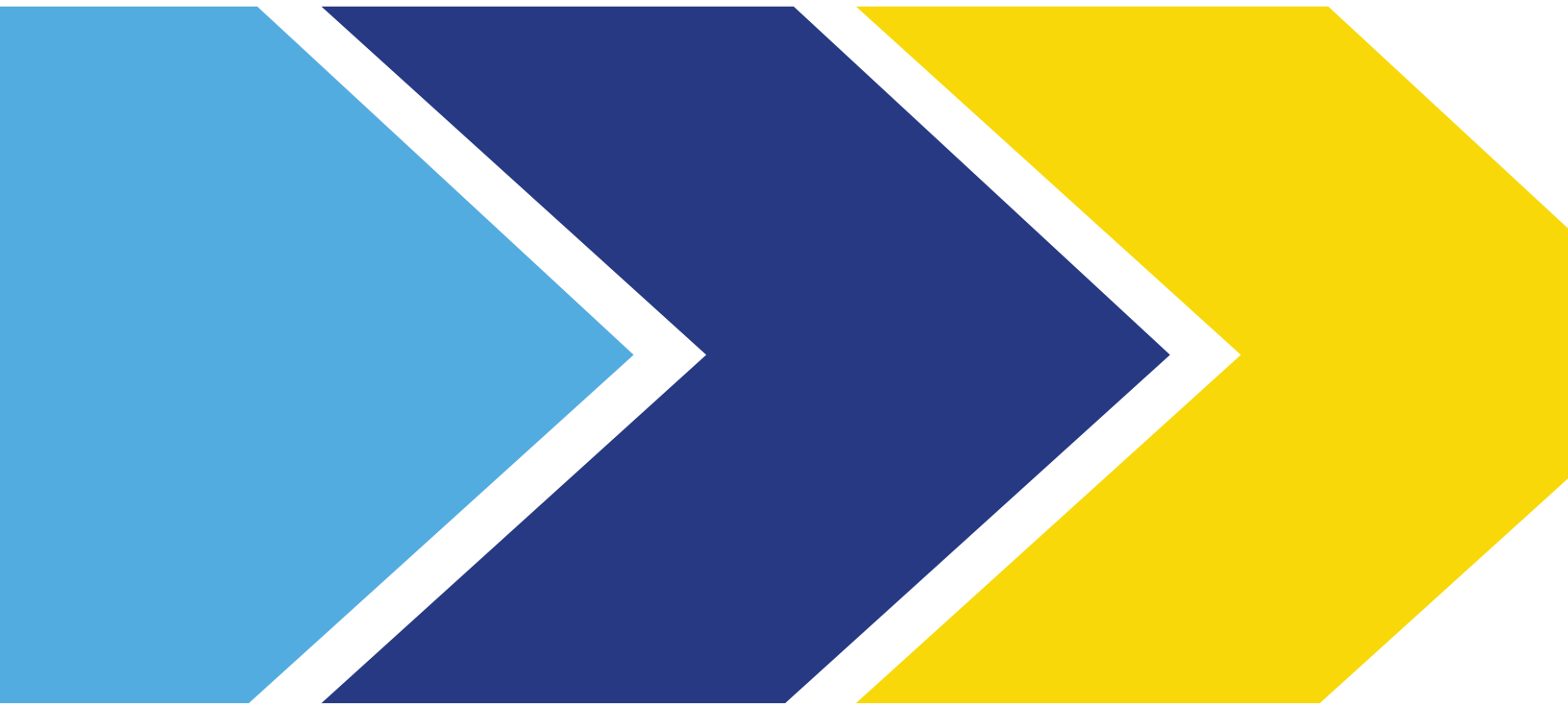
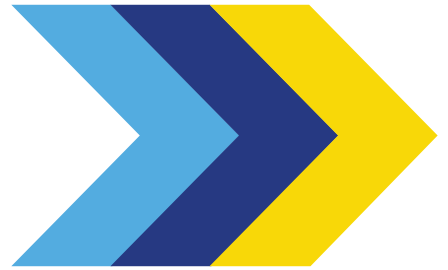


BUDGET

2022-23



Crown Corporation
Business Plans



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Budget 2022-23: Crown Corporation Business Plans
Finance and Treasury Board
March 2022

ISBN 978-1-77448-363-3

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Art Gallery of Nova Scotia

Business Plan 2022–23



Art Gallery of Nova Scotia 2022-2023 Business Plan

Mandate

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

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

A New Art Gallery of Nova Scotia

The Art Gallery of Nova Scotia articulated a new vision, mission and belief pillars in 2018 through extensive community consultation. The vision, mission and beliefs articulated below are the cornerstone of the business plan that follows.

Vision

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

Mission

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

Beliefs

1. *Be welcoming*
2. *Be contemporary*
3. *Be challenging*
4. *Be ambitious*

Business Plan Strategic Initiatives and Objectives

The four strategic initiatives driving the Business Plan for 2022-23 are:

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

Strategic Initiative: *Building Place*

The Art Gallery of Nova Scotia, along with its partners, continues to accomplish significant milestones to realize a new art gallery and district on the Halifax waterfront. As a result of community engagement, the conceptual design has been defined further to create a place that welcomes Nova Scotians and its visitors to a unique, extraordinary, and diverse art experience. To augment the provincial and federal investment in this project, the Building Bold Capital Campaign infrastructure is in place and plans are being implemented in support of the \$40 million fundraising goal.

In 2022-23, construction of the new Gallery will commence and the development of a transition plan to the new location will be completed. In addition, our long-term storage requirements remain a priority, which will need to be addressed. Key to our success is having the right resources, including operating funds, staffing and the commitment of our partners in government and the private sector to realize both the new Art Gallery and Arts District.

Objective & Outcomes 1: Contribute to the development of a new AGNS and arts district on the Halifax waterfront.

- The new AGNS is aligned with our belief pillars and curatorial visions.
- Plans for a collections management centre are finalized, and funding commitments are investigated
- A formal transition plan to the new Gallery is complete

Objective & Outcomes 2: Continue the execution of the quiet phase of the Building Bold Capital Campaign plan.

- Secure commitments from prospective top/leadership donors.
- The marketing campaign for the new AGNS bolsters awareness amongst campaign volunteers and prospective donors.

Strategic Initiative: *Engaging Community*

In order to deliver on the mission and vision of the Art Gallery, engaging with community must be built into our planning and processes. The Gallery must consider its audience and what they want from their provincial Art Gallery. This shift in thinking will move the gallery away from pushing content and programs to the public and allow us to produce offerings that are informed by our audience and, in certain cases, developed and delivered by community. In addition, it is important that the Gallery continue to introduce its new brand to the market while upholding the four brand pillars of being Welcoming, Challenging, Contemporary, and Ambitious.

1. Objective and Outcomes : Strengthen connection with community.

- A culture of engagement within AGNS breaks down barriers to community participation
- A stronger relationship with rural and underrepresented communities is realized

2. Objective and Outcomes : Brand recognition is realized.

- Heightened awareness of the new AGNS brand
- Increased accessibility to works on view in permanent exhibitions.

Strategic Initiative: *Focusing on Art*

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

1. Objective and Outcomes: Deliver a diverse offering of exhibitions and programs through partnerships.

- Present a temporary exhibition program, through partnerships, that appeals to a broad audience.
- Deliver diverse programs online, in house and in community.
- Grow global connectivity through research initiatives and partnerships.

2. Objective and Outcomes: Complete a Collections Plan that guides the acquisition of art in keeping with the Gallery's new vision and mission.

- The Collections Plan is complete.

Strategic Initiative: *Strengthening the Organization*

The transition to the new Art Gallery of Nova Scotia requires an organization that has the necessary resources to ensure success. A cornerstone to this is achieving financial stability through a combination of government support, operational fundraising and earned revenue generation. Strong governance ensures the Gallery utilizes its resources with appropriate oversight and accountability. The AGNS's belief pillars provide the inspiration to our key resource - our employees and volunteer base. Ensuring every person is aligned with AGNS's strategic direction and seeing how their work contributes to the ability to deliver on our ambitious future, is the foundation to our continued success.

1. Objective and Outcome: Enhance operational support.

- Funding is secured from public and private sources.

2. Objective and Outcomes: Strengthen the Capacity of the Board.

- The Board is more diverse.
- Board members receive Equity, Diversity and Inclusion (EDI) and Governance training.

- Completion of a multi-year strategic plan to guide the transition from the existing Gallery to the New AGNS.
- Recommended governance model is in place that allows AGNS to deliver on its mandate.

3. Objective and Outcomes: Develop an organizational culture that supports AGNS's belief pillars.

- AGNS staff and contractors are reflective of Nova Scotia's population.
- AGNS staff have the resources to be effective at their job including training, technology and clear policies and procedures.

Proposed financial Plan 2022-23

	2019-20 Actual (Pre- Covid)	2021-22 Budget	2021-22 Forecast	2022-23 Budget	Increase (Decrease) to Forecast	% Increase
REVENUE						
Operating	2,610,756	2,713,853	2,756,268	2,499,527	(256,741)	-9.3%
Development	621,192	294,516	285,310	407,068	121,758	42.7%
Education	102,799	96,740	223,119	215,980	(7,139)	-3.2%
Programming	295,000	430,000	430,000	521,000	91,000	21.2%
Subtotal	3,629,747	3,535,109	3,694,697	3,643,575	(51,122)	-1.4%
Western Branch	29,270	-	-	-	-	-
Gallery Shop/ Wholesale	490,422	227,500	270,000	261,000	(9,000)	-3.3%
Building Project Grant	-	-	235,332	-	(235,332)	-100.0%
Capital Campaign Contributions	-	5,900,000	1,014,805	7,210,000	6,195,195	610.5%
Acquisitions	16,555	-	1,500	-	(1,500)	0.0%
Endowment	117,550	101,000	117,000	117,000	-	0.0%
Total Revenue	4,283,544	9,763,609	5,333,334	11,231,575	5,898,241	110.6%
EXPENDITURES						
Salaries and benefits	2,247,145	2,264,017	2,311,435	2,130,700	(180,735)	-7.8%
Administration	366,303	216,003	263,033	333,597	70,564	26.8%
Building Operations	7,502	16,500	16,000	31,000	15,000	93.8%
Development	45,729	38,880	38,880	65,000	26,120	67.2%
Communications & Marketing	221,737	230,800	204,434	210,930	6,496	3.2%
Visitor Experience	8,613	45,000	18,225	60,000	41,775	229.2%
Public Programs	-	60,000	51,995	100,600	48,605	93.5%
Programming	29,625	10,680	8,680	30,480	21,800	251.2%
Exhibitions	484,653	331,964	283,948	192,299	(91,649)	-32.3%
Capital Campaign Expenses	-	870,600	437,467	1,099,300	661,833	151.3%
Collections Management	146,925	189,800	158,750	183,000	24,250	15.3%
Education Programs	128,264	135,900	242,010	253,495	11,485	4.7%
Subtotal	3,686,496	4,410,144	4,034,857	4,690,401	655,544	16.2%
Western Branch	153,271	4,500	106,636	111,600	4,964	4.7%
Building Project costs	-	-	310,328	-	(310,328)	-100.0%
Gallery Shop/ Wholesale	314,982	227,029	207,639	223,129	15,490	7.5%
Acquisitions	37,726	25,222	25,222	25,222	-	0.0%
Endowment	34,156	41,100	45,100	45,100	-	0.0%
Distribution to TIR	-	5,029,400	577,338	6,110,700	5,533,362	958.4%
Total Expenditures	4,226,631	9,737,394	5,307,120	11,206,151	5,899,031	111.2%
Amortization of tangible capital assets	13,291	26,215	26,214	25,424	(790)	-3.0%
Annual Surplus (Deficit)	43,622	-	-	-	-	-



2022-2023 Business Plan

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Board Chair/CEO Message

BUILDING PLACES: HEALTHY COMMUNITIES AND A THRIVING ECONOMY

So much has changed. The way we live, work, gather, and participate. The way we support, connect with, and protect one another. The way we advance the critical work of antiracism and reconciliation. The way we think about the planet and our relationship with it. And the way we think about Nova Scotia and what's possible.

It would be an understatement to say that this is an extraordinary time. And not just for the global challenges we face and the terrible loss we've suffered, but also for the opportunity to come together to think and work differently as we recover, and to build a thriving province for everyone.

We can rethink physical infrastructure investments and improvements not as projects that are ends in themselves, but as tools to shape the way we interact, how we live, our economic opportunities, our health and the health of our planet. We can recognize that the quality of life that Nova Scotia offers, which is strongly rooted in place, is our value proposition to attract more people to the province to visit, to live, to work, to invest, and to participate in social life and community. We can realize that a place-based economic development strategy rooted in community can both grow our economy and improve the well-being of every Nova Scotian.

Develop Nova Scotia is a solutions-focused team of stewards and shapeshifters that bring the resources local communities require to support and realize a community-led vision. We convene lots of partners, work hard to build trust, and share the lift. We are doing things differently than the way we've always done it to ensure all voices are at the table—including and especially those who haven't been there before. Together we make plans that reflect the local culture and build community pride. And we work behind community to bring these plans—main streets, waterfronts, squares, public places, and platforms for business and innovation—to life, embracing the challenging conversations in pursuit of new and better ways of doing things.

We build places for people that attract people—and because we do it with people, the most important thing we build together is community. And the impact of the work is a collection of irresistible, intensely local places across our province where our population continues to grow, our local businesses thrive, our individual and community health and well-being are nurtured, and our economy flourishes for all Nova Scotians.

Jennifer Angel,
President & Chief
Executive Officer

Develop Nova Scotia

Dale Godsoe,
Chair,
Board of Directors

Develop Nova Scotia

Strategic Approach/Context

Develop Nova Scotia builds places people love. By working with community and private sector, we steward high-potential public lands to build on Nova Scotia's quality of life advantage and attract people. This work supports local business and attracts investment, it brings diverse people together in social life and collaboration, it positively influences the social determinants of health, and it attracts new people—to live, to visit, and to invest. We build places to attract people to participate in the economy and, in doing so, we also contribute to a happier, healthier, sustainable, and prosperous Nova Scotia.

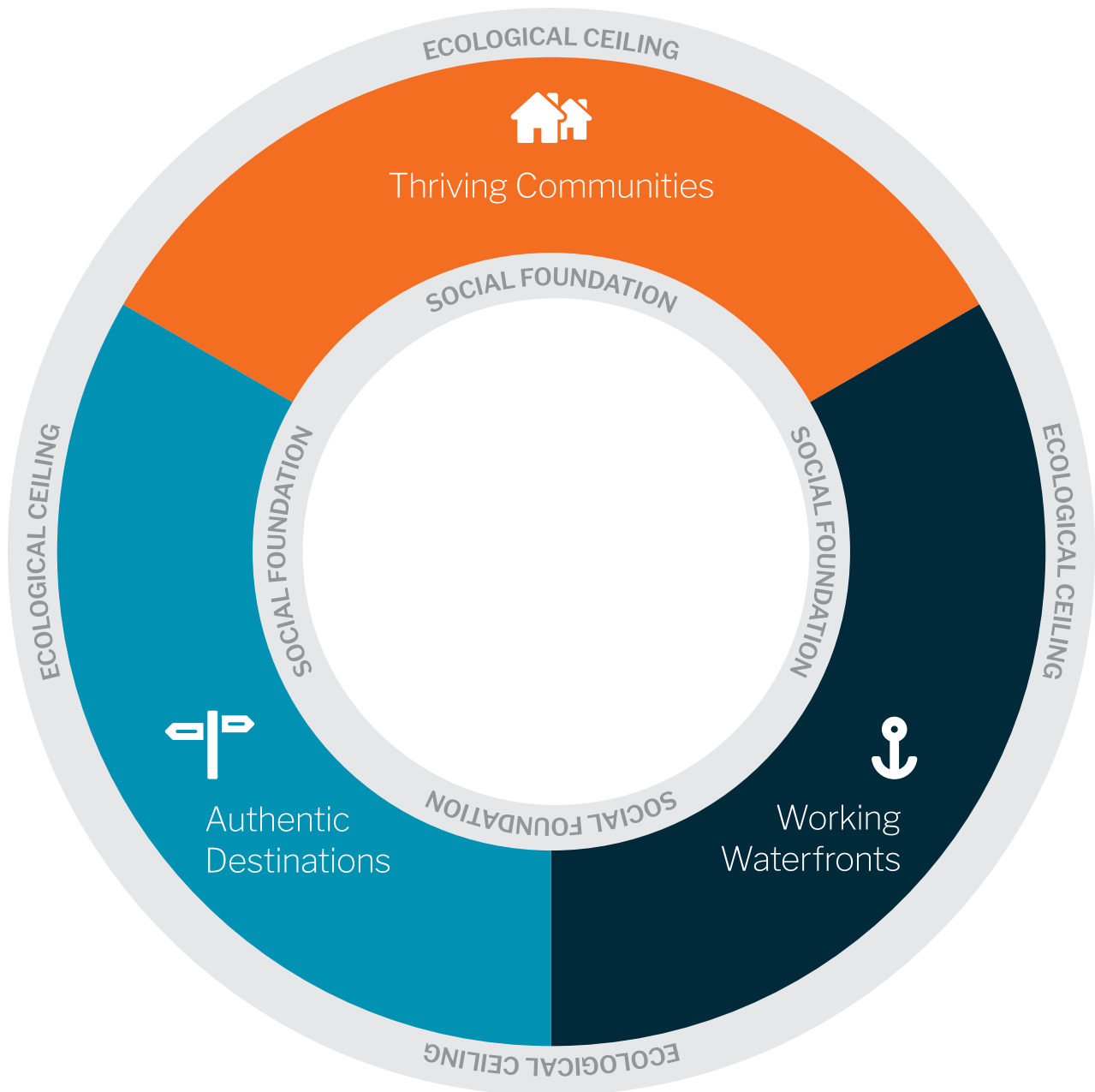
As a crown corporation, Develop Nova Scotia operates at the intersection of public and private sector. It reports to the Minister of Economic Development and has a public purpose of ensuring that high-potential public land is developed for the benefit of all Nova Scotians. The work benefits from a high-performing private sector Board and

collaboration with the private sector, alongside public-sector and community partnerships. This approach ensures we can harness our collective ingenuity across sectors, be responsive to market opportunities and failures, lift sectors (not just individual businesses), and create the conditions for innovation to drive our economy. Develop Nova Scotia's strategic framework focuses on the areas that offer the best opportunities to leverage our natural place-based advantages as a province to achieve our goals for a healthy population and a strong and sustainable economy.

Our three strategic areas of focus: **Thriving Communities, Authentic Destinations,** and **Working Waterfronts** support the advancement of the key Government of Nova Scotia objectives related to Health and Universal Mental Health, supporting local business, and sustainable prosperity.

Strategic Framework

Strategic goal: build places that attract people

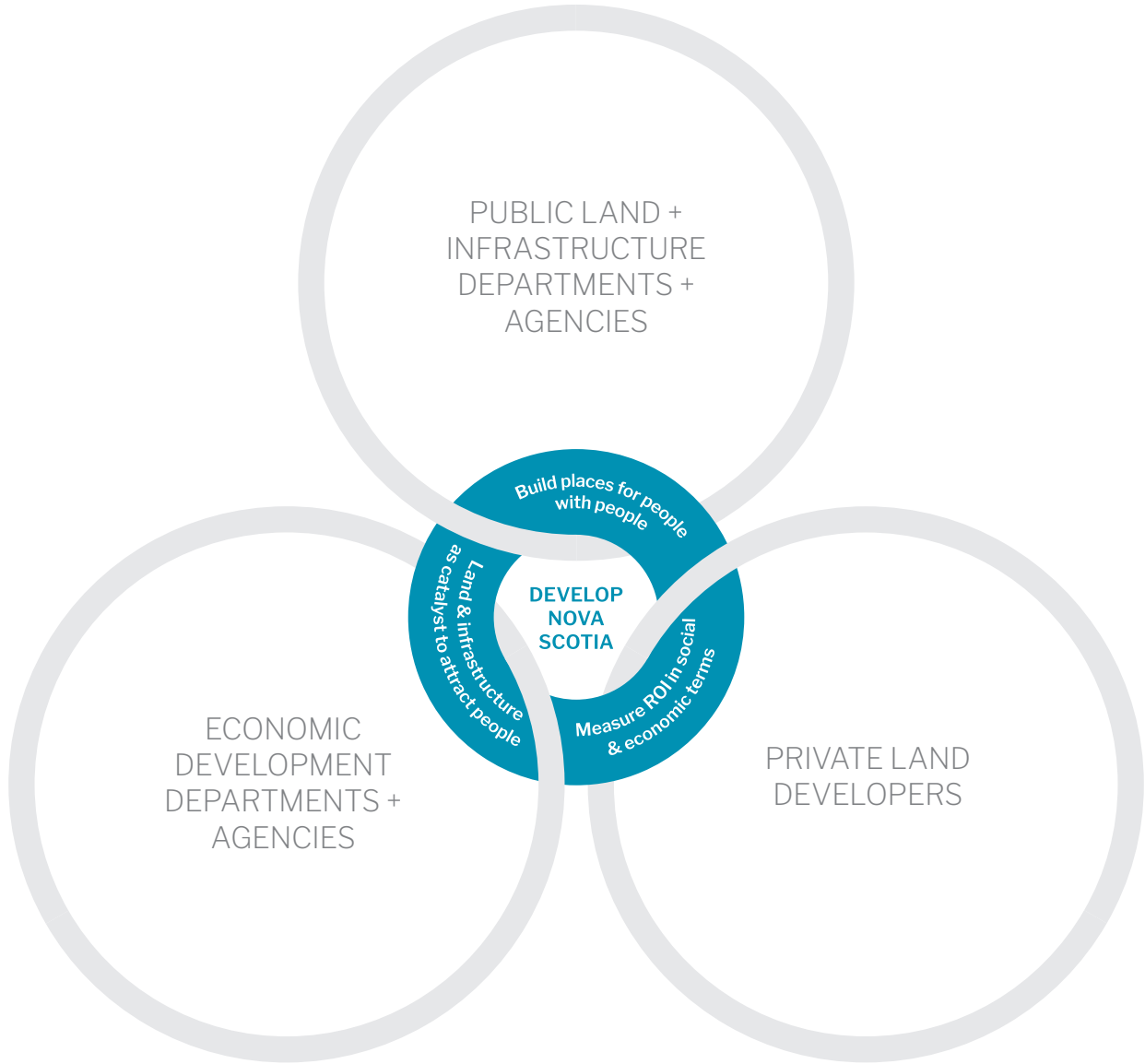


Raworth, Kate. Doughnut Economics : Seven Ways to Think Like a 21st-century Economist. London: Random House, 2017.

