Investment	17,000	18,000	-
Acceleration	586,000	586,000	847,000
Corporate Services	163,000	163,000	163,000
	11,049,000	11,748,000	11,706,000
<b>Expenses</b>			
Incubation	2,966,000	2,966,000	2,977,000
Investment	1,315,000	1,315,000	1,142,000
Acceleration	4,227,000	4,925,000	4,508,000
Corporate Services	2,332,000	2,332,000	2,720,000
	10,840,000	11,538,000	11,347,000
<b>Surplus before non-operating items</b>	209,000	210,000	359,000
<b>Other income (expense)</b>			
Realized gains on investments and loans receivable	150,000	700,000	-
Impairment on investments and loans receivable	(500,000)	(500,000)	(500,000)
	(350,000)	200,000	(500,000)
<b>Surplus (deficit)</b>	(141,000)	410,000	(141,000)

## Revenue

**Provincial funding** 2019-2020 estimate is \$394,000 higher than the 2018-2019 estimate. Highlights of the changes are summarized in the following table:

Thousands of dollars	
<b>Estimate 2018-2019</b>	<b>\$9,266</b>
Net funding to meet budget pressures and deliver new programs	370
Decrease in funding required for Start-Up Yard at COVE	(34)
Other	58
<b>Estimate 2019-2020</b>	<b>\$9,660</b>

**Incubation** 2019-2020 estimate is \$19,000 higher than the 2018-2019 estimate primary due to an increase in client revenue at facilities.

**Investment** 2019-2020 estimate is \$17,000 lower than the 2018-2019 estimate primarily due to the cessation of director fees from a portfolio client.

**Acceleration** 2019-2020 estimate is \$261,000 higher than the 2018-2019 estimate. Highlights of the changes are summarized in the following table:

Thousands of dollars	
<b>Estimate 2018-2019</b>	<b>\$586</b>
Funding of Momentum activities in Sydney	170
Client revenue at Start-Up Yard at COVE	124
Other	(33)
<b>Estimate 2019-2020</b>	<b>\$847</b>

## Expenses

**Investment** 2019-2020 estimate is \$173,000 lower than the 2018-2019 estimate. Highlights of the changes are summarized in the following table:

Thousands of dollars	
<b>Estimate 2018-2019</b>	<b>\$1,315</b>
Reorganization of team	(125)
Transfer of sponsorship budget to Corporate Services	(31)
Other	(17)
<b>Estimate 2019-2020</b>	<b>\$1,142</b>

**Acceleration** 2019-2020 estimate is \$281,000 higher than the 2018-2019 estimate. Highlights of the changes are summarized in the following table:

Thousands of dollars	
<b>Estimate 2018-2019</b>	<b>\$4,227</b>
Delivery of new programs	138
Increase in Momentum activities in Sydney	170
Increase in Start-Up Yard at COVE activity	90
Transfer of amortization expense to Corporate Services	(82)
Other	(35)
<b>Estimate 2019-2020</b>	<b>\$4,508</b>

**Corporate Services** 2019-2020 estimate is \$388,000 higher than the 2018-2019 estimate. Highlights of the changes are summarized in the following table:

Thousands of dollars	
<b>Estimate 2018-2019</b>	<b>\$2,332</b>
Increase in budget to support increase in staff level and budget pressures	135
Transfer of amortization expense from Acceleration	82
Increase in IT costs	77
Transfer of sponsorship budget from Investment	31
Other	63
<b>Estimate 2019-2020</b>	<b>\$2,720</b>

### **Non-Operating Items**

**Realized gains on investments and loans receivable** 2019-2020 estimate is \$150,000 lower than the 2018-2019 estimate due to a non-recurring gain budgeted in 2019-2020.

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# Business Plan 2019–2020

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Working for Nova Scotians.



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## Message from the Board Chair & President and CEO

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# Working for Nova Scotians.

As the business development agency for the Province of Nova Scotia, we work with companies who do great things.

As Nova Scotians, we are committed to our people, our communities, and our province. We work on behalf of Nova Scotians to build prosperity today and for future generations of Nova Scotians.

### Strengthening businesses for export

Our programs and services tackle the most common issues that Nova Scotia businesses face along their export journey. Progressively since 2015, our team has embraced a no wrong door model as we search out, nurture, and support growth-oriented enterprises.

We work with them to build their capacity, diversify their exports, and expand so they can be ready when opportunity knocks. In 2019–2020 Nova Scotia Business Inc. employees will continue to be the feet on the street working with companies to connect them with the programs, partners, and resources they need to export and progress through their growth journey.

### Navigating opportunities for inclusive growth

We recognize that not all Nova Scotians have the same opportunities – nor do the various regions and communities throughout our province.

Two years ago, we developed the Export Development Businesses of Diversity Engagement Plan. Our approach is a long-term commitment to bring about new business and export growth. We have dedicated ourselves to understanding and respecting cultural differences and nuances in working with diverse

businesses. The same is true of our commitment to working with Nova Scotia's various regions and communities across our province. Rooted in the identified assets found in each region, we are building capacity for unique opportunities. We believe targeting and fostering the growth of companies that create long-term, high-value employment is the starting point of our work throughout our regions and communities as we build capacity together with our partners.

In 2019–2020 we will continue helping businesses navigate obstacles to growth, and our work will focus on specific challenges and barriers preventing companies from reaching their full potential. Through our investment attraction work, we will raise awareness, target, and match the advantages between regions of our province with potential employers able to grow in Nova Scotia. We will also encourage employers to hire from under-represented populations as we work with companies to attach new graduates and new Nova Scotians to the workforce in order to ensure that all Nova Scotians benefit from our efforts.

### Implementing new initiatives

Our ability to be agile and responsive remains a priority. In collaboration with our federal and provincial partners, we will continue to look for new and better ways to meet the needs of Nova Scotia businesses looking to sell beyond our shores.

Our new initiatives for 2019–2020 are in response to our conversations and experiences in working with

**“The Commission sees a profound need for Nova Scotians to come together around a shared vision for real change in the province, one in which the different regions, communities and economic sectors can all see a better future...”**

The Report of the Nova Scotia Commission on Building Our New Economy.

over 700 businesses across the province last year. We heard the challenges and have new programs to add to our existing suite of services designed to support companies as they look to scale and overcome obstacles standing in the way of export growth.

Scale-Up Hub Cambridge will build on its success from the past year. In 2019–2020 we will investigate and develop a strategy to expand the Scale-Up model to a second market to help reduce the risk for companies as they seek to drive export sales.

### **Capitalizing on global opportunities**

Canada has new trade agreements coming onstream in 2019. We will work with businesses to put these agreements into action, expanding their reach and opportunity to sell their products and services.

The landscape for foreign direct investment is competitive. Through our Team Nova Scotia approach, we will continue to leverage the collective strength we and our partners have to showcase Nova Scotia, our sophisticated sectors, and the growth opportunities here. We will continue our work with provincial and federal partners through the Atlantic Trade and Investment Growth Strategy to implement initiatives that help businesses and communities better prepare for investment opportunities that support growth. It's about making a difference together.

### **Investing in Innovation**

Innovation lies at the root of all we do. At its most basic, innovation is about change: Without it there is no progress. Innovation is the single most crucial component of long-term economic success for our province, and we do not tackle this alone because each of us – every Nova Scotian – has a responsibility to innovate.

As an economic agent within Nova Scotia's innovation ecosystem, our role, supported by the Province of Nova Scotia, is to help businesses in all communities in Nova Scotia look for new and better ways to do valued things.

Through the Innovation Rebate Program, we will continue to support businesses across the province with the capital investment needed to innovate and improve productivity. We also understand that collaboration is essential in creating an environment that breeds new ideas. We will continue to deliver the Productivity and Innovation Voucher Program to foster deeper partnerships between industry and the wealth of research expertise within our universities and community college campuses to accelerate innovation and commercialization.

Looking back on 2018–2019, we witnessed incremental shifts, tried new strategies, spotted gaps, worked to fill them, and learned all along the way. What we have learned from the past year is that our work builds momentum for what lies ahead.

**Marie Mullally | Board Chair**  
**Laurel Broten | President and CEO**

## Mandate

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

## Mission

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

## Vision

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

## NSBI's Role and Focus for 2019-2020

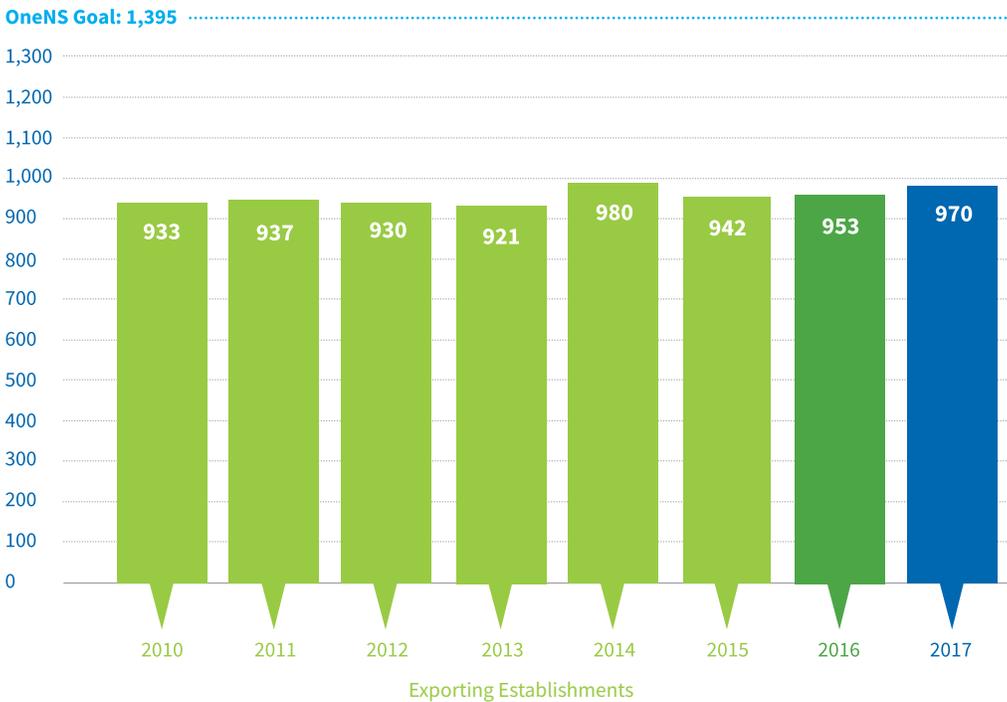
### Strengthening Nova Scotia Businesses

NSBI's Regional Business Development team was face-to-face with over 700 unique companies in 2018-2019, implementing a client-centric approach to serving as the critical first point of contact for businesses. Our Regional Team's no wrong door model ensures that companies across the province have a single window into our suite of services and the offerings of our partners, providing the resources and connections necessary to increase export capacity, improve productivity, and grow from Nova Scotia.

NSBI will build upon the successful 2018-2019 launch of the Innovation Rebate Program, supporting Nova Scotia firms across the province through the capital investment they need to innovate and improve productivity. Our continued delivery of the Productivity and Innovation Voucher Program will focus on developing deeper partnerships between industry and the research and development expertise resident within Nova Scotia's post-secondary education system, with an eye to commercialization.

We will be the feet on the street, working with companies in traditional and non-traditional sectors that are at all stages of the business growth lifecycle to connect them with the programs, partners, and resources they need to progress through their export journey.

**Figure 1. Nova Scotia Participants in Export Trade**



**Figure 1.** Statistics Canada. Table 12-10-0098-01 Trade in goods by exporter characteristics, by industry of establishment (x 1,000) <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1210009801> (Accessed 1/18/2019)

One Nova Scotia. Goal 6: Firms Participating in Export Trade – Deep Dive. <https://onens.ca/goals/goal-6-export-trade/> (Accessed 1/18/2019)

## Export Development

In 2019-2020 NSBI will ensure that Nova Scotia businesses are ready, willing and able to capitalize on global opportunities revealed through the emergence of trade agreements such as Canada-United-States-Mexico Agreement (CUSMA), Comprehensive European Trade Agreement (CETA), and Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and within the growing Association of Southeast Asian Nations (ASEAN) market.

Our Capacity Building team will work one-on-one with new exporters to identify and prepare for the changing international landscape and its impact on their business, and our Small Business Development Program will enable our emerging export clients to hire the expertise they need to build export capacity and grow.

We will continue our efforts to identify and customize our export support services for companies with owners and leaders from an under-represented group, exploring opportunities for projects, both new and existing, that will address the specific challenges and barriers preventing these businesses from reaching their full potential.

**At Nova Scotia Business Inc., we want businesses across the province to “Think Export”. We want companies to understand that export is not only an opportunity, but imperative – now and for future generations.**

NSBI will work with provincial and federal partners to implement an Export Accelerator for already successful exporters to scale-up and sell more products and services outside our borders. We will work to provide a tailored approach for high-potential exporting firms to build the management expertise necessary to address obstacles standing in the way of export growth.

Market diversification will remain at the core of NSBI’s export focus, as we deepen Nova Scotia’s footprint in Cambridge, Massachusetts, and explore another key market of interest in the United States. Through the \$20 million Atlantic Trade and Investment Growth Strategy, we will prepare and take Nova Scotia companies in-market, and build capacity, relationships, and networks as the pathway to export growth. NSBI will organize results-oriented, inbound and outbound trade missions for businesses in ICT, Oceans, and Seafood & Agri-food, leveraging our Global Advisors Program to help companies connect and maximize the impact of their time abroad.

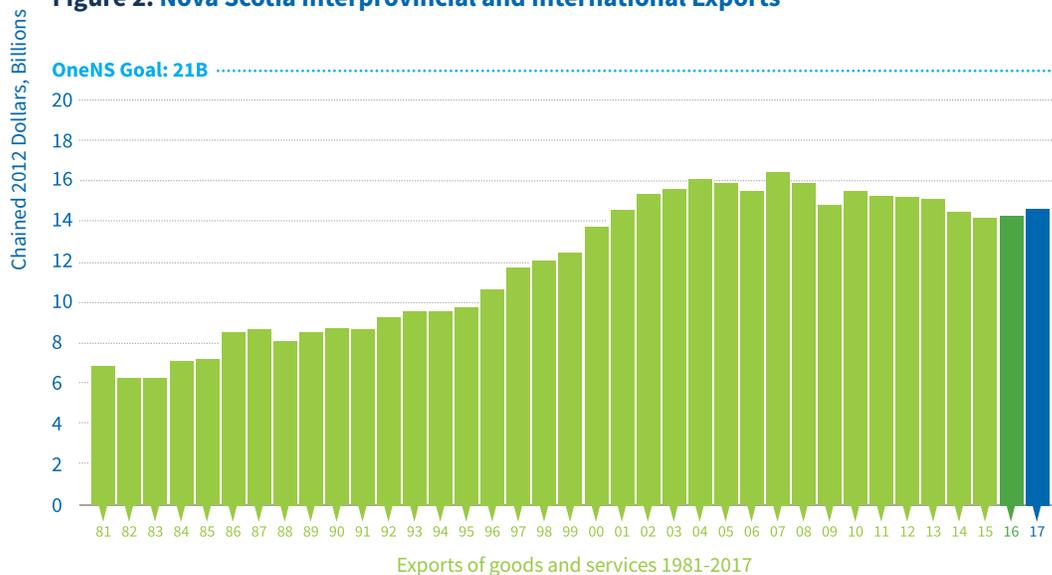
NSBI’s Export Growth Program will offset the cost of in-market travel, with a focus on companies across the province that have a proven record of achieving growth through export. We will continue to maximize the increased efficiency that we have achieved in the delivery of the Export Growth Program in 2018-19, processing claims within ten days to get funding in the hands of our clients where it can have the greatest impact.

**As an organization, we will also continue to look for ways to take our own advice. We have made improvements in the delivery of our programs, specifically around Export Growth Program and the Nova Scotia Film and TV Production Incentive Fund, so that they are more efficient and effective, and we will continue this line of thinking into 2019-2020.**

NSBI will develop and find new ways to deliver timely, impactful online export resources to ensure Nova Scotia businesses can access the trade intelligence they need when they need it. Our Trade Market Intelligence for our clients will take the first look into the viability of products and services in new markets, and we will continue to share Special Export Reports with a wider Nova Scotia industry audience to expand the benefit of our research and learnings.

We will build on pilot programs from 2018-2019, including our Export Logistics Service, to mitigate risk and enable companies to join forces to reach international markets. With NSBI's suite of programs and services, coupled with those of our partners, Nova Scotia companies will have access to the support and resources they need to chart their path for export growth.

**Figure 2. Nova Scotia Interprovincial and International Exports**



**Figure 2.** Statistics Canada. Table 36-10-0222-01 Gross domestic product, expenditure-based, provincial and territorial, annual (x 1,000,000) <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610022201> (Accessed 1/18/2019)

One Nova Scotia. Goal 5: Value of Exports. <https://onens.ca/goals/goal-5-value-of-exports/> (Accessed 1/18/2019)

## Investment Attraction

2018-2019 saw NSBI's newly created data mining methodology successfully identify global companies looking to expand into a new jurisdiction, aiding in the development of an evidence-based pipeline of investment attraction prospects. NSBI will continue to develop and mine this pipeline to attract innovative, exporting companies within priority sectors that would benefit from a Nova Scotia location.

**We created a more sophisticated process for evaluating investment opportunities. With our new data-mining methodology, we are now able to identify global companies looking to expand and use our evidence-based approach to attract innovative, exporting companies to join our ecosystem – here at home.**

To help us achieve our mandate of increasing export and attracting investment, we have continuously strived for a holistic approach in our efforts, and we have broadened the scope of our toolkit, better matching our services to the needs of businesses throughout Nova Scotia's regions. Our investment attraction activity will provide a positive return to the province and focus on maximizing the employment income for Nova Scotians.

We will continue working with our clients to attach new graduates and new Nova Scotians to their workforce, and pilot an improvement to the payroll rebate tool to more strongly encourage the hiring of other under-represented populations, ensuring that Nova Scotians across the province benefit from our economic development efforts and the growth of the businesses with which we work.

Nova Scotia's ecosystem is performing in the development of advanced ocean technology, health innovations, clean technology and more.

Our efforts will continue to uncover and connect potential investors, highlighting Nova Scotia's opportunities for equity investment and working with our companies to be pitch-ready and maximize the impact of their face-to-face meetings and materials, with a particular focus on Japan, China, and key ASEAN nations. With an eye to businesses in need of succession, our Regional and Investment Attraction teams will identify and make connections to secure the future viability of businesses in communities across the province.

