

Economic and Rural Development
Accountability Report for Fiscal Year
2008/2009

TABLE OF CONTENTS

	Page
Accountability Statement	3
Message from the Minister	4
Introduction	5
Department Progress and Accomplishments	5
Budgeting Context - Financial Results	16
Outcome Measures	17

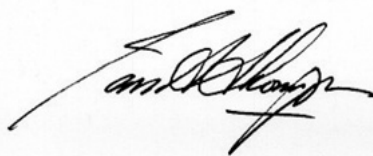
Accountability Statement

The accountability report for the Department of Economic and Rural Development (formerly the Department of Economic Development) for the year ended March 31, 2009, is prepared pursuant to the Provincial Financial Act and government policy and guidelines. These authorities require the reporting of outcomes against Economic and Rural Development (ERD) business plan information for the fiscal year 2008/09. The reporting of ERD outcomes necessarily includes estimates, judgments and opinions by ERD management.

We acknowledge that this accountability report is the responsibility of department management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the business plan for the year.



Honourable Percy Paris
Minister



Ian Thompson
Deputy Minister

Message from the Minister

I am pleased to present Economic and Rural Development's (ERD) Accountability Report for the fiscal year 2008/09. The report is an accounting of the work undertaken by the staff of ERD in the pursuit of the strategic goals and priorities outlined in the department's 2008/09 business plan.

Honourable Percy Paris
Minister

Introduction

This report covers the period from April 1, 2008 to March 31, 2009. It reflects the organizational goals, priorities and performance measures outlined in Nova Scotia Economic and Rural Development's (ERD) 2008/09 business plan and describes results, achievements and progress in meeting the intended performance measures expected during this period.

DEPARTMENTAL PROGRESS AND ACCOMPLISHMENTS 2008/2009

I Strategic Priorities

Priority: Continue to lead implementation of the provincial economic growth strategy, Opportunities for Sustainable Prosperity and together with the Department of Environment, lead the implementation of the Environmental Goals and Sustainable Prosperity Act (EGSPA).

a.) Establish and lead a secretariat to support sustainability

In 2008-09, NSED will work with the Department of Environment to establish and lead a secretariat for sustainability initiatives across the provincial government. Working under the direction of the Deputy Ministers Forum on Sustainable Prosperity, this secretariat will link and coordinate the implementation of the goals of the EGSPA and the priority actions of the province's economic growth strategy, Opportunities for Sustainable Prosperity.

b.) Host a second Power of Green Conference

The 2007 Power of Green conference, co-hosted by NSED and Nova Scotia Environment and Labour, brought together some of the world's top experts to share advanced thinking on sustainable economic growth and prosperity. This successful conference highlighted the vital connection between the health of the economy, the environment, and our people. The 2008 Power of Green Conference will further emphasize steps to build a society that works on a cycle of growth and renewal by eliminating waste and encouraging diversity and creativity.

Accomplishments

The OfSP Strategy Implementation Steering Committee, chaired by ERD met monthly over the fiscal year to guide the implementation of the strategy. Accomplishments and progress made by member departments were compiled in an 2008/09 annual report, the release of which is anticipated in spring 2009, together with the EGSPA annual report.

The *Environmental Goals and Sustainable Prosperity Act (EGSPA)* sets Nova Scotia on a course to be a world leader by having one of the cleanest and most sustainable environments, and economic performance at or above the national average by 2020. The Deputy Ministers Forum on Sustainable Competitiveness, co-chaired by the deputy ministers (DMs) of Environment and ERD, continued to meet bi-weekly in 2008-09 to monitor progress and guide the implementation of *EGSPA*. The Forum was expanded to include deputy ministers from sixteen departments. A corresponding Senior Officials Group also met bi-weekly to support the Forum and its priorities.

An interdepartmental working group began research to develop a way to measure economic performance in the context of sustainability. This will enable the assessment of progress in meeting one of *EGSPA's* main objectives - to achieve economic performance at or above the national average by 2020. A measurement framework for this objective is presented in the *EGSPA Annual Report* for 2009.

a. Establish and lead a secretariat to support sustainability

In 2008-09, senior staff from the departments of Environment and ERD came together to establish the Nova Scotia Secretariat for Sustainable Prosperity. A full-time coordinator was hired to manage the business of the Secretariat. This body supports the work of the Deputy Ministers Forum on Sustainable Competitiveness, the interdepartmental Senior Officials Group, and the many working groups struck to implement goals of *EGSPA* and the priority actions of the province's economic growth strategy, *OfSP*.

b. Host a second Power of Green Conference

The 2008 Power of Green conference was highly successful, attracting nearly 400 delegates. There was strong participation from the private sector, although all levels of government, communities, citizens, non-governmental organizations (NGOs), academia and students were represented. The primary objective of the conference was to engage business leaders, along with all stakeholders, in advancing sustainable prosperity.