How we do our work is as important as what we build. And the “how” is driven by partnership and collaboration—we convene private partners, public interests, and community to align objectives and resources to achieve outcomes that are inclusive and irresistible. We engage residents, government partners, community groups, and businesses on the ground in a deeply participatory community-led planning model that we are committed to continuously improve. This model for our work improves public spaces and economic and social

infrastructure that contribute to our magnetism as a province, but it also builds pride in ownership and capacity for further development in community, and that builds momentum. This model leads to sustainable places, that are championed by locals, where everyone can participate and belong.

We use social and economic infrastructure—places—as a tool to attract people to our province and to bring people together, resulting in a stronger economy and improved health and well-being for everyone.



Vision

Nova Scotia is irresistible to people and investment.

Mission

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

Mandate

Lead the sustainable development of economic and social infrastructure to advance inclusive economic growth in Nova Scotia.



Priorities/Activities/Initiatives/Role & Focus for 2022-2023

This business plan outlines how Develop Nova Scotia will support government's priorities, including select action items in the Minister's [mandate letter](#).



DEVELOP NOVA SCOTIA STRATEGIC FOCUS AREA Thriving Communities

- Support rural growth through connectivity, capacity building, and projects that enhance pride of place
- Internet access across Nova Scotia
- Placemaking capacity + locally led projects

LINK TO MINISTERIAL MANDATE PRIORITIES

- Deliver Internet to every household
- Enable entrepreneurs to start and scale their businesses in all parts of the province
- Attract migration from across Canada (Department of Labour, Skills and Immigration)
- Position Nova Scotia as a world leader in sustainable development
- Increase supply of affordable and attainable housing (Department of Municipal Affairs and Housing)

KEY PROJECTS

Internet for Nova Scotia Initiative

Context: Develop Nova Scotia, on behalf of the Internet Funding Trust, has projects underway that will provide 97% of Nova Scotia homes and businesses with access to internet connections by the end of 2023. In 2022-2023, work continues

to extend coverage even further to address the remaining underserved residents and businesses, to troubleshoot project risks related to timeline, and to accelerate projects underway wherever possible.

Expected Outcomes (2022-2023): By end of fiscal 2022/23, Develop Nova Scotia anticipates connections will be made for 95% of homes and businesses and that projects will be underway to support close to 100% of Nova Scotia homes and businesses.

Community Placemaking Program

Context: Unlocking community ideas and energy and supporting their vision to build their own communities—the community placemaking program supports community-led projects to build local placemaking capacity in communities; to energize diverse community participation and collaboration; and to stimulate economic recovery through improved destinations for people and support for small business.

Expected Outcomes (2022-2023): Support delivery of 24 community placemaking projects across Nova Scotia (including East Preston, Glace Bay, Charlotte Street Sydney, and Every One Every Day K'ijipuktuk/Participatory City)

Attainable Housing/Reimagined Mixed Use Development Program

Context: Develop Nova Scotia has 3 properties in urban HRM (2 in Dartmouth and 1 in Bedford) that offer opportunity to support population growth and community through new attainable and affordable housing in the urban centre.

Expected Outcomes (2022-2023): Agreement in place for WDC-1 site in Dartmouth for sale/lease/partnership. Dartmouth Cove Master Plan updated to enable preparation of strategic parcels for market. Bedford Lands Master Plan update underway.



DEVELOP NOVA SCOTIA STRATEGIC FOCUS AREA

Authentic Destinations

- Attract people to Nova Scotia by building on the strengths rooted in quality of place and strength of community
- Develop and steward authentic, sustainable, and accessible year-round destinations
- Create new places for community + business to thrive

LINK TO MINISTERIAL MANDATE PRIORITIES

- Attract migration from across Canada (Department of Labour, Skills and Immigration)
- Position Nova Scotia as a world leader in sustainable development
- Enable entrepreneurs to start and scale their businesses in all parts of the province
- Support and enable the Nova Scotia Loyal program

KEY PROJECTS

Louisbourg Waterfront Revitalization

Context: The community of Louisbourg's Visitor Experience Enhancement project will attract a greater number of fortress visitors to the

community's waterfront and encourage spending within the town. The former Louisbourg Craft Centre, public waterfront, and former municipal campground will be redeveloped into a new destination including Parks Canada's ticketing for the Fortress alongside local business. The approach will attract visitors to the Town's centre, enhancing the Louisbourg experience and enabling increased economic benefit for the community.

Expected Outcomes (2022-2023): Planning, design, and funding assembly complete and construction underway.

Inverness Main Street Revitalization

Context: Energized by visitation and investment interest related to the success of Cabot Links golf course, the Inverness Growth Strategy and Complete Streets Placemaking Project will revitalize the main street of Inverness. A complete streets approach to the design of Central Avenue will result in enhanced safety, accessibility, and quality of experience for residents and visitors; and it will build confidence and encourage private investment and development within the commercial core of Inverness.

Expected Outcomes (2022-2023): Ongoing work with stakeholder working group to coordinate and integrate recapitalization plans to establish project plan and timeline, and complete funding assembly.

Pictou Waterfront Revitalization

Context: The Town of Pictou is leading a revitalization of its waterfront by enhancing shoreside amenities that will help shape the waterfront into a unique destination and gathering place for residents and visitors by land and sea.

Expected Outcomes (2022-2023): Develop Nova Scotia will bring our waterfront planning and design expertise to this community-led work. In 2022-2023 we will assist with the planning, design, and funding assembly to support the project.

Peggy's Cove Visitor Experience

Context: Develop Nova Scotia has been working closely with the community of Peggy's Cove since 2018 to co-create and implement a comprehensive [Infrastructure Improvement Strategy](#) for the community that is focused on community sustainability, increasing safety and accessibility for locals and visitors, and improving the visitor experience.

Expected Outcomes (2022-2023): Continue to implement the Infrastructure Improvement Strategy through a second phase of community engagement, design, and development that will address deficiencies and advance minor improvement projects. Develop recommendations regarding long-term site management and operations in Peggy's Cove.

Northern Cape Breton Seawall Trail

Context: A community-led project to develop a 5-day, 50-kilometer hiking trail in Northern Cape Breton is taking shape.

Expected Outcomes (2022-2023): Develop Nova Scotia will support ongoing work, led by The Seawall Trail Working Group, to develop this opportunity this year.

Lunenburg Waterfront Zwicker & Co. Warehouse Revitalization.

Context: As part of the [Lunenburg Waterfront Master Plan](#), Develop Nova Scotia worked with community to revitalize the historic [Zwicker & Co. Warehouse](#) and are now actively seeking tenants to lease and activate the spaces.

Expected Outcomes (2022-2023): The property opening and activation this year will support adjacent public docks and community mooring field with public marine services, improving Lunenburg's attractiveness as a destination by sea which also brings boating customers to the working waterfront.

Halifax Waterfront

Context: The Halifax waterfront is the most-visited destination in the province and an irresistible centre of our capital city. Our work to steward the waterfront on behalf of all Nova Scotians continues to focus on its role as a platform for local business; a resilient coastline and working waterfront; and a playground filled with art, culture, history, and recreation. It is a place that belongs to everyone and where everyone can belong.

Expected Outcomes (2022-2023):

Queen's Marque District. The result of a \$200M private development investment, the **Queen's Marque** district is composed of residential, office, hotel, local retail, and restaurants—and has created 100,000 sf of new public space and 3 new public wharves on the site of a former surface parking lot. This year we anticipate the completion of this significant and highly anticipated waterfront development project.

Arts District. A new waterfront **Arts District** is underway on the Halifax waterfront with an ambition to make art accessible to everyone. This includes a new Art Gallery of Nova Scotia, 140,000 sf of improved public open space, 56,000 sf of new public event space, and 430 linear feet of restated natural shoreline. Site development is anticipated to begin in early 2022 and Develop Nova Scotia will focus on completing public space planning and design in collaboration with project partners and community in 2022-2023.

CUNARD Development. **CUNARD** represents a \$100M private development investment in a mixed use residential and retail development

that is currently under construction. In 2022-2023 Develop Nova Scotia will finalize the public space design with a focus on play through ongoing deep and diverse **community engagement**.

Event Program. Activate the waterfront and provide a range of high-quality, accessible experiences and programming to engage people and drive year-round visitation. Produce and enable key events to extend the season by working with multiple public and private sector event partners including **Open City** and **Evergreen Festival** will be priorities—as will working with event partners to drive traffic year-round and support economic recovery.

Boardwalk North Planning. Capitalize on the energy and timing of the Cogswell District project to improve the connection of the water's edge to the city streets while enhancing this area of the Halifax boardwalk to draw locals and visitors. This project includes additional marine-side functionality and measures for coastal protection. In 2022-2023, Develop Nova Scotia will continue to meet with the Cogswell District project team to influence connectivity and advance our Board-approved plan to detailed design.



DEVELOP NOVA SCOTIA STRATEGIC FOCUS AREA

Working Waterfronts

- Develop sustainable infrastructure that supports multiple businesses across high-potential ocean sectors.
- Steward spaces that enable entrepreneurs + innovation
- Multi-user marine infrastructure

LINK TO MINISTERIAL MANDATE PRIORITIES

- Position Nova Scotia as a world leader in sustainable development
- Enable entrepreneurs to start and scale their businesses in all parts of the province
- Support our distinct regions based on their comparative advantages

KEY PROJECTS

COVE Outposts/Marine Innovation Sites

Context: With the recently completed recapitalization of the **COVE South Marine Terminal**, revitalization of assets at **COVE's** Dartmouth facility is complete, and the site is close to capacity with more than 50 ocean technology companies operating at the facility.

Expected Outcomes (2022-2023): In collaboration with our partners, Develop Nova Scotia will support the future development and operational planning for COVE this year. In addition, this group will explore regions of strong ocean-sector activity to guide the exploration and identification of high-potential sites for future common user marine infrastructure, to enable collaboration and waterside access and support growth for our marine economy.

Provincial Marine Network

Context: Working with private-sector-marine and tourism-sector operators to convene program that develops a network of high-quality marine destinations around the province. Develop Nova Scotia's role in the Marine Network projects varies—from full design, build, ownership, and operation; to assisting in work with communities on design, development, and programming; to helping leverage private and public sector investment to support project delivery.

Expected Outcomes (2022-2023): Continue to evaluate marine visitation data and work with public- and private-sector stakeholders, to identify and develop future projects that connect business, community, and visitors to local waterfronts.

Lunenburg Working Waterfront Development

Context: Our work on the Lunenburg Waterfront is guided by the five-year **Lunenburg Waterfront Master Plan** that was co-created with community. The plan calls for an active working waterfront that is focused on year-round, water-dependent marine uses while recognizing its central place in a UNESCO world heritage site and top destination for residents and visitors.

Expected Outcomes (2022-2023):

- **Zwicker & Co. Warehouse.** Activate this newly renovated, historic property with a focus on having tenancies in place for Spring/Summer 2022.
- **Smith & Rhuland Shipyard.** Work with Lunenburg Waterfront tenants Old Town Boatworks and Ocean Gear to operationalize the new common-user infrastructure and explore additional properties for further development.
- **Picton Castle Warehouse.** Work with the tenant to begin planning for the renovation of the warehouse.

Develop Nova Scotia Performance Measures 2022-2023

Note: Develop Nova Scotia is in the process of finalizing a corporate performance measurement tool intended to monitor the organization's progress toward stated goals and overall alignment with corporate strategic priorities. This scorecard is a draft that is still being refined and feedback is encouraged and invited.

CUSTOMER MEASURES

Visitation to owned & managed properties	15% increase over 2021-2022
Marine visitation from outside Nova Scotia	20% increase in # vessel-nights in NS over 2021-2022
Project value (subjective well-being impact)	Indicator in development – delivery early 2022
Visitor (resident + tourist) satisfaction to properties	90% satisfied
Marine visitor (resident + tourist) satisfaction	90% satisfied
Tenant satisfaction	90% satisfied
Tenant sales (Halifax Waterfront)	5% increase over 2021-2022
Tenant occupancy	95% occupancy

CUSTOMER MEASURES

Inclusive & diverse engagement	Indicator in development
Community placemaking confidence (change in community confidence level in executing projects to improve places)	5% increase annually in each community-specific project (benchmark in 2022-2023)
Activation of public & community spaces on owned & managed properties	160 days per year, including 40 days in the non-peak season (October 1 to March 31)
Access to internet connections	79,000 of 92,000 household units (HUs) with access through Develop Nova Scotia-led projects

CORPORATE MEASURES

Leveraged project investment (as measured by project spending matched by partners)	100% within 5 years
Operational efficiency (as measured by revenue growth from property operations to increase self-sustainability and reduce reliance on government funding)	Grow revenue from non-government sources by 10%

Budget 2022-2023

Financial Summary

DEVELOP NOVA SCOTIA: OPERATING BUDGET 2022-2023

	BUDGET 2021-2022	FORECAST 2021-2022	BUDGET 2022-2023
REVENUE			
Rents & Wharfage	3,496,000	3,086,000	4,092,000
Parking	650,000	750,000	415,000
Other Income	774,000	579,000	419,000
Grant Income	3,957,000	4,324,000	3,832,000
TOTAL REVENUE	8,877,000	8,739,000	8,758,000
OPERATING AND ADMINISTRATIVE EXPENSES			
Program Expenses	2,170,500	2,031,800	2,400,200
Maintenance/Repairs & Other	1,374,500	1,471,000	1,309,500
Administrative Expenses	5,332,000	5,236,200	5,048,300
TOTAL EXPENSES	8,877,000	8,739,000	8,758,000
SURPLUS (DEFICIT) BEFORE OTHER ITEMS	-	-	-
OTHER ITEMS			
Capital Grants	8,615,000	11,961,500	1,076,000
TRIP TCA	1,687,000	1,914,600	-
Capital Amortization	-3,447,000	-2,126,100	-3,067,000
TOTAL OTHER ITEMS	6,855,000	11,750,000	(1,991,000)
SURPLUS (DEFICIT) AFTER OTHER ITEMS	6,855,000	11,750,000	(1,991,000)

Appendix A

CORPORATE GOVERNANCE

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

ORGANIZATIONAL OVERVIEW

- [Enabling Statute](#)
- [Mandate](#)
- [Vision and Values](#)
- **Business Areas:**
 - Public Engagement
 - Planning and Design
 - Development and Construction
 - Property Management
 - Destination Development
 - Event and Program Management



Halifax Harbour Bridges

Halifax Harbour Bridges Business Plan for Fiscal 2022-2023

Message from the Chair of the Board and CEO

We are pleased to present the 2022 - 2023 business plan for Halifax Harbour Bridges (HHB).

The Angus L Macdonald (ALM) and A. Murray MacKay (AMM) Bridges are critical pieces of infrastructure in the Halifax Regional Municipality and Nova Scotia facilitating 30 million+ crossings each year. As they reach their mid-life, they will require increasing amounts of attention in the years ahead.

With the Nova Scotia Utility and Review Board (NSURB) approving a toll increase that took effect Jan. 4, 2020, HHB will continue to operationalize a 10-year \$280 million capital and maintenance plan designed to assure safe and efficient cross harbour transportation.

As 100 per cent of the revenue generated by collecting tolls is dedicated to the maintenance and operations of the bridges, HHB will continue to ensure that revenue is invested responsibly to make certain the bridges are reliable and well maintained. Planned activity for the year (detailed later in the business plan) will top \$49 million in crucial spending.

The ongoing pandemic continues to impact the number of crossings on the bridges and corresponding toll revenue. After a 24 per cent drop in traffic volumes last year, traffic had returned to 95 per cent of normal levels by November 2021, but dropped again with the emergence of the Omicron variant and government guidance to minimize movement or travel to help stop the spread. We project that traffic volumes will not return to pre-pandemic volumes until 2024.

Early in the next fiscal year, HHB expects to see the results of an economic impact study that will help the organization demonstrate the importance of the bridges, the need to move quickly on all electronic tolling, and to push ahead on a decision for the redecking or the replacement of the MacKay Bridge.

Steve Snider, HHB General Manager & CEO for the last 27 years, will retire in early 2022. A search for his successor is underway. Thankfully, the new CEO will be able to depend on the guidance of a seasoned executive team and an engaged Board.

Safety will continue to be an important focus for HHB, and as we work to meet newly minted strategic goals and objectives, we will also raise the profile of our EDI, environmental, and innovation initiatives

Respectfully submitted



Vicki Harnish
Chair of the Board of Commissioners



Steve Snider
General Manager and CEO

Key Priorities

In 2020, HHB identified four strategic goals to help guide the organization. In late 2021 following months of COVID and the Nova Scotia Utility and Review Board (NSURAB) approval of the first toll increase in a decade, the organization revisited and [updated the goals](#). We present our major 2022-23 initiatives around those five refreshed strategic goals

Improve safety, efficiency, and environmental stewardship in operations and maintenance

2022-23 Initiatives

Macdonald Bridge

- Replacement of 60-year-old bearings on approaches
- Rehabilitation of concrete piers. Inspections have recommended the exterior of most bridge piers be replaced with high performance concrete. All pier work to be completed by 2024.
- Steel repair and painting: Main towers
- Bikeway resurfacing

MacKay Bridge

- Rehabilitation of concrete piers. Inspections have recommended the exterior of most bridge piers be replaced with high performance concrete. This is part of a 20-year program scheduled for completion in 2036.
- Main cable inspection and dehumidification
- Expansion joint replacement (Approach spans)

These engineering projects protect the structural integrity of the bridges and extend their lifespan

- Installation of dedicated traffic cameras: one on ALM, two on AMM
- Work in co-operation with HRM on traffic analysis for improved traffic flow
- Secure/harden AMM perimeter
- Restore and upgrade unified communications across both bridges to reduce operations reliance on often unreliable wi-fi. The move is expected to reduce IT service calls by 80 per cent and allow for the addition of new devices and solutions to meet HHB business needs for the next decade.

Provide customer value through seamless, reliable and safe bridge crossings

2022-23 Initiatives

- Develop retail transponder kits for easier customer access to MACPASS transponders
- Execute the preliminary studies required to determine a path forward on redecking or replacing the MacKay Bridge
- Convert customers using older hard-shell MACPASS transponder technology to new more efficient sticker transponders. Sticker transponders are more cost efficient with fewer failures at the toll plazas

Demonstrate financial sustainability

2022-23 Initiatives

- Introduce a comprehensive bridge wash program to help extend the life of the bridge.
- Expand long-term debt positioning to support capital works
- Undertake real estate review with a focus on staffing, environmental and sustainability considerations, and the implications of next generation tolling and the future of the MacKay Bridge
- Implement additional internal technology training to meet business requirements

Foster a workplace where employees thrive

2022-23 Initiatives

- Implement a new Human Resources Information System (HRIS)
- Grow the existing Equity, Diversity and Inclusion (EDI) program
- Revise the Employee Handbook

Expand our culture and practice of innovation

2022-23 Initiatives

- Deploy the next-generation Tolling Back Office System to permit a modern self-service portal, advanced analytics, improved communication options and the ability to rapidly integrate additional services.
- Upgrading weather stations for improved analysis and response
- Next step preparations for next generation tolling
- Development of high-level, visual plan outlining HHB's technology strategy
- Develop disaster recovery and cyber security management plans
- Replace existing fleet with electric vehicles or other sustainable options when appropriate
- Explore net zero, wind, and solar options for our buildings

How we measure performance

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

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

Financial Summary

	2021-2022 Budget	2021-2022 Forecast	2022-2023 Budget
Revenue	(\$thousands)	(\$thousands)	(\$thousands)
Toll revenue	30,099	29,044	37,303
Interest income	157	168	241
Other income	319	491	328
Total revenue	30,575	29,703	37,872
Expenses			
Administration	3,123	2,942	3,427
Operating	4,904	4,801	5,245
Maintenance	3,761	3,659	4,886
Amortization	9,258	9,572	10,379
Debt servicing	4,089	4,089	5,459
Loss (profit) on disposal of property, plant & equip.	-	-	-
Total expenses	25,135	25,063	29,396
Net operating and comprehensive income	5,440	4,640	8,476

BUSINESS PLAN

2022-2023

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EARLY STAGE VENTURE CAPITAL

We get invested.



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Message from the Board Chair

Innovacorp and its clients celebrated many milestones last year. Our start-ups advanced new products, broke into new markets around the globe, recruited the talent they need, and secured their next rounds of financing. For example, our portfolio company CarbonCure Technologies was a co-winner of a US\$20-million global competition to find the world's best technologies that convert carbon dioxide into high-value products. One of our incubation graduates, battery materials innovator Novonix, secured a blockbuster US\$150-million investment from a Texas energy giant.

The achievement that stands out the most, however, was when our portfolio company META became Atlantic Canada's first publicly traded "unicorn," a start-up valued at more than \$1 billion.

Innovacorp intends to continue helping build high potential Nova Scotia start-ups like META that strive to change the world.

The \$101-million gain on Innovacorp's investment in META is a big deal, but the outcome is also a story about a Nova Scotia company bringing a disruptive new technology to the world. It is a story of ongoing economic impact as the company continues to grow, work on new applications of its advanced materials that alter light, hire more people, and build a large new facility in our province. It is a story about how the expertise and capital gained from META's journey so far is being used to support and inspire other start-up founders.