Our investment attraction activities will lever the strengths of our partners through the Team Nova Scotia approach to selling our province, which has proven to resonate with companies looking for their next business location. We will work with our private and public-sector partners to implement an account management framework that will ensure our new businesses benefit and contribute to Nova Scotia's inclusive economic ecosystem, easily making the connections needed to hire, innovate, and grow.

NSBI will work with our federal and neighbouring provincial governments through the \$20 million Atlantic Trade and Investment Growth Strategy to implement investment readiness initiatives that will better prepare communities across the province to identify and respond to investment opportunities. We will continue to work with companies onsite in the Centre for Ocean Ventures & Entrepreneurship (COVE) through their export journey, and promote COVE as a place where high-quality marine infrastructure, unparalleled access to the ocean, and collaborative space secure Nova Scotia's place on the international oceans stage.

NSBI will help drive global awareness of the Ocean Supercluster, with the goal of fostering new partnerships between industry, post-secondary education institutions, government, and other partners to accelerate innovation and commercialization and to ensure sustainable economic growth from our oceans.

### **Marketing & Partnership Development**

The oneNS Report's call to action has been heard and embraced by NSBI over the five years since the release of the ground-breaking report. We fully acknowledge and continue to uphold, represent and drive the cultural change needed across the province to effectively grow our economy through export.

Our messages have been crystal clear in their promotion of export as the pathway to economic prosperity, and we have used new channels and platforms to share the stories of our companies as they choose Nova Scotia as the home from which to sell their products and services to customers all over the world. We will continue to promote Nova Scotia as a top jurisdiction in which to live, work and do business, and bring the learnings from selling in global markets home through telling of our own experiences and those of our clients – enabling all Nova Scotians to build the confidence to grow along the export continuum.

### **Film and Television Production Support**

2018-2019 saw the Nova Scotia Film & TV Production Incentive Fund reach new funding levels, and we look forward to continuing the delivery of this program into 2019-2020. NSBI and the film and television industry have benefitted from the rigor and client-centric approach that has been implemented in the Nova Scotia Film & TV Production Incentive Fund and we look forward to continuing to work with this creative sector as we support the award-winning productions that are made in our province.

### **Portfolio Management**

NSBI is the agency responsible for the management and administration of the Nova Scotia Business Fund and the province's legacy Jobs Fund investment portfolio. We will continue to work with clients, ensuring service excellence while navigating complex financial circumstances on behalf of the Province of Nova Scotia. NSBI will also manage our real estate assets to maximum return, and continue our support of the Nova Scotia Credit Union Small Business Loan Guarantee Program to provide funding to businesses across the province.

## Performance Measures

Measures	2019 - 2020 Targets
1. Annual increase in NSBI client reported actual export sales	15% increase in the actual export sales of NSBI's clients overall, and by clients within the high-potential clusters of ICT, Oceans, and Seafood & Agri-food
2. Number of NSBI clients becoming new exporters	A minimum of 25 NSBI clients become new exporters, with a minimum of 10 clients within the high-potential clusters of ICT, Oceans, and Seafood & Agri-food becoming new exporters
3. Actual payroll generated by NSBI clients	15% increase in the actual payroll generated by NSBI clients overall, and by clients within the high-potential clusters of ICT, Oceans, and Seafood & Agri-food
4. Employment income generated for Nova Scotians	Attract a minimum of \$70 million in committed employment income through payroll rebate transactions signed in 2019-20 and other investment attraction efforts, with a minimum of 10% targeted to the attachment of Aboriginal and/or Indigenous persons, African Nova Scotians, persons with disabilities, veterans, LBGTQ, new graduates, new residents and others currently under-represented in Nova Scotia's workforce
5. Actual expenditures of projects supported by the Innovation Rebate program	Incent a minimum of \$22.5 million in private-sector capital investment aimed at increasing innovation or the adoption of new technologies and/or business processes
6. Diversification of export markets	A minimum of 10% of NSBI clients diversify markets through exporting to an additional country

## Budget Context

(Amounts in \$000s)	Budget 2018-19	Forecast 2018-19	Estimate 2019-20
<b>Revenue</b>			
Provincial grants	\$59,474	\$61,265	\$67,786
Gain on sale of properties	-	439	127
NS Business Fund: Loans & equity, plus properties	1,640	1,943	1,535
Miscellaneous revenue	999	1,666	2,288
<b>Total</b>	<b>\$62,113</b>	<b>\$65,313</b>	<b>\$71,736</b>
<b>Expenses</b>			
Operating	\$17,876	\$18,792	\$20,464
Strategic investments	16,597	13,962	18,610
NS Film & TV production incentive fund	20,000	24,177	20,000
Innovation Rebate Program	5,000	5,000	10,000
Provision for credit losses	1,000	5,119	1,000
Transfer payments to Province of NS	-	439	127
NS Business Fund: Loans & equity, plus properties	832	601	838
<b>Total</b>	<b>\$61,305</b>	<b>\$68,090</b>	<b>\$71,039</b>
Surplus (deficit)	\$808	\$(2,777)	\$697

# Appendix A

## Strategic Investment Funds (SIF)

### STRATEGIC INVESTMENT FUNDS PURSUANT TO NSBI REGULATIONS POLICIES AND GUIDELINES/PROCEDURES, NSBI 2019-20 BUSINESS PLAN

#### PAYROLL REBATE PROGRAM (the “Program”)

<b>Overview</b>	<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 may 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>
<b>Amount</b>	<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, 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>
<b>Eligibility</b>	<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 under the Program will not be eligible for additional incentive unless the project is incremental to the peak FTE level attained by the company under the previously provided incentive.</p> <p>Projects that are considered to be competitively harmful to existing Nova Scotia business will not be considered.</p> <p>The company will collect and remit employee payroll taxes in accordance with the Income Tax Act (Canada).</p>
<b>Application Requirements</b>	<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

The company and the project must have reasonable prospects (business plan) for continued growth and success. The company should be profitable, with a proven track record. In addition, the project should be export oriented and/or be in a strategic economic sector.

The company must also demonstrate:

- Strong management (corporate and local)
- Compliance with Environment Act, Occupational Health and Safety and Labour Standards Code (if already established in Nova Scotia)
- 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)
- Financial stability

## Performance Conditions

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.

Companies may be required to achieve additional targets with respect to capital project completion including investment or export targets, if applicable.

The company must provide an audited report, certifying that the employment, wage and other targets have been achieved. The report must contain the following information:

- Incremental gross wage or payroll amount (including benefits) and the number of incremental and/or maintained employees and hours worked according to the Company's records on each anniversary date from the project commencement;
- Gross wage or payroll amount, including benefits, and the total number of FTEs of the company on each anniversary date from the project commencement;
- Incremental employees' province of residence; and
- Applicable export, investment and project details.

## Payment Terms

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.

In most cases, rebates will be paid annually on each anniversary from the project commencement;

Payment term generally averages five years.

# Appendix B

## Nova Scotia Business Fund

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

The portfolio currently has approximately \$48.8 million outstanding to 27 companies located throughout the province. Net new capital needed for Nova Scotia Business Inc. to continue to meet the financing needs of current clients is estimated to be \$100,000 with repayments of current outstanding investments estimated to be about \$1.8 million.

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

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

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



NOVA SCOTIA CROP AND LIVESTOCK  
INSURANCE COMMISSION

BUSINESS PLAN

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2019 - 20

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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 2019 - 20. The plan outlines the Commission's continued commitment to offer Nova Scotia's primary agricultural producers insurance against production losses.

The AgrilInsurance product line continues to expand the opportunities for risk transfer in the production of agricultural products. The Commission is committed to expand its product line, offering increased benefits and more insurance options. The Commission is proud of its 50-year history (1968 - 2018) of offering crop and livestock insurance products that are developed in Nova Scotia to meet our farmers unique business needs and agronomic mix.

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

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

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Mr. Avard 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 risk associated with reduced crop yields or animal production losses due to insurable perils.*

## Alignment with Government Priorities

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

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

## Planning Context

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

The Commission reports to the Minister of Agriculture and is a key component of the business risk management services that the Department of Agriculture offers to the industry under the AgrilInsurance platform. The Commission and supporting staff administer 16 crop insurance plans, a dairy livestock insurance plan and a poultry insurance plan. The Commission also administers a Wildlife Compensation Program which, while not an insurance-based program, compensates farmers for losses as a result of wildlife. Cost sharing of AgrilInsurance (also known as Production Insurance and

Crop Insurance) in Nova Scotia is governed by the Canadian Agricultural Partnership (CAP), a federal-provincial-territorial (FPT) framework agreement on agriculture, agri-food and agri-based products. This agreement outlines cost sharing arrangements and administrative requirements that govern the design and delivery of AgrilInsurance programs. AgrilInsurance is required to be a fiscally self-sustaining partnership with cost sharing by producers, and both the federal and provincial governments.

Federal and provincial policy direction has encouraged the expansion and strengthening of the role of AgrilInsurance programs to offer more coverage to commercially grown crops and livestock species. In this context, the Commission is continuing 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. While the AgrilInsurance program responded as designed and supported insured clients affected by this event, it will have lasting impacts on the Commission's financial position for a number of years into the future.

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

### **Strategic Goals**

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

## Core Business Areas

The core business of the Nova Scotia Crop and Livestock Insurance Commission is the delivery of insurance products for production agriculture. This is conducted pursuant to federal and provincial regulations and in accordance with the Business Risk Management components of FPT cost sharing agreements.

## Priorities for 2019 - 20

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. Continue to consult with industry stakeholder groups to review current policies and regulations aimed at improving existing insurance plans. One example is the addition of early potatoes to the acreage loss plan for the 2019 crop year.
  - b. Work with industry stakeholders on the development of new insurance programs such as grapes vines, hemp and haskap.
  - c. Develop its regulations consistent to the mandate of the Province's office of Regulatory Affairs and Service Effectiveness. Examples include work to update the form and content of current dairy plan regulations and revisions to the Arbitration regulations.
  - d. Work with stakeholder groups to continue to review the effectiveness of its Wildlife Compensation Program.
  
2. **Administrative Priorities**
  - a. Over the next year, use a phased approach and both internal and external resources, to modernize its information technology infrastructure to achieve a more accurate, reliable, and secure data handling system including more client focused interaction through online payments and applications.
  - b. Proactively promote AgrilInsurance as a key business management option for agricultural producers in Nova Scotia.

## Financials

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

**Table 1. Estimate of Income and Fund Balances**

	Authority 2018-19 (\$ 000)	Forecast 2018-19 (\$ 000)	Budget 2019-20 (\$ 000)
<b>Revenues</b>			
Insurance Premiums paid by Clients	823	731	823
Insurance Premiums Contributed by Govt. (Federal)	736	615	736
Wildlife Compensation Payments (Federal)	150	72	150
Insurance Premiums Contributed by Govt. (Provincial)	491	410	491
Wildlife Compensation Payments (Provincial)	100	48	100
Interest Income	70	68	5
<b>Total Revenues</b>	<b>2370</b>	<b>1944</b>	<b>2305</b>
<b>Expenses</b>			
Indemnity Claims	1900	15115	3000
Wildlife Compensation Payments	250	120	250
Reinsurance premiums	0	0	700
Bad Debt Expense	5	5	5
<b>Total Expenses</b>	<b>2155</b>	<b>15240</b>	<b>3955</b>
<b>Net Income from Insurance Activities</b>	<b>215</b>	<b>(13296)</b>	<b>(1650)</b>
<b>Reinsurance Advances</b>			
Federal	0	6218	332
Provincial	0	3292	1318

<b>Total Reinsurance Advance</b>	0	9510	1650
<b>Net Income</b>	215	(3786)	0
<b>Crop and Livestock Insurance Fund Balance</b>			
Beginning of Year	4736	4736	950
End of Year	4951	950	950
<b>Administrative Expenses</b>			
Government Contributions (Canada)	649	649	649
Government Contributions (Nova Scotia)	470	470	470
<b>Total Administrative Expenses</b>	1119	1119	1119
<b>Net Govt. Expenditure</b>			
Canada (Premium + Administration)	1535	1330	1535
Nova Scotia (Premium + Administration)	1061	924	1061
<b>Total Program Expenditure</b>	2596	2254	2596



NOVA SCOTIA  
FARM LOAN BOARD  
  
BUSINESS PLAN

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2019 - 20

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## Message from the Minister and Board Chair

We are pleased to present the Nova Scotia Farm Loan Board (NSFLB) business plan for 2019 - 2020. The plan outlines the Board's commitment to support the rural economy by providing responsible lending services targeted for agriculture and agri-businesses in Nova Scotia.

The NSFLB prioritizes the needs of the industry, offering a diverse product line to meet the lending needs of individual farmers. Clients use loans to purchase farm land, quota, and equipment, adopt new technology and expand into emerging opportunities. The NSFLB aims to recognize the uniqueness of the NS farming industry and ensuring the continuation of sustainable Nova Scotia farming communities.

The Farm Loan Board Regulations were amended this past year to better position the Board to support our clients. Key highlights include reduced wait time for consideration of loans over \$ 2 million, offering risk adjusted rates and standardized fee structures. Changes also enabled alignment of administrative frameworks to the NSFLB and the Nova Scotia Fisheries and Aquaculture Loan Board, gaining efficiencies and providing more supports for both industries, while the Boards will continue to operate separately, maintaining our unique sector approach.

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Andrew Vermeulen  
Vice-Chair  
Nova Scotia Farm Loan Board

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Honourable Keith Colwell, E.C.N.S.  
Minister  
Nova Scotia Department of Agriculture



## Mission

The Nova Scotia Farm Loan Board (NSFLB) supports the development of agricultural businesses in Nova Scotia through responsible lending.

## Mandate

The mandate of the NSFLB is to support the agricultural industry through the provision of capital financing. The NSFLB operates as a Crown Corporation established 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 any purpose which will encourage, sustain, improve or develop the agriculture industry in the Province. Regulations made under the Act govern the terms and conditions of capital provided by the NSFLB.

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

## Operations

The NSFLB has been active since 1932 as an agricultural development agency, acting to build a financially stable and sustainable agricultural base in Nova Scotia. It supports agriculture and rural businesses by providing short, medium and long-term capital with competitive interest rates.

The NSFLB is committed to serve industry, offering several products designed to meet specific lending needs, ranging from small dollar micro-loans, to large loans for things such as real estate, quota and orchard development loans. The NSFLB works to set-up loans that work for the individual's business, with the ability to structure loans to meet clients needs.

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

## Operating Environment

The NSFLB is a critical link in the capitalization of rural Nova Scotia businesses with an estimated investment of \$164 million in provincial farms and agricultural processing. This capital is used to buy farm land, construct farm buildings, plant new crop varieties, improve animal genetics, purchase efficient equipment, adopt new agricultural technology, purchase marketing quotas and provide working capital.

Nova Scotia farm cash receipts declined in 2017 by 5.1% from the previous year. Revenue from crop production increased slightly however, led by significant increases in the value of apples, field vegetables, strawberries and Christmas trees.

Continued lower prices in the fur industry, mainly due to decreased global demand, combined with lower production volume, has resulted in a decrease in sector value. The largest increase in livestock product values was the dairy sector, which increased by 7% (\$10 million).

Final data for 2018 is unavailable at this time, however the Province experienced a severe frost event this past June which is expected to impact lending activities due to projected impact on the amount and quality of crops to be harvested this year. The most severely impacted crops are anticipated to include wine grapes, wild blueberries, apples and Christmas trees.

## Portfolio Management

The developmental nature of the NSFLB means that the Board will work with clients who are unable to find reasonable rates or obtain loans at a traditional bank due to the nature of their business or industry and the risk involved. To better manage risk and provide greater likelihood for success, the Board works toward individually customized solutions, including credit and risk assessment.

The NSFLB invested an estimated \$28 million in 68 clients in 2018 - 19, contributing to Nova Scotia's agriculture economy in both local and export markets. The Board makes every effort to assist its clients by providing support through all business cycles including industry downturns. Whenever possible, innovation and value-added processing are also supported. The NSFLB will invest up to \$40 million in 2019 - 20.

## Goals

The Crown Lending Agency (CLA), parent organization of the NSFLB, operates under two themes and five strategic goals:

*Efficient and Effective Service*

1. Increasing impact on industry through **quality lending** and superior client service
  - CLA will monitor the loans portfolio, including client profiles, client satisfaction and risk profiles, to assess trends and areas for improvement.
2. Building trusting relationships through **accountability** for quality and timely work
  - CLA will ensure accurate financial reporting, including an annual audit, update current reporting systems and encourage excellent service through regular client contact and industry outreach.
3. Improving team effectiveness through a positive work environment and **continuous improvements**
  - CLA will monitor trends in employee engagement and offer development opportunities to attract and retain high-performing employees. It will also streamline processes across the NSFLB and the Nova Scotia Fisheries and Aquaculture Loan Board, aligning Acts, Regulations and policies with the desired effect of more timely and efficient service to clients.

*Positioned for Success*

4. **Growing the rural economy** through responsible lending
  - CLA is committed to growing rural and coastal communities by providing a range of products and services designed to meet specific client needs, no matter their phase of business growth.
5. Positioning the Crown Lending Agency for **continued success** through effective systems and responsiveness to industry changes
  - The CLA will meet this goal by using market trends, building key partnerships, developing new products in response to industry needs, responding to client and industry expectations and improving the lending environment.

The Crown Lending Agency will develop projects in 2019 - 20 to advance the Crown lending goals of efficient and effective services, growing the rural economy through responsible lending and responsiveness to industry changes. These may include enhancing elements of current products, developing new product offerings, developing and implementing improved IT and reporting systems and improving their client survey.

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

**Enabling Responsible Economic Growth:** At over \$27 million in 2017 - 18 and an estimated \$28

million in 2018-19, NSFLB investments make Nova Scotia a better and more productive place to harvest, grow and produce food and agri-products. These investments also support production of more local food for Nova Scotians and create economic spin-offs in related industries such as building and material suppliers, building contractors and equipment dealers. This year, the Board will invest up to \$40 million in the development of agriculture and growing the rural economy throughout the Province.

**Supporting Research and Innovation:** The NSFLB 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 technologies.

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

**Increasing Trade and Market Access:** In 2017, apple exports reached a new high of \$15.9 million. Total blueberry exports were \$80 million and wine exports were over \$371,000. These exports, combined with other fruit (\$4.5 million), made up almost one third of total agri-food exports for Nova Scotia in 2017. In the same year, apples, grapes/wineries and blueberries, along with other fruit, comprised 38% of the NSFLB portfolio. In 2019 - 20, the Board will continue to invest in growing export sectors.

**Encouraging Value Added Opportunities:** The wine industry continues to grow in Nova Scotia. Last year, 11% of the Board's portfolio was invested in grape and wine production. Though the risks can be higher for value-added products, so are the potential economic outcomes. The Board will continue to offer financial support to clients when taking on value added opportunities with good business potential.