The theme of the 2008 conference was the "business case for sustainability", demonstrating that implementing sustainable practices can enhance profitability, innovation and competitiveness. Delegates heard from a provincial Minister and Deputy Ministers, world-renowned environmentalist Lester Brown, the Chief Operating Officer of RBC, the CEO of Home Depot for Canada and Asia, and numerous engaging panelists.

Formal and informal feedback on the 2008 conference was very favourable. A post-event survey revealed that 91 per cent of respondents said the event met or exceeded their expectations. In addition, as a result of attending the conference, about 80 per cent or more of respondents said they were encouraged to implement sustainable practices in their organizations, communities and homes, and 83 per cent said they were encouraged to implement new practices and projects in their

organizations.

Priority: Develop a Sustainable Procurement Policy

A Sustainable Procurement Policy reinforces the province's recognition of the important role public procurement plays in contributing to the sustainable prosperity of the Province of Nova Scotia. A policy will be developed to coordinate existing efforts in the short-term and provide direction for making sustainable procurement the norm for provincial acquisition of goods and services over the long-term.

The significant change to move towards sustainable procurement will require a multi-year implementation plan beginning in early 2009. The plan will define an incremental approach that leverages existing sustainable procurement efforts, and adopts best practices to ensure integration of sustainable procurement in day-to-day operations.

Accomplishments

Provincial government departments spend over \$700 million each year on goods, services, and construction. These purchases can influence the availability of, and market for, sustainable goods and services in Nova Scotia and beyond. Development of a sustainable procurement policy by the end of 2009 is a key goal of the *Environmental Goals and Sustainable Prosperity Act* (EGSPA). During 2008/09, ERD made significant progress towards the development and implementation of this policy.

In August 2008, Cabinet approved a planned multi-year, incremental, and consultative approach to sustainable procurement. Cabinet also gave approval to the department to conduct internal consultations with other provincial government departments on the potential impacts a sustainable procurement policy might have on their operations. During late fall, presentations were made to over 23 senior leadership teams across government, and the findings reported back to Cabinet in January 2009. A draft policy was then developed and was expected to be presented to Cabinet in early 2009/10.

Additionally during 2008/09, considerable work was completed building various supporting tools that will be available to all provincial government staff once the policy becomes effective. These include an introductory on-line training course, numerous guidance documents, and the development of a library of best practices in sustainable procurement that will be available on the Procurement Services website. Communications with departments continued throughout 2008/09 with the publication of nine newsletters called "Talk SP", that provided departmental staff with information, best practices, and guidance on various sustainable procurement topics.

The government will begin implementation of the sustainable procurement policy in 2009/10. Implementation will occur in stages over several years. Technical standards and specifications will be developed to encourage the purchase of locally-sourced, sustainable products and services, with the expectation that Nova Scotia businesses adopting these new standards may be in a better position to compete here and around the world.

Priority: Expand implementation of the Community Development Policy

a.) Establish a First Nations' Participation in the Economy Fund

NSED will establish and lead the management of a multi-partner First Nations' Participation in the Economy Fund dedicated to increasing Mi'kmaq communities' participation in the Nova Scotia economy. It will focus on projects that build Mi'kmaq capacity to access the labour market, develop the Mi'kmaq cultural tourism sector, and encourage youth entrepreneurship and skills development.

b.) Establish a public sector community development training program

The community development training program will explore government's emerging role as enabler, partner and facilitator. It will examine conditions and methodologies for dynamic collaboration and for building capacity within government to support community-led development.