The META story is also evidence that Nova Scotia's support of start-ups through Innovacorp works. Not only did the Innovacorp team make a prudent venture capital investment in META, but it also provided valuable incubation space and services. Innovacorp played a vital role in META's launch and growth.

We look forward to helping build other start-up success stories like META's and having a significant positive impact on Nova Scotia's economy. The following pages outline our 2022-2023 plans towards that goal.

As you read our plan, you will see our work is well aligned with the Government of Nova Scotia's focus on encouraging innovation-driven, green and sustainable businesses to establish or relocate in Nova Scotia, as well as its aim to provide those companies with access to financing. We are focused on deep technology start-ups with high-growth potential. Our clients are developing solutions for large, globally relevant problems such as climate change – and they're helping transform the Nova Scotia economy in 2022-2023 and for the future.

Sincerely,

Nicole LeBlanc
Board Chair, Innovacorp

Innovacorp’s Purpose and Strategic Approach

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

Our **vision** is that Atlantic Canada will be among the top 10 start-up ecosystems in the world.

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

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



Find

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

Fund

Early stage investment is at the core of our business model. For Innovacorp, *fund* refers to the equity investments we make through our Nova Scotia First Fund and our investments in privately managed funds. Venture capital-backed start-ups typically have a greater economic impact than their non-backed peers and demonstrate stronger growth in employment and innovation. Innovacorp is ultimately driven, however, by generating financial returns on its fund. We also leverage our dollars with other venture capital and angel co-investors, to attract new capital and expertise for the region.

Foster

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

2022-2023 Priorities and Activities

This business plan outlines how Innovacorp will support government's priorities, including specific action items in the Minister's mandate letter related to encouraging innovation-driven, green and sustainable businesses to establish or relocate in Nova Scotia, and providing those companies with access to financing.

Innovacorp finds, funds and fosters Nova Scotia start-ups through three main interdependent areas of activity: **venture capital investment**, **incubation facilities**, and **acceleration initiatives**. Below we summarize our work along those three areas and a few of the year's special strategic initiatives.

Investment

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

In 2022-2023, Innovacorp will focus on:

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

Incubation

Innovacorp manages three incubation facilities that are premier destinations for early stage companies in Nova Scotia's strategic growth sectors. The Labs at Innovacorp focuses on companies in the life sciences industry; The Bays at Innovacorp targets companies in clean technology and other knowledge-based sectors; and Start-Up Yard at COVE is for ocean technology ventures.

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

In 2022-2023, Innovacorp will focus on:

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

Acceleration

Innovacorp's acceleration activities build and strengthen the pipeline of investment-grade start-ups in Nova Scotia. Ideally these companies will also become prospects for Innovacorp's venture capital fund or the private sector funds in our region.

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

In 2022-2023, Innovacorp will focus on:

- finding and supporting high-potential new technology companies and encouraging entrepreneurial activity across Nova Scotia, primarily through **start-up competitions, initiatives to help move post-secondary research to market, and our Start-Up Visa Program;**
- delivering **acceleration programs and expert guidance** for start-ups approaching investment readiness, providing access to world-class expert advice, workshops, incubation facilities and services, financial support and other resources; and
- enhancing **support for our highest potential portfolio companies**, addressing their individual operational, technical and strategic needs.

Strategic Initiatives

Innovacorp's focus is on building individual Nova Scotia start-ups with high-growth potential. However, the organization is also driven to help create a world-class ecosystem for start-ups in general. To that end, Innovacorp works collectively with private and public organizations to increase the capital, expertise and other resources available for start-ups; attract high-growth technology companies to the province; enhance the business climate for start-ups and investors; and help make the start-up community more inclusive of all Nova Scotians.

In 2022-2023, Innovacorp will focus on:

- identifying opportunities for the **Nova Scotia First Fund** to continue to support government priorities;
- growing the amount of capital available for the **clean technology sectors**;
- playing an active role in the **Ocean Start-Up Project (OSP)**, which is a co-funded, pan-Atlantic collaboration to double the number of high-quality, ocean technology start-ups; and
- working with sister crown corporations (i.e., Develop Nova Scotia, Events East and NSBI), and other parties to **identify, prevent and eliminate barriers to people with disabilities** our programs, services, initiatives and facilities.

Performance Indicators 2022-2023

Below are the performance targets for Innovacorp’s 2022-2023 work outlined above.

Performance Indicators	2022-2023 Target
Investment	
Number of Innovacorp investments	12
Amount invested by Innovacorp	\$4 million
Amount raised by portfolio companies	\$70 million
TVPI ratio (total value to paid-in capital)	3.0
Number of portfolio companies that raise Series A investment	2
Incubation	
Occupancy rate at facilities (The Labs and The Bays at Innovacorp)	85%
Occupancy rate of companies that are venture-grade at The Labs and The Bays	50%
Acceleration	
Number of new early stage opportunities in Innovacorp’s client pipeline	250
Number of client companies that raise angel investment	10

Budget Context

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

	Estimate 2021-2022 (\$)	Forecast 2021-2022 (\$)	Estimate 2022-2023 (\$)
Revenue			
Provincial funding	9,054,000	8,999,000	9,145,000
Other provincial funding	94,000	94,000	183,000
Incubation	1,215,000	1,215,000	1,367,000
Acceleration	918,000	918,000	368,000
Corporate Services	26,000	71,000	24,000
	11,307,000	11,297,000	11,087,000
Expenses			
Incubation	2,776,000	2,779,000	2,827,000
Investment	1,116,000	1,088,000	1,235,000
Acceleration	4,511,000	4,497,000	3,953,000
Corporate Services	2,904,000	2,933,000	3,072,000
	11,307,000	11,297,000	11,087,000
Surplus before non-operating items	-	-	-
Other income (expense)			
Impairment on investments and loans receivable	(500,000)	(500,000)	(500,000)
Realized gains on investments	-	101,001,000	2,000
Transfer to the province	-	(100,961,000)	-
Depreciation	(399,000)	(399,000)	(432,000)
Amortization of deferred capital funding	147,000	147,000	147,000
Deficit	(752,000)	(712,000)	(783,000)

Revenue

Provincial funding 2022-2023 estimate is \$91,000 higher than the 2021-2022 estimate due to \$91,000 in new funding for salary increases.

Other provincial funding 2022-2023 estimate is \$89,000 higher than the 2021-2022 estimate due to increased funding from the Department of Economic Development for the Ocean Start-Up Project.

Incubation 2022-2023 estimate is \$152,000 higher than the 2021-2022 estimate primarily due to an increase in client revenue at the incubation facilities.

Acceleration 2022-2023 estimate is \$550,000 lower than the 2021-2022 estimate primarily due to the transfer of Nova Scotia Makerspace and its funding to Navigate Startup House and a decrease in funding for the Ocean Start-Up Project.

Corporate Services 2022-2023 estimate is \$2,000 lower than the 2021-2022 estimate.

Expenses

Incubation 2022-2023 estimate is \$51,000 higher than the 2021-2022 estimate primarily due to an increase in rent expense and maintenance work done for clients.

Investment 2022-23 estimate is \$119,000 higher than the 2021-2022 estimate primarily due to an additional staff member.

Acceleration 2022-2023 estimate is \$558,000 lower than the 2021-2022 estimate primarily due to the transfer of Nova Scotia Makerspace to Navigate Startup House.

Corporate Services 2022-2023 estimate is \$168,000 higher than the 2021-2022 estimate primarily due to an increase in insurance and consulting costs.

Depreciation 2022-2023 estimate is \$33,000 higher than the 2021-2022 estimate primarily due to forecasted capital spend.

Appendix A: Hyperlinks to Additional Information

Corporate Governance

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

Organizational Overview

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

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Nova Scotia Business Incorporated

Business Plan 2022–23



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MESSAGE FROM THE BOARD CHAIR AND CEO

More than two years since the start of global disruptions stemming from the COVID-19 pandemic, businesses, governments, and citizens - here and around the world - have continued to adapt to challenges and opportunities amid steady change and unpredictability.

As a key business development agency for the province, Nova Scotia Business Inc. has been in constant contact with our clients throughout this challenging time to better understand and respond to the impact of the pandemic on both large and small businesses and to build economic recovery in all regions. As a direct result of this connection, NSBI clients are today showing increasingly positive outcomes thanks to an innovative and responsive suite of programs and services which have been designed to help Nova Scotia companies survive and thrive beyond the pandemic.

As we look ahead to drive further progress in support of economic recovery in 2022-2023, NSBI's focused support for businesses across the province and investment attraction opportunities directed at innovative companies from around the globe will continue to help shape and grow our Nova Scotia economy. NSBI is committed to making a significant contribution to the broad effort to build a Nova Scotia with more people, stronger and sustainable businesses, better paying jobs, and increased opportunity for all Nova Scotians.

As our province seeks to reinvigorate and reimagine our economy post-pandemic, export and trade are critically important levers to encourage businesses to scale, grow, innovate and drive improved productivity. As enterprises across Nova Scotia build their businesses, hire more Nova Scotians and search out opportunities for growth, NSBI is here to help, advise, and support their journey – whether a business is already exporting products or services outside Nova Scotia, or just beginning to explore what increased trade could mean for them.

NSBI is aligned with the Province's direction to actively encourage innovative, sustainable and green businesses to establish or relocate to the province. In 2022-2023, the newly re-launched Innovation Rebate Program will continue as NSBI's key mechanism to ensure sustainable prosperity, helping Nova Scotia businesses adopt new technologies and innovative solutions from one end of the province to the other.

Finally, NSBI will play a critical role in the Province's goal to double the population to two million people by 2060 and attract, on average, 25,000 new residents each year by supporting businesses in all regions to grow and create new high-value jobs for both current Nova Scotians and those seeking to call Nova Scotia home.

NSBI's Payroll Rebate Program plays a critical role in creating new jobs that bring people to work and live in our province. Over the past six years, the Program has delivered 4,867 Full Time Equivalent roles (FTEs) and almost \$1 billion in net payroll that supports spending and economic activity.

Research from the Department of Labour, Skills and Immigration indicates that employment opportunities generate a population ratio of approximately 1:3 in Nova Scotia – meaning that for every new resident that moves to our province to work, two other people move here with them.

Their studies also indicate that one of the main reasons new Nova Scotians leave our province is for economic reasons, when either the newcomer or their partner is unable to find employment. NSBI's efforts to attract innovative, exporting companies through our payroll rebate incentive creates new high-value jobs that are critical to the success of immigration and population growth in Nova Scotia. We look forward to continuing our work with the Department of Labour, Skills and Immigration and other partners to create high-value jobs that will bring new Nova Scotians to our province to live and work.

NSBI's business plan performance targets for 2022-2023, albeit ambitious in a post pandemic economy, are necessary for the recovery and continued economic growth we all want to see for our province. As we seek to create a prosperous future for all Nova Scotians, we at NSBI, like the businesses we are privileged to work with, are about solving current and future problems and making opportunities a reality for Nova Scotians for generations to come.

Marie Mullally, Board Chair
Laurel Broten, President and CEO

PURPOSE OF CROWN CORPORATION

Mandate

NSBI is an outcomes-focused, evidence-based business development agency for the Province of Nova Scotia, led by a private sector Board of Directors. Our mandate is to work with Nova Scotia businesses across the province to grow through export by providing business advisory services, skill development and training, market intelligence, financing, and support in accessing global markets. We focus on helping Nova Scotia businesses grow and create new, high-value jobs and on attracting innovative, globally competitive companies to establish a business location in Nova Scotia.

Mission

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

Vision

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

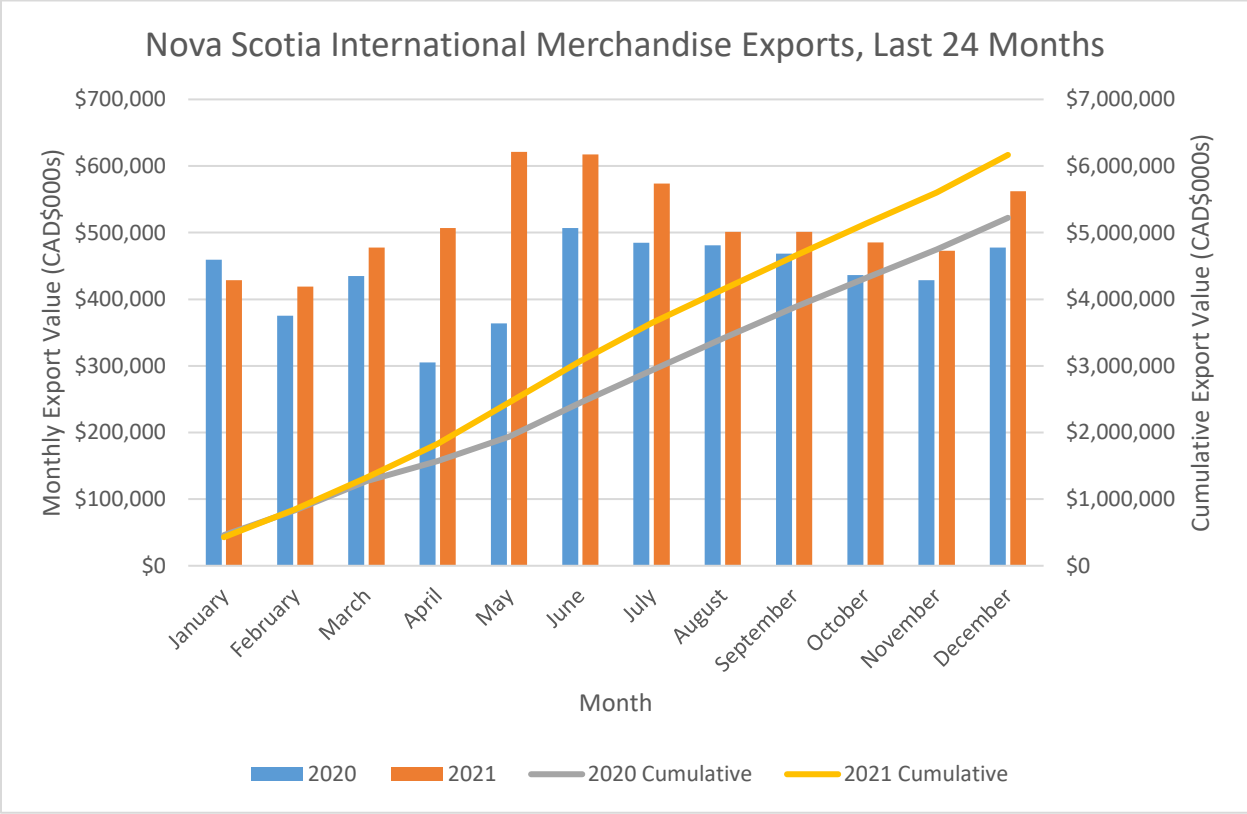
ECONOMIC CONTEXT

Nova Scotia's Recovery from COVID-19

Nova Scotia's economy has experienced strong, yet uneven, recovery from the impact of the COVID-19 pandemic. Some economic indicators demonstrate that Nova Scotia has not only recovered, but has also exceeded pre-pandemic levels, while others highlight that the recovery has been unbalanced with industries and populations disproportionately affected. Uncertainty due to the ongoing pandemic, supply chain disruptions and significant shifts in labour demand and supply have created a dynamic environment for Nova Scotia exporters.

International merchandise exports have returned to pre-pandemic levels with 2021 export values 1.9% higher than 2019, and 18.1% higher than 2020.

Figure 1. International Merchandise Export Value



COVID-19 caused significant labour force dislocation and realignment in Nova Scotia and beyond. In November 2021, the province exceeded the pre-pandemic indicator for total employed for the first time. By January 2022, employment was 1.3% (+6,200) above the pre-COVID employment level of February 2020, continuing the growth trend since the easing of restrictions in May 2021. The January 2022 employment level is also the highest employment on record in Nova Scotia since modern Labour Force Survey records were kept. Constrained labour supply and rebounding revenues create the conditions for concern in attracting and retaining employees to meet future sales, with 64% of surveyed Canadian small-to-medium enterprises (SMEs) reporting that labour shortages limit their growth. In the short-term, supply chain disruptions and the increased cost of

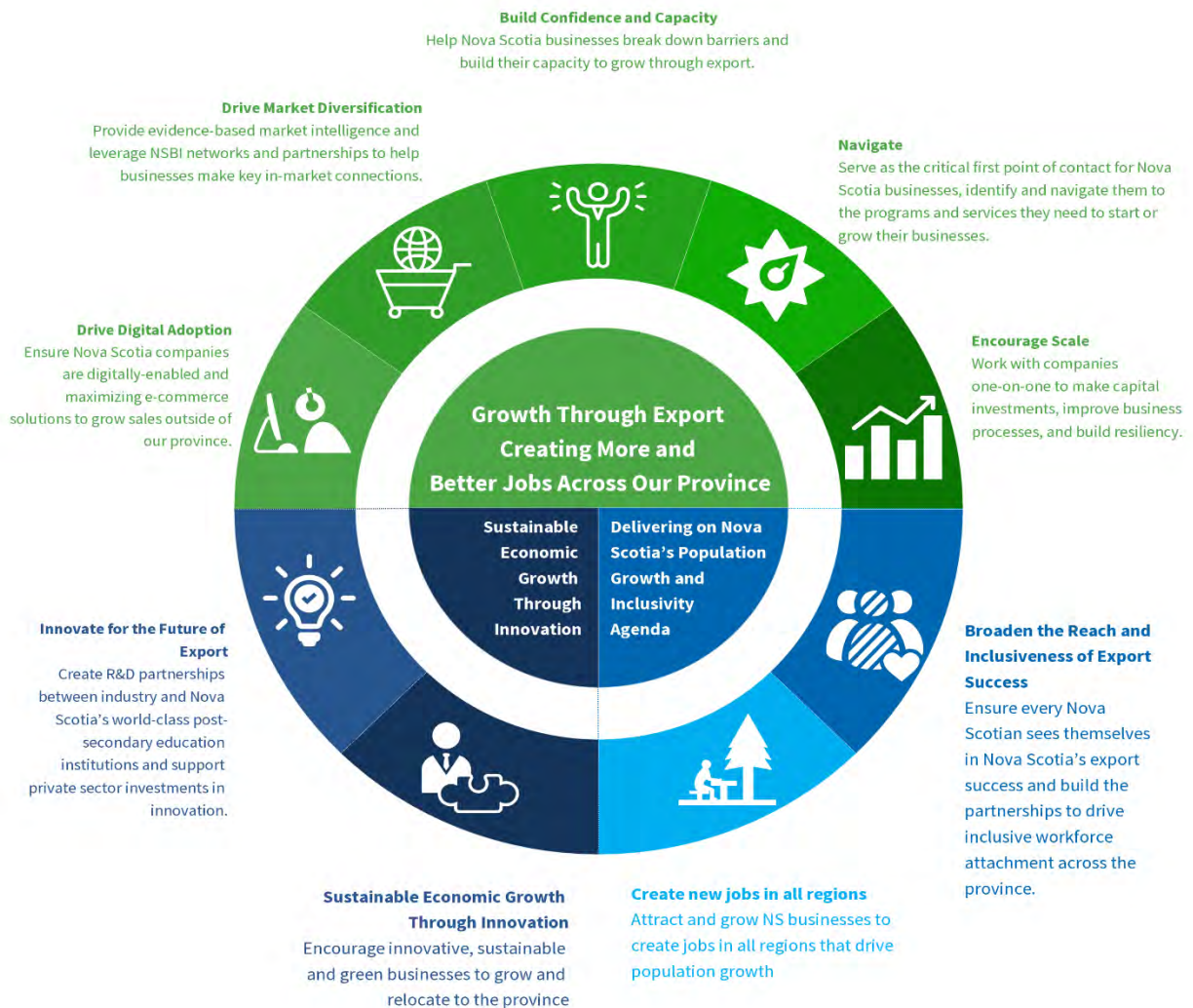
transportation may also limit growth opportunities for Nova Scotia exporters, with the global container freight rate five times higher than it was pre-pandemic.

When we shift our focus to look at Foreign Direct Investment (FDI), the rebound has surpassed forecasts with FDI flows recovering to 70% of their pre-pandemic levels following the unprecedented 35% decline in 2020. The number of FDI projects in Canada was down 49% in 2020 over 2019. The recovery of investment flows has been strongest to developed economies, such as Canada, and the outlook for attracting greenfield FDI and expanding existing operations is positive.

STRATEGIC CONTEXT

NSBI's business development efforts in 2022-23 will be focused on delivering results in the following key areas:

NSBI Strategic Priorities



NSBI'S ROLE AND FOCUS FOR 2022-23

This business plan outlines how NSBI will support government's priorities, including selected action items in the Minister of Economic Development's mandate letter.

Growth Through Export Creating More and Better Jobs Across Our Province

"For the economy to recover fully, Canada needs to continue to expand the types of things we export and find more markets for the goods and services we want to sell."¹

NSBI recognizes the crucial role that export will play in Nova Scotia's continued recovery from the COVID-19 pandemic. Our export growth efforts will be a critical support to the Minister of Economic Development's mandate to grow innovation-driven, green and sustainable businesses in Nova Scotia. Our work with companies across the province to build capacity, scale, and grow through the sale of products and services outside of our borders will drive business and economic growth, creating more and better jobs in all regions.