## Regulatory Changes

The NSFLB completed a review of the *Nova Scotia Farm Loan Regulations* to modernize and align it with the *Nova Scotia Fisheries and Aquaculture Loan Board Regulations*. Updated regulations were implemented in 2018 - 19. These regulatory amendments will support the Board's ability to streamline services and improve efficiencies by integrating the administrative and operational functions of the staff supporting the NSFLB and the Nova Scotia Fisheries and Aquaculture Loan Board. The two Boards will continue to operate separately to maintain their unique sector supports, making each Loan Board a more appealing institution for borrowers by providing

## Nova Scotia Farm Loan Board Business Plan 2019 - 2020

businesses with greater and more flexible loan options that fit their needs and reducing loan turn-around times. These regulations will also help address risk issues, improve service quality and allow for continued financing solutions into the future.

### Capital Funds

Description	2018-2019	2018-2019	2019-2020
	Estimate	Forecast*	Estimate
	(\$ 000)	(\$ 000)	(\$ 000)
<b>Opening principal</b>	189,189	187,497	167,355
Add loan advances	40,000	24,000	40,000
Less repayments	(28,000)	(27,000)	(28,000)
Less principal written off	(2,000)	(3,999)	(2,000)
<b>Closing principal</b>	<b>199,189</b>	<b>180,498</b>	<b>177,355</b>
<b>Provision for impaired accounts</b>			
<b>Opening provision</b>	16,889	16,889	13,143
<b>Less accounts written off</b>	(2,000)	(3,999)	(2,000)
Additions (principal portion of bad debt expense +/- adjustments)	253	253	253
<b>Closing allowance</b>	<b>15,142</b>	<b>13,143</b>	<b>11,396</b>
<b>Net portfolio at year end</b>	<b>184,047</b>	<b>167,355</b>	<b>165,959</b>

\*Forecast data from January 22, 2019

The operating costs of the Nova Scotia Farm Loan Board are consolidated with the Nova Scotia Fisheries & 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 & Treasury Board.



NOVA SCOTIA  
FISHERIES AND AQUACULTURE  
LOAN BOARD

BUSINESS PLAN

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2019 - 20

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## Message from the Minister and the Board Chair

We are pleased to present the Nova Scotia Fisheries and Aquaculture Loan Board (NSFALB) business plan for 2019 - 2020. The plan outlines the Board's commitment to support the rural economy by providing responsible lending services that develop and grow the fishing and aquaculture industries in Nova Scotia.

The NSFALB recognizes the uniqueness of the NS fishing and aquaculture industries and for over 80 years, has strived to make industry needs our key priority. Services have continued to evolve, with loans currently used to finance the acquisition or construction of boats, licenses, seed stock and equipment.

Changes to Fisheries and Aquaculture Loan Board Regulations finalized this past year better position the Board to support our clients. Key highlights include reduced wait time for consideration of loans over \$ 1 million, offering loans for quota and other seafood related activities, and reduced interest rates and fees. Updates have also enabled alignment of administrative frameworks to the NSFALB and the Nova Scotia Farm Loan Board, gaining efficiencies and providing more supports for both industries, while the Boards will continue to operate separately, maintaining our unique sector approach.

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Denny Morrow  
Chair  
Nova Scotia Fisheries and Aquaculture Loan Board

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Honourable Keith Colwell, E.C.N.S.  
Minister  
Nova Scotia Department of Fisheries and Aquaculture



## Mission

The Nova Scotia Fisheries and Aquaculture Loan Board (NSFALB) supports the development of fisheries and aquaculture businesses in Nova Scotia through responsible lending.

## Mandate

The mandate of the NSFALB is to support the fisheries and aquaculture industry through the provision of capital financing. The NSFALB operates as a Crown Corporation established under the *Fisheries and Coastal Resources Act*. This Act provides authority to the NSFALB 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 NSFALB.

## Operations

The NSFALB is a fisheries and aquaculture development agency that has supported a financially stable and sustainable fisheries base in Nova Scotia since 1936. It provides fisheries and aquaculture rural businesses with short, medium and long-term capital at competitive interest rates. The NSFALB offers products designed to serve the fishing and seafood industry by providing short, medium and long-term capital with competitive interest rates.

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

## Operating Environment

The NSFALB is a critical link in the capitalization of rural Nova Scotia businesses with an estimated investment of \$124 million in Nova Scotia fisheries and aquaculture businesses. This capital is used to buy or construct fishing vessels, purchase commercial fishing licenses, purchase aquaculture equipment and seed stock, modify or upgrade commercial fishing vessels and adopt new fisheries or aquaculture equipment or technology. With new regulations in last fiscal, the NSFALB will be expanding its commitment to the industry by lending for a broader range of fishing and seafood projects, such as specialized equipment and other value add opportunities.

Fish and seafood are currently Nova Scotia's largest export at \$2 billion in 2017 and expected to surpass \$2 billion for 2018. Lobster, crab, scallop and shrimp are the largest of the fish exports, valued at \$947 million, \$314 million, \$144 million and \$126 million, respectively. The NSFALB has made significant investments in many of these sectors, particularly in lobster, where exports have increased by over \$594 million from 2008 to 2017.

## Portfolio Management

The developmental nature of the NSFALB means that the Board will work with clients who are unable to find reasonable rates or obtain loans at a traditional bank due to the nature of their business or industry and the risk involved. To better manage risk and provide greater likelihood for success, the Board works toward individually customized solutions, including credit and risk assessment.

The NSFALB invested an estimated \$45 million in 157 clients in 2018 - 19, contributing to Nova Scotia's fisheries and aquaculture economy in both local and export markets. The NSFALB will invest up to \$60 million in 2019 - 20.

## Goals

The Crown Lending Agency (CLA), parent organization of the NSFALB, operates under two themes and five strategic goals:

### *Efficient and Effective Service*

1. Increasing impact on industry through **quality lending** and superior client service
  - CLA will monitor the loans portfolio, including client profiles, client satisfaction and risk profiles, to assess trends and areas for improvement.
2. Building trusting relationships through **accountability** for quality and timely work
  - CLA will ensure accurate financial reporting, including an annual audit, update current reporting systems and encourage excellent service through regular client contact and industry outreach.
3. Improving team effectiveness through a positive work environment and **continuous improvements**
  - CLA will monitor trends in employee engagement and offer development opportunities to attract and retain high-performing employees. It will also streamline processes across the NSFALB and the Nova Scotia Farm Loan Board, aligning Acts, Regulations and policies with the desired effect of more timely and efficient service to clients.

*Positioned for Success*

4. **Growing the rural economy** through responsible lending
  - CLA is committed to growing rural and coastal communities by providing a range of products and services designed to meet specific client needs, no matter their phase of business growth.
5. Positioning the Crown Lending Agency for **continued success** through effective systems and responsiveness to industry changes
  - The CLA will meet this goal by using market trends, building key partnerships, developing new products in response to industry needs, responding to client and industry expectations and improving the lending environment.

The Crown Lending Agency will develop projects in 2019 - 20 to advance the Crown lending goals of efficient and effective services, growing the rural economy through responsible lending and responsiveness to industry changes. These may include enhancing elements of current products, developing new product offerings, developing and implementing improved IT and reporting systems and improving their client survey.

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

**Enabling Responsible Economic Growth:** With almost \$45 million advanced in 2017 - 18 and the same amount estimated in 2018 - 19, these investments make Nova Scotia a better and more productive place to harvest, grow and process fish. They also provide opportunities for Nova Scotians to purchase local seafood and create economic spin offs in related industries such as building and materials suppliers, boat builders and marine brokers. Accounts in arrears dropped to 7% in 2017-18 compared to 9% the previous year and are down to an estimate of 5% of the total fisheries and aquaculture portfolio in 2018.

**Supporting Research and Innovation:** The NSFALB will continue to support innovative fisheries and aquaculture businesses to extract value from new fisheries and species and in the adoption of new technologies.

**Building Public Trust and Market Acceptance:** The NSFALB will continue to disburse funds for seafood production and process improvements, as well as seafood quality improvements, including food safety, building confidence in our products for local and international consumers.

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

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

## Regulatory Changes

The NSFALB has completed a review of the Nova Scotia *Fisheries and Aquaculture Loan Board Regulations* to modernize and align it with the *Nova Scotia Farm Loan Regulations*. Expected regulatory amendments will support the Board's ability to streamline services and improve efficiencies by integrating the administrative and operational functions of the staff supporting the NSFALB and the Nova Scotia Farm Loan Board. These Boards will continue to operate separately to maintain their unique sector supports making each Loan Board a more appealing institution for borrowers by providing businesses with greater and more flexible loan options that fit their needs and by reducing loan turn-around times. Updated regulations will also help address risk issues, improve service quality and allow for continued financing solutions into the future.

## Capital Funds

Description	2018-19 Estimate (\$000)	2018-19 Forecast* (\$000)	2019-20 Estimate (\$000)
<b>Opening principal</b>	103,751	126,364	154,918
Add loan advances	60,000	55,000	60,000
Less repayments	(27,000)	(24,000)	(27,000)
Less principal written off	(-)	(1,147)	(-)
<b>Closing principal</b>	136,751	156,217	187,918
<b>Provision for impaired accounts</b>			
<b>Opening provision</b>	2,471	2,368	1,299
<b>Less accounts written off</b>	(-)	(1,147)	(-)
Additions (principal portion of bad debt expense +/- adjustments)	78	78	78
<b>Closing allowance</b>	2,549	1,299	1,377
<b>Net portfolio at year end</b>	134,202	154,918	186,541

\*Forecast data as of January 22, 2019

The operating costs of the Nova Scotia Fisheries & 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 & Treasury Board.





## 2019-20 BUSINESS PLAN

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*January 2019*

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

We are pleased to present the Nova Scotia Gaming Corporation (NSGC) Business Plan for 2019-20. The Plan focuses on our promise to offer an industry that is well regulated, fun and entertaining, and provides Nova Scotians with real benefits. This Plan is about making Nova Scotia a better place by 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 accountable, sustainable and socially responsible. The corporation will offer first-class responsible gambling programs to Nova Scotians. One hundred percent of the profits from regulated gambling is used by government to fund priority programs and services. NSGC and its operators are proud to be key contributors to the Nova Scotia economy since its inception.

The 2019-20 Business Plan links a business culture with a promise to give back to the people of Nova Scotia. Through the *Support4Sport* program, Nova Scotians have raised more than \$38 million to support local athletes, coaches, officials and community sport organizations since its inception in 2006. 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 \$12 million to support the arts, culture and heritage sectors.

NSGC's Plan for 2019-20 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 gambling industry.

Respectfully submitted,

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

Byron Rafuse  
Chair, Board of Directors

Robert MacKinnon  
President & CEO



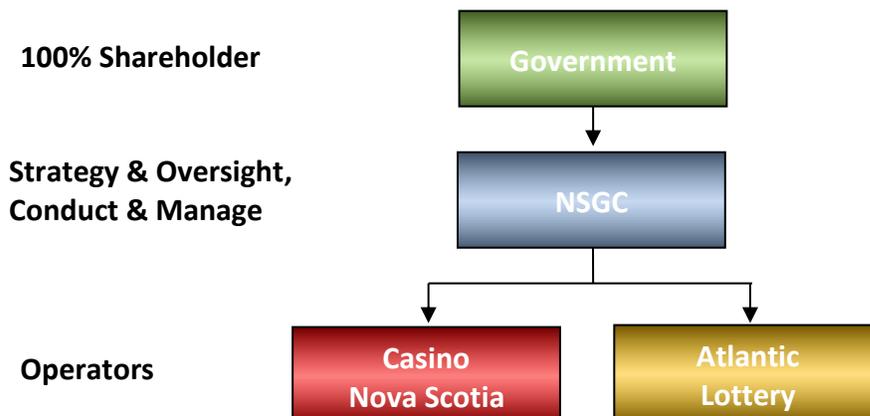
## ***Mission***

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

## ***Organization Mandate***

The Nova Scotia Gaming Corporation (NSGC) is responsible for 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 gambling 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 gambling 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 means giving players the information they need to play responsibly, ensuring the integrity of the industry, and giving back to the people of Nova Scotia.

## ***Core Responsibilities and Services***

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

Each year, 100% of NSGC's profits go back to the Province and provide major benefits to Nova Scotians through the funding of programs and services including education, transportation and healthcare. In 2019-20, NSGC will provide \$143.1 million to the Province to fund vital programs and services. The industry also creates and supports employment for more than 500 people and will add more than \$37.8 million in retail commissions to local businesses. With a mandate to deliver 100% of its profits to support important programs and services, NSGC and its operators are proud to be key contributors to the Nova Scotia economy and a source of funding for government.

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

## ***Operations Management***

NSGC will continue to effectively manage its various businesses: ticket lottery, video lottery and casinos. 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 processes 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.

## ***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.

## ***Status of 2018-19 Activities***

Over the past year, NSGC has seen success in meeting its targets and is on track to achieve all of its objectives for 2018-19, including:

**Casinos:** Casino Nova Scotia worked to improve the food and beverage offering based on guest feedback and performance data. Guest reaction to the food and beverage offering continues to be positive. Casino Nova Scotia worked to attract higher end entertainment acts.

**Ticket Lottery:** Atlantic Lottery leveraged the lottery central system upgrade in 2017 for launching new game content and offering better play experiences for Nova Scotians, including mobile gaming functionality.

**Video Lottery:** Video lottery is a mature product but remained a stable source of revenue for government. The video lottery business line continued to be supported with new game content as well as trials of new machines in the market.

**Responsible Gambling:** Responsible gambling programs remain a priority for NSGC. Initiatives completed in 2018-19 included:

- Responsible Gambling Awareness Week;
- Delivery of responsible gambling information for the charitable sector
- Updates to the Responsible Gambling Assessment Program; and,
- Updates to the Responsible Gambling Information Program which included distribution of multi-lingual brochures.

## ***2019-20 Strategic Goals***

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.

## ***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.

## ***Goal #3: Lead responsible gambling***

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 look to make gambling fun, safe and responsible, which requires the corporation to conduct business with an understanding of how its activities can impact others.

## ***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 gambling industry to provide entertaining, enjoyable experiences. NSGC will leverage designated 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 for 2019-20***

### ***Provide exceptional value by offering fun products to achieve responsible revenue and profits***

In striving to generate responsible economic returns, NSGC will focus its attention on the following priorities in 2019-20:

**Casinos** – Casino Nova Scotia plans to focus on improving guest service standards throughout the operation to further leverage the recently renovated properties. Tactically, an ongoing refresh of slot machines and new slot chairs will be visible gaming changes for the patrons. A focus on providing guests with games that are appealing as well as high-quality dining, and attractive entertainment offerings are keys to success.

**Ticket Lottery** – Ticket lottery is NSGC's most mature business line and requires additional innovation to be sustainable. In 2019-20, Atlantic Lottery will leverage the systems and investments made over the past number of years and offer new games, new

game functionality as well as expanding 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** – Video lottery is a mature product line for the Province. The focus for 2019-20 will continue to be on stabilizing the video lottery business as well as looking at opportunities for improvement. Efforts will be made to further integrate responsible gambling into the day-to-day operations at retail locations to reduce the stigmatization of video lottery and its players. Atlantic Lottery will explore alternative equipment suppliers to manage assets in a responsible manner and sustain profitability of the business line.

### ***Provide customers with products they want in an environment they expect***

The plan for 2019-20 is to improve the player experience for those who choose to purchase lottery products online. The corporation will strive to ensure that the transactional web portal and any player-facing components meet industry standards and the players' expectations. In addition, NSGC will continue to ensure that the online platform offers a safe and regulated environment in which to play, as well as providing sufficient harm-mitigation tools for those who choose to gamble online.

### ***Lead responsible gambling***

Responsible gambling programs remain a priority for NSGC. The cornerstone of NSGC's social responsibility mandate remains its commitment to responsible gambling. The development of the NSGC Social Responsibility Charter in 2006 put social responsibility top of mind for the corporation, and it is integrated into its corporate culture. All aspects of the business are looked at through a social responsibility lens to ensure the commitment to balancing economic sustainability with social responsibility is met. NSGC will continue a number of responsible gambling programs as follows:

- Responsible Gambling Awareness Week as well as a year-round responsible gambling messaging;
- Responsible Gambling Resource Centres at both casinos;
- Mobile Access to Responsible Gambling Information (MARGI) at both casinos; and
- Responsible gambling tools and training for ticket and video lottery retailers, casino staff, and NSGC employees.

The corporation will continue to offer products that are socially responsible. Responsible Gambling Assessments (RGAs) will be performed to ensure that all new products, initiatives and projects are reviewed using an industry best-practice evaluation program.

NSGC will continue to collaborate with industry experts in the field of responsible gambling to ensure that best practices are employed in the region and Nova Scotians benefit from a leading and responsible gambling industry.

## ***Focus on Nova Scotians through excellence in corporate social responsibility***

Nova Scotia's communities will continue to receive support from NSGC. The *Support4Sport* program, which raises funds through the sale of lottery products, is expected to raise \$4.2 million for sport, which will be used 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. In addition, the *Support4Culture* program, another designated lottery program, was launched in 2013 and is expected to raise \$4.2 million in 2019-20 for arts, culture, and heritage in communities throughout Nova Scotia.

The *Support4Communities* program provides in-kind support and learning opportunities for charitable organizations in Nova Scotia. Initiatives include the *Support4Communities* Casino Nights program, which supports licensed Monte Carlo fundraisers, and *Support4Communities* Fundraising Seminars, which provide learning opportunities for community leaders and charitable organizations wanting to improve their fundraising efforts.

As a public organization, NSGC must be transparent, with timely and open communications. To achieve this, 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. Working with its operators, NSGC will continue to ensure that Nova Scotians stay informed about where gambling revenues come from and where they go.