Accomplishments

a.) Establish a First Nations' Participation in the Economy Fund

In 2008/09 ERD implemented a new \$250,000 multi-partner Mi'kmaq Community Development Fund dedicated to increasing Mi'kmaq communities' participation in the economy and labour market. The fund supported the Membertou Entrepreneur Centre's Aboriginal Women in Business conference. The conference exposed Aboriginal women to vital information related to business opportunities, innovation and the local economy. The fund also supported the Eskasoni First Nation in implementing a local governance project, which strengthens local leadership based on Mi'kmaq traditions and provides incentives for mobilizing young Aboriginal people to enter the labour market. The Confederacy of Mainland Mi'kmaq (CMM) recruited an Aboriginal Labour Market Strategy Coordinator, to build partnerships and link Aboriginal people with labour market programs and opportunities. ERD supported the Mi'kmawey Debert cultural center site plan and the Mi'kmaq Association of Cultural Studies' development of a Mi'kmaq Culture and Tourism strategic plan. The fund enabled close to ten seasonal and full time jobs for Mi'kmaq community members, and leveraged \$1,000,000 in resources for Mi'kmaq community development.

b.) Establish a public sector community development training program

Using the provincial Community Development Policy as the overarching framework, ERD consulted with relevant stakeholders and developed a Collaborative Strategies in Community Development training workshop aimed at enhancing community development results. The workshop emphasizes collaboration, partnership building and the creation of enabling conditions for communities to take the lead in their own development. The workshops bring all levels of government together with community-based organizations to discover a common framework for collaboration. The training also orients participants to the Community Development Policy, its principles and tools; and creates the conditions whereby collaboration within government, among governments, and between government and communities are possible. The initial results have been markedly successful. Up to 300 people (40 per cent from provincial government, 10 per cent from federal government, 10 per cent from municipal government and 40 per cent from community organizations) were trained during 10 workshop sessions. Notable outcomes include:

- cross-sectoral collaboration within government and between government and communities;
- community development projects involving municipal governments, regional development authorities and community-based organizations; and
- building the leadership capacity of ethnic/ disadvantaged communities.

Priority: Support business development by expanding the Business Retention and Expansion (BRE) project to the remainder of Nova Scotia

BRE is a community-based approach to collecting information in order to create a better understanding of business in local areas. Over the past two years, NSED, as part of a multi-stakeholder partnership that includes Nova Scotia Business Inc., the Atlantic Canada Opportunities Agency, Service Canada and the Nova Scotia Association of Regional Development Authorities, has been piloting a BRE project in seven areas of Nova Scotia. Six new Regional Development Authorities (RDAs) will join the expanded program in 2008/09.

In addition to creating a better understanding of business conditions, BRE also develops custom solutions to business impediments to growth that have been identified by the BRE account executives. In 2007-08, NSED piloted a new Nova Scotia Business Development program. The program will be continued in 2008, and will run through March 31, 2009. This program encourages business start-ups and provides help through qualified consultants for business operators to review and assess their practices and develop new approaches. Government assistance will be available to help businesses access training and recruitment services, market research and business plan development, advertising and promotional planning, and fiscal management tools.

Accomplishments

Successful implementation of the BRE project continued during 2008/09 fiscal year and now is covering entire province. Six regional development agencies from Cape Breton, Antigonish, Strait Highlands, Guysborough, Cumberland and Annapolis/Digby regions participated in formal training activities conducted by Nova Scotia Association of Regional Development Authorities and launched BRE as part of their core activity.

During 2008/09 BRE implementation became one of the important tools for RDAs to monitor and address issues small and medium-sized enterprises (SMEs) across the province are facing in the time of economic downturn. Data collected as a result of Phase I project implementation informed development of economic policies and strategies as well as existing programs. The BRE Program received an honourable mention at the 2009 Business Retention and Expansion International Awards held in Des Moines, Iowa. The BRE model was recognized for business retention and expansion efforts

Priority: Continue implementation of Broadband for Rural Nova Scotia

High-speed broadband access to the Internet is a business and consumer necessity in today's global marketplace. Broadband is also essential to the efficient and effective delivery of provincial social programs. The Broadband for Rural Nova Scotia pilot project (Tidnish to Port Howe) was implemented in early 2007 and successfully completed in June 2007. A Request for Proposals (RFP) process for the rest of the project began in June. On December 5, 2007, contracts were signed with two Internet service providers to roll-out high-speed access to the Internet to the unserved areas of the province. This important initiative is on track to achieve its goal of province-wide sustainable broadband coverage by the end of 2009, making Nova Scotia one of the most connected jurisdictions in North America.

Accomplishments

Broadband is a key piece of infrastructure necessary for the future of rural Nova Scotia. High-speed access to the Internet supports the development of economic and community development goals and underpins jobs and growth in rural