- NSBI's export growth and regional economic development efforts are rooted with our Regional Business Development Team, who serve as the critical first point of contact for companies in almost every sector of the economy and in every part of the province. We will continue to expand our reach and our Regional Business Development Advisors will work with over 1500 companies in all regions, providing advisory and navigation services to connect companies with the programs and resources they need to grow, both here at home and outside of our borders.
- Our Export Capacity Building Team will deliver webinars, virtual training, education, and international business skill building workshops to ensure Nova Scotia companies are prepared and have the skills to sell their products and services outside our province. NSBI's pivot to virtual training and education delivery will continue to ensure that businesses in all regions are able to access our skill development programming.
- Our key partnership with the Halifax Chamber of Commerce to deliver the Trade Accelerator Program (TAP) will take cohorts of companies through an export education program where they will build the skills, plans, and assets to accelerate their export growth.
- NSBI's Trade Market Intelligence Service will provide companies with the market research they need to make the best decisions on which markets to pursue, including intelligence on required certifications, regulations, competitors, pricing, and logistics.
- Our Export Development Program will provide funding to Nova Scotia companies in three key areas to assist them in keeping pace with the digital technologies required to be successful in the post-pandemic business environment, accessing the expert advice they need to overcome obstacles, and in making key connections to compete in global markets. Our Export Development Program will provide funding to:
 1. Adopt digital technologies to enable remote working, improve productivity, and create or improve e-commerce solutions to grow sales outside the province.

¹ <https://www.bankofcanada.ca/2020/12/strengthening-our-exports/> and <https://www.bankofcanada.ca/2020/12/trading-sustainable-recovery/>

2. Mitigate the costs of connecting with current and potential clients, partners, and investors in global export markets (including participation in virtual events and conferences).
 3. Engage with an external expert to address challenges or barriers standing in the way of export growth, including addressing skills or knowledge gaps within senior leadership teams.
- NSBI will work side by side with our clients to implement targeted incoming and outgoing trade missions (including virtual) to ensure Nova Scotia companies reach and make inroads in key markets, even in times of restricted travel.
 - Our network of Scotians Advisors will build on this work, serving as an in-market presence, making connections, and advising Nova Scotia companies on business conditions in markets of interest.
 - NSBI's US-based Scale-Up Hubs in Cambridge and Atlanta and Market Development Programs in Europe and Asia will continue to give Nova Scotia companies a foothold in international markets as well as access to resident experts to help them grow.
 - Our Digital Market Asset Development Program will provide funding to our clients in key sectors of our economy to build and promote the digital marketing assets they need to sell their products and services in our new digital business reality.
 - NSBI's own international partnership outreach will create awareness of Nova Scotia companies in global markets and pave the way for export success. NSBI will build the relationships necessary to ensure our clients are able to leverage opportunities brought about through trade agreements including the Canada-United-States-Mexico Agreement (CUSMA), the Comprehensive European Trade Agreement (CETA), and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).
 - NSBI's partnership with the Regional Enterprise Networks (RENS) will be key to our regional economic development work, and we will collaborate on plans and strategies to grow exporting businesses in all communities.
 - We will look for new ways to tailor and target our programs and services to ensure representative distribution to companies in all regions of the province, ensuring economic growth across Nova Scotia.
 - Our CEO and Executive outreach to business leaders and entrepreneurs across the province will continue to gather feedback on obstacles and opportunities, and our programming and services will be designed and delivered to be reflective of the needs of companies in all regions.
 - Our Atlantic and Federal government partners play a significant role in our success and NSBI will continue to lead Nova Scotia's participation in the \$20 million Atlantic Trade and Investment Growth Strategy (ATIGS) to drive key initiatives to support our firms to innovate and achieve international growth.
 - NSBI's investment attraction efforts will identify, target, and attract innovative exporters in key sectors to establish a location in our province, providing a unique opportunity for Nova Scotia companies to attach to global value chains and further their growth.
 - We will research, design and develop strategies and plans to connect domestic Nova Scotia companies with international firms in our province to strengthen local supply chains and increase the resilience of key sectors.

Sustainable Economic Growth Through Innovation

Nova Scotia businesses will need to invest, innovate, improve productivity and maintain a focus on sustainability to remain globally competitive in the current turbulent economic environment. NSBI will work with our partners in all regions to drive the Minister of Economic Development's mandate to actively encourage innovative, sustainable and green businesses to establish or relocate to the province. We will deliver programs and initiatives that attract innovative businesses to our province and support Nova Scotia companies to invest, connect with R&D expertise, and keep pace with business advancements.

- NSBI's key regional economic development initiative, the Innovation Rebate Program, will drive private sector investment in all regions of the province by funding projects that help companies increase innovation capacity, drive sustainability and adopt new technologies and business processes.
- NSBI's data mining and evidence-based lead generation efforts will identify key international businesses in sectors of focus with sustainability as a pillar of their business and that are aligned with Nova Scotia's comparative advantages. We will implement our "Team Nova Scotia" approach to target and attract these innovative, environmentally-focused exporters to our province, creating high-value jobs in all regions and connecting our domestic companies to global value chains.
- Our ongoing work with partners to support and drive transformational economic development initiatives across the province will be targeted to enable leading-edge sector collaboration and large-scale private sector investment.
- We will strengthen our efforts with our Crown Corporation and regional economic development partners and look for new ways to collaborate with the Regional Enterprise Networks (RENs) to ensure all regions of the province benefit from our investment attraction work.
- NSBI will continue the management of our real estate holdings in regions across the province and pursue long term strategic plans to maximize the economic development outcomes from key assets, such as the Port of Sheet Harbour. We will expand our certified sites initiative to drive industrial development and investment attraction across the province.
- Our Productivity and Innovation Voucher Program will create and strengthen research and development ties between businesses and Nova Scotia's universities and community college campuses across the province. This program will fund businesses to access expertise within Nova Scotia's post-secondary education institutions to improve productivity, develop new products, services or processes, and create growth.
- NSBI will further support Nova Scotia companies to access R&D expertise and overcome obstacles through our expanded partnership with Mitacs. This key partnership will reduce the cost for a business to access collaborative R&D teams from post-secondary institutes to complete a research project aimed at solving a unique business challenge.
- We will continue our leadership to grow Nova Scotia's ocean economy with our Crown Corporation colleagues and partners such as the Centre for Ocean Ventures & Entrepreneurship (COVE), the Oceans Supercluster, and the Ocean Frontier Institute (OFI), and our Sector Specialists in ICT, Agrifood & Beverage, Seafood, CleanTech and Life Sciences will drive export and investment attraction with our Government colleagues, academia and the private sector.

Delivering on Nova Scotia's Population Growth and Inclusivity Agenda

The Province of Nova Scotia has an aggressive growth agenda to double Nova Scotia's population to two million people by 2060. NSBI's business development efforts to grow businesses and create new jobs that attract people to work and live in our province are directly aligned, and we look forward to continuing our work with the Department of Labour, Skills and Immigration and other partners to create high-value jobs that will attract new Nova Scotians. NSBI is also aligned with our Government's commitment to ensure that our work is reflective of the modern societal makeup of Nova Scotia, inclusive and respectful of all demographic, cultural and ethnic diversities to advance our collective growth and prosperity. We will deliver on the Province's population and inclusivity agenda in the following ways:

- NSBI's payroll rebate will play a key role in our province's immigration and population growth mandate by attracting new companies that create high-value jobs in key sectors and attract new residents to come and graduates to stay in our province. We will also ensure that the companies we target are diversity-focused employers and contribute to Nova Scotia's inclusive workforce development efforts.
- Contributing to economic inclusivity will involve key partnerships within our province, and NSBI's continued relationship with organizations such as the Black Business Initiative will help to build the Black business community in Nova Scotia.
- We will continue our inclusive workforce strategies to make key connections between industry and organizations focused on the attachment of under-represented that will lead to more people from under-represented groups getting jobs across the province.
- NSBI will continue and refine our efforts to design and deliver tailored programming to businesses that are 51%+ owned, managed, and controlled by Aboriginal and/or Indigenous Peoples, Persons with Disabilities, LGBT+, Veterans, Visible Minorities, or Women to ensure that these companies are connected to procurement opportunities and poised for growth. As these companies grow in all regions, our diverse business community and workforce will grow with them.
- Our international marketing and promotional efforts will tell the story of our province, highlight our unique ocean lifestyle, and promote our international business success to position Nova Scotia as a top jurisdiction in which to live and work. Our sustainable economic success is reliant on our ability to attract and build a diverse workforce and NSBI will focus on selling Nova Scotia to the world and the world on doing business in Nova Scotia.

PERFORMANCE MEASURES

Measures	2022 - 2023 Targets
1. Grow the value of Nova Scotia's exports	We will continue recovery with the goal of achieving a minimum of a 15% increase in export sales among NSBI's clients, and by clients* within the high potential clusters of ICT, Oceans, and Seafood & Agri-food
2. Create Nova Scotia's next exporters	A minimum of 30 NSBI clients will become new exporters, with a minimum of 10 clients within the high potential clusters of ICT, Oceans, and Seafood & Agri-food becoming new exporters
3. Diversify into new export markets	Helping companies overcome travel complications as they work to grow sales in new markets, NSBI will ensure a minimum of 20% of our clients diversify exports through sales to an additional market
4. Encourage innovative, sustainable and green businesses to establish or relocate to the province	Attract 5 innovative exporters aligned with Nova Scotia's comparative advantages
5. Create new, high-value jobs to drive population growth	NSBI's clients will create 1400 new, high-value jobs across Nova Scotia
6. Grow payroll across the province	Continuing to emerge from the COVID-19 pandemic, NSBI clients will increase their payroll by a minimum of 10%

*An NSBI client is defined as a Nova Scotia company that accesses an NSBI program or service in 2022-23.

BUDGET CONTEXT 2022-23

Budget Context

		Budget		Forecast		Estimate
		2021-22		2021-22		2022-23
<i>(Amounts in \$000s)</i>						
Revenues						
Provincial grants	\$	44,059	\$	39,388	\$	44,766
Nova Scotia Business Fund: Loans and Properties		1,250		1,321		1,153
Miscellaneous revenue		1,373		1,701		1,430
Total	\$	46,682	\$	42,409	\$	47,350
Expenses						
Operating	\$	14,932	\$	15,191	\$	14,963
Strategic investments		11,000		10,580		14,730
Innovation Rebate Program		10,000		6,700		12,000
Export Development Program		3,500		4,500		2,500
Productivity and Innovation Voucher Program		1,000		1,000		1,000
SME Innovation Rebate Program		2,000		1,950		-
Forestry Innovation Rebate Program		2,000		-		-
Nova Scotia Business Fund: Loans and Properties		791		842		839
Provision for credit losses		1,000		(171)		500
Total	\$	46,224	\$	40,592	\$	46,533
Surplus before Depreciation	\$	459	\$	1,817	\$	817
Depreciation		44		92		168
Surplus after Depreciation	\$	415	\$	1,725	\$	649

Appendix A: Governance

Corporate Governance

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

Organizational Overview

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

Appendix B: Strategic Investment Funds (SIF)

The Payroll Rebate Program is the only business development incentive funded by strategic investment funds (SIF) in fiscal 2022-23.

STRATEGIC INVESTMENT FUNDS PURSUANT TO NSBI REGULATIONS POLICIES AND GUIDELINES/PROCEDURES, NSBI 2022-23 BUSINESS PLAN	
	PAYROLL REBATE PROGRAM (the “Program”)
Overview	<p>A payroll rebate is a discretionary, non-entitlement business development incentive (the “incentive”) intended to promote targeted payroll generation through the creation of incremental employment. Includes, where appropriate, the opportunity to target further incentives to key groups such as New Residents, New Graduates, Underrepresented Groups etc.</p> <p>This incentive may be used when it can be shown that a company’s project generates an economic benefit to the province, which will include export development, investment in the province, or improved competitiveness of existing businesses, in one or more of the province’s key economic sectors.</p>
Amount	<p>Rebates will be equivalent to between 5% and 10% of gross payroll, depending on the company’s strategic location in Nova Scotia or business sector and the economic benefit generated to the province. Additional rebate may be considered where the company is hiring individuals with specific skills or experience, new members of the Nova Scotia workforce, underrepresented groups, is increasing export activity, undertaking a capital project deemed strategic to their Nova Scotia region, or establishing or expanding its presence in rural Nova Scotia.</p> <p>All other Nova Scotia provincial government assistance with respect to the project and any federal emergency assistance that incents or subsidizes payroll or wages must be disclosed to NSBI and may influence the rebate amount.</p>
Eligibility	<p>The company’s business must be considered eligible according to NSBI’s operating regulations.</p> <p>The incentive must be project-based. Projects are expected to create sustainable long-term employment. Cyclical peaks in employment will not be considered for assistance.</p> <p>Eligibility requires that all projects should result in creation of jobs for at least 20 full time equivalents (FTEs) in Nova Scotia. Projects creating fewer than 20 FTEs will be considered when there is high strategic value or strong economic benefit.</p> <p>Companies that have previously received an incentive under the Program will not be eligible for additional incentive unless the project is incremental</p>

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

	<ul style="list-style-type: none"> • 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; • Applicable export, investment and capital project details (if applicable); • Confirmation of existing Nova Scotia FTEs and payroll prior to the project commencement ; and • Substantiation of any other required targets.
<p>Payment Terms</p>	<p>Rebates will be paid following provision by the company of all information required by NSBI to verify compliance with the terms and conditions of the payroll rebate agreement.</p> <p>In most cases, rebates will be paid annually on each anniversary from the project commencement.</p> <p>Payment term generally average five years.</p>

Appendix C: Nova Scotia Business Fund

The Nova Scotia Business Fund is the historic source of capital for Nova Scotia Business Inc.'s business lending activities.

The portfolio currently has approximately \$33.8 million outstanding to 15 companies located throughout the province. The Nova Scotia Business Fund has not issued any new business development incentives since fiscal 2014-2015. The annual portfolio lending cap is set at \$100,000 for fiscal 2022-2023 solely for the purposes of realization costs.

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

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

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

Crop and Livestock Insurance Commission

Business Plan 2022–23



Nova Scotia Crop and Livestock Commission Annual Plan 2022-2023

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Message from the Chair and CEO

We are pleased to present the Crop and Livestock Insurance Commission (Commission) business plan for 2022 – 2023 fiscal year. The Commission is proud of its long history of offering crop and livestock insurance products that are developed in Nova Scotia to meet our farmers unique business needs and agronomic mix.

Record high indemnities in the 2018 and 2019 cropping seasons resulted in increased premium rate costs for all crop insurance clients. The Province helped minimize the financial impacts of rising premium rates in 2021-2022 by providing clients with 10% discount on their AgrilInsurance premiums. The Commission is pleased to announce that the Province has agreed to continue providing this discount in 2022-2023.

Recent weather events in western provinces have highlighted the need to build climate change adaptive capacity and resilience. The Commission is committed to reviewing insurance plans through the lens of climate change to ensure products are adaptive and responsive to industry needs. The Commission is also uniquely positioned to support the Minister of Agriculture's mandate to increase the consumption of locally produced food by providing comprehensive Business Risk Management tools to help offset production risks.

The Province of Nova Scotia is reviewing the role and effectiveness of Agencies, Offices and Crown Corporations with a goal of ensuring efficiency and accountability. The Commission supports this review and is committed to expanding and improving product lines and administrative efficiencies.

The COVID-19 pandemic continued to provide administrative challenges throughout 2021. Despite these challenges, the Commission is pleased to report they were able to maintain its programs and services.

The 2022-2023 year will be the final year of the Canadian Agriculture Partnership agreement. The Commission will observe the development of the Next Policy Framework Agreement with interest for changes to Agriculture Business Risk Management programs.

Original Signed by

Mr. John Vissers
Chair

Peggy Weatherbee
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 Departmental Mandate

The Department of Agriculture has a mandate for the development of a competitive, sustainable, and profitable agriculture and agri-business industries that contribute to the economic, environmental, and social prosperity of Nova Scotia's rural and urban communities, and all of Nova Scotia.

The Minister of Agriculture has been specifically tasked with supporting and encouraging local food consumption with a goal of 20% of money spent on food by Nova Scotian's being produced locally. The Commission supports this mandate by providing agricultural entrepreneurs with the opportunity to transfer some of the financial risks 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.

About Us

The Nova Scotia Crop Insurance Commission was established more than 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 AgriInsurance platform. The CEO of the Commission is a Director within the Department of Agriculture, reporting to the Executive Director of Risk Management and Lending. The Commission is supported by agriculture staff that administer 16 crop insurance plans, a dairy livestock insurance plan and a poultry insurance plan covering 66 different commodities.

The Commission also administers a Wildlife Compensation Program which, while not an insurance-based program, compensates farmers for losses as a result of wildlife. Cost sharing of AgriInsurance (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.

Priorities for 2022 - 2023

1. Next Policy Framework Agreement

- a. Participate in the development of the Federal/Provincial/Territorial Next Policy Framework (NPF) agreement which will replace CAP on April 1, 2023.
- b. Work with industry to prepare for implementation of applicable Business Risk Management improvements under the NPF for 2023-2024.

2. Program expansion / enhancements

- a. Engage with an actuary to review and implement revisions to the Grape probable yield methodology for the 2022 crop year.
- b. Consult with industry stakeholder groups to review current policies and regulations aimed at improving existing insurance plans. Examples include regular consultations with wild blueberry, tree fruit, grape, dairy, and horticulture sectors.
- c. Work with industry stakeholders on the development of new insurance programs/options such as grape vines, acreage loss crops and haskap.
- d. Consult with industry stakeholders and other maritime provinces on the feasibility of livestock price insurance products.
- e. Develop its regulations consistent to the mandate of the Province's office of Regulatory Affairs and Service Effectiveness.
- f. Work with stakeholder groups to continue to review the effectiveness of products offered by the Commission.

3. Administrative Priorities

- a. Proactively promote AgrilInsurance as a key business management option for agricultural producers in Nova Scotia.
- b. Evaluate the Commission's alignment in the provinces Nova Scotia Loyal program.
- c. Review the Commission's administrative and IT processes using a lean six sigma approach.
- d. Continue to explore modernization of the information technology infrastructure.

Review of Agencies, Offices, and Crown Corporations

In 2021-22, Government committed to undertake a review of agencies, offices, and crown corporations. The purpose of this review is to examine the mandate and legislation of each entity to ensure they are offering effective, efficient, and accountable services to the Nova Scotians they serve. The Commission was selected in the initial 20 agencies being reviewed. This work is expected to be completed in 2022-23.

Financials

The Commission budget is included in the budget estimates of the Department of Agriculture. CAP provides for reimbursement of 60% of the administrative costs (includes staffing costs) related to AgrilInsurance and Wildlife Compensation. Insurance premiums are cost shared by farmers (40%), the federal government (36%), and the provincial government (24%) and are administered directly by the Commission. In 2021-2022, the province provided an additional discount of 10% on farmer's premiums to help offset increased premium rates due to weather conditions in 2018 and 2019. The province has committed to continue providing that discount for the 2022-2023 fiscal year. Only the provincial premium contributions are included in Department of Agriculture budget figures.

Table 1. Estimate of Income and Fund Balances

	Authority 2021-22 (\$ 000)	Forecast 2021-22 (\$ 000)	Budget 2022-23 (\$ 000)
Revenues			
Insurance Premiums paid by Clients	1003	1256	891
Insurance Premiums Contributed by Govt. (Federal)	898	1216	748
Wildlife Compensation Payments (Federal)	150	34	150
Insurance Premiums Contributed by Govt. (Provincial)	599	944	491
Wildlife Compensation Payments (Provincial)	100	22	100
Interest Income	5	24	24
Total Revenues	2755	3496	2404
Expenses			
Indemnity Claims	2500	630	2157
Wildlife Compensation Payments	250	68	250

Nova Scotia Crop and Livestock Commission Annual Plan 2022-2023

Reinsurance premiums	0	0	0
Bad Debt Expense	5	5	5
Total Expenses	2755	703	2412
Net Income from Insurance Activities	0	2793	-8
Reinsurance Advances			
Federal	0	0	0
Provincial	0	0	0
Total Reinsurance Advance	0	0	0
Net Income	0	2793	-8
Crop and Livestock Insurance Fund Balance			
Beginning of Year	4784	4784	7577
End of Year	4784	7577	7577
Administrative Expenses			
Government Contributions (Canada)	624	624	624
Government Contributions (Nova Scotia)	434	456	434
Total Administrative Expenses	1058	1080	1058
Net Govt. Expenditure			
Canada (Premium + Administration)	1672	1874	1522
Nova Scotia (Premium + Administration)	1033	1422	1025
Total Program Expenditure	2805	3296	2547

BUSINESS PLAN

2022-2023

Nova Scotia Farm Loan Board

Dedicated agriculture financing. It's all we do.



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Message from the Board Chair and CEO

The Nova Scotia Farm Loan Board (FLB) was first established in the early 1900's to provide a stable and secure source of to the agriculture sector. Providing fair and affordable access to capital from the start established our reputation as a trustworthy partner. The FLB has worked for many years to maximize the potential of the sector in our province and today that work continues as we partner with clients to support development of innovative methods to extend growing seasons, improve energy efficiency, and storage methods.

A Partner for Local Solutions

As Nova Scotia's economy emerges from the COVID-19 pandemic, the FLB will be following industry trends to prepare for the development of innovative lending solutions to respond proactively to industry needs. The pandemic has highlighted the importance of local food production and processing capacity as supply chain disruptions led to shortages on store shelves. Post-pandemic demand for FLB lending products is at record levels. The pandemic brought attention to the importance of having a Nova Scotia based lender who acutely understands local impacts and can act nimbly to address the needs of its clients.

Innovation through Experience

While the pandemic is the latest event to impact our province, it is only one example of how the FLB has remained a steadfast partner to industry in Nova Scotia. For over 100 years, we've been adjusting our product offerings to support growth and expansion but also taking swift action to respond to industry needs – from weather events to disease and pest outbreaks, we take pride in being a partner not only in good times but also during more challenging times. That speaks to the true value of working with a local lender guided by an industry-led board of directors who live and work right here in Nova Scotia.

New Solutions for Forestry

The Board and staff are continuing work on promotion of the revamped regulations that govern the activities of the Timber Loan Board (TLB) as the forestry sector continues to transition in the province. Access to capital was identified as a priority to support a strong forestry sector and the TLB is well positioned to deliver on this goal. The TLB is established by the *Forestry Act* with its lending authority and operations assigned to the FLB. The FLB has a dedicated board member to advise on activities in the forestry sector and provide general advice on loans under consideration.