## ***Outcomes and Performance Measures***

<b>Outcome</b>	<b>Indicator(s)</b>	<b>Measure(s)</b>	<b>Baseline</b>	<b>Target 2019-20</b>	<b>2019-20 Strategies and Initiatives</b>	<b>Long-term Target 2022-23</b>
Nova Scotia has an economically sustainable and socially responsible gambling 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	\$466.9 million	Continue to provide relevant and engaging products to players in a safe and regulated environment	\$462.2 million
		Payment to Province	6-year Average (2010 to 2016) \$135.6 million	\$143.1 million	Ensure Operators are meeting business plan objectives	\$141.3 million
	Government reduced reliance on revenue from VLTs	Video Lottery as % of total provincial revenue	2010-11 0.91%	0.83%	Remove VLTs through natural attrition and grow revenue from other business lines (e.g., Ticket Lottery)	0.85%

Outcome	Indicator(s)	Measure(s)	Baseline	Target 2019-20	2019-20 Strategies and Initiatives	Long-term Target 2022-23
	NSGC supports small businesses across the province through commissions to retailers	Commission paid to retailers	2010-11 \$39.8 million	\$37.8 million	Leverage new ticket and video lottery products and make further enhancements to the video lottery business model	\$38.9 million
Nova Scotia has a socially responsible gambling industry, players have the information they need to play responsibly, and games remain entertaining, safe and fun.	Nova Scotians are aware of appropriate responsible gambling behaviours	% of public that can cite two responsible gambling behaviours	2008-09 16%	20%	Execute responsible gambling and public awareness programs	25%
	Nova Scotians are aware of and support NSGC's support for responsible gambling programs	% of public that support NSGC's commitment to responsible gambling	2007-08 68%	80%		80%
Nova Scotia's gambling industry is trusted and supported.	NSGC's response time to routine access request for information	% of routine access requests responded to within two business days	100%	100%	Employ sound operations management	100%
	Nova Scotians are in favour of regulated gambling	% support for regulated gambling	5-year Average (2011 to 2016) 54%	55%	Execute initiatives in the Social Responsibility Business Plan	55%

## 2019-20 Budget

	<b>Estimate 2018-19 (\$ 000)</b>	<b>Forecast 2018-19 (\$ 000)</b>	<b>Estimate 2019-20 (\$ 000)</b>
<b>Sales</b>			
Casinos	\$82,100	\$85,500	\$85,400
Ticket Lottery	237,600	241,700	249,200
Video Lottery	<u>139,200</u>	<u>131,900</u>	<u>132,300</u>
<b>Total Sales</b>	<u>458,900</u>	<u>459,100</u>	<u>466,900</u>
Cost of Sales	<u>311,600</u>	<u>312,400</u>	<u>321,500</u>
<b>Gross Profit</b>	<u>147,300</u>	<u>146,700</u>	<u>145,400</u>
<b>Expenses</b>			
Responsible Gambling Programs	7,400	7,400	7,500
Commitments to Community			
Programs	<u>9,500</u>	<u>9,500</u>	<u>9,900</u>
<b>Total Expenses</b>	<u>16,900</u>	<u>16,900</u>	<u>17,400</u>
<b>Net Income</b>	130,400	129,800	128,000
<b>Casino Win Tax</b>	<u>14,600</u>	<u>15,200</u>	<u>15,100</u>
<b>Payment to Province</b>	<u>\$145,000</u>	<u>\$145,000</u>	<u>\$143,100</u>

# Nova Scotia Lands Incorporated

Business Plan 2019–20





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## Message from the Minister and President

We are very pleased to present the 2019-2020 business plan for Nova Scotia Lands Inc. (NSLI) and Harbourside Commercial Park Inc. (HCPI)

Since its establishment in 2006, NSLI has managed major environmental remediation and site management projects. Once remediated and suitable for commercial development, NSLI turns these lands over to HCPI for sale and lease to the private sector.

In Sydney, staff at Harbourside Commercial Park continue long term monitoring and maintenance of the cleaned up and remediated Sydney tar ponds and coke ovens sites. There remains additional clean up efforts for the slag pile area, which is currently underway with a buyer in place for this 75 + acre parcel, once remediation is completed. As well, additional remediation efforts are required on the coke oven site, which is currently being monitored.

In fiscal 2018, NS Lands was charged with taking over management and responsibility for the former DSME Trenton facility. This facility consists of 106 acres and several buildings. Current efforts in fiscal 2019-2020 will focus on demolition of outdated assets, as well as active marketing of the site to prospective business and government interests for both development and job creation opportunities for the Pictou county area.

Transformation of once-contaminated sites has been remarkable. Today, Port Mersey Commercial Park is home to several businesses. Harbourside is home to 25 businesses and approximately 275 jobs. Interest continues in properties in Sydney, Liverpool and Trenton.

NSLI is using the experienced gained in Sydney to lead the Province's remediation efforts at Boat Harbour, on behalf of Transportation and Infrastructure Renewal. A general services contractor has been hired to conduct bench and pilot scale tests to determine the best methods of clean up. These activities will continue to happen in this fiscal year, along with environmental assessments of the property. The team continues to work closely with Pictou Landing First Nation. It is anticipated the tender will be called for this major environmental clean up during fiscal year 2019 -2020.

The division is also working on several other environmental remediation projects for other departments which include Phase 2 assessment for Montague and Goldenville Gold Mines (Lands and Forestry), Phase 2 assessment for Harrietsfield Landfill (NSE), Marine Vessel Salvage Program (Lands and Forestry). The division is also working with government departments for the provincial dam inventory project and coordinating with Develop Nova Scotia on the Province's land asset management program. This year, we will be reaching out to other government departments to determine what level of remediation service they may need from NS Lands.

There is no separate business plan for Sydney Steel Corporation, as its activities have been wound down for some time. The long term monitoring and maintenance expenses are listed under NSLI's budget.

NS Lands has created, through special board resolution, a Health Infrastructure division, responsible for the largest infrastructure build in Nova Scotia history. This team will oversee the construction of both the QEII Redevelopment Project and the Cape Breton Redevelopment Project. This division is currently recruiting senior staff.

We look forward to a productive year!

Lloyd P. Hines  
Minister, Transportation and Infrastructure Renewal

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

## Background

Nova Scotia Lands Inc. is a Crown corporation owned by the Province of Nova Scotia. It was incorporated in 2007, with its principal role originally to continue the remediation activities at the former Sydney Steel Corporation (SYSCO) site and put in place the necessary infrastructure for redevelopment of the site into a viable commercial park facility. Its role was focused on Sydney Steel, but its mandate was broadly scoped to allow NSLI to expand to include other provincial interests. SYSCO is a separate Crown corporation that retains the services of NS Lands to manage the remediation and redevelopment of SYSCO lands. Other entities that exist to support NSLI activity are Harbourside Commercial Park and Sydney Utilities. Port Mersey Commercial Park is a registered business name for the former Bowater site in Liverpool – also managed by NS Lands. All entities are governed by the same board of directors and staff fall under the payroll of NSLI.

Today, NSLI is responsible to manage several properties throughout the Province including industrial sites in Trenton, Liverpool, Sydney and Pictou and several remediation projects on provincially owned sites. As industries fall in to a state of decline in the Province, departments look to NSLI to provide expertise in the fields of demolition, remediation and redevelopment. The Province also looks to NS Lands to manage significant remediation efforts, including the return of Boat Harbour to a tidal estuary.

Since 2007, the organization has built capacity and a specialty in environmental remediation, brownfield redevelopment, monitoring and maintenance and overall land management. The Province is looking to NSLI to work closely with provincial partners to provide this service moving forward.

On October 3, 2018, Governor in Council approved the development and building of a project team to deliver the QEII Redevelopment and Cape Breton Health facility developments, at a value of up to \$6 million per year for the next five fiscal years. The project, in its entirety, is the largest infrastructure project in the history of Nova Scotia. The team will become a new division of Nova Scotia Lands Inc (OIC 18-269). On January 3, 2019, a Directors' Resolution was signed by the Board of Directors of Nova Scotia Lands Inc., to create the Healthcare Infrastructure Project division. The resolution also created the position of Executive Project Director.

The board consists of representation from senior government officials with the Deputy Minister of Transportation and Infrastructure Renewal (TIR) as the Chair.

This document will break down activities based on two divisions: NS Lands – Original Mandate, and NS Lands – Health Infrastructure.

## NS Lands – Original Mandate

### Organizational Strengths and Opportunities

Nova Scotia Lands has created a core mandate based on the following strengths:

1. Sound Knowledge in Environmental Remediation and Brownfield Redevelopment
  - Project scoping
  - Project management
  - Contract management
  - Environmental Assessment
  - Engineering
  - Economic Development
  - Managing consultants and contractors
  - Environmental Monitoring - during and post clean up
  - Managing budgets
  - Managing large environmental and spatial data sets
  - Working with First Nation communities to ensure appropriate procurement and employment opportunities and to acknowledge Aboriginal knowledge and concerns
  - Working with adjacent municipalities and community groups
  - Working with communication staff in response to media inquiries
  - Managing decommissioned infrastructure and utilities
  - Previous experience with large clean up projects
2. Land Management, Maintenance and Monitoring
  - Conducting ongoing environmental tests
  - Negotiating lease and sale agreements
  - Overall park planning
  - Building and land maintenance
  - Water utility management and operations
  - Dam management and maintenance
3. Environmental Analysis and Assessments
  - Ability to identify overall government liabilities and identify financial resources to remediate
  - Asbestos abatement
  - Hazardous materials management
  - Undertaking environmental assessment sampling
  - Air monitoring
  - Operation of industrial water and wastewater treatment plants
  - Contaminated sites management (long term)

Current staff have a wealth of knowledge and experience with items bulleted above. Staff skill sets cover a diverse level of knowledge and experience. They can handle large multi-million dollar contracts, work with the public and media, provide unparalleled expertise in diverse environmental fields, provide hands-on trade skills in asbestos assessment and management, carpentry and electrical fields and even provide experienced drone operators. NSLI staff expertise is recognized provincially, regionally and nationally, with some of our projects routinely highlighted in major conferences, trade journals and through representation on environmental boards of national associations.

Nova Scotia Lands and Transportation and Infrastructure Renewal staff work closely on joint projects. Nova Scotia Lands does significant work with other departments, including Environment and Lands and Forestry.

## Organizational Gaps and Threats

Brownfield site development and management is risky business from many perspectives. New legislation and regulation around contaminated sites are pushing departments to take a close look at their remediation priorities. It is an ongoing concern and concentrated effort to ensure a project moves forward, addressing the issues of:

- Environment
- Public Health
- Public Safety
- Community Engagement
- Economic Development

## Moving Forward

### Vision

Nova Scotia Lands Inc. is the “go to” agency 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 land assets.

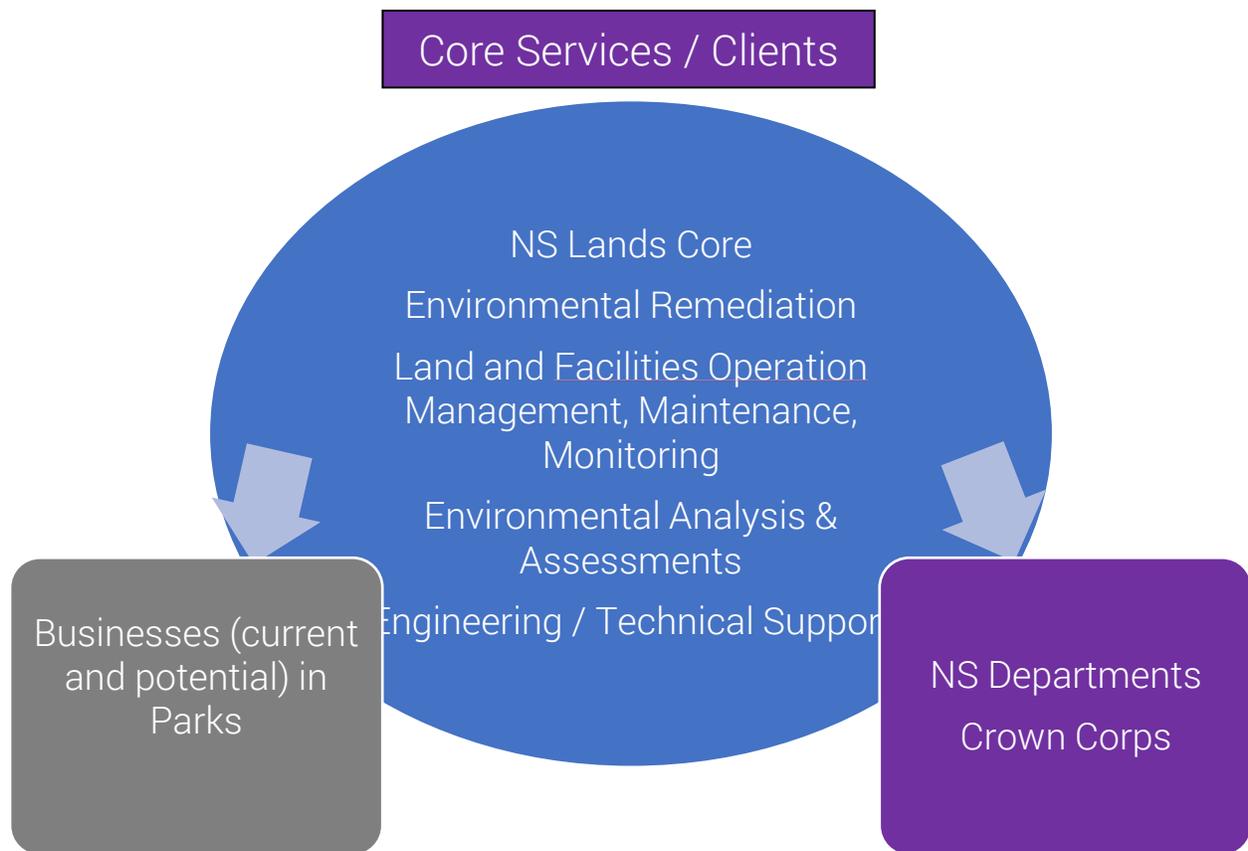
### Core Values

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

## Goals / Objectives

### Core Programs:

1. Environmental Analysis and Remediation
2. Parks and Land Management
3. Asset Inventory Management (Information only)
4. Boat Harbour (considered separate from #1 due to the magnitude of the project and special legislation).



## NS Lands – Health Infrastructure Division

### *QEII Redevelopment Project*

The QEII Redevelopment Project is a multi-year redevelopment project of our largest and most specialized health care services.

The project includes additions, renovations and new construction at the Halifax Infirmary site, Dartmouth General Hospital, Hants Community Hospital, and a new community outpatient centre in Bayers Lake.

New infrastructure construction will be undertaken using a Design-Build-Finance-Maintain (DBFM) model and will include the following: a new community outpatient centre in Bayers Lake and expansion of the Halifax Infirmary site, including: a new Nova Scotia Cancer Centre, new specialized outpatient centre, new OR/inpatient building, and a new research and academic centre. Renovations will be undertaken using the traditional construction model. The new and renovated infrastructure will allow for the relocation of services currently in the Centennial, Victoria, and Dickson buildings at the Victoria General hospital site.

Several projects and work that are part of the overall QEII Redevelopment Project have been completed. Dartmouth General Hospital third and fourth floor renovations were completed in the fall of 2017. The Hants OR Renovation Project (February 2018) and clinical activity has begun in both ORs. Property purchases of the CBC property (October 2017) and Bayers Lake property (April 2017) have both been completed.

Other projects and work included in the overall QEII Redevelopment Project are ongoing. Construction is well underway for the Dartmouth General Renovation and Expansion project. It is scheduled for completion in early 2022. Planning and design have been completed for the Halifax Infirmary third and fifth floor renovation project and approval was received in March 2018 to proceed with construction. Construction tenders were called this summer.

### *Cape Breton Redevelopment Project*

Master planning work is being undertaken in Cape Breton for major healthcare redevelopment, including: expansion of the emergency department, critical care, surgical suite, and Cancer Centre along with other units at the Cape Breton Regional Hospital, in Sydney; renovations to the Glace Bay Hospital emergency department, surgical suite and other units; and the construction of new community health centres in North Sydney and New Waterford to replace the New Waterford and Northside hospitals, along with long term care facilities in those two communities.

Recruitment is underway for senior staff to oversee this critical infrastructure build.

## Nova Scotia Lands – Original Mandate Budget Context

	Estimate 2018-2019 ('000)	Forecast 2018-2019 ('000)	Estimate 2019-2020 ('000)
<b>REVENUES</b>			
Management Fee from HCPI	148	148	175
Miscellaneous Recoveries	0	12	0
Grant-Pictou Wharf	0	3	0
OHP LTMM Fund & Admin Fee	1,163	876	1,168
Boat Harbour & Admin Fee	9,521	10,845	7,407
Grant-MV Miner	0	0	0
MV Miner-Other Expenses	0	0	0
Envirosystems & Admin Fee	0	0	0
Admin Fee Port Mersey	184	184	219
NDMP Dam Project		175	72
Sysco LTMM & Admin Fee	3,559	1,000	4,207
Miscellaneous Income	12	148	100
DNR Mines Project & Admin Fee	492	480	430
Future Building/School Demolition & Admin Fee	648	0	300
Marine Vessel Program & Admin Fee	1,111	104	170
Provincial Business Parks Management & Admin Fee	1,092	0	0
Tidal Energy Project		26	0
Trenton Commercial Park		677	1,364
Harrietsfield Landfill		270	4,115
DNR Contaminated Sites			110
Spring Hill Well Capping			496
<b>TOTAL REVENUE:</b>	<b>17,930</b>	<b>14,948</b>	<b>20,333</b>
<b>EXPENSES</b>			
Payroll	1,015	1,114	1,394
General & Administration Expenses	830	584	795

	Estimate 2018-2019 ('000)	Forecast 2018-2019 ('000)	Estimate 2019-2020 ('000)
Sysco LTMM	3,190	631	3,769
OH Park & CO LTMM	886	600	840
Pictou Wharf	2	2	2
Boat Harbour	9,152	10,476	6,969
Envirosystems	0	0	0
MV Miner- Contract			
MV Miner-Other Costs			
DNR Mines	400	400	350
Future Building/School Demolition Project	500	1	250
Marine Vessel Program	1,000	40	140
Provincial Business Parks Management	1,000		
NDMP Dam Project		171	54
Tidal Energy Project		19	
Trenton Commercial Park		600	1,131
Harrietsfield Landfill		222	4,000
Unbudgeted Items		80	
DNR Contaminated Sites			100
Well Capping Spring Hill			400
<b>TOTAL EXPENSES:</b>	<b>17,975</b>	<b>14,940</b>	<b>20,194</b>
<b>NET INCOME (LOSS):</b>	<b>-45</b>	<b>8</b>	<b>139</b>

## Port Mersey Commercial Park Budget Context

	Estimate 2018-2019 ('000)	Forecast 2018-2019 ('000)	Estimate 2019-2020 ('000)
<b>REVENUES</b>			
Miscellaneous Recoveries	0	115	110
Leases	220	75	94
Sales	0	0	0
Wharf Usage	350	101	48
Equipment Rentals	30	5	10
Ec Dev Provincial Recovery	1,259	1,259	1,259
PNS Grant	1,000	1,000	1,000
Miscellaneous Income	0	0	0
<b>TOTAL REVENUE:</b>	<b>2,859</b>	<b>2,555</b>	<b>2,521</b>
<b>EXPENSES</b>			
Payroll	679	702	705
General & Administration Expenses	1,992	1,701	942
Provincial Economic Development Initiatives	0	0	1,259
Security Expenses	0	0	0
Site Reconstruction	40	19	40
Admin Fee to NSLI	184	184	219
<b>TOTAL EXPENSES:</b>	<b>2,895</b>	<b>2,606</b>	<b>3,165</b>
<b>NET INCOME (LOSS):</b>	<b>-36</b>	<b>-51</b>	<b>-644</b>

## Harbourside Commercial Park Budget Context

	Estimate 2018-2019 ('000)	Forecast 2018-2019 ('000)	Estimate 2019-2020 ('000)
<b>REVENUES</b>			
Leases and Rent	203	205	200
Provincial Funding	510	510	510
Other	12	90	12
<b>TOTAL REVENUE:</b>	<b>725</b>	<b>805</b>	<b>722</b>
<b>EXPENSES</b>			
General Operating Expenses	917	864	888
Management Fees	148	148	175
<b>TOTAL EXPENSES</b>	<b>1,065</b>	<b>1,012</b>	<b>1,063</b>
<b>OPERATING INCOME (LOSS)</b>	<b>-340</b>	<b>-207</b>	<b>-341</b>
One Time Gain on Sale Of Assets	350	109	850
<b>NET INCOME (LOSS)</b>	<b>10</b>	<b>-98</b>	<b>509</b>
Capital Expenditure	0	0	50
			<b>50</b>

*\*One time gain on sale of assets was included in revenues for the 2017-2018 budget estimate. It has been moved from inclusion in the operating income (loss) calculation to the separate one time gain on sale of assets line for consistency and comparative purposes.*

## Nova Scotia Lands – Health Infrastructure Budget Context

	Estimate 2018-2019 ('000)	Forecast 2018-2019 ('000)	Estimate 2019-2020 ('000)
<b>REVENUES</b>			
Provincial Funding	3,000	2,000	7,400
<b>TOTAL REVENUE:</b>	<b>3,000</b>	<b>2,000</b>	<b>7,400</b>
<b>EXPENSES</b>			
Salaries and Benefits	2,753	1,643	6,507
General Operating Expenses	247	357	893
<b>TOTAL EXPENSES</b>	<b>3,000</b>	<b>2,000</b>	<b>7,400</b>
<b>NET INCOME (LOSS)</b>	<b>0</b>	<b>0</b>	<b>0</b>



Annual Business Plan  
Fiscal 2019 – 2020



## **Mandate & Legislated Responsibility**

The Nova Scotia Liquor Corporation (NSLC) is a local company and has been since 1930. We're owned by the people of Nova Scotia through their government and 100% of our profits are returned to the Province to help fund key public services. Our mandate and legislated responsibilities are identified in the Liquor Control Act (LCA) of Nova Scotia as well as the Cannabis Control Act (CCA).