Modernization of Community Pastures Program

In response to a recommendation to establish a new vision and oversight model for the eight community pastures in Nova Scotia, the Community Pasture Action Committee was established to review findings from a report commissioned by the FLB in 2020-21. The FLB is partnering with the Nova Scotia Department of Agriculture and Perennia Food and Agriculture Inc. to introduce a new funding program, the Community Pasture Support Program, to improve pasture infrastructure and implement the report's findings.

Supporting the Department of Agriculture's Mandate

The FLB is the lending arm for the Nova Scotia Department of Agriculture, and we are pleased to be part of the Department's plans for meeting their mandate of increasing local food production and the goal of 20% of money Nova Scotians spend on food, be on local food by 2030. Many of our current lending programs can be capitalized on to help the department and industry meet these targets, and the flexibility of our regulations will allow for new lending programs to be designed to complement new departmental initiatives.

The FLB is developing a new strategic plan with a goal of being a lender of choice in our sector in Nova Scotia. We are working toward this goal by zeroing in on three objectives: a focus on clients, a focus on people, and a focus on development. Agriculture and agri-food businesses are key economic drivers in Nova Scotia, especially in our rural communities. Our 2022-23 business plan seeks to build on the momentum of the past year by outlining our partnership role in providing stable, affordable, and innovative financing solutions that meet the needs of local producers and processors.

Original signed by

Danny Phinney
Chair

Original signed by

Jennifer Thompson
Chief Executive Officer (CEO)

About the Farm Loan Board

The FLB provides responsible, fair, and affordable access to capital to support growth, expansion, innovation, and sustainability in the agriculture, food, and forest industries.

The FLB is committed to supporting established enterprises, while also providing opportunities for new entrants and innovators in the processing sector. Loan terms, amortizations, and payment schedules are structured through gaining an understanding of the operation and discussing the client's needs.

FLB's Board of Directors is made up of Nova Scotia residents who are corporate or community leaders who understand the agriculture and/or agri-food business climate in the province and its importance to communities, workers, and the economy.

The FLB is a critical source of capital for a sector primarily based in rural Nova Scotia. This capital is used to purchase farmland, equipment, and to build and expand facilities and processing capacity to name just a few areas of focus. The FLB believes that the entire province benefits from investments in innovative methods to expand seasons, improve efficiencies, and improve yields.

The FLB also serves the Forestry sector through the TLB.

Farm Loan Board Focus

The Farm Loan Board's focus in 2022-23 will be on the following:

- Partnering with the Nova Scotia Department of Agriculture to meet mandate goals where the FLB can play a role in providing an affordable, stable, local source of financing to support:
 - expanding local production
 - increasing access to local food
 - increasing consumption of local food
- Continuing to monitor and respond to the evolving pandemic conditions
- Supporting our clients, and the sector at large, through provision of capital at competitive rates.
- Undertaking a new strategic planning exercise with the overall objective of

positioning the FLB as the lender of choice in our sector.

- Executing on the marketing plan developed in 2021-22 by focusing on business development activities to elevate recognition of the FLB and the value it brings.
- Promoting and expanding our product offerings and services into the developmental and value-add sectors.
- Building on our promotional efforts of the revitalized TLB by leveraging partnerships and expanding on successful investments made to date.

Portfolio Management

The FLB experienced historical growth in lending in 2021-22.

- \$200 million invested in the sector (estimated)
- 635 loans
- Expecting to advance \$60 million in new investment in 2022-23

Community Pasture Program

The FLB has eight community pastures located throughout rural Nova Scotia used by the beef sector, with 10 per cent of all locally produced beef grazing on a FLB Community pasture.

The pastures were historically underutilized. To address this, we established a Community Pasture Action Committee that will be

- Finalizing business plans for all active Community Pasture Co-Operatives
- Implementing a communication strategy to share information between the co-operatives, and inform the public on how to access pastureland
- Reviewing all pastureland ownership and addressing any outstanding issues or barriers to pasture expansion through purchasing of privately held lands, completing survey work, and migrating land.

FLB is partnering with Perennia Food and Agriculture Inc. and the Nova Scotia Department of Agriculture to launch the Community Pasture Support Program. This program will provide investment through 2022-23 to help ensure pastures achieve new

levels of success and play the pivotal and valued role highlighted in the Nova Scotia and Maritime Beef Sector Strategies.

Performance Goals

The Crown Lending Agency (CLA), the administrative unit supporting the FLB, is working with a new strategic objective to be the lender of choice in the sectors we serve. This will be actioned by undertaking initiatives under three theme areas as identified below.

1) *Focus on Clients*

CLA will undertake measures to build and improve on our client service and product offerings. Key initiatives under this focus area will be:

- improving client communications
- continuing execution and expansion of marketing efforts
- improving legal documents
- following-up on applications

2) *Focus on People*

CLA seeks to continue the successes of the last number of years by investing in the success of our people. Key initiatives to be addressed under this focus area are:

- undertaking employee-led initiatives driven by the results of the Provincially administered “How’s Work Going?” survey
- working with our people to identify areas of potential growth that present opportunities for cross-training and development internally
- recruiting new board directors
- engaging board members to access community and industry knowledge, facilitate partnerships, and represent the Board at industry meetings and events.

3) *Focus on Development*

CLA will work to grow and strengthen its portfolio through the following activities:

- increasing outreach to existing and prospective clients through marketing, staff, and board efforts
- leveraging our industry knowledge and lending expertise to diversify further into processing and value-added lending
- expanding on the tools used to structure deals that best suit client needs
- using our existing partnerships to ensure we are offering the right products to meet the demands of the sectors we serve.

Review of Agencies, Offices, and Crown Corporations

In 2021-22, Government committed to undertake a review of agencies, offices, and crown corporations. The purpose of this review is to examine the mandate and legislation of each entity to ensure they are offering effective, efficient, and accountable services to the Nova Scotians they serve. The FLB was selected in the initial 20 agencies being reviewed. This work is expected to be completed in 2022-23.

Capital Funds

Description	2021-2022	2021-2022	2022-2023
	Estimate	Forecast*	Estimate
	(\$ 000)	(\$ 000)	(\$ 000)
Opening principal	166,782	176,717	207,368
Add loan advances	40,000	61,600	60,000
Less repayments	(28,000)	(26,520)	(28,000)
Less principal written off	(2,000)	(4,429)	(2,000)
Closing principal	176,782	207,368	217,368
Provision for impaired accounts			
Opening provision	10,202	15,065	10,889
Less accounts written off	(2,000)	(4,429)	(2,000)
Additions (principal portion of bad debt expense +/- adjustments)	253	253	253
Closing allowance	8,455	10,889	9,142
Net portfolio at year end	168,327	196,479	208,226
Agriculture Land Investment	-	-	2,500

*Forecast data from January 12, 2022

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

BUSINESS PLAN

2022-2023

Nova Scotia Fisheries and Aquaculture Loan Board

You see potential. So do we.



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Message from the Board Chair and CEO

The Nova Scotia Fisheries and Aquaculture Loan Board (FALB) was first established in the 1930's to provide a source of short-term capital to the fisheries sector. Providing fair and affordable access to capital from the start established our reputation as a trustworthy partner. From its early days as the Fishermen's Loan Board and through various name changes over 80+ years, the objective of the Board has been to act as a partner in improving, developing, and modernizing the sector to help it reach its maximum potential. That work continues today as we partner with clients harvesting, processing, and farming seafood.

Nova Scotia Based Decisions

As Nova Scotia's economy emerges from the COVID-19 pandemic, the FALB will continue to follow industry trends and be prepared to develop innovative lending solutions and respond proactively to industry needs. The pandemic has highlighted the importance of local food production and processing capacity as supply chain disruptions led to many shortages on store shelves. Post-pandemic demand for FALB lending products has been at or near record levels. The pandemic brought attention to the importance of having a Nova Scotia based lender who acutely understands local impacts and is able to act nimbly to address the needs of its clients.

Local Experience

While the pandemic is the latest event to impact our province, it is only one example of how the FALB has remained a steadfast partner to industry in Nova Scotia. For over 80 years, we've been adjusting our product offerings to support growth and expansion but also taking swift action to respond to industry needs; we take pride in being a partner not only in good times but also during more challenging times. This speaks to the true value of working with a local lender, guided by an industry-led board of directors who live and work right here in Nova Scotia.

Partnering for Success

FALB staff and Directors understand the importance of our ocean-based resources to all Nova Scotians and work to support innovation, growth, employment, and sustainability in the sector. FALB has built partnerships with industry associations, the Nova Scotia

Nova Scotia Fisheries and Aquaculture Business Plan 2022 - 2023

Department of Fisheries and Aquaculture, Perennia Food and Agriculture Inc., and through the Atlantic Fish Fund to ensure both established operations and new entrants understand the value proposition of working with a local lender and see the Board as a go to partner for their financing needs.

FALB is in the process of developing a new strategic plan with a goal of being a lender of choice in our sector in Nova Scotia. We will work toward this goal by zeroing in on three objectives: a focus on clients, a focus on people, and a focus on development. The ocean and its related businesses are key economic drivers in Nova Scotia, especially in our rural communities. Our 2022-23 business plan seeks to build on the momentum of the past year by outlining our partnership role in providing stable, affordable, and innovative financing solutions that meet the needs of local harvesters, processors, and related businesses.

Original signed by

Denny Morrow
Chair

Original signed by

Jennifer Thompson
Chief Executive Officer (CEO)

About the Fisheries and Aquaculture Loan Board

FALB is Nova Scotia's ocean resource focused lender. Since 1936, the FALB has been working to ensure the fishing sector in Nova Scotia is financially stable by providing short, medium, and long-term capital at competitive interest rates.

The FALB is committed to supporting established operators while also providing opportunities for new entrants to enter the sector. This is achieved by offering products designed to meet various lending needs such as smaller micro loans to larger loans for new vessels, licences, and processing equipment. Loan terms, amortizations, and payment schedules are structured through gaining an understanding of the operation and discussing the client's needs.

FALB's Board of Directors is made up of Nova Scotia residents who are corporate or community leaders who understand the fisheries and aquaculture sector and its importance to communities, workers, and the Nova Scotia economy. Board members are recommended by the Minister of Fisheries and Aquaculture and appointed by Governor in Council.

The FALB is a critical link in the capitalization of rural Nova Scotia businesses with an investment of over \$260 million in provincial fishing, aquaculture, and processing enterprises.

Fisheries and Aquaculture Loan Board Focus

In 2022-23, the FALB will focus on:

- Continuing to monitor the evolving pandemic situation and its impact on our clients. FALB is prepared to respond with appropriate supports and lending programs to ensure adequate access to capital to respond to challenges and capitalize on new opportunities.
- Supporting our clients, and the sector at large, through provision of capital at competitive rates.
- Undertake a new strategic planning exercise with the overall objective of positioning the organization as the lender of choice in our sector.

- Promote and expand our product offerings and services into the developmental and value-add sectors.
- Continued focus on support of new entrants and succession planning in the industry. In recent years, upwards of 40% of new applicants have been in the 19-35 age bracket.

The strength of FALB remains our connection to our clients and our shared Nova Scotia roots. These uniquely position us to offer solutions developed right here at home.

Portfolio Management

The FALB has experienced tremendous growth in its portfolio as seafood exports hit record numbers in recent years.

- \$260 million in investments (estimated)
- 1,000 loans
- 6% increase in outstanding loans
- \$35 million dollar increase in outstanding principle
- \$75 million in new loans (estimated) in 2021-22, \$300 million over 5 years
- Arrears at record lows as a % of the portfolio
- FALB will invest up to \$60 million in 2022-23

Performance Goals

The Crown Lending Agency (CLA), the administrative unit supporting the FALB, is working around a new strategic objective to be the lender of choice in the sectors we serve. This will be actioned by undertaking initiatives under three theme areas as identified below.

1) *Focus on Clients*

Key initiatives under this area of focus will be:

- build and improve our client service and product offerings
- ensure our clients are receiving easy, fast, and personalized service
- improved client communications
- expansion of marketing efforts

- improved legal documents
- application follow-up
- improved applications

2) *Focus on People*

Key initiatives under this area of focus will be:

- undertaking employee-led initiatives driven by the results of the Provincially administered "How's Work Going?" survey
- work to identify areas of potential growth that present opportunities for cross-training and development internally
- reduce administrative processes
- recruit new board directors and engage board members to access community and industry knowledge, facilitate partnerships, and represent the Board at industry meetings and events.

3) *Focus on Development*

Key initiatives under this area of focus will be:

- increased outreach to existing and prospective clients through marketing, staff, and board efforts.
- leverage our industry knowledge and lending expertise to diversify further into processing and value-added lending.
- expand on the tools used to structure deals that best suit our clients.
- use our existing partnerships to ensure we are offering the right products to meet the demands of the sectors we serve.

Review of Agencies, Offices, and Crown Corporations

In 2021-22, Government committed to undertake a review of agencies, offices, and crown corporations. The purpose of this review is to examine the mandate and legislation of each entity to ensure they are offering effective, efficient, and accountable services to the Nova Scotians they serve. The FALB was selected in the initial 20 agencies being reviewed. This work is expected to be completed in 2022-23.

Capital Funds

Description	2021-2022	2021-2022	2022-2023
	Estimate	Forecast*	Estimate
	(\$ 000)	(\$ 000)	(\$ 000)
Opening principal	235,415	231,278	262,073
Add loan advances	60,000	75,000	60,000
Less repayments	(27,000)	(40,300)	(27,000)
Less principal written off	(-)	(-)	(-)
Closing principal	268,415	265,978	295,073
Provision for impaired accounts			
Opening provision	3,519	2,055	2,905
Less accounts written off	(-)	(-)	(-)
Additions (principal portion of bad debt expense +/- adjustments)	850	850	850
Closing allowance	4,369	2,905	3,755
Net portfolio at year end	264,046	262,073	291,318

*Forecast data from Dec 30, 2021

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

**FINAL
2022-23 BUSINESS PLAN**

January 2022

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P.O. Box 1501
Halifax, NS B3J 2Y3
www.gamingns.ca

Phone: (902) 424-2203
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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 2022-23. The Plan focuses on our commitment to offer an industry that is well regulated, fun and entertaining, and provides Nova Scotians with tangible, financial benefits. This Plan is about being a key contributor to the Province, its people and good causes that are important to Nova Scotians and creating a gaming industry Nova Scotians are proud of and enjoy.

The COVID-19 pandemic has impacted the citizens and businesses of Nova Scotia, as it has our neighbours across the country and around the world. As referenced in the Plan, the gaming industry was no exception. However, players, retailers, operators and their employees continue to abide with public health measures, and the industry is focused on recovery.

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

The 2022-23 Business Plan demonstrates a business culture that promises to give back to the people of Nova Scotia. Since it began in 2006, the *Support4Sport* program has raised more than \$51 million to support local athletes, coaches, officials and community sport organizations. This program is now the largest contributor to sport in Nova Scotia and reflects a longstanding historical link between gambling and sport. Modelled on the success of the *Support4Sport* program, NSGC launched *Support4Culture* in 2013, a program that has contributed more than \$25 million to support the arts, culture and heritage sectors.

NSGC's Plan for 2022-23 highlights its strategies to achieve responsible economic returns in an environment where there is increasing competition from both regulated and non-regulated gambling options. NSGC is committed to offering Nova Scotians a socially responsible and economically sustainable gaming industry.

Respectfully submitted,

The Honourable Allan MacMaster
Minister responsible for Part I of the *Gaming Control Act*

Kelliann Dean
Chair, Board of Directors



Robert MacKinnon
President & CEO

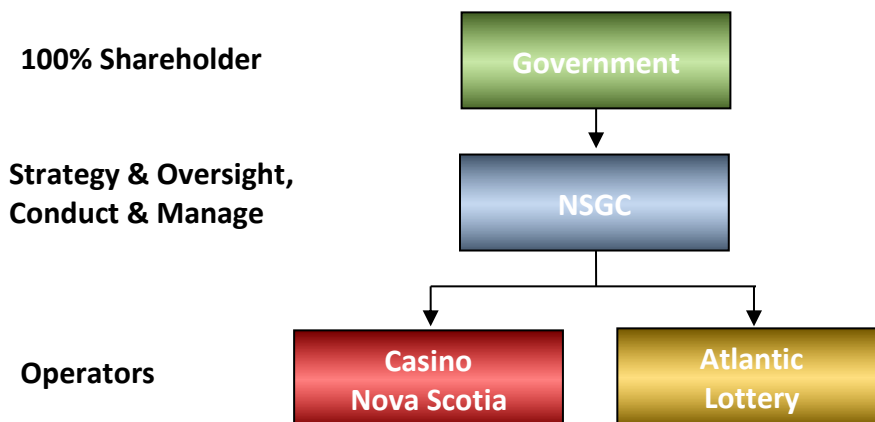
Mission

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

Organization Mandate

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

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



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

COVID-19 Impact

COVID-19 has had an impact across Nova Scotia, affecting our communities, our players and our employees. The impact on NSGC's business continued during the 2021-22 fiscal year. The shut down of the casinos and video lottery terminals for seven weeks and various public health measures negatively impacted the financial results for the year; however, NSGC continued to see growth in online play resulting in new account sign ups and increased revenues.

The recent surge of the latest COVID-19 variant and its impact on players, retailers and our communities has required NSGC to revamp the projection for the current year and consider impacts for 2022-23. As vaccination rates continue to rise and COVID-19 reaches the endemic phase, NSGC's plan for 2022-23 will include a number of initiatives targeted at building back the business that was lost during the pandemic while maintaining relevance in the online space.

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 2022-23, NSGC will provide \$151.1 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 \$36.5 million in retail commissions to local businesses.

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

Responsible Industry Development

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

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

offer responsible gambling programs that promote awareness, education and informed choice for all Nova Scotians.

Operations Management

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

1. *Operator Management* – Oversee NSGC’s Operators (i.e., ALC and CNS) to ensure there is strategic alignment with Nova Scotia’s goals and that projects are completed as planned. Ensuring the Operators offer products that are fun and entertaining as well as socially responsible in an environment of security and integrity are key objectives.
2. *Risk Management and Quality Control* – Proactively manage risks and employ effective quality control of NSGC and its Operators’ day-to-day activities and the business environments in which they operate.
3. *Compliance Management* – Ensure operations conform to legislation, regulations, contracts and policies. Careful oversight of operations allows NSGC to ensure the industry is managed to the highest standards of integrity, public confidence and security, and is a critical piece of NSGC’s mandate.

Status of 2021-22 Activities

The impact of COVID-19 continued through 2021-22 with some areas of the business affected more than others. The seven-week shutdown of the casinos and video lottery terminals resulted in reduced revenue and NSGC continued to see a shift in consumer behaviour towards online play. Some of the highlights in each area include:

Casinos: The casinos in Halifax and Sydney were closed for a seven-week period in the spring of 2021. Since re-opening on June 16, 2021, results have been strong and business levels have been improving.

Ticket Lottery: There was growth in online sales for both traditional ticket lottery and new online games. The shift in consumer behaviour towards online play that began in 2020 is continuing through the 2021-22 year.

Video Lottery: The video lottery terminals were shut down on April 23rd and were available again on June 16th with physical distancing and masking in place.

Responsible Gambling: Responsible gambling programs remain a priority for NSGC. Initiatives completed in 2021-22 included:

- ▶ The evolution of responsible gambling to gambling literacy awareness, including a year-round campaign promoting improved gambling literacy.
- ▶ Gambling Literacy Awareness Week is scheduled for January 2022 utilizing the new gambling literacy campaign developed; and.
- ▶ Continued implementation of the Responsible Gambling Assessment program to ensure all games, promotions and materials are evaluated prior to launch in the marketplace.

2022-23 Strategic Goals and Priorities

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

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

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

Priorities

In striving to generate responsible economic returns, NSGC will focus its attention on the following priorities in 2022-23:

Casinos – CNS plans to focus on inviting guests back to the casinos and improving guest service standards while operating within restrictions that may be in place to reduce the spread of COVID-19. Increased dining options and the gradual re-introduction of entertainment amenities will happen during the year as public health guidelines permit and consumer confidence builds. Access to the casino in Halifax may be affected during the year as the Cogswell Interchange project is expected to begin; however, mitigation plans have been developed to lessen the impact.

Ticket Lottery – Ticket lottery is NSGC's most mature business line and most of the future growth will come from improvements to the online experience. In 2022-23, ALC will leverage the investments made over the past number of years and the shifting customer behaviour to offer new games, make improvements to the retail experience as well as expand the mobile-based offering. The strategic focus is to better align with the needs of shifting demographics while continuing to maintain and appeal to the broader consumer base.

Video Lottery – The focus for 2022-23 will include efforts to further integrate responsible gambling into the day-to-day operations at retail locations to reduce the stigmatization of video lottery and its players. It is expected that the changes that were previously required relating to cleaning protocols and physical distancing will no longer be required in 2022-23.

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

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

Priorities

The plan for 2022-23 is to improve the player experience and expand the offering for those who choose to purchase lottery products online. The Corporation will strive to ensure that the transactional web portal and any player-facing components meet industry standards and the players' expectations. In addition, NSGC will continue to ensure that the online platform offers a safe and regulated environment in which to play, as well as providing sufficient harm-mitigation tools for those who choose to gamble online.

Goal #3: Lead responsible gaming

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

Priorities

NSGC will continue responsible gambling programs such as:

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

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

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

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

Priorities

NSGC will continue:

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

Outcomes and Performance Measures

Outcome	Indicator(s)	Measure(s)	Baseline	Target 2022-23	2021-22 Strategies and Initiatives	Long-term Target 2025-26
Nova Scotia has an economically sustainable and socially responsible gaming industry.	The Province has a sustainable source of revenue from gambling to help pay for programs and services	Gross sales	5-year Average (2015-2020) \$447.9 million	\$473.2 million	Continue to provide relevant and engaging products to players in a safe and regulated environment	\$478.7 million
		Payment to Province	5-year Average (2015 to 2020) \$142.8 million	\$151.1 million	Ensure Operators are meeting business plan objectives	\$154.2 million
	Government reduced reliance on revenue from VLTs	Video Lottery as % of total provincial revenue	(2010-11) 0.91%	0.85%	Grow revenue from other business lines (e.g., Ticket Lottery)	0.85%
	NSGC supports small businesses across the province through commissions to retailers	Commission paid to retailers	(2010-11) \$39.8 million	\$36.5 million	Leverage new ticket and video lottery products and make further enhancements to the video lottery business model	\$36.5 million
Nova Scotia has a socially responsible 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	(2019-20) 17%	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	(2019-20) 87%	90%		90%
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	(2019-20) 63%	65%	Execute initiatives in the Corporate Social Responsibility Business Plan	65%

2022-23 Budget

	Estimate 2021-22 (\$ 000)	Forecast 2021-22 (\$ 000)	Estimate 2022-23 (\$ 000)
Sales			
Casinos	\$ 54,800	\$ 53,000	\$ 70,500
Ticket Lottery	272,300	271,200	278,500
Video Lottery	<u>122,400</u>	<u>98,800</u>	<u>124,200</u>
Total Sales	<u>449,500</u>	<u>423,000</u>	<u>473,200</u>
Cost of Sales	<u>293,500</u>	<u>283,300</u>	<u>317,200</u>
Gross Profit	<u>156,000</u>	<u>139,700</u>	<u>156,000</u>
Expenses			
Responsible Gambling Programs	7,100	6,400	7,300
Commitments to Community			
Programs	<u>10,200</u>	<u>10,000</u>	<u>10,400</u>
Total Expenses	<u>17,300</u>	<u>16,400</u>	<u>17,700</u>
Net Income	<u>138,700</u>	<u>123,300</u>	<u>138,300</u>
Casino Win Tax	<u>10,300</u>	<u>9,900</u>	<u>12,800</u>
Payment to Province	<u>\$149,000</u>	<u>\$ 133,200</u>	<u>\$151,100</u>

Nova Scotia Lands Incorporated

Business Plan 2022–23



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Message from the Minister and President

We are pleased to present the 2022-2023 business plan for Nova Scotia Lands Inc. (NSLI).

In 15 years of service to Nova Scotians, NSLI has successfully managed multiple, major environmental remediation and construction projects. Examples include remediation of the tar ponds and coke ovens sites in Sydney, remediation of the former Harrietsfield land fill, numerous redevelopment projects in NSLI's commercial parks, and several projects to salvage abandoned vessels around Nova Scotia. NSLI continues to carry out environmental remediation projects across the province, addressing issues with Provincially owned mines, dams, and other land assets.

NSLI operates three commercial parks in Port Mersey, Sydney, and Trenton, with the focus on marketing properties in the parks to prospective businesses and government interests for both development and job creation opportunities. Harbourside Commercial Park is home to 25 businesses, employing more than 300 people, while 10 businesses are in Port Mersey Commercial Park, with full time and seasonal employment for between 80-100 Nova Scotians. The company operating in Trenton Commercial Park employs 30 people and NSLI is negotiating the sale of the remaining pieces of property .

Remediation efforts to return Boat Harbour back to a tidal estuary continue. Extensive site and base line assessments have been completed, and the project detailed design is substantially complete. Our stakeholder engagement continues to be significant, including the public, other levels of government, First Nations, academia, and industry. The federal environmental assessment has been a significant focus of NSLI efforts and is well advanced. NSLI has initiated planning for the major upcoming procurements on the project as we swing towards its implementation.

NSLI's Healthcare Infrastructure Projects Division oversees delivery of the QEII New Generation and Cape Breton Healthcare Redevelopment projects to transform how health care is delivered to meet the needs of all Nova Scotians. These are the largest infrastructure projects in Nova Scotia's history.

Nova Scotia Lands Inc. Annual Plan 2022-2023

Other priorities for the upcoming year are in NSLI's dams and mines practices and continuing to build NSLI's Asset Inventory and Government Property Inventory programs.

We look forward to another productive year!

Sincerely,

(Original signed by)

Honourable Kim D. Masland
Minister

(Original signed by)

John Fahie
A/President, Nova Scotia Lands Inc.

Background

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

Over the years, as NSLI's role has increased, capacity has been built in the areas of environmental analysis, assessment and monitoring, environmental remediation, brownfield redevelopment, and land management and maintenance. NSLI's role now includes the management of the former industrial sites in Trenton, Port Mersey, Pictou, Harrietsfield, and Sydney; coordination of work on provincially owned dams and mines; removal of abandoned vessels around Nova Scotia's shoreline; Boat Harbour Cleanup; and Health Care Infrastructure.

This plan highlights NSLI's priorities for the upcoming year.

Mandate

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

Core Programs

Environmental Analysis and Remediation

Environmental Analysis and Remediation provides project management (project intake, prioritization, oversight, and reporting), environmental (remediation, monitoring and maintenance, and water treatment plant operations), and construction services (assessment, planning, construction, and demolition) to provincial departments and agencies and other divisions of NSLI. In 2022-23, Environmental Analysis and Remediation will:

- Continue to provide technical support for project activities associated with the Boat Harbour Remediation Project.
- Operate and maintain the Boat Harbour Effluent Treatment Facility.
- Carry out long-term monitoring and maintenance activities at the former Sydney Steel (Sysco) Plant Site and at the Harrietsfield Site.

- Employ an environmental monitoring system to ensure reporting requirements are met on all Industrial Approvals (IA's) from Nova Scotia Environment and Climate Change regulators.
- Manage projects being carried out by consultants in support of environmental monitoring, remediation, and construction on NSLI and provincial properties.

Parks and Land Management

Parks and Land Management operates NSLI's commercial parks, including general maintenance and groundskeeping, security, property development, sales, and leasing. The Division is also responsible for the Provincial Dams Program and NSLI's Land Asset Inventory Management Program. In 2022-23, Parks and Land Management will:

- Continue to sell and/or lease land and other assets to new and existing businesses to help foster economic growth and job creation.
- Manage park operations, implement improvements, and support existing businesses and tenants, as required.
- Continue to identify, review, and dispose of redundant assets.
- Build on the success, to date, of Open Hearth and Harbourside Commercial Parks use for promotional events.
- Continue to highlight the link between Open Hearth Park and Harbourside Commercial Park.

Provincial Dam Management

The Provincial Dam Management Program coordinates the planning, funding, and restoration of provincially-owned dams and water control structures in Nova Scotia. There are approx. 600 dams in Nova Scotia, 40 of which are owned by the Province.

Program responsibilities include coordination, oversight, and reporting of dam activities. In 2022-23, additional dam assessments and approved projects will be completed.

Asset Inventory Management

Information about NSLI's land assets is maintained in an asset inventory that keeps data about the properties owned by NSLI including sites, land parcels, buildings, and civil infrastructure. The inventory will continue to be updated in 2022-23.

NSLI is leading a project to develop a Nova Scotia Government Property Inventory Program to enable corporate decisions regarding the province's land holdings for economic development purposes, housing, and other initiatives that require a provincial view of all land assets. Implementation of the Program will begin in 2022-23.

Boat Harbour

The Boat Harbour Remediation Project is being undertaken to clean up Boat Harbour and restore it to a tidal estuary. Pilot-scale testing was completed, and a detailed design of the remedial solution is substantially complete. The proposed remediation activities are estimated to be complete in four to seven years commencing, at the earliest, in 2023. The project is subject to a federal environment assessment (EA) process undertaken by the Impact Assessment Agency of Canada (IAAC), which includes consultations with Pictou Landing First Nation (PLFN) and the public.

Health Care Infrastructure

NSLI created a Healthcare Infrastructure Projects Division to deliver the largest infrastructure projects in the history of Nova Scotia. This team oversees delivery of the QEII New Generation and the Cape Breton Healthcare Redevelopment project portfolios.

The QEII New Generation portfolio of projects is a very large, multi-year redevelopment program that represents a once-in-a-generation opportunity for the Province to transform how health care is delivered to meet the needs of all Nova Scotians. The program is focused on the development of new health care facilities and programs within the QEII Health Sciences network, enabling services to be relocated from aging facilities such as the Victoria General Hospital and Dickson Centre to new, state of the art buildings and renovated program spaces.

The Cape Breton Healthcare Redevelopment initiative is focused on building, re-organizing, and strengthening health care services in Cape Breton Regional Municipality. The associated projects will open the door to better meet the needs of individuals, families, and communities now and for future generations. Quality health care services will be provided via modern and innovative solutions built into the new Health Centres planned for New Waterford and the Northside communities, as well as expansion and renovations at the Glace Bay and Cape Breton Regional hospitals. Design work is underway throughout the program and early construction work has begun at the Cape Breton Regional Hospital and Northside Health Complex project sites.

The following table shows the significant progress made in the delivery of the health redevelopment portfolios for Nova Scotians.

Portfolio	Project	Major Milestones / Status
QEII New Generation	Halifax Infirmary Expansion	<ul style="list-style-type: none"> Request for Proposal (RFP) Issued Nov 2020 Currently in RFP Open Period
	Bayers Lake Community Outpatient Centre	<ul style="list-style-type: none"> RFP Closed Aug 2020 Awarded to EllisDon Infrastructure Healthcare On schedule for occupancy Spring 2024
	Dartmouth General Hospital – Renovation	<ul style="list-style-type: none"> Substantially complete – December 2021
	Dartmouth General Hospital – Expansion	<ul style="list-style-type: none"> Substantially complete – December 2020
	Summer Street Parkade	<ul style="list-style-type: none"> Install precast structure substantially complete – Oct 2021 Street Services cutover and install substantially complete – Nov 2021 Project on schedule for completion Spring 2022
	ED Administration Office Relocation	<ul style="list-style-type: none"> Design Phase substantially complete – May 2021 Weathertight substantially complete – Jun 2021 Project on schedule for completion Summer 2022
	Halifax Infirmary – Floors 3, 5 & 6 Renovation	<ul style="list-style-type: none"> Phase 5-5 isolation Rm substantially complete – Jun 2021 Phase 5-1B MDR substantially complete – Dec 2021 Project on schedule for completion Spring 2022.
	Chemotherapy Preparation Laboratory	<ul style="list-style-type: none"> Substantially complete – Mar 2020
	CBC Building Demolition	<ul style="list-style-type: none"> Substantially complete – Jan 2021
Cape Breton	Cape Breton Regional Hospital	<ul style="list-style-type: none"> Energy Centre – Construction started Jun 2021 Cancer Care Centre – Construction started Nov 2021 Project on schedule
	Northside Health Complex	<ul style="list-style-type: none"> Construction started Mar 2021 Project on schedule
	New Waterford Primary Care Facility	<ul style="list-style-type: none"> Project on schedule In design development Construction start scheduled for early 2022
	Glace Bay Hospital – Renovation / Expansion	<ul style="list-style-type: none"> Project on schedule In design development Construction start scheduled for Summer 2022

In 2022-23, the Healthcare Infrastructure Division will continue to deliver the strategic Healthcare Redevelopment projects to improve health care services throughout the Province.

Budget Context

Note: This is NSLI's requested budget. It is subject to change pending completion of the 2022-2023 provincial budget process.

The budget context for NSLI's Healthcare Division is presented separately because of the magnitude of the project budget.

Nova Scotia Lands – Healthcare Division

	Estimate 2021-2022 ('000)	Forecast 2021-2022 ('000)	Estimate 2022-2023 ('000)
REVENUES			
Provincial Funding	18,015	14,567	17,041
TOTAL REVENUE	18,015	14,567	17,041
EXPENSES			
Salaries and Benefits	12,443	11,168	12,443
General Operating Expenses	5,572	3,380	4,598
TOTAL EXPENSES	18,015	14,548	17,041
NET INCOME/(LOSS)	0	19	0
Current Year Budget/Forecast Variance Explanation: Reduction of \$3.467M to reflect P3 Operating Accounting Treatments for QEII New Generation as well as savings of vacancies and operational expenses.			
Budget/Budget Variance Explanation: Net decrease of \$974K in P3 professional consulting services.			

Nova Scotia Lands

	Estimate 2021-2022 ('000)	Forecast 2021-2022 ('000)	Estimate 2022-2023 ('000)
REVENUES			
MISCELLANEOUS RECOVERIES	189	32	80
LEASES	245	222	193
WHARF USAGE	0	56	0
EQUIPMENT RENTALS	5	0	0

	Estimate 2021-2022 ('000)	Forecast 2021-2022 ('000)	Estimate 2022-2023 ('000)
ECONOMIC DEVELOPMENT PROVINCIAL RECOVERY	1,259	1,259	1,259
GRANT - PICTOU WHARF	0	6	0
PNS GRANT	750	750	600
OHP LONG TERM MAINTENANCE & MONITORING FUND & ADMIN FEE	1,183	1,021	1,232
PROVINCIAL FUNDING	35	510	510
SALE OF LAND-GAIN	290	16	0
SUL RECOVERY	120	128	120
BOAT HARBOUR & ADMIN FEE	5,650	5,950	7,750
DAM PROJECTS	72	0	1,576
RECOVERY FROM SYSCO & ADMIN FEE	2,554	1,892	1,683
MISCELLANEOUS INCOME	87	41	50
GOLD MINES PROJECT & ADMIN FEE	7,500	2,100	2,602
TIDAL ENERGY PROJECT	40	0	0
TRENTON COMMERCIAL PARK	1,076	1,076	400
HARRIETSFIELD LANDFILL	310	2,861	57
ARO AMORTIZATION	0	0	30
MARINE VESSEL PROGRAM & ADMIN FEE	535	711	0
LAF CONTAMINATED SITES	1,500	1,430	1,080
OTHER REVENUE	0	0	743
MISCELLANEOUS PROJECTS	2,170	150	0
TOTAL REVENUE:	25,570	20,211	19,965
EXPENSES			
PAYROLL EXPENSES	2,160	2,235	1,856
GENERAL & ADMINISTRATIVE EXPENSES	1,761	2,140	1,841
PROVINCIAL ECONOMIC DEVELOPMENT INITIATIVES-PMCP	1,259	1,000	1,000
SITE RECONSTRUCTION - PMCP	25	34	25
SYSCO LTMM	2,075	1,413	1,324
OH PARK & CO LTMM	824	661	872
PICTOU WHARF	6	7	0
BOAT HARBOUR	5,171	5,471	7,390
GOLD MINES	7,400	2,000	2,500
MARINE VESSEL PROGRAM	485	638	0
DAM PROJECTS	72	1	1,500
TRENTON COMMERCIAL PARK	657	433	416
HARRIETSFIELD LANDFILL	300	2,850	36
LAF CONTAMINATED SITES	1,350	1,350	900
MISCELLANEOUS PROJECTS	2,025	0	0
AMORTIZATION	0	0	305

Nova Scotia Lands Inc. Annual Plan 2022-2023

	Estimate 2021-2022 ('000)	Forecast 2021-2022 ('000)	Estimate 2022-2023 ('000)
TOTAL EXPENSES	25,570	20,233	19,965
NET INCOME/LOSS	0	-22	0

ANNUAL BUSINESS PLAN
FISCAL YEAR 2022-2023



A NEW CHAPTER

CELEBRATING THE GOOD

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

Our anchor has always been our people. We strive to create exceptional employee experiences, which translates to exceptional customer service experiences across all our touchpoints. We work hard to be an employer of choice, a leader in corporate social responsibility, and a committed and innovative partner to business and local industry.

Our customers tell us that they are pleased with the service we provide, but we are striving for excellence. We are proud of what we have accomplished during our last five-year strategic plan and recognize that the 1800 Nova Scotians we employ are the heart of the business and the key to our success. They represent everything we are proud of and are responsible for generating all the good we do. For this reason, our current strategic plan and this annual business plan focuses on our people, as well as our commitment to corporate social responsibility and exceptional customer experiences. We are determined to take the good we do to the next level by collaborating, learning more about how to better serve our customers, partnering with local industry, and looking for ways to share the good we do with the people of Nova Scotia.

OUR LEGISLATIVE MANDATE

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

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

LIQUOR CONTROL ACT (LCA) OBJECTIVES:

CUSTOMER: Attainment of acceptable levels of customer service

RESPONSIBILITY: Promotion of social objectives regarding responsible drinking

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

FINANCIAL: Attainment of suitable financial revenues to government

PROVINCIAL CANNABIS CONTROL ACT (CCA) OBJECTIVES:

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

FEDERAL CANNABIS CONTROL ACT (CCA) OBJECTIVES:

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

OUR BRAND

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

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

OUR PURPOSE | OUR REASON FOR BEING

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

OUR VISION | WHO WE ASPIRE TO BE

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

OUR VALUES | HOW WE ACT

- Knowledgeable
- Optimistic
- Responsible
- Respectful
- Engaged

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

OUR STRATEGIC PRIORITIES

We are embarking on the third year of our Strategic Plan in fiscal 2022-2023. The last two years have been shaped by the COVID-19 pandemic, which saw our service approach shift to place an increased priority on safety. In this context, we continue to be committed to delivering consistent and exceptional experiences for our customers. As always, we take our role as a responsible steward of beverage alcohol and cannabis sales in Nova Scotia seriously.

External forces continue to shape our business and the purchasing decisions of our customers, including expectations of how product is accessed in an era of personalization and convenience. This adds increased complexity to our business and challenges the status quo. Nova Scotia is faced with changing demographics and the shifting consumer preferences that come with that. We are tasked with understanding the evolving customer journey and finding new ways meet our customers' expectations. COVID-19 has simply accelerated this reality. Importantly, our people are central to delivering on these expectations and upholding our social responsibility mandate. As a result, our focus will be to support our people through the lens of our service standards: safety, care, connection, and efficiency.

CUSTOMER

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

PEOPLE

We believe that the strength of our team will make it possible to deliver authentic, consistent, and exceptional customer experiences. We will empower our people to continue to build relationships with Nova Scotians by offering consistent, knowledgeable, reliable, safe, and responsible service. Supporting all employees through their entire employment life cycle will be a priority during the life of this plan. Ensuring our team members have the leadership, tools and support they need to work safely in the new context of COVID-19 will continue to be a top priority.

RESPONSIBILITY

Our corporate social responsibility mandate is at the heart of the organization, and we commit to taking our programs and initiatives to the next level through authentic integration of our plans throughout our organization. Our retail team challenges more than two million customers for ID every year, helping to keep our products out of the hands of minors. We will work hard to support our customers in their celebration of life's moments and help them choose products responsibly. We will continue to support our province through an enhanced community investment strategy and further our commitment to environmental and industry stewardship for Nova Scotia. We will continue developing programs and initiatives our employees are proud of and to celebrate the good we do for our province in new and different ways.

LOCAL

The buy-local movement continues to increase in popularity and demand by customers. We will continue to look for opportunities to collaborate and connect with local industry on an ongoing basis. By finding new and innovative ways to work together, sharing best practices, and leveraging expertise, we will support them in our capacity as a retailer and enable Nova Scotians to buy products they love.

FINANCIAL

We will remain steadfast in our commitment to supporting our focus areas and making a positive impact in the communities we serve through partnerships, environmental stewardship, volunteering, supporting local industry, and by our financial contribution.

There's so much good to celebrate with our employees, customers and business partners and we plan to keep the good going.

CUSTOMER

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

We will continue to look at ways to evolve to meet customer needs so that we can move from a great instore shopping experience to a great shopping experience in our customers' preferred channel. Our customer-first approach will be anchored in continuously listening and basing our actions on meaningful insights and our service standards.

STRATEGIES	ACTIONS	TACTICS
Improving how our customers shop with us	1. Offer Nova Scotians their preferred shopping experience to buy the products they love	Channel Innovation and Improvements: Home Delivery, MyNSLC.com roadmap and Cannabis store expansion Fulfillment strategy assessment in support of an evolved channel strategy Retail shopper evaluation project Agency channel shopping experience assessment and enhancements
Engaging with our Customers and People	1. Actively listen and respond to our customers and people to improve their NSLC experience	Employee communication enhancements strategy Assessment of customer relationship management tool Retail process alignment initiative

PEOPLE

Create exceptional employee experiences to drive exceptional customer experiences

Our people are the heart of what we do, why we do it and the key to our ongoing success. We will look for ways to support them through their employment lifecycle to create increased engagement, enabling them to better serve our customers. We are striving to be the employer of choice in Nova Scotia that demonstrates its commitment to its values and people.

STRATEGIES	ACTIONS	TACTICS
Build programs and a culture that attracts, develops and retains talent & celebrates the contributions of our people	<ol style="list-style-type: none">1. Support consistency of Service Standards2. Build leadership framework at the NSLC3. Build a talent acquisition and retention strategy4. Provide HR tools to support a progressive people-centric organization	<p>Develop service standards roadmap and implement foundations training</p> <p>Establish leadership skills and training program</p> <p>Develop a talent marketing plan</p> <p>Continue SAP SuccessFactors implementation roadmap and stabilization, including learning module</p>
Create a Culture of Belonging	<ol style="list-style-type: none">1. Establish a vision and roadmap for Accessibility and Equity, Diversity and Inclusion (EDI)2. Implement Employee Engagement Strategy	<p>Build an Accessibility Plan in accordance with the Provincial Accessibility Act, including EDI action plan</p> <p>Develop and roll out action plans in support of the 2021 Employee Survey</p>

RESPONSIBILITY

Fully integrate corporate social responsibility (CSR) into our organizational DNA

We commit to enhancing our efforts and celebrating our commitment to our legislated mandate through continued engagement with our people, partners, and stakeholders across key areas of responsible consumption education, community investment and sustainability.