Our role under the 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 legislation states that the objects of the Corporation are:

1. Promotion of social objectives regarding responsible drinking;
2. Promotion of industrial or economic objectives regarding the beverage alcohol industry in the Province;
3. Attainment of suitable financial revenues to government; and
4. Attainment of acceptable levels of customer service.

The Cannabis Control Act (CCA), gives the NSLC authority to wholesale, store, distribute and sell cannabis and requires the corporation to comply with federal requirements and promote responsible consumption of cannabis.

The legislation establishes that the objects of the Corporation are:

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

In relation to our legislated mandates, the Board of Directors is responsible for ensuring that the affairs of the Corporation are administered on a commercial basis and that all decisions and actions of the Board are based on sound business practices in accordance with the objects of the Corporation.

We take our responsibilities seriously and we work diligently to deliver on the responsibilities entrusted to us under the LCA and CCA. We make every effort to be a good corporate citizen and recognize the value we add in the communities we serve. Responsibility is ingrained in our corporate culture and it's the lens we use for all our business decisions - and not just because it's legislated. It's the right thing to do, for the business, our customers and our employees.

This responsibility extends to the safe and responsible sale of beverage alcohol and recreational cannabis in our stores and we consider this a fundamental part of our mandate. We take an integrated approach to Corporate Social Responsibility and have a framework that outlines our commitments. At a strategic level and within our day-to-day operations, we carefully consider what we do, how we do it and who we interact with, and how our activities impact accountability, community, responsibility and sustainability.

We operate the business to be in balance with all of our mandates, including corporate social responsibility and support for local industry. But, we are also a retailer. We have 106 retail stores, along with 60 Agency stores primarily in rural areas and four Private Wine and Specialty stores. Recreational cannabis is retailed in eleven of those 106 stores as a store-in-store concept and one stand-alone store

for retailing recreational cannabis. We also offer an e-commerce experience for both beverage alcohol and recreational cannabis. Through this network, we work hard to provide Nova Scotians with a wide product assortment and superior customer service supported by knowledgeable employees.

In December 2017, our Shareholder announced that our mandated responsibilities would be expanded to include the retailing of recreational cannabis in our stores which was the most significant change to our business since 1930. Official legalization occurred on October 17, 2018 and we offer cannabis responsibly within the federal and provincial regulatory framework. Our focus is aligned with our Shareholder and the Cannabis Control Act in creating a legal cannabis market, focused on public safety and responsible sales. Our priorities include:

1. Keeping cannabis out of the hands of minors
2. Creating awareness and educating customers about cannabis
3. Provide a safe supply of cannabis to Nova Scotians and help eliminate the illicit market

We have a proven track record of success retailing a controlled product in a responsible way and providing a level of customer service that our customers enjoy. Our approach to offer recreational cannabis is an extension of our brand – we apply the same retail principles and industry best practice to recreational cannabis sales as we do with beverage alcohol.



## Purpose and Vision

**Purpose:** To bring a world of responsible beverage enjoyment to Nova Scotia.

**Vision:** To be a superb retailer recognized for an engaging customer experience and to be a valued industry partner.

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: healthcare, education, helping those who need it most, and providing opportunities for all Nova Scotians, within an overall context of fiscal sustainability and delivery of our core services efficiently and effectively. All of our profits go back to the Province to support the programs and services that matter most to Nova Scotians.

Our purpose has broadened to include cannabis and a revised Purpose statement will be reflected in our new Strategic Plan.

## **NSLC Core Focus Areas**

Fiscal 2020, the fifth and final year of our Five-Year Strategic Plan, presents new challenges and opportunities for our business as we continue to execute on our new mandate to the same standard as our beverage alcohol category. We have integrated cannabis into our business successfully by leveraging the infrastructure and business processes we have in place for beverage alcohol. We will continue on our journey to offer superior customer service and superb experiences at every touchpoint. The plan has been updated to include recreational cannabis and the new customer points of interaction it creates. The market, and our retail environment, will continue to evolve over time but our efforts are still focused on celebrating our people, the local industry and the communities we serve while helping our customers celebrate life's occasions and responsible choices.

Our three key focus areas outlined in the plan as it relates to the sale of beverage alcohol are also consistent with the retailing of recreational cannabis. These include: our customers, supporting local industry and our fiscal (financial) obligations. These key focus areas are supported by technology and infrastructure as well as our people, and together these provide a strong and stable foundation for the business. We will continue to manage our business by making decisions that consider and support our key focus areas while always keeping our mandates, our people and responsible sales top-of-mind. Throughout all of our objectives and actions outlined below, we consider the well-being of our employees a critical success factor. Providing employees with a safe and healthy work environment, while supporting their growth and development is key to achieving our business objectives. Focusing on our people supports Nova Scotia's goals of enhancing workplace participation and health and wellness outcomes while making a positive contribution in the communities where we live and work.

Our journey to be a superb retailer continues to drive the organization, especially as it relates to leadership and employee development. We continue to assess our business processes and functions to make sure employees are supported in their day-to-day work environments. Our leadership structure creates a framework for greater accountability, collaboration and teamwork. The structure offers strong integration across all customer touchpoints; improving our level of customer service and satisfaction, as well as execution of our mandate to sell beverage alcohol and recreational cannabis with public safety and responsible sales being top priorities.

**Customer:** To achieve exceptional customer satisfaction through engaged and personalized experiences.

We strive to delight our customers and create awareness about responsible choices. We are relentlessly focused on our customers, and that focus is critical to ensure we continue to engage with them as the retail landscape changes.

Reviewing trends and insights is part of our evolution to meet our customer needs and allows us to provide relevant and innovative product offers and services. A key part of that evolution is our retail network strategy which is based on customer demands and improving our customer satisfaction. It ensures we have the right store in the right place at the right time - the result, our Banner Strategy. Each format under the Banner Strategy will be consistent over time so our customers will know what to expect from a store from the logo out front. Our Banner Strategy consists of the following formats:

- NSLC Signature, which represents our highest volume stores and will offer our customers a full assortment from all categories
- NSLC Express, designed for customer convenience, offering limited selection of our top-selling 300 brands, complementing our nearby, full-size stores
- The PORT by the NSLC - a premium shopping experience designed to exceed the expectations of wine & spirit enthusiasts
- NSLC Select, representing small stores offering more than 500 top-selling products as well as products made in local communities
- NSLC Beer Wine & Spirits, represents about half of the stores in our network offering a robust product assortment with chilled and local products
- NSLC Beer Wine Spirits & Cannabis, includes cannabis offering
- NSLC Cannabis, stand-alone Cannabis location

During last fiscal year, as part of our store investment, many of our stores were renovated and branded in line with our Banner Strategy. Two Signature stores were completed – our prototype store Portland Street as well as New Minas and an additional three are planned for completion early fiscal 2020 which include Joseph Howe, Sydney River and Bridgewater; our first Select store in the Nova Centre downtown Halifax; three Express stores – First Lake in Lower Sackville, Amherst highway and Dunbrack in Halifax. As part of our small store development plan, smaller stores across the province will continue to be upgraded to the Select format to offer a consistent experience and reflect those communities in which we serve. During last fiscal year a number of these stores were updated; four stores, New Germany, Annapolis, Arichat and Springhill were renovated with new assortment added and 21 additional stores received assortment upgrades to reflect the Select store offering. Three new Select store builds commenced at the end of last fiscal year and are planned for completion early fiscal 2020.

Our approach to offering recreational cannabis is an extension of our brand which includes providing quality selection, informed employees, a bright and inviting store atmosphere and information on responsible consumption. We have taken a moderate approach to access. Eleven stores selected in populated and geographically diverse areas were renovated as store-in-store concepts and one stand-alone store on Clyde Street in downtown Halifax was opened. Purchasing cannabis online is also available. As this new market develops we will monitor operations in both our existing stores and our e-commerce channel to help us better understand how our customers interact with the new category; and help us assess future customer demand and response while taking a responsible approach to capital investments and expansion in our retail network.

In fiscal 2020, we will continue to invest in our retail network to ensure consistency in experience with the Banner Strategy. We will continue to review our retail formats and focus on ensuring our store environment stays on pace with changing category dynamics, including retail of cannabis and customer expectations, and delivers a forward thinking, seamless customer experience.

In addition to investing in our retail network we will also continue to make enhancements to our wholesale online ordering portal in fiscal 2020 which was successfully launched in the the previous fiscal year. The wholesale online portal allows our agency and licensee customers to place their orders online as opposed to phoning or faxing them in. We are one of the few beverage alcohol corporations in Canada that have a site dedicated to its agencies and licensees which is just another example of how our cusomters are the focus of everything we do.

### Actions for 2019/2020:

#### *We will:*

- Continue to leverage insights across marketing, merchandising and network planning activities
- Deliver an integrated Customer Experience Strategy
- Continue implementation of and support for new customer programs
- Continue to build capacity of Retail Product Specialist's as leaders in their stores
- Continue to implement employee training and development programs as a key to providing a great work experience as well as delivering exceptional customer service. Learning will focus on core competencies to help our employees be even more successful in their work
- Continue to improve performance management efforts to support employees' success
- Implement network diversification to clarify customer offering and satisfy demand
- Evaluate the capacity and operations of our cannabis retail locations to identify opportunities for improving our customer service offering

**Local Industry:** To provide an engaged and collaborative business environment for local producers.

Supporting local industry is an important part of our mandate and one of our three key focus areas as identified in our Five-Year Strategic Plan. Nova Scotians' continue to support the "Buy Local" movement, and so do we. The local beverage alcohol industry continues to grow and the local cannabis industry will increase as producers become licensed by Health Canada to produce and sell cannabis. We work hard to do our part to contribute to the success of the industry. For the beverage alcohol industry, we provide support by selling and promoting the products our local producers bring to market, and by providing advice and support to help local products succeed. For the cannabis industry, we offer our retail expertise and provide customers access to, and education about local products.

As a business, we also look to support the agricultural sector, as well as private businesses, which all contribute to the economic well-being of Nova Scotia. These efforts support entrepreneurship, which is a key directive in the One Nova Scotia Report, helping operators of small and medium-sized enterprises in Nova Scotia be successful.

### Actions for 2019/20:

#### *We will:*

- Continue to collaborate with local industry to support growth by directly utilizing our retail network and retail expertise to promote local products which will help grow local businesses
- Continue to assess and recommend regulation and policy changes which reduce red tape and make it easier for business owners to navigate regulations and programs to achieve business objectives. We will do this in large part by working with Industry Associations and the Province
- Ensure local product offering is clearly reflected in our retail stores and communications.
- Execute technology and business process solutions to provide efficiency and effectiveness in interactions with our various industry customers. We will also seek to create efficiencies through the introduction of more sustainable business practices, and by streamlining processes and communication efforts

**Financial responsibility:** To strategically maintain profitability, delivering \$1.16B in earnings over the five years, and demonstrating value to Nova Scotians by balancing financial objectives with other legislative mandates.

Protecting financial return to Nova Scotians is at the forefront of our decision making. Economic and demographic factors play a large role in our performance as well as the impacts of the emerging cannabis market. We continue to manage margin and expenses carefully, working through disciplined and sustainable management practices. We have a vested interest in supporting the Province's priorities including recommendations from the One Nova Scotia report.

Customer satisfaction is a driver for improved financial returns. We are constantly working to improve this through training and development for our employees, and by providing the right products in the right place and the right time in our retail network. We are committed to providing the best possible experience for our customers at all touchpoints. We are relentlessly focused on our customer and employee experience: they are equally important factors in our success.

#### Actions for 2019/20:

*We will:*

- Continue to review and refine processes, bringing efficiencies into the workplace
- Identify and implement opportunities to obtain additional efficiencies in our supply chain for beverage alcohol and cannabis
- In collaboration with the Province, finalize new NSLC Regulations pursuant to the Liquor Control Act.
- Continue to assess pricing and category dynamics to ensure profitability
- Continue to integrate Enterprise Risk Management within our business and continue implementation of the NSLC Privacy Management framework
- Make considerable investments to upgrade our technical infrastructure to ensure our systems remain current and supported, and to allow for new functionality to be developed
- Implement year five of our Network Plan in alignment with our Banner Strategy and integration of cannabis into our main store space
- Continue to invest in training and development for our employees
- Deliver \$243M in net income to the province
- Develop the new Strategic Plan

#### 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 and were established based on our beverage alcohol business. New targets which incorporate both beverage alcohol and cannabis will not be established until there is a better understanding of how our customers interact with the product, the demand for the product, and its impact on our beverage alcohol business. Fiscal 2020 budget Net Sales, Net Income and Budget Context charts, presented below incorporate both the beverage alcohol and cannabis categories.

Customer:

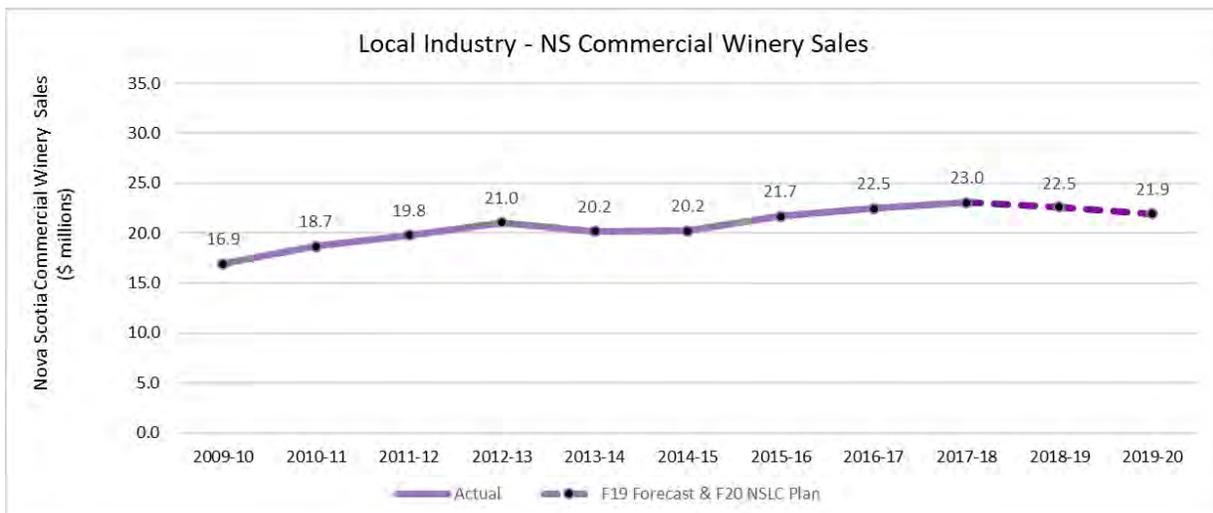
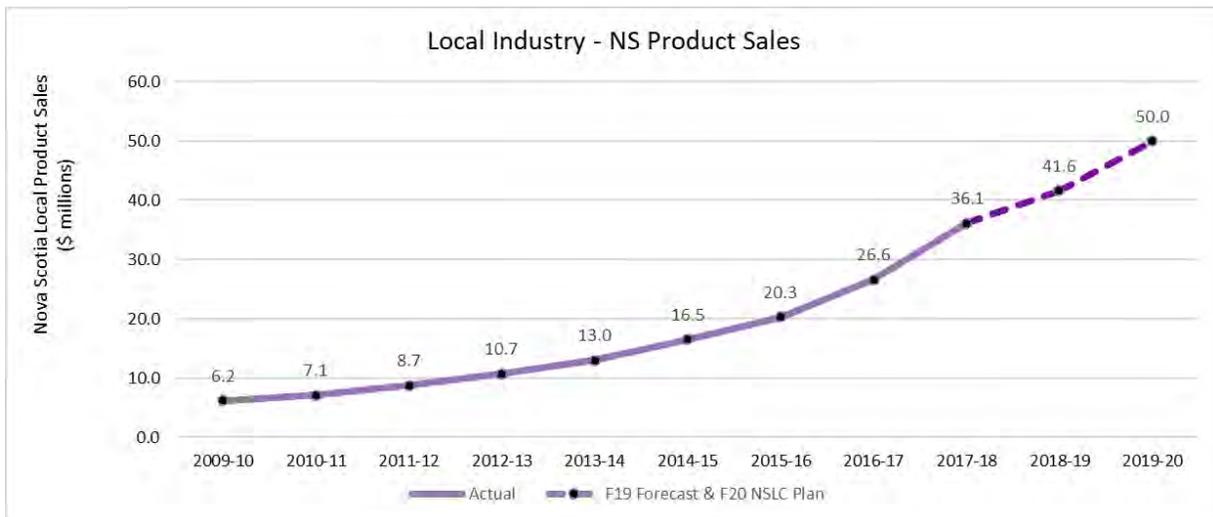
- Customer Satisfaction:

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

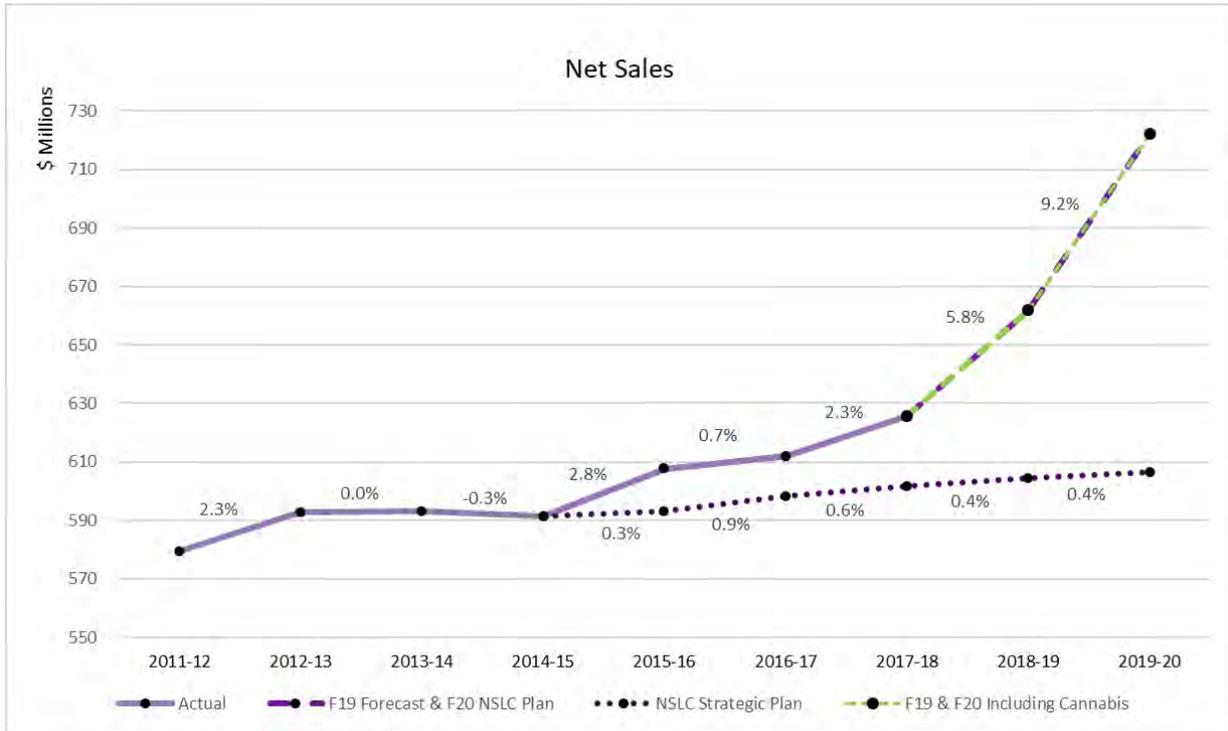
- Employee Engagement:

2003	2005	2008	2011	2013	2015	2017	2020 Target
75.8	76.6	73.7	72.8	76.0	76.3	76.1	80.0

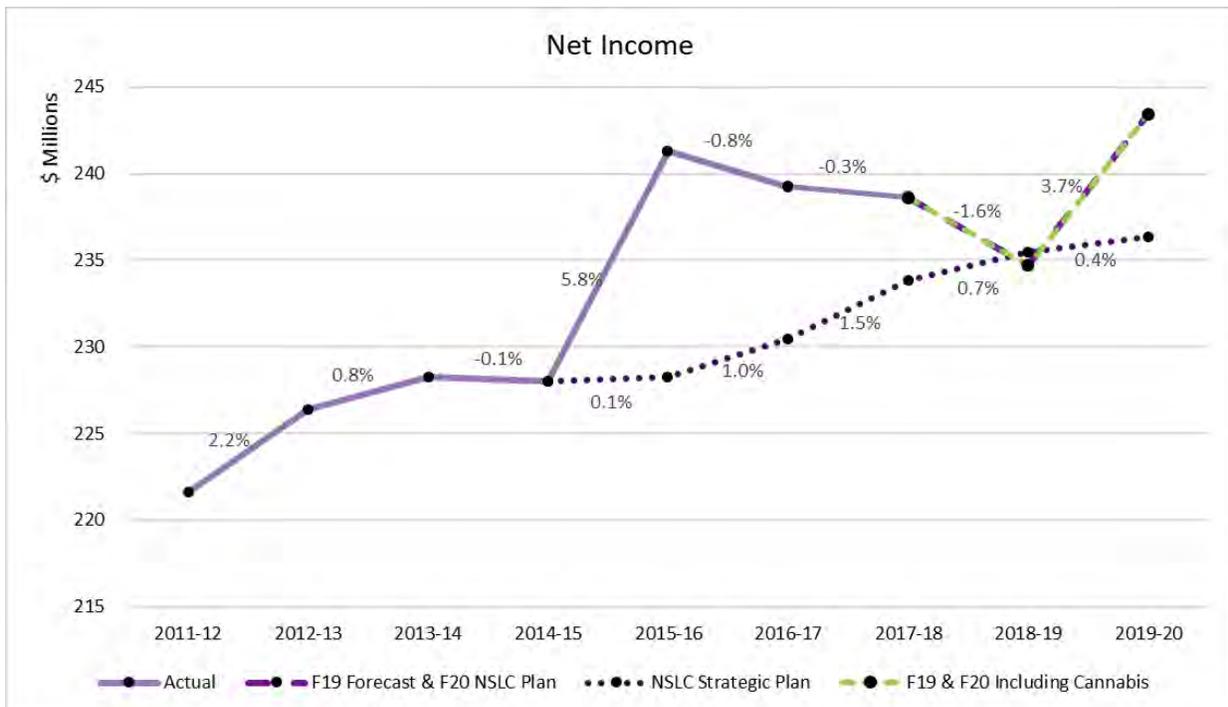
Local Industry (Beverage Alcohol):



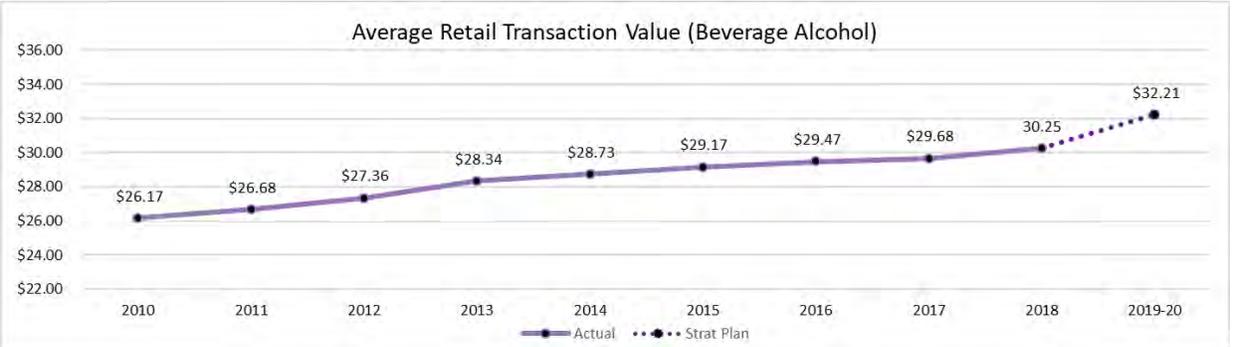
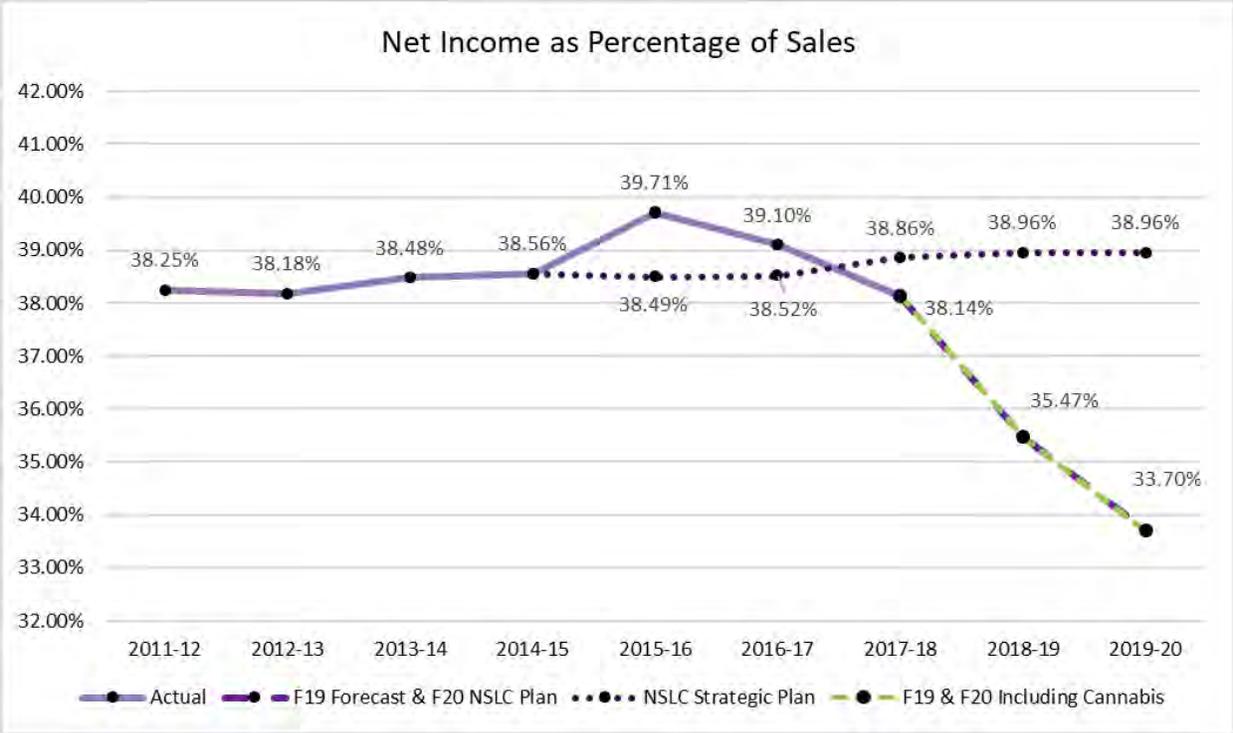
Financial:



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 2014-15	Actual 2015-16	Actual 2016-17	Actual 2017-18	Forecast 2018-19	Sales (%)	Budget 2019-20	Change (%)
	\$	\$	\$	\$	\$		\$	
Spirits	163,265,323	165,636,957	165,837,842	168,645,797	168,988,845		171,568,010	
Wine	135,160,664	141,348,224	143,569,801	150,788,173	148,759,071		152,106,641	
Beer	275,454,680	281,484,342	278,893,578	282,066,202	279,195,614		281,951,148	
Ready-to-drink	28,040,206	30,557,393	34,962,836	37,700,822	44,946,851		52,299,662	
Non-liquor	125,883	121,396	130,786	136,211	110,946		110,946	
Cannabis	0	0	0	0	33,460,983		78,514,500	
<b>Total Gross Sales</b>	<b>602,046,757</b>	<b>619,148,313</b>	<b>623,394,843</b>	<b>639,337,205</b>	<b>675,462,310</b>	<b>102.1%</b>	<b>736,550,907</b>	<b>9.0%</b>
Less: Discounts	10,746,737	11,563,725	11,549,801	13,675,313	13,745,927	2.1%	14,262,837	
<b>Net Sales</b>	<b>591,300,020</b>	<b>607,584,588</b>	<b>611,845,042</b>	<b>625,661,892</b>	<b>661,716,383</b>	<b>100.0%</b>	<b>722,288,070</b>	
Cost of Sales	263,507,143	269,611,009	274,909,681	284,136,988	311,449,658	47.1%	354,795,150	
<b>Gross Profit</b>	<b>327,792,876</b>	<b>337,973,579</b>	<b>336,935,361</b>	<b>341,524,904</b>	<b>350,266,725</b>	<b>52.9%</b>	<b>367,492,920</b>	
Less: Store Operating Expenses	61,281,852	61,231,677	61,334,942	63,555,752	69,930,035	10.6%	71,964,829	
<b>Gross Operating Profit</b>	<b>266,511,024</b>	<b>276,741,902</b>	<b>275,600,419</b>	<b>277,969,152</b>	<b>280,336,690</b>	<b>42.4%</b>	<b>295,528,091</b>	
Less: Supply Chain	6,922,635	7,048,509	7,058,180	7,216,564	9,566,466	1.4%	9,966,046	
Corporate Services	24,860,627	24,697,017	24,530,382	23,877,917	28,451,104	4.3%	29,631,774	
Other Expenses	2,694,644	-40,017	1,729,630	4,945,050	2,830,032	0.4%	2,002,600	
Add: Other Revenue	5,321,491	5,387,396	5,565,709	5,032,858	4,351,423	0.7%	4,327,048	
<b>Total Expenses (excl. stores)</b>	<b>29,156,416</b>	<b>26,318,113</b>	<b>27,752,483</b>	<b>31,006,673</b>	<b>36,496,179</b>	<b>5.5%</b>	<b>37,273,372</b>	
<b>Operating Income before Depreciation</b>	<b>237,354,609</b>	<b>250,423,789</b>	<b>247,847,936</b>	<b>246,962,479</b>	<b>243,840,511</b>	<b>36.8%</b>	<b>258,254,719</b>	
Less: Depreciation	9,368,127	9,166,691	8,626,736	8,356,789	9,143,848	1.4%	14,840,183	
<b>Income from Operations</b>	<b>227,986,481</b>	<b>241,257,098</b>	<b>239,221,200</b>	<b>238,605,690</b>	<b>234,696,664</b>	<b>35.5%</b>	<b>243,414,537</b>	3.7%
Actuarial Loss (Gain)	2,123,100	(3,297,500)	265,700	282,700	0	0.0%	0	
<b>Comprehensive Income</b>	<b>225,863,381</b>	<b>244,554,598</b>	<b>238,955,500</b>	<b>238,322,990</b>	<b>234,696,664</b>	<b>35.5%</b>	<b>243,414,537</b>	3.7%
Total Expenses (not depreciation)	90,438,268	87,549,790	89,087,425	94,562,425	106,426,214	16.1%	109,238,201	
Total Expenses	99,806,395	96,716,481	97,714,161	102,919,214	115,570,061	17.5%	124,078,383	

						Change (%)		Change (%)
<b>Volume (hectolitres)</b>								
Spirits	48,872	49,240	48,171	49,360	49,141	-0.4%	49,783	1.3%
Wine	93,250	97,056	100,147	100,354	97,075	-3.3%	98,424	1.4%
Beer	594,402	599,552	569,377	586,831	580,167	-1.1%	579,230	-0.2%
Ready-to-drink	39,362	42,909	53,925	51,817	61,640	19.0%	71,218	15.5%
Total	775,886	788,756	771,619	788,362	788,023	0.0%	798,655	1.3%
<b>Volume (Kilograms)</b>								
Cannabis	-	-	-	-	3,399	0.0%	8,000	135.3%

# Nova Scotia Municipal Finance Corporation

Business Plan 2019–20





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## Message from the Minister and the Chair

The Nova Scotia Municipal Finance Corporation is a Crown Corporation of the Province of Nova Scotia. The Corporation was established by the *Municipal Finance Corporation Act* in 1979 and began business in January 1980. The Minister of Municipal Affairs is responsible for the Corporation.

Since 1979, the 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 39-year history, it has helped municipalities make significant investments in the infrastructure we use and rely on every day; from fire services equipment to improve public safety, to wellness centres that support healthy communities, and to facilities that provide clean drinking water for thousands of residents.

The Corporation is forecasting to have over \$782.1 million in debentures outstanding at March 31, 2019. New debenture issues in 2019–2020 are estimated to be approximately \$125.0 million, which will be balanced against debenture retirements of \$106.2 million.

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.

Ensuring municipalities, both urban and rural, have modern infrastructure helps Nova Scotia to remain competitive and attract and retain residents and businesses. Though this mandate has not changed since the Corporation's inception, and remains relevant today, the means through which it is achieved continues to evolve to reflect changing conditions.

The Honourable Chuck Porter  
Minister

Kelliann Dean  
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 put on by the Association of Nova Scotia Municipal Administrators - the Corporation can assist 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 2017 survey are reported in this business plan. As throughout its 39-year history, the Corporation remains committed to fostering a client-focused approach.

## Planning Context

The Corporation faces several 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:

- North American capital markets are generally experiencing rising short-term interest rates, in part due to the actions taken over the past year on administered interest rates by the Bank of Canada and the Federal Reserve Board in the United States. Government of Canada 10-year yields have remained in a relatively narrow range of between 2.0% and 2.60% over the past 12 months, with no discernable trend. The interest rate on Government of Canada 10-year bonds remains well below the average experienced over the past 10 years. These low interest rates continue to be very beneficial to borrowers. Over the past number of months, liquidity in the municipal debt sector has deteriorated along with other types of debt. Liquidity remains an important factor in the investment decision process, and municipal debt is largely viewed as providing less liquidity to investors. Municipal credit spreads have maintained stable levels compared to their host province over the past year.
- In 2017, the *Canada Infrastructure Bank Act* was passed setting in motion its establishment. The Bank is a new 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. Currently, this has had no effect on the Corporation's clients.

Opportunity:

- The Corporation continues to be able to borrow under the Province of Nova Scotia's provincial guarantee, which 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.
- In 2019, the Corporations' administrative assistant, with 30+ years of municipal related experience, will be retiring.

Opportunity:

- With the retirement of the Corporations' administrative assistant, an opportunity exists to expand the role of this position to assist in researching and developing policies and provide support with the debt affordability model projects.
- Professional development is a priority at the Corporation. Each of the three full time staff attends 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 39 years. In addition, no client of the Corporation has ever defaulted on a loan.
- The Corporation has access to a \$50 million line of credit from the Department of Finance and Treasury Board to fund its short-term loan program. This program was previously funded through the Corporation's reserve fund. This change creates an opportunity for our municipal clients to pay less interest with low interest loans.

*Identify client needs and respond to them.*

Challenge:

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

infrastructure needs.

Opportunities:

- Opportunities exist to assist municipal governments in Nova Scotia with long-term capital planning and financing options.
- Opportunities also exist to work with local governments to achieve North American standards in municipal financial management capacity through the adoption of recommended practices. For example, the Corporation has worked with the County of Cumberland, Towns of Lockeport, Westville and Oxford over the past year to implement some of the core financial management best practices.
- The Corporation continues to promote its high interest savings account program that will allow municipalities who wish to participate 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 for 2019–2020

The following priorities detail the actions, products, and services the Corporation intends to carry out to fulfill its mission and to 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 2019–20 the new debenture issuances are expected to be approximately \$125.0 million, which is balanced against retirements of existing debentures of approximately \$106.2 million.
- Pooling of capital requirements allows the Corporation to access capital markets and achieve pricing based on the Province of Nova Scotia credit spreads.
- The Corporation will access its \$50 million line of credit from the Department of Finance and Treasury Board to offer short-term financing for municipalities to help fund the cash flow requirements between the completion of capital projects and the issuance of debentures.
- The Corporation will facilitate and participate in loans to municipalities from the Federation of Canadian Municipalities Green Municipal Fund. Funding is available at below-market rates for projects meeting established criteria.

### *2. Ensuring access to capital markets.*

- Obtain verification of creditworthiness from the Department of Municipal Affairs (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 who hire a new Director of Finance who lacks municipal experience. The intent of this program is to assist the new municipal Director of Finance become more accustomed to municipal government by speaking with a retired former municipal Director of Finance to help understand 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 them.

## Human Resource Strategy

Organizations with small staff are challenged when developing human resource strategies. Development and training opportunities are made available to existing staff to enable them to 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.

## Nova Scotia Municipal Finance Corporation Annual Plan 2019-2020

### Budget Context

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

	Estimate 2018-2019 (\$000)	Forecast 2018-2019 (\$000)	Estimate 2019-20 (\$000)
Total program expenses— (gross current)	492.3	453.8	512.9
Net program expenses— (net of recoveries) *	0.0	0.0	0.0
Salaries and benefits	322.9	309.3	326.4
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 Annual Plan 2019-2020

*Nova Scotia Municipal Finance Corporation Statement of Financial Position, March 31, 2018*

<b>Financial assets</b>	<b>(\$)</b>
Cash and cash equivalents	13,385,471
Accrued interest receivable	8,640,518
HST receivable	647
Accounts receivable	85
Loans to municipal units	774,879,967
<hr/>	
Total Assets	796,906,688
<hr/>	
<b>Financial liabilities</b>	
Accounts payable	47,015
Accrued interest payable	8,626,691
Employee obligations	86,347
Short-term loan due to PNS	6,671,750
Debentures	774,869,339
<hr/>	
Total liabilities and equity	790,301,142
<hr/>	
Net financial assets	6,605,546
<hr/>	
Accumulated surplus	6,605,546
<hr/>	

## Nova Scotia Municipal Finance Corporation Annual Plan 2019-2020

*Nova Scotia Municipal Finance Corporation Statement of Operations, year ended March 31, 2018*

	Estimate 2018 (\$)	Actual 2018 (\$)
Revenue		
Interest on loans to units	27,173,786	26,942,114
Interest on short-term investments	45,321	108,524
Recovery of issue cost	375,834	280,577
Administration fee	440,000	333,678
Total revenue	28,034,941	27,664,893
Expenses		
Interest on debenture debt and short-term loans	27,171,836	26,948,274
Debenture issue expense	372,961	281,950
Administrative expense	462,978	419,907
Total expenses	28,007,775	27,650,131
Annual operating surplus (deficit)	27,166	14,762
Accumulated surplus, beginning of year	6,590,784	6,590,784
Accumulated surplus, end of year	6,617,950	6,605,546

Outcomes and Performance Measures

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

Outcome	Measure	Data	Target 2018-2019	Target 2019-2020	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	97% (2017 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	97% (2017 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 2018-2019	Target 2019-2020	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 2018-2019	Target 2019-2020	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	47% (2017 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	34% (2017 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	56% (Percentage of municipalities who attended 2018 workshop – Note normally two held every year but only one held in 2018)	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	81% (2017 client survey results)	95%	95%	<ul style="list-style-type: none"> <li>Updated and revitalized website</li> <li>Developed web-based programs, such as webinars</li> <li>Quarterly newsletter sent to Councillors, 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 Power Finance Corporation

Business Plan 2019–20



## 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 2019-2020 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, 2018, was \$350,000,000 denominated in Canadian dollars and US issued par value of debt was \$386,700,000 in Canadian dollars. Defeased assets as at March 31, 2018, had par values in excess of the outstanding par value of debt.</li> <li>As at March 31, 2018 Canadian long-term debt had market values of \$538,755,000 and U.S. debt had market values of \$470,395,000 in Canadian dollars totalling \$1,009,150,000. Canadian assets had market values of \$543,748,000 and U.S. assets had market values of \$469,874,000 in Canadian dollars, as well as cash of \$1,825,000 totalling \$1,015,447,000. The NSPFC defeasance portfolio maintains sufficient assets to service and retire all outstanding NSPC debt, guaranteed by the Province, as the debt comes due thus rendering the guaranteed debt fully defeased.</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.



**Perennia Food and Agriculture Inc.  
Business Plan 2019 - 20**



## Message from Chair

I am pleased to present the 2019 - 20 business plan for Perennia Food and Agriculture Inc. (Perennia). Perennia is Nova Scotia's development agency focused on maximizing the value and sustainability of our agriculture and seafood sectors with practical applied programs, services and projects.

In agriculture, we will be undertaking a process to identify the horticulture crops with the highest commercialization potential. We will also be assessing new production systems for the province's sheep sector to meet processing demand and creating production information for the free-range poultry sector.

In field crops, we will undertake applied research and variety trials to increase yield potential and support growers in making the best possible management decisions. Perennia is also looking to introduce plant pathology services to our core team.

The grape and wine sector continues to be a priority area for Perennia. We will introduce a mobile cross-flow filtration system for the wine (and cider) sector, a complement to our mobile bottling service that was launched in the commission phase at the end of 2018 - 19. We will also be launching our plant health lab to conduct virus testing of grape vines and will continue our successful vineyard site assessment service. Our team will be developing a sustainability plan, so we can continue to support and accelerate growth in this key sector beyond specific project funding ending this year.

In 2019 - 20 we plan to undertake an industry needs assessment and scan of in-field technology including drones and sensors, Geographic Information System (GIS) mapping and equipment calibration. These initiatives can support proactive management decisions, lower input costs and make a positive impact on the environment.

In seafood, we will continue to work on major provincial projects while determining new service or program areas. Some major project areas we will work in this year include automation in the lobster sector, quality seafood standards and associated branding program, and lobster handling during harvest.

We will launch Bloom Labs this year, our Health Canada licensed cannabis analytical lab. The lab team will also be developing and launching a comprehensive pesticide testing service.

Perennia will be implementing the second year of its three-year Agri-Food Accelerator Program in 2019 - 20. This is a comprehensive food safety-related market access and product development program funded under the Canadian Agricultural Partnership.

We will continue to build on our relationships with current and potential clients, industry associations, other agencies and all three levels of government to provide high quality and impactful programs and services.



Charles Keddy  
Chair, Perennia Food and Agriculture Board



The following are the key targets for our service areas that will be undertaken in 2019 - 20.

## **Agricultural Services**

Perennia's Agricultural Services team is responsible for developing and implementing Nova Scotia's Agriculture Production Extension and Development Program. This program's goals are building capacity among farmers through knowledge and information transfer and promoting the development of our farms through applied research focused on practical farm applications of new technologies, varieties and production practices.

This team also is responsible for consulting service lines including dairy nutrition, site assessments, efficacy trials for agricultural chemistry companies and private service contracts, as well as special development projects.

### *Targets for 2019 - 20:*

- Continue to address industry growth and sustainability needs under the Agricultural Production Extension and Development Program with a focus on practical farm-level outreach, workshops, resources and applied research
- Launch commercial virus-testing services for grapes and berries through our Plant Health Lab
- Seek to introduce a field pathologist to the team and explore the opportunity to offer field pathology and diagnostic services to industry
- Develop a plan for our continued role in the development of the province's wine and grape sector when the current Grape and Wine Expansion Program ends in March 2020
- Establish an internal horticulture working group with business, industry and retail support to investigate new potential commercial crops for Nova Scotia
- Assess industry needs in GIS mapping, drone technology and software, and sprayer technology and calibration to determine what impact Perennia can have in these areas
- Pursue funding for the following projects:
  - assessment and trial of commercial garlic production to displace imports
  - investigate and test new apple varieties
  - novel ways to control nematodes in tree fruits and other crops
- Work with industry co-operators to support the commercial production of long-cane raspberries
- Focus on improving wild blueberry profitability by optimizing costs and improving field productivity and efficiency and effectiveness of pesticide application
- Complete the final year of a terrior project to determine the unique characteristics of Nova Scotia's wine regions and provide specific production and management practices to vineyards and wineries to further enhance our world-class wines

- Continue our multi-year strawberry aphid monitoring project in co-operation with Horticulture Nova Scotia to protect Nova Scotia's fruit and nursery sectors from the impact of harmful aphid-carried viruses
- Develop a production guide for commercial free-range chicken producers to ensure efficient and profitable production
- Explore new livestock and grazing management systems to accelerate sheep production to help meet processing demand
- Assess the market opportunity for dairy beef as a diversified revenue stream for Nova Scotia dairy farms and a new beef supply for the regional beef processing facility
- Work with the Nova Scotia Federation of Agriculture and other industry associations on the feasibility of a farm apprenticeship program for small-scale farming operations
- Develop production resources for haskap growers and support new variety trials to increase yields to meet market demand
- Complete the final year of a wine quality enhancement and outreach project in co-operation with Acadia University's Laboratory for Agri-Food and Beverage
- Undertake multiple applied research projects and initiatives to strength the region's pollination capacity under the Atlantic Technology Transfer Team for Apiculture, including a queen rearing program
- Support improved preparedness of the poultry industry to respond to an emergency by chairing the industry committee and coordinating a test of the emergency response plan
- Undertake applied research to increase quality and yields of corn feed for livestock operations and in preparation of the export of high-quality corn on the international market

## **Seafood Services**

At present, Perennia's Seafood Services team is responsible for implementing larger development projects for our preferred client, the Nova Scotia Department of Fisheries and Aquaculture. In 2019 - 20, those major projects will be completed and, thus, this year will be focused on refining needs assessments done to date into a seafood strategy for future services.

### *Targets for 2019 - 20:*

- Develop a focused seafood strategy for how Perennia can best encourage the growth and development of the province's seafood sector
- Complete the lobster automation project with the delivery of a prototype scanning machine and determine next steps to test and commercialize
- Launch the Nova Scotia Quality Seafood Branding program on behalf of the Nova Scotia Department of Fisheries and Aquaculture

- Seek funding for a Nova Scotia Seafood Quality Standards Project for the top 10 seafood species in Nova Scotia as a way to support our international standing as a supplier of premium quality seafood
- Continue work on live lobster handling and holding practices to support premium quality in partnership with Université Sainte-Anne and an industry co-operative

## **Product Development and Commercialization Services**

Perennia food scientists and research associates work with established and new agri-food, beverage and seafood businesses to create new products and improve current products or processes. At the Perennia Innovation Centre, this team supports product development, pilot scale processing, tenant incubation, and labelling and packaging.

*Targets for 2019 - 20:*

- Develop a multi-year operations and business plan for the centre to optimize facilities and services
- Assist companies in developing or enhancing five food products
- Launch product development services in cannabis edibles and drinkables
- Execute a tenant leasing program and support the tenant's graduation to commercial production
- Pursue funding to create a new drying and grinding space
- Launch new mobile filtration services for ciders as well as still and sparkling wines, and continue to commission our new mobile bottling service for still wines
- Deliver the Product Development Program under the three-year Agri-Food Accelerator Program including resource development, knowledge and information transfer, and providing matching funding for eligible agri-food businesses to overcome product technical issues or create new agri-food products

## **Quality and Food Safety Services**

Perennia's quality and food safety team works with agri-food and seafood companies to provide a holistic approach to quality and food safety challenges and opportunities. Retailers are increasingly requesting that food suppliers have a certification to a national or international food safety and quality standard. In many cases, having a certain certification opens new markets, accelerating sales and business growth both locally and globally. This team helps businesses assess where they are now with their food safety program, coaches them to attain the next level, and prepares them for being audited.

### *Targets for 2019 - 20*

- Continue to offer consulting services to the agriculture and seafood sectors, as well as certified public food safety training sessions in Atlantic Canada
- Focus on assisting agri-food and seafood companies in addressing changes required under the new *Safe Food for Canadians Act* to promote compliance
- Deliver the Nova Scotia Food Safety Program under the three-year Agri-Food Accelerator Program including resource development, knowledge and information transfer, and providing matching funding for eligible agri-food businesses to enhance their food safety programs to access new markets
- Offer new services to support companies seeking to participate in the Nova Scotia Quality Seafood Branding Program and meet the requirements of the Nova Scotia Lobster Certification Program

### **Cannabis Services – Bloom Labs**

Bloom Labs will offer a variety of mandated, luxury and custom quality assurance analytical services for licensed and micro cannabis producers.

- Launch our testing service for the mandated Health Canada tests required of licenced cannabis producers
- Launch a pesticide screening service for agri-food companies
- Support the delivery of Perennia’s future cannabis edibles and drinkables services
- Obtain a research licence to support research-based project work
- Develop cannabis information as a value-add for clients on the Bloom Labs website

### **Corporate**

Perennia’s corporate team is responsible for leadership, planning, operations, human resources, marketing and communications, information technology and finance.

- Develop Perennia’s three-year strategic plan for April 2020 to March 2024
- Develop a continuous industry and client needs assessment, and an evaluation process of our programs and services
- Develop new partnerships that support advancement of our mandate and enhance delivery of our programs and services
- Enhance reporting on programs, services and projects through an annual impact report
- Develop a three-year human resources plan
- Implement processes to facilitate cross-divisional use of resources for more effective and successful delivery of our services, programs and projects

- Build on affiliate group of service providers to include business and retail consultants, chefs and engineers
- Implement communications and marketing plans in support of major programs and service lines including new corporate promotions
- Implement new software to replace the current individual financial, time tracking and client tracking programs, and support real-time financial management reports
- Assess current communication tools for cost and service efficiencies.

## Financials

<b>Operating Income Budget Summary</b>			
<b>(\$ thousands)</b>			
<b><u>Programs and Services</u></b>	<b><u>2018-2019 Estimate</u></b>	<b><u>2018-2019 Forecast</u></b>	<b><u>2019-2020 Estimate</u></b>
Revenues & Operating Grants Capital Grant	6,128	7,817	8,041
Direct Project Inputs (excluding salaries)	(1,071)	(2,161)	(1,971)
Salary & Related Expenses	(3,660)	(3,858)	(4,378)
Operating Expenses	(1,551)	(1,386)	(2,096)
<b>Total Operating Income</b>	<b>(154)</b>	<b>412</b>	<b>(404)</b>



# TOURISM NOVA SCOTIA BUSINESS PLAN

2019-2020

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# MESSAGE FROM THE CHAIR & CEO

Tourism Nova Scotia is the provincial Crown corporation responsible for marketing Nova Scotia as a tourism destination, improving tourism competitiveness, and leading the growth of Nova Scotia's tourism industry. In alignment with the provincial government's inclusive economic growth priority and our corporate strategy, *Driving Export Revenue*, we work with businesses, community organizations, and all levels of government to grow Nova Scotia's tourism economy.

After four consecutive years of growth, including a 28% increase in visitation between 2013 and 2017, visitation in 2018 has moderated and revenue growth is anticipated to be modest. These performance indicators underscore the importance of attracting higher-spending visitors to the province and moving beyond the status quo to achieve the Ivany Report goal of \$4 billion in tourism revenues by 2024. It will take strategic and coordinated action by Tourism Nova Scotia, government departments, Crown corporations, communities, and tourism businesses to address important "strategic game changer" growth opportunities including: improving the quality and supply of accommodations throughout the province; extending the tourism season; addressing labour challenges; growing visitation from China; and increasing air capacity.

In 2019-20, Tourism Nova Scotia will work with stakeholders to advance the "strategic game changers" mentioned above, and stay focused on marketing and business development activities, industry programs, and outreach that will drive tourism growth.

Our 2019-20 advertising campaign will inspire travellers with the many exciting things they can do while on vacation in Nova Scotia. Our Digital Content Marketing program will give industry partners an opportunity to co-invest in the development of video/photo assets, digital advertising, or both, depending on the mutual needs of the applicant and Tourism Nova Scotia.

Our sector development team will implement new initiatives for tourism operators to increase their expertise in working with the travel trade in international markets and offering quality services to international visitors. We will work with tourism operators and businesses to create experiences that motivate travel to Nova Scotia, with a specific focus on Indigenous, African Nova Scotian, and off-peak seasonal experiences. We will also administer the Tourism Revitalization of Icons program (TRIP) to enhance five iconic tourism sites throughout the province.

Through partnerships with Nova Scotia's tourism industry, Destination Canada, the Atlantic Canada Opportunities Agency, other government departments, and the Atlantic Canadian provinces, we will continue our efforts to increase visitation and tourism spending, strengthen Nova Scotia's tourism brand in our target markets, and build tourism confidence.

Evidence-based research will continue to underpin everything we do. In 2019-20, we will conduct a full-year Visitor Exit Survey, to update the profiles of visitors to the province. With travel trends and best practices guiding our actions, we will embody our corporate vision to be recognized globally as the leading destination marketing organization.

Sincerely,

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

Michele Saran, CEO, Tourism Nova Scotia



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



**Michele Saran**  
CEO, Tourism Nova Scotia



# MANDATE

The Tourism Nova Scotia Act, passed on May 4, 2015, 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; and
- Communicate and collaborate with communities, private industry, and the tourism industry in the province.

Tourism Nova Scotia's Ministerial Mandate is to expand key tourism sites in Nova Scotia.

# MISSION

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

# VISION

To be recognized globally as the leading destination marketing organization.

# GOVERNANCE

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



# TOURISM NOVA SCOTIA

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

Tourism Nova Scotia's five-year strategic plan, *Driving Export Revenue*, was first released in 2017 and is updated annually. The strategic plan aligns with the key provincial government priority of inclusive economic growth, with a specific focus on strategic sector growth. The tourism industry, with its potential to drive export growth, has been identified as an area of focus. The provincial government's economic growth priorities inform Tourism Nova Scotia's strategic plan and underpin the corporation's 2019-20 business plan.