STRATEGIES	ACTIONS	TACTICS
Deepen CSR function across the organization and build ambassadorship among our people, customers, partners and stakeholders	1. Identify meaningful points of engagement with our partners and throughout the organization	Deepen our partnerships across the pillars of community, responsible retailing/consumption and sustainability
Celebrate the Good – demonstrate the value of the NSLC as a leading corporate citizen	1. Develop plan to share the good and execute, in alignment with our brand roadmap	Implement multi-year communication strategy
Balance social, environmental and business needs to create sustainable success	1. Define and align environmental sustainability commitment and goals and ensure integration into the organization	Environmental Sustainability Roadmap – define scope and establish vision
Clarify and evolve our role in the regulatory framework as a responsible steward of the Nova Scotia industry	1. Policy and Regulatory Modernization 2. Enhanced oversight	Continued policy review & evolution Full implementation of a new local producer compliance program with a focus on information sharing and insights gather to support policy development Evolution of product quality testing program

LOCAL

Engaging with our Local Industry

We commit to collaborating with local manufacturers and producers in a proactive and planned manner to help bring Nova Scotians the products they love.

STRATEGIES	ACTIONS	TACTICS
Enhance Local Partnerships	<ol style="list-style-type: none">1. Proactive and Planned Engagement2. Demystify the NSLC for Local Partners3. Ensure customers can purchase the products they love	<p>Implement Local Strategy and measurement framework</p> <p>Implement local classification plan</p> <p>Develop local product strategy plan</p>

FINANCIAL

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

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

STRATEGIES	ACTIONS	TACTICS
Invest strategically in our technology and retail network to support the foundations of our business and positive customer and employee experiences	<ol style="list-style-type: none">1. Execute IT Roadmap foundational items2. Implementation of retail network improvement/maintenance roadmap	Continued implementation
Balance investments in our key focus areas with operational efficiency to drive ease of doing business & ensure consistent returns	<ol style="list-style-type: none">1. Enhance process improvement culture	Focus on efficiency and process improvement for key initiatives
Enable business strategy across our key focus areas – Customer, People, Local and Responsibility	<ol style="list-style-type: none">1. Align our insights foundation and organizational focus on customer-first initiatives that drive sustainable profitability2. Invest in developing our people and support them to drive exceptional customer experiences3. Continue to strategically support Local industry through the NSLC's expertise4. Continue to support corporate social responsibility initiatives	Continued implementation

PERFORMANCE MEASURES

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

CUSTOMER

Customer Satisfaction:

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Ongoing Target
83%	85%	89%	87%	86%	88%	88%	88%	90%	90%	89%	89%	88%	90%	89%	90%

PEOPLE

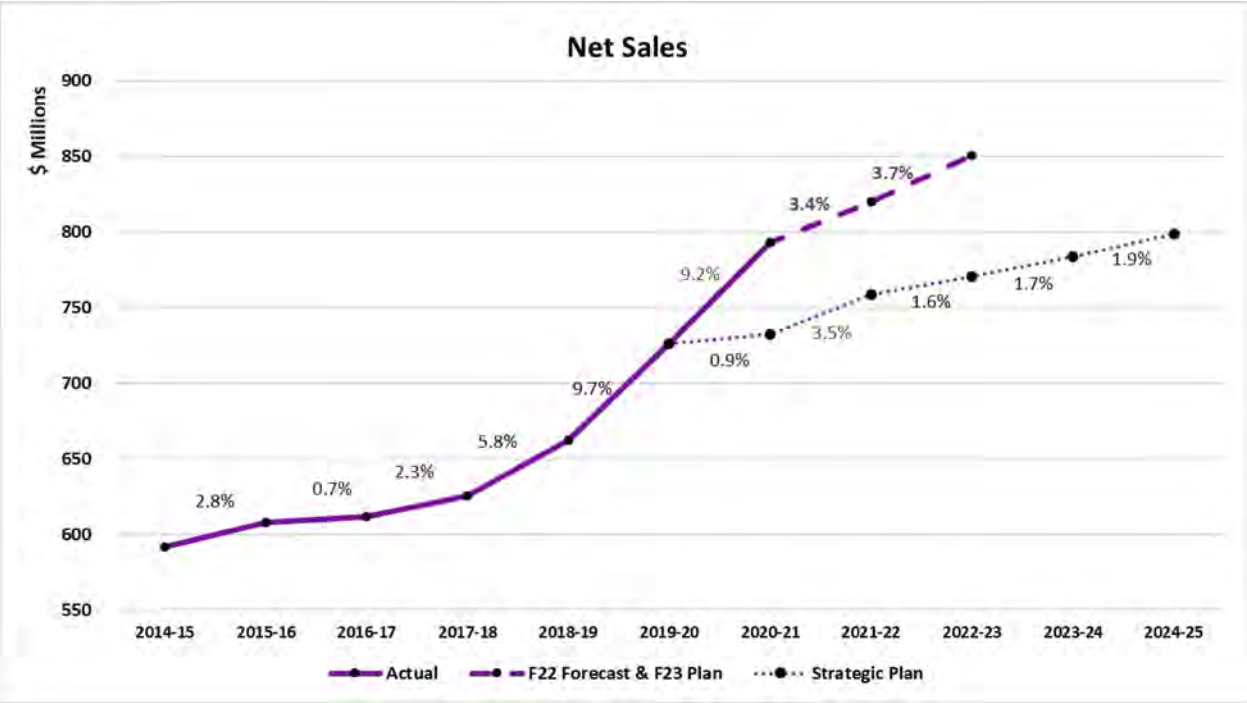
Employee Engagement:

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

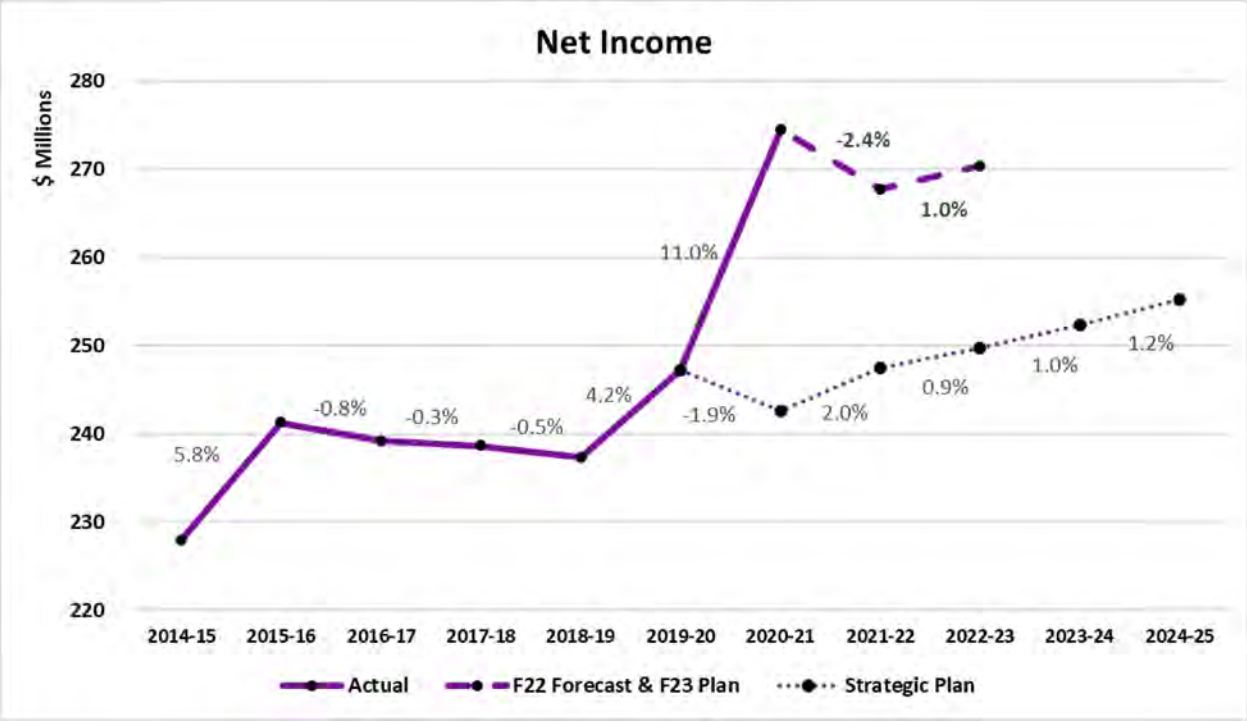
LOCAL INDUSTRY

New engagement measures are being defined to reflect consultations with industry.

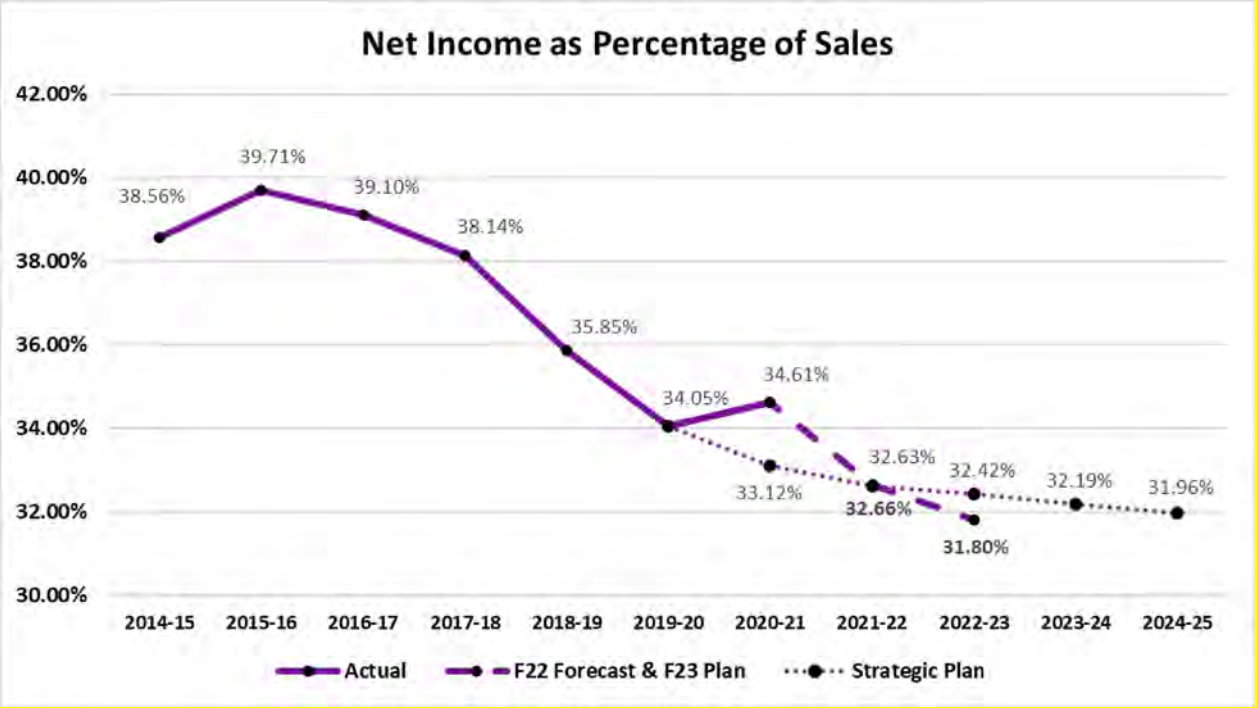
FINANCIAL



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



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



BUDGET CONTEXT

	Actual 2017-18	Actual 2018-19	Actual 2019-20	Actual 2020-21	Forecast 2021-22	Sales (%)	Budget 2022-23	Change (%)
Spirits	\$ 168,645,797	\$ 168,613,116	176,635,246	195,122,469	196,786,343		194,960,287	
Wine	150,788,173	148,814,870	156,516,374	158,247,330	165,833,238		172,024,046	
Beer	282,066,202	279,800,490	279,469,116	281,323,873	278,976,334		281,323,668	
Ready-to-drink	37,700,822	45,145,429	56,692,947	87,669,577	95,237,150		108,196,272	
Non-liquor	136,211	116,991	105,531	94,966	117,216		117,711	
Cannabis	0	33,188,581	71,002,606	85,987,361	100,346,048		112,505,912	
Total Gross Sales	639,337,205	675,679,477	740,421,820	808,445,576	837,296,329	102.1%	869,127,895	3.8%
Less: Discounts	13,675,313	13,595,882	14,254,443	15,376,558	17,310,572	2.1%	18,695,936	
Net Sales	625,661,892	662,083,595	726,167,377	793,069,018	819,985,757	100.0%	850,431,959	
Cost of Sales	284,136,988	311,241,996	352,856,366	387,221,273	412,566,201	50.3%	431,430,683	
Gross Profit	341,524,904	350,841,599	373,311,011	405,847,745	407,419,556	49.7%	419,001,276	
Less: Operating Expenses	63,555,752	69,867,242	72,682,403	79,166,693	85,848,606	10.5%	89,268,939	
Gross Operating Profit	277,969,152	280,974,357	300,628,608	326,681,052	321,570,950	39.2%	329,732,336	
Less: Supply Chain	7,216,564	9,239,509	9,426,501	9,612,572	9,531,488	1.2%	9,569,456	
Corporate Services	23,877,917	28,305,539	28,093,462	29,655,208	32,456,548	4.0%	35,890,552	
Other Expenses	4,945,050	1,486,897	5,299,322	2,371,986	1,614,428	0.2%	1,657,000	
Add: Other Revenue	5,032,858	4,498,577	4,888,070	5,325,325	5,094,186	0.6%	4,507,702	
Total Expenses (excl. stores)	31,006,673	34,533,368	37,931,215	36,314,440	38,508,278	4.7%	42,609,306	
Operating Income before Depreciation	246,962,479	246,440,989	262,697,393	290,366,612	283,062,672	34.5%	287,123,030	
Less: Depreciation	8,356,789	9,068,302	15,418,918	15,883,908	15,289,300	1.9%	16,677,483	
Income from Operations	238,605,690	237,372,687	247,278,475	274,482,705	267,773,373	32.7%	270,445,547	1.0%
Actuarial Loss (Gain)	282,700	(1,487,300)	(1,428,500)	1,338,300	-	0.0%	-	
Comprehensive Income	238,322,990	238,859,987	248,706,975	273,144,405	267,773,373	32.7%	270,445,547	1.0%
Total Expenses (not depreciation)	94,562,425	104,400,610	110,613,618	115,481,133	124,356,884	15.2%	131,878,245	
Total Expenses	102,919,214	113,468,912	126,032,536	131,365,040	139,646,184	17.0%	148,555,728	

						Change (%)		Change (%)
Volume (hectolitres)								
Spirits	49,360	49,039	50,968	55,646	55,838	0.4%	53,858	-3.5%
Wine	100,354	97,634	101,708	103,103	102,939	-0.2%	102,943	0.0%
Beer	586,831	581,499	572,696	569,585	557,790	-2.1%	541,703	-2.9%
Ready-to-drink	51,817	61,851	77,762	120,829	132,264	14.7%	144,486	9.2%
Total	788,362	790,022	803,135	849,163	848,830	0.0%	842,990	-0.7%
Volume (Kilograms)								
Cannabis	-	3,279	6,531	10,449	14,735	65.6%	18,731	27.1%

NOVA SCOTIA LIQUOR CORPORATION

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— NOVA SCOTIA —
**MUNICIPAL FINANCE
CORPORATION**

BUSINESS PLAN
2022-2023

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Message from the Minister and the Chair

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

Over its 42-year history, it has helped municipalities make significant investments in the infrastructure Nova Scotians use and rely on every day - from fire services equipment to improve public safety and wellness centres that support healthy communities to facilities that provide clean drinking water for thousands of residents.

The Corporation is governed by a Board of Directors appointed by the Governor in Council. Legislation requires that two of the board members be appointed on the recommendation of the Nova Scotia Federation of Municipalities. An additional member of the board is appointed on the recommendation of the Association of Municipal Administrators of Nova Scotia.

These appointments provide municipalities with an important voice on the Corporation's board. Three full-time staff members of the Corporation are supported through staff and resources from the provincial departments of Finance and Treasury Board, Justice, and Municipal Affairs and Housing.

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

The Nova Scotia Municipal Finance Corporation will have \$757.8 million in debentures outstanding on March 31, 2022. New debenture issues in 2022-2023 are estimated to be approximately \$220.0 million, which will be balanced against debenture retirements of \$142.5 million.

The Honourable John Lohr
Minister

Mark A. Peck
Chair

MISSION

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

In addition to its core mandate, the Corporation works directly with clients to support the sound financial management of Nova Scotia municipalities. Staff provides advice on the debenture process. Through the development of several tools and programs - the Debt Affordability Model, Financial Management Best Practices, a Mentoring Program, a High Interest Savings Account Program, and sponsorship of financial modules delivered by the Association of Nova Scotia Municipal Administrators - the Corporation can help municipalities improve their financial planning and capacity. Finally, by using its biennial client surveys to measure the success of its programs and services, the Corporation can identify and respond to ongoing client needs. The results of the 2021 survey are reported in this business plan. As throughout its 42-year history, the Corporation remains committed to fostering a client-focused approach.

PLANNING CONTEXT

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

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

Challenges:

- Canadian capital markets experienced continued interest rate volatility throughout the 2021-22 fiscal year due to the ongoing global pandemic and the economic and fiscal fallout on governments, business, and individuals. Short-term interest rates remained at near zero levels throughout the 2021 calendar year and rose somewhat in early 2022 with financial markets expecting Central Banks to raise administered interest rates. The Bank of Canada, in early 2022, is expected by economists to increase administered interest rates throughout calendar year 2022 and into 2023. There is considerable variation in those expectations on actions of the Federal Reserve Board and Bank of Canada. At the same time, there is an expectation of the unwinding of the financial market support programs introduced at the onset of the pandemic. To date in fiscal year 2021-22, Government of Canada 10-year yields have risen considerably to average 1.46%, up from an average of 0.74% in fiscal year 2020-21. These interest rates on Government of Canada 10-year bonds remain relatively low by historical standards.
- The Nova Scotia Municipal Finance Corporation's cost of funds is largely based on the above noted Canada bond yields plus the Nova Scotia credit spread. While credit spreads on all provincial bonds rose considerably early in the pandemic, with the financial supports from the Bank of Canada and the Federal government, these credit spreads returned to pre-pandemic levels by the end of 2020 and have maintained these levels. These relatively low interest rates, a combination of low Canada bond yields and relatively small provincial credit spreads, continue to be very beneficial to provincial-based borrowers. Over the past number of months liquidity in the municipal debt sector has improved considerably along with the overall market. Municipal credit spreads, the cost to the Corporation relative to the Province of Nova Scotia, also improved further over the 2021-22 fiscal year. However, liquidity remains an important factor in

the investment decision process, and municipal debt continues to be viewed as providing less liquidity to investors.

Opportunity:

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

Maintaining current knowledge of developments in municipal government capital finance.

Challenge:

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

Opportunity:

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

Maintain financial self-sufficiency.

Challenge:

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

Opportunity:

- The Corporation remains stable, as it has for over 42 years. In addition, no client of the Corporation has ever defaulted on a loan.
- The Corporation has access to a \$50 million line of credit from the Department of Finance and Treasury Board to fund its short-term loan program. This program was previously funded through the Corporation's reserve fund. This change creates an opportunity for our municipal clients to pay less interest with low interest loans.

Identify client needs and respond to them.

Challenge:

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

Opportunity:

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

STRATEGIC GOALS

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

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

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

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

CORE BUSINESS AREAS

1. *Providing flexible financing options at the lowest available cost.*
 - Provide financing for clients' approved funding requirements by using pooled debenture issues and short-term loans.
 - Facilitate and participate in loans to municipalities from financing sources such as the Federation of Canadian Municipalities Green Municipal Fund, where funding is available for projects meeting established criteria at below-market rates.
2. *Ensuring access to capital markets.*
 - Ensure that appropriate processes are in place for evaluating the creditworthiness of the loans made by the Corporation.
 - Ensure that the Corporation's assets and liabilities are closely matched in both amount and maturity.
 - Administer the Corporation's financial resources prudently to ensure that the Corporation's administrative expenses and reserve balances are within approved policies.
3. *Helping build financial management and knowledge.*
 - Partner with municipal clients, the Department of Municipal Affairs and Housing, and the Association of Municipal Administrators of Nova Scotia on the topic of capital planning and finance.
 - Develop programs and services geared toward enhancing our clients' knowledge of capital planning and financing.
 - Maintain links with the investment community, public sector finance practitioners, and academics, and carry out research as required to enable the Corporation to respond to changing client needs.

PRIORITIES 2022-2023

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

1. Providing capital financing at the lowest available cost.

- The Corporation will provide low-cost financing by issuing pooled debentures for the approved amount required to meet municipal borrowing requirements and lending a similar amount to our clients. In 2022-23 the new debenture issuances are expected to be approximately \$220.0 million, which is balanced against retirements of existing debentures of \$142.5 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 the verification of creditworthiness of municipal borrowers from the Department of Municipal Affairs and Housing prior to setting the parameters for pooled issues.
- Match the amount, term, and timing of the Corporation's debentures with loans to municipalities.
- Manage the Corporation's financial resources (budget and reserves) in accordance with policies established by the

Corporation's Board of Directors.

3. *Helping build financial management and knowledge.*

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

HUMAN RESOURCE STRATEGY

Organizations with small staff are challenged when developing human resource strategies. We will continue development and training opportunities, so staff stay abreast of developments in the industry.

LINK TO MUNICIPAL AND DEPARTMENTAL PRIORITIES

The Corporation contributes to the Department of Municipal Affairs and Housing priorities by helping to finance infrastructure projects that create economic opportunities and safe and sustainable communities. The Corporation's loans are used to finance sewage treatment plants, solid waste facilities, water services and wind farms that promote clean and healthy communities. Loans are also made to finance streets, buildings, recreation services, and the purchase and development of land. Improvements in each of these areas contribute to safer and healthier communities in Nova Scotia. By working with municipalities to develop recommended financial management practices, the Corporation also contributes to the fiscal stability of Nova Scotia municipalities. These priorities support the priorities of the Department of Municipal Affairs and Housing.