## Strategic Pillars

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

### 1. Attract first-time visitors to Nova Scotia

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

### 2. Invest in markets of highest return

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

### 3. Focus on world-class experiences

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

### 4. Build Nova Scotia's tourism confidence

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



## Innovation, Collaboration, and Stakeholder Alignment

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

### Industry (Tourism Operators and Businesses)

Industry roles include:

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

### Community

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

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

### Government (Federal and Provincial)

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

- Community economic development;
- Attraction of inward investment; and
- Infrastructure development.

### Other Key Stakeholders

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

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



## Strategic Game Changers

Following four years of strong visitation growth, visitation to Nova Scotia moderated in 2018. To reach the \$4 billion revenue goal, more must be done. Tourism Nova Scotia has identified five “strategic game changer” growth opportunities that must be embraced and addressed by all tourism industry stakeholders to create the conditions for continued growth in visitation and associated tourism spending. More information on the strategic game changers can be found in *Driving Export Revenue*.

### 1. Accommodations

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

### 2. Seasonality

Nova Scotia is typically not viewed by travellers as a year-round destination, and has limited experience and product offerings outside the peak months. Developing year-round operations is a key opportunity to diversify and grow Nova Scotia experiences, and increase revenues by extending the tourism season.

### 3. Labour

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

### 4. China

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

### 5. Air Capacity

Nova Scotia’s highest spending visitors are those who arrive by air. Strategically improving air access to the province through direct flights will provide a significant opportunity to attract more high-value international visitors.



# 2019-2020 KEY ACTIVITIES

The Province of Nova Scotia, through its inclusive economic growth strategic imperative, has embraced the Ivany Report tourism expansion goal to increase tourism revenues to \$4 billion by 2024.

In 2019-20, Tourism Nova Scotia will focus on activities related to its mandate and strategy to lead sustainable tourism growth in the province.

## Target Key Markets with Consumer-focused Advertising Campaign

Tourism Nova Scotia reaches its target markets through a consumer-focused advertising campaign featuring TV, search engine marketing (SEM), social media ads, digital video, and digital display units.

In 2019-20, the campaign will continue to target the Cultural Explorer and Authentic Experiencer Explorer Quotient® segments in key geographic markets (see tourismns.ca for more information on Explorer Quotient®). The campaign will build on the success of 2018-19's creative strategy to increase awareness of, and interest in, Nova Scotia as a vacation destination by highlighting the breadth of experiences and activities in the province. The 2018-19 campaign performed very well in terms of generating interest and influencing travel to Nova Scotia.

## Engage Travel Influencers

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





## Leverage Strategic Partnerships to Extend Reach

Marketing reach will be extended through strategic initiatives with partners to align tourism marketing investments at a provincial, Atlantic, and national level. Key initiatives for 2019-20 include:

- Co-investment with tourism operators through the Digital Content Marketing program to extend operators' marketing reach and develop marketing assets. The program provides choice for partners to co-invest in digital marketing and/or content asset development. The 2019-20 Digital Content Marketing program replaces the separate Inspiring Content and Digital Marketing programs with a more efficient combined program that offers the same activities through a streamlined application process;
- Strategic co-investment partnerships with Destination Canada to leverage Destination Canada's scale and reach across the direct-to-consumer, trade, and media channels in key international markets under the Canada brand; and
- Co-investment with the Atlantic Canada Opportunities Agency (ACOA) and the Atlantic provinces to extend reach in key international markets through direct-to-consumer advertising, media, and trade activities. In 2019-20, Tourism Nova Scotia will continue its participation in the Atlantic Canada Agreement on Tourism (ACAT) and the Tourism International Market Expansion project (TIME) to support the growth of a vibrant tourism economy for Nova Scotia.

## Develop Key Markets through Trade Marketing Initiatives

The travel trade strategy engages international inbound tour operators and travel agencies to extend consumer reach and sales through product development, training, and partnership marketing.

This strategy is supported by in-market representatives in the UK, Germany, and China markets. The in-market representatives provide on-the-ground support to increase awareness of Nova Scotia as a vacation destination. They facilitate opportunities with travel trade (tour operators, travel agents), travel media, and other partners (e.g., airlines, Destination Canada) in all target markets. Activities in 2019-20 include:

- Attendance at business-to-business marketplaces;
- Tour operator sales calls;
- Familiarization tours for tour operators and travel writers/influencers; and
- Co-operative marketing partnerships.

## Leverage International Air Access

Air access is key to attracting international visitors to the province. Nova Scotia's highest-spending visitors are those who arrive by air. Nova Scotia has a strong competitive advantage within Atlantic Canada to attract international flights, as Halifax Stanfield International Airport is Atlantic Canada's largest airport and the regional gateway hub of Atlantic Canada. 2019-20 marketing activities support increasing awareness and consideration of Nova Scotia as a vacation destination in strategic air markets. Tourism Nova Scotia will continue to work with Halifax International Airport Authority to influence the International Air Service Investment.

## Evolve Nova Scotia's Online Tourism Presence

Sustainable tourism growth requires anticipating and adapting to evolving consumer behaviour. In 2019-20, Tourism Nova Scotia will evolve its flagship consumer-focused website, NovaScotia.com, to optimize the site for mobile users, strengthen the content to inspire travellers to choose Nova Scotia as their vacation destination, and streamline the travel planning process to quickly connect travellers with tourism operators.

## Lead Experience Development

Experience development is a key strategic imperative for Tourism Nova Scotia. The experience development process inspires tourism operators to innovate and embrace change to create unique and authentic Nova Scotia experiences that engage and delight visitors.

In 2019-20, Tourism Nova Scotia will partner with tourism operators through the World-class Experience *EXCELLerator* program to develop experiences that will attract high-value visitors to the province. Activities in 2019-20 will support the province's inclusive economic growth strategy; specifically, the *EXCELLerator* program will expand to include collaboration with industry to work towards the development of Indigenous, African Nova Scotian, and off-peak seasonal experiences.

To support partners that have already developed experiences, Tourism Nova Scotia will conduct coaching and mentoring to enhance partners' ability to market their experiences and attract visitors to Nova Scotia.

The Competitive Edge program will co-invest in strategic competitive initiatives to develop new products, improve market readiness, and enhance the quality of visitor experiences and existing products (e.g., culinary experiences, cycling).



## Enhance Market Readiness and Quality

There is a significant opportunity for industry to be market ready to attract and accommodate more international visitors. In 2019-20, Tourism Nova Scotia will introduce Tourism Export *EXCELLerator* (E<sup>2</sup>) initiatives to support industry as it builds capacity to conduct business in international markets and provide quality services to international visitors. Tourism Export *EXCELLerator* activities in 2019-20 include:

- Delivering travel trade readiness training workshops based on the pan-Atlantic curriculum developed in 2017-18, leveraging Tourism Atlantic funding as part of the Atlantic Growth Strategy; and
- Working with participants post-workshop to provide coaching and mentoring as they work to establish business relationships with key tourism operators.

Other 2019-20 activities to develop operators' export readiness include:

- Partnering with TIANS to increase industry's technology readiness through webinars, web assessments/reviews, and coaching; and
- Cost-sharing projects with other Atlantic provinces and ACOA to increase capacity and readiness of Indigenous tourism operators.

## Facilitate Industry Growth

Tourism Nova Scotia will partner with sector associations and industry to enhance operator market readiness and quality to support the delivery of world-class experiences. Export and travel trade readiness training activities in 2019-20 include:

- In-person workshops;
- Webinars; and
- One-on-one mentoring and coaching.

Tourism Nova Scotia will promote and encourage participation by industry in various trade activities. Travel media marketplaces give operators the opportunity to access international travel media and influencers. In 2019-20, these opportunities include:

- Rendez-vous Canada;
- GoMedia Marketplace;
- Atlantic Canada Showcase; and
- Tour Operator Partnership program.



The 2017 *Accommodations Needs Assessment* report identified significant opportunities to improve both the quality and quantity of accommodations in Nova Scotia. Recognizing the important role that accommodations contribute to reaching the \$4 billion tourism revenues goal, Tourism Nova Scotia will develop an accommodations-focused workplan in 2019-20 to direct efforts towards business outreach, investment attraction, quality improvements, and industry/community partnerships. Tourism Nova Scotia will also support the development of an Enhanced Quality program for existing accommodations.

Tourism growth will require increasing the supply of qualified labour. In 2019-20, Tourism Nova Scotia will support the Nova Scotia Tourism Human Resource Council, whose role is to promote and support the development of a skilled and professional workforce for Nova Scotia's tourism industry.

## **Invest in Key Tourism Sites**

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

In 2019-20, investments will be made through strategic partnerships to support planning and infrastructure improvements in these iconic tourism sites. Where possible, program investments will leverage partner funds and federal, provincial, and municipal funding.



## Build Nova Scotia's Tourism Confidence

Communications activities in 2019-20 will focus on enhanced stakeholder engagement and building Nova Scotia's tourism confidence. Strong leadership from Tourism Nova Scotia is necessary to achieve role clarity, reduce duplication, foster stakeholder alignment with the Tourism Nova Scotia strategy, and rally the industry to embrace the changes and opportunities that are key to reaching the \$4 billion goal. In 2019-20, through stakeholder outreach initiatives, Tourism Nova Scotia will encourage industry, government, and community tourism stakeholders to align with the tourism strategy and invest in visitor products, experiences, infrastructure, and community development initiatives that will create the conditions for ongoing tourism growth. Tourism Nova Scotia will also inform, engage, and inspire Nova Scotians to be proud of who we are as a tourism destination.

Communications activities in 2019-20 include:

- A communications campaign to inspire Nova Scotians to feel proud of who we are as a tourism destination and what we have to offer visitors, and to be confident and excited about opportunities that exist for Nova Scotians within the tourism sector;
- Industry and stakeholder information sessions to encourage action against the strategy, and rally industry and stakeholders to embrace the “strategic game changers” that are key to reaching the \$4 billion goal;
- Regular articles in Tourism Nova Scotia's blog/newsletter, inTouch, to inform tourism operators about business development and promotional opportunities;
- Proactive social and traditional media outreach to share information and celebrate industry successes; and
- Monthly reporting of tourism performance indicators, culminating with a year-in-review announcement of overall 2019 tourism performance.

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



## Deepen Understanding of Nova Scotia's Target Markets

Tourism Nova Scotia conducts research to identify and deepen understanding of Nova Scotia's target markets, and to support Tourism Nova Scotia program evaluation. Key activities for 2019-20 include:

- Development of key tourism indicators, including visitation estimates;
- Advertising campaign evaluation;
- Experience development concept testing; and
- Program evaluation to support Tourism Nova Scotia programs.

Tourism Nova Scotia will conduct the 2019 Visitor Exit Survey from January 1, 2019 to December 31, 2019. The Visitor Exit Survey is the most comprehensive survey of visitors to Nova Scotia. It provides a detailed profile of visitors, including purpose of trip, travel party composition, types of accommodations used, participation in activities, spending, and community visitation.

## Other Responsibilities/Services

In addition to the key 2019-20 activities that align with Tourism Nova Scotia's mandate and strategy, Tourism Nova Scotia provides support to the tourism industry in the following areas:

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



# OUTCOMES AND PERFORMANCE MEASURES

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

It is important to note that Tourism Nova Scotia does not directly influence *all* visitation to Nova Scotia or the resulting visitor expenditures.

## **Outcome: Increase visitation and tourism spending through strategic marketing activities**

Tourism Nova Scotia's annual advertising campaign influences visitation to Nova Scotia from key target markets. In 2018, Tourism Nova Scotia commissioned a marketing return on investment (ROI) study. This study estimated that for each \$1 invested in media buy in Tourism Nova Scotia's target markets, visitation influenced by the campaign generated \$26 in tourism spending in Nova Scotia, a strong result for the 2018 campaign.

**In 2019-20, Tourism Nova Scotia will work to support and increase the already high level of tourism spending influenced by the annual advertising campaign.**

## **Outcome: Infrastructure improvements to create opportunities for experience development**

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

**In 2019-20, Tourism Nova Scotia will identify and review at least six projects to be assessed through the TRIP program criteria.**

**By the end of 2019-20, Tourism Nova Scotia will have completed or initiated \$3 million of infrastructure projects that align with TRIP objectives.**



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

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

**In 2019-20, Tourism Nova Scotia will lead the development of 10 world-class experiences, including Indigenous, African Nova Scotian, and off-peak seasonal experiences.**

## Outcome: Increase Nova Scotia’s tourism confidence

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

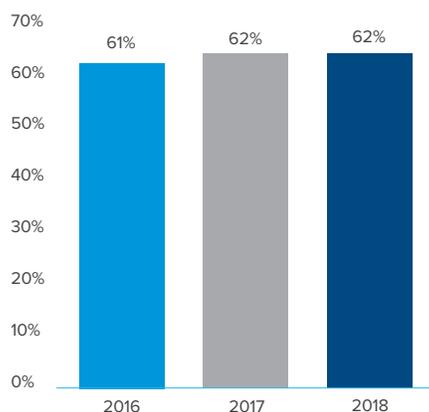
Tourism Nova Scotia offers and participates in several co-investment initiatives that extend reach in target markets. Co-investment with Tourism Nova Scotia is contingent upon the partner being confident that investing with Tourism Nova Scotia will lead to growth. In 2019-20, Tourism Nova Scotia will continue to build Nova Scotia’s tourism confidence by attracting and leveraging co-investment revenues from partners, including Nova Scotia tourism operators, Destination Canada, the Atlantic Provinces, ACOA, and Halifax International Airport Authority.

**In 2019-20, Tourism Nova Scotia will attract at least \$1 in matching investment for each \$1 it co-invests with partners, a 1:1 leverage ratio.**

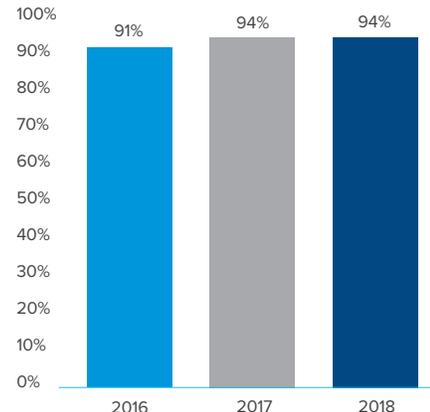
Each year, Tourism Nova Scotia assesses the perceived importance of the tourism industry to the provincial economy, and pride of place among Nova Scotians.

**In 2019-20, Tourism Nova Scotia will work to support the already exceptionally strong recognition of the importance of, and pride in, the tourism industry among Nova Scotia residents.**

### IMPORTANCE OF TOURISM TO THE PROVINCIAL ECONOMY (% INDICATING ‘CRITICALLY IMPORTANT’)



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

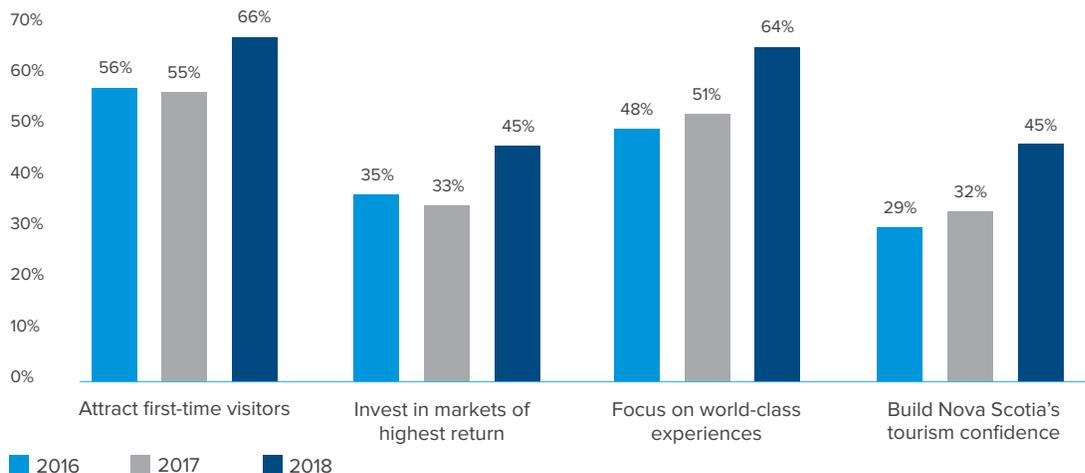


Source: Tourism Nova Scotia Annual Public Opinion Survey

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

**In 2019-20, Tourism Nova Scotia will work to increase stakeholder familiarity with the tourism strategy by five percentage points over the previous year.**

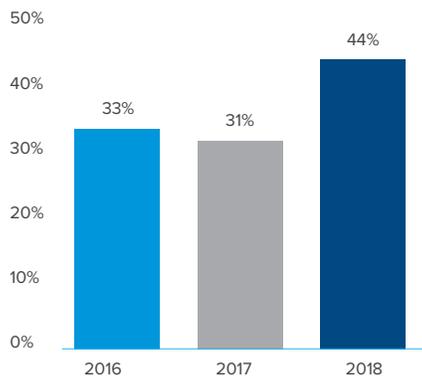
**TOURISM STAKEHOLDER AWARENESS OF TOURISM NOVA SCOTIA'S STRATEGIC PILLARS**  
 (% INDICATING 'YES, AWARE')



Source: Tourism Nova Scotia Annual Stakeholder Survey

**Tourism Nova Scotia will also work to increase stakeholder satisfaction with the corporation’s performance by five percentage points over the previous year.**

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



Source: Tourism Nova Scotia Annual Stakeholder Survey

# OPERATING BUDGET

	2018-19 Estimate (\$)	2018-19 Forecast (\$)	2019-20 Estimate (\$)
<b>Revenue</b>			
Provincial Operating Grant	21,291,000	21,826,000	22,507,000
Tourism Recoveries	728,900	1,326,300	550,000
Tourism Fees & Charges	734,000	580,000	652,200
<b>Total Revenue</b>	<b>22,753,900</b>	<b>23,732,300</b>	<b>23,709,200</b>
<b>Expenses</b>			
CEO & Board Administration	357,400	377,000	363,400
Corporate Services	6,706,500	6,358,200	6,279,500
Research and Policy	399,000	962,900	1,052,300
Marketing	13,084,200	13,716,800	12,891,400
Sector Development	2,206,800	2,317,400	3,122,600
<b>Total Expenses</b>	<b>22,753,900</b>	<b>23,732,300</b>	<b>23,709,200</b>
<b>Surplus (Deficit)</b>	-	-	-