BUDGET CONTEXT

Nova Scotia Municipal Finance Corporation Administration Budget

	Estimate	Forecast	Estimate
	2021-2022	2021-2022	2022-23
	(\$000)	(\$000)	(\$000)
Total program expenses— (gross current)	<u>423.3</u>	<u>384.3</u>	<u>436.3</u>
Net program expenses— (net of recoveries) *	0.0	0.0	0.0
Salaries and benefits	319.0	319.0	331.8
Funded staff (gross FTEs)	3	3	3

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

*Nova Scotia Municipal Finance Corporation Statement of Financial
Position, March 31, 2021*

Financial assets	(\$)
Cash and cash equivalents	7,898,601
Accrued interest receivable	7,552,659
HST receivable	579
Accounts receivable	87
Municipal operating loans receivable	47,498,896
Loans to municipal units	703,493,580
<hr/>	
Total Assets	766,444,402
<hr/>	
Financial liabilities	
Accounts payable	55,409
Accrued interest payable	7,545,111
Employee obligations	46,649
Short-term loan due to PNS	1,128,945
Municipal operating loans payable	47,498,896
Deposits	33,049
Due to municipal units	-
Debentures	703,370,774
<hr/>	
Total liabilities and equity	759,678,833
<hr/>	
Net financial assets	6,765,569
<hr/>	
Accumulated surplus	6,765,569
<hr/>	

OUTCOMES AND PERFORMANCE MEASURES

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

Outcome	Measure	Data	Target 2021-2022	Target 2022-2023	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	95% (2021 client survey results)	97%	97%	Align debenture issues with the construction completion schedule and capital budgeting process Improve application process by working with clients to ensure quick processing of debenture documents
	Percentage of clients that agree the debenture terms and structure are flexible enough to meet their needs	94% (2021 client survey results)	97%	97%	Promote short-term financing program Work with clients on financing options (payments and terms) Communicate financing options more effectively (e.g., through the website and consultations) Communicate the Corporation's rates and products more effectively with clients (e.g., through the AMA list server and consultations)
	Quality of credit loans	Procedures ensure creditworthiness of loans	Regular review of loan procedures	Regular review of loan procedures	Maintain quality of portfolio
	Pricing received from lead managers in relationship to the Province of Nova Scotia's cost of funds	Provincial guarantee allows the Corporation to price off the Province of Nova Scotia spread	Maintain access to the provincial guarantee	Maintain access to the provincial guarantee	Promote profile of the Corporation's credit quality to maintain a strong relationship with government to ensure its support of the provincial guarantee

Core Business Area 2 – Ensuring Access to Capital Markets

Outcome	Measure	Data	Target 2021-2022	Target 2022-2023	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%	<p>Ensure that all loans are creditworthy</p> <p>Promote the Debt Affordability Model</p> <p>Monitor loan payment process</p>
	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	Match the term and timing of the Corporation's debentures and loans to clients

Core Business Area 3 – Helping Build Financial Management Knowledge

Outcome	Measure	Data	Target 2021-2022	Target 2022-2023	Strategies to Achieve Target
The Corporation's client use or are awareness of the Debt Affordability Model	Percentage of municipal clients that have used or are aware of the Debt Affordability Model	84% (2021 client survey results)	60% (Previously measure was strictly use of the model)	90%	Work with clients to help them implement the Debt Affordability Model Tailor Debt Affordability Model to better suit the needs of clients
The Corporation's client use or awareness of the Financial Management Best Practices	Percentage of municipal clients that have used or are aware of the Financial Management Best Practices	90% (2021 client survey results)	40% (Previously measure was strictly use of the best practices)	95%	Work with clients to help them implement best practices of their choice
Increased overall municipal finance knowledge among municipalities	Attendance at the Corporation's sponsored Municipal Finance Workshops	65% (Percentage of municipalities who attended 2021 workshop)	80%	80%	Assist in planning the agenda of the workshops Promote the workshops more effectively to municipal staff Maintain the no-fee structure to attend the workshop
Increased knowledge of the Corporation's programs and services	Percentage of municipal clients that are aware of the Corporation's programs and services	84% (2021 client survey results)	95%	95%	Update and revitalize website Develop web-based programs, such as webinars Quarterly newsletter sent to Councilors, CAOs and Directors of Finance Use email to communicate with Directors of Finance to keep them informed about the Corporation's programs and services Obtain greater exposure to municipal councils to promote programs and services



NOVA SCOTIA
MUNICIPAL FINANCE
CORPORATION



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Nova Scotia Power Finance Corporation

Business Plan 2022–23



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. The last NSPC debt, guaranteed by the Province of Nova Scotia, matures February 26, 2031.

Nova Scotia Power Finance Corporation's strategic goal for the fiscal year 2022-2023 and key actions are to:

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

Section 2 – Core Responsibilities

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

Actions	Performance Measures
Entire outstanding debt defeased in accordance with the Defeasance Agreement.	<ul style="list-style-type: none"> The Defeasance Agreement required the defeasance of a minimum of \$1,381,600,000 of outstanding NSPC debt by December 31, 1997. This minimum has already been met and surpassed, \$1,440,290,000 having been defeased by March 31, 1997. Public reporting of interim financial results through public forecast documents.
Defeasance assets are adequate to ensure the repayment of all NSPC debt guaranteed by the Province of Nova Scotia.	<ul style="list-style-type: none"> Outstanding par value of debt as of March 31, 2021, was \$200,000,000 denominated in Canadian dollars and US issued par value of debt was \$377,250,000 in Canadian dollars totalling \$577,250,000 in Canadian dollars. Defeased assets as of March 31, 2021, had par values in excess of the outstanding par value of debt. As of March 31, 2021, Canadian long-term debt had carrying values of \$324,850,000 and U.S. debt had carrying values of \$377,367,000 in Canadian dollars totalling \$702,217,000. Canadian assets had carrying values of \$372,492,000 and U.S. assets had carrying values of \$342,391,000 in Canadian dollars totalling \$714,883,000 in Canadian dollars. The NSPFC defeasance portfolio maintains sufficient assets to service and retire all outstanding NSPC debt, guaranteed by the Province, as the debt comes due thus rendering the guaranteed debt fully defeased. The adequacy of defeasance assets to fully repay all the outstanding NSPC debt guaranteed by the Province is verified by the auditing firm of KPMG.

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



BUSINESS PLAN 2022 - 2023

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



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Message from Chair and CEO

We are pleased to present the Perennia Food and Agriculture Inc. business plan for 2022/23.

Perennia focuses daily on addressing industry and government priorities as Nova Scotia's food sector development agency.

In 2022-23 we will continue to manage a complex portfolio of services, projects and programs. We will also strategically identify and pursue new opportunities impactful to our clients and industry with an eye to sustainable revenue streams.

As an applied, practical and interdisciplinary team, we will work on major development projects this year including growing raspberries on long canes under cover to extend the season for local growers and consumers, a full-utilization seals project with First Nations focusing on new product development, developing agri-environmental resources for industry, and an applied research Pan-Atlantic project on beekeeping and wild blueberry pollination.

Utilizing the expanded culture of virtual service delivery that became very much a necessity during the pandemic, we will lay the groundwork for several online services including self-directed learning to reach more businesses when it is convenient for them.

We will also continue to explore ways to bring technology solutions to industry that will bridge the gap between data capture and efficient management decisions. This will include commercializing a fire blight alert system for tree fruit growers and identifying other software, apps and calculators that would be of high value for industry in running their operations.

As a key partner with the Nova Scotia Departments of Agriculture and Fisheries and Aquaculture, we will continue to be homes for the agri-food component of the Nova Scotia Loyalty Program and the Centre for Marine Applied Research located at the Centre for Ocean Ventures and Entrepreneurship.

We will promote and seek to expand the services offered to our cannabis sector, including production support, analytical testing, edibles development and shelf-life determination.

Finally, we will streamline and simplify our product development and facilities services to make it easier for companies to work with us to develop new food and beverage products and move more local products into the marketplace.

Charles Keddy
Chair



Lynne M. Godlien
CEO



ABOUT

Mandate

Lead in offering applied interdisciplinary specialized services to grow Nova Scotia's food sector.

Mission

Work collaboratively to enhance the sustainability and profitability of Nova Scotia's agriculture, seafood, cannabis and food and beverage sectors.

Vision

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

Governance

Perennia is a provincially owned development agency and a registered corporation. The Minister of Agriculture is the company's Shareholder, and it has a governing industry Board of Directors. The Board chair reports to the Shareholder and the CEO reports to the Board.

Values

Passion: for the industries we work in, for the success of clients, and the success of Perennia so we can continue to add more value to Nova Scotia's economy

Independence: of thought and direction, to provide objective advice to clients and industries

Proactive Leadership: to anticipate client needs, to bring new opportunities to sectors, to be unafraid to step up and work with industry to make tough but necessary changes for the future

Curiosity and Learning: to have a thirst for knowledge and sharing that knowledge, to be problem solvers, to encourage both in industry and our clients

Integrity and Accountability: to make commitments where our word means something, where we don't take on more than we can do well, to meet our goals

Green Focus: to make the small and big changes as a company to lessen our environmental footprint and support best practices in this area for clients



SPECIALITY AREAS

Perennia has specialist teams that work together to provide interdisciplinary solutions to industry.



Agriculture Field Services

Perennia’s agriculture production specialists and research associates have specialties covering horticulture, livestock, field crops, plant pathology and soils for both conventional and organic systems. Specialists conduct development and applied research projects in support of new crop development, new production systems, pest management strategies, and product efficacy. They also offer consulting services and training.



Quality and Food Safety Services

Our specialists work with agri-food and seafood companies to provide a holistic approach to quality and food safety challenges and opportunities. They help businesses meet retail and internationally recognized food safety programs that allow Nova Scotia companies to sell into new markets and increase revenues. This teams also supports clients with export regulations and recall recovery, and training.



Product Development and Facilities Services

Perennia food scientists and research associates work with established and new agri-food, beverage, cannabis and seafood businesses to create new products or improve current products or processes. The team, using the facilities and equipment at the Perennia Food and Beverage Innovation Centre and through partnerships with other local centres, also support product packaging and labelling needs, and conduct shelf-life studies to determine a product’s best before date.



Seafood Development Services

Perennia’s team of specialists provide a suite of services to help Nova Scotia’s seafood industry diversify markets, create new products and bring premium seafood to market. This team also works closely with our quality and food safety specialists and food scientists in the implementation of programs and development projects. Perennia is also home to the Centre for Marine Applied Research (CMAR) located at the Centre for Ocean Ventures and Entrepreneurship on the Dartmouth waterfront. CMAR is focused on science-based innovation and advancement of Nova Scotia’s marine coastal resources through data collection and applied research projects.

SPECIALITY AREAS



Cannabis Solutions Services

Our cannabis team provides integrated services including crop production, analytical testing, product development and shelf life. These services are marketed under the Bloom Labs brand and include Nova Scotia's only Health Canada licensed testing lab located at the Perennia Food and Beverage Innovation Centre in Bible Hill, Nova Scotia. (www.bloomlabs.ca)



Corporate and Special Project Services

This team supports the administrative needs of the entire team as well as generating revenue through management and administrative support for specific projects, programs and services including managing third-party funding programs.



KEY PERFORMANCE INDICATORS

- Increase in sales / economic impact for clients
- Number of new products and crops on the market that displace imports or increase industry diversification and revenues
- Number of industry issues addressed through applied research, or deployed practical solutions, that bridge the gap between data and science and business decisions
- Perennia revenue growth by a minimum of five per cent
- Increase awareness of Perennia with key stakeholder groups as shown through qualitative and quantitative measures



PRIORITIES AND KEY INITIATIVES

Priority 1: Be leaders in empowering strategic industry advancement

Perennia recognizes that it plays a role as a facilitator, supporter and leader in working with industry and government to address those issues that are impeding the growth of Nova Scotia's agriculture, seafood, cannabis and processing sectors. In 2022-23 we will undertake the following priority initiatives to empower strategic industry advancement.

2022-2023 Key Initiatives

- Work with industry to develop and advance practices to adapt to our changing climate including mitigation strategies, coastal ocean data gathering, new agriculture production methods and environmental packaging
- Provide expanded lab testing with interpretation services to reduce crop loss, increase quality, reduce food borne risks and support products to markets
- Explore the best role for Perennia in responding to future sector-wide business interruptions from pandemics, weather, disease outbreaks, etc.
- Launch an online alert tool to help the tree fruit sector take proactive action to mitigate the impact of fire blight disease on their orchards and fruit yield
- Partner with the Nova Scotia Community College and Regional Enterprise Networks to explore the development of an agriculture technology corridor in the province based on the Massachusetts Institute of Technology Regional Enterprise Acceleration Program
- Execute the Agriculture Extension and Development Program, Perennia's long-running knowledge sharing, advice and skills development program funded by the Nova Scotia Department of Agriculture
- Work in partnership with the Nova Scotia Department of Agriculture and the Nova Scotia Federation of Agriculture on the final year of the Agri-Environmental Program
- Educate the seafood industry on the 15 species quality standards Perennia developed and administer the Nova Scotia Seafood Quality Program for the Nova Scotia Department of Fisheries and Aquaculture
- Expand our applied agriculture field research program by pursuing certification

Targets

Secure funding for at least one new project to address systemic pest/virus and climate change issues

Seek funding for the continuation of the Agri-Environmental Program and the Atlantic Technology Transfer Team for Apiculture (beekeeping)

Increase applied agriculture research project revenues by 10 per cent

Enhance data collection and sharing for effective decision making by sector and businesses through project funding where a maximum of three apps, calculators or software are completed by 2024 for use by industry

Develop a new baseline of activities, resources and interactions under the Nova Scotia Agriculture Extension and Development Program

Develop a baseline for lab testing numbers



PRIORITIES AND KEY INITIATIVES

Priority 2: Provide specialized support to get more Nova Scotia products to market

Perennia is a key collaborator in getting more Nova Scotia products into local, national and international markets through applied research on new products, development of new food and beverage products and helping businesses achieve food safety certifications. In 2022-23 we will undertake the following priority initiatives to support getting more Nova Scotia products to market.

2022-2023 Key Initiatives

- Support new and emerging crops and livestock production for local and export markets including completing the second year of the Long Cane Raspberry Development Project in partnership with Horticulture Nova Scotia and the Nova Scotia Department of Agriculture that will see a new commercial industry developed, and an extended season for local raspberries
- Implement accelerator programs to help Nova Scotia agri-food, seafood and food processing businesses develop and successfully launch new products and attain food safety certifications to gain access to more local, national and international retail markets
- Support the province's Nova Scotia Loyal Program to stimulate increased economic activity by providing administrative support to the agri-food program team
- Identify opportunities and partnerships for turning shellfish waste into a commercial product
- Streamline services and make better use of the space at the Perennia Food and Beverage Innovation Centre to support getting more products to market with clients
- Fully launch our cannabis product development services

Targets

Secure funding for two new projects related to new opportunities leading to commercialization in agriculture and seafood

Increase revenues from food safety and product development services by 10 per cent

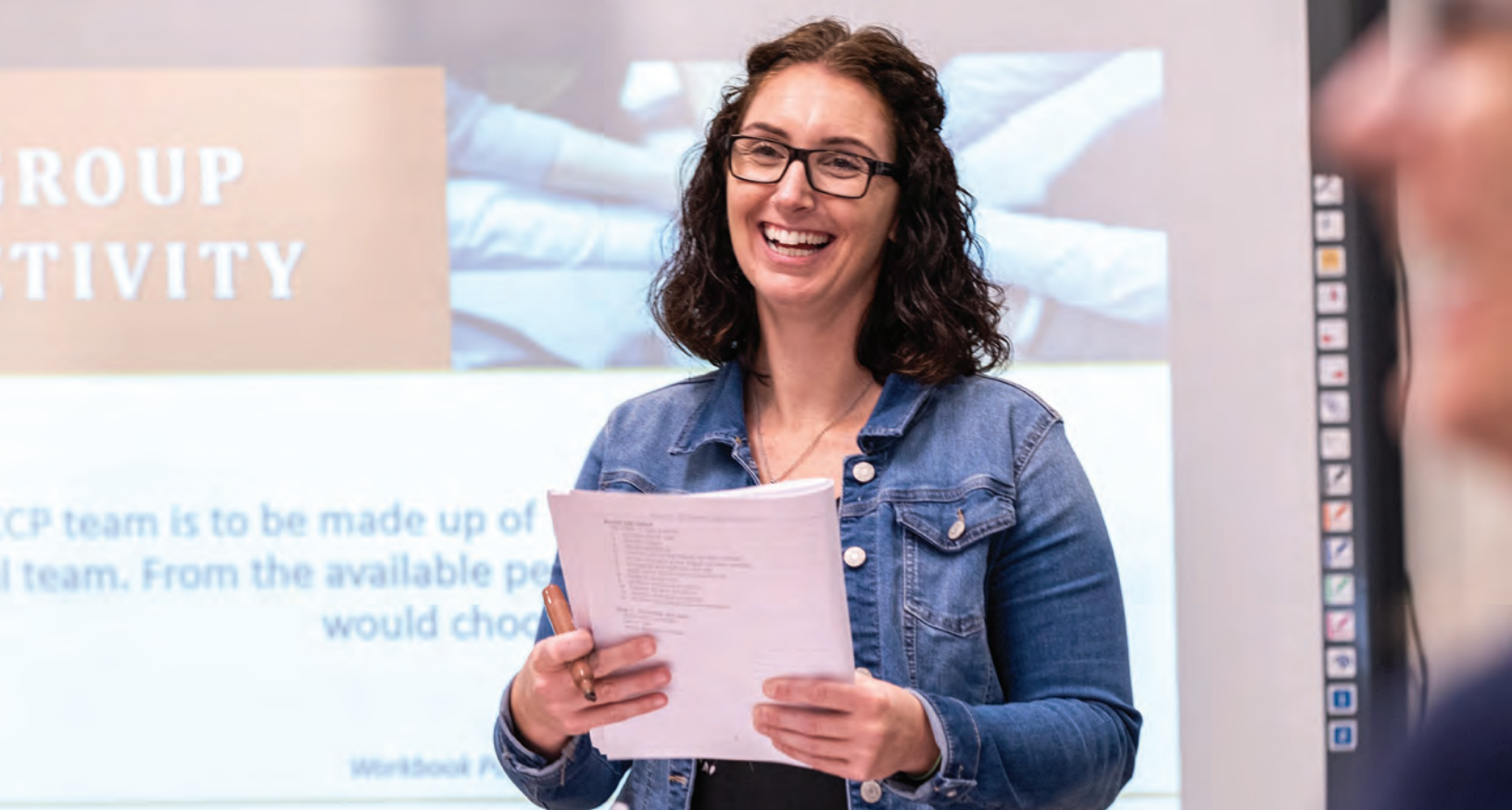
Have an 80 per cent uptake of Perennia accelerator funding programs for food safety program development and new product support

Have food safety and product development clients achieve access to at least one new market because of their work with Perennia

Support the development of six new or enhanced products on the market

Successfully support the launch of the agri-food component of the Nova Scotia Loyalty Program

Develop a process to gather data on revenue increases for businesses that have worked with Perennia



PRIORITIES AND KEY INITIATIVES

Priority 3: Be leaders in knowledge transfer in our specialty areas

Education and skills development has been part of Perennia's work since it was established in 2001. The reliance on virtual training during the pandemic and the response solidified our previous thinking that we needed to be more intentional in developing learning products that were convenient for industry to access at anytime. In 2022-23 we will undertake the following priority initiatives to build our training service line and make it convenient for industry to access.

2022-2023 Key Initiatives

- Launch Perennia Academy offering a variety of learning options for sharing knowledge in our specialty areas
- Introduce new ways for industry to access resources like publications, videos, webinars and podcasts through an enhanced website learning and resources area
- Explore how we can support skills development among under-represented groups in Nova Scotia

Targets

Develop and launch two e-learning self-directed courses with a new platform

Develop a redesigned website with a focus on making resources and learning opportunities easy to find

Generate \$20,000 as an initial revenue goal in 2022-23 for e-learning courses



PRIORITIES AND KEY INITIATIVES

Priority 4: Increase Perennia's profile and assess governance options

Perennia has a variety of powerful tools that can help companies reach their goals. In 2022-23 we will continue to focus on a proactive approach to sharing our work, our client successes and utilizing the CEO, team and Board to build our profile and that of our partners. The Perennia Board would also like to open discussion with the Shareholder on options that would codify the agency's mandate as a government reporting entity as part of the province's crown agency review process. In 2022-23 the following initiatives will be undertaken.

2022-2023 Key Initiatives

- Develop a comprehensive marketing, communications and promotions plan with a focus on promoting our research projects, programs and client successes and an advertising component
- Host an Annual General Meeting
- Enhance our current team and board orientation process so they can be effective agency ambassadors
- Implement annual feedback and needs assessment processes with clients and industry
- Engage with government / shareholder on possible new governance options as part of the crown agency review process

Targets

Implement a custom work tracking software database to support inter-team collaboration and gather comprehensive metrics of our activity levels and impacts

Determine the number of media stories and general awareness messaging in presentations for a baseline

Increase our online and social media metrics by five percent

Develop a process to measure name awareness among key stakeholders and public

Hold initial discussions with the Shareholder on possible governance options as part of the province's crown agency review process

BUDGET SUMMARY

Departmental Expenses Summary (\$ thousands)

Programs and Services	2021-2022 Estimate	2021-2022 Forecast	2022-2023 Estimate
Revenues, Operating and Capital Grants	8,522	11,511	10,131
Direct Project Inputs (excluding salaries)	(1,353)	(3,664)	(2,220)
Salaries and Related Expenses	(5,628)	(6,406)	(6,404)
Operating Expenses	(1,649)	(1,548)	(1,677)
Total – Operating Income	(108)	(107)	(170)
Ordinary Recoveries	---	---	---
<u>Funded Staff (# of FTEs)</u>			
Department Funded Staff	---	---	---

Note:

The anticipated deficit in 2022-2023 relates to depreciation of existing infrastructure and will be covered from deferred revenue.



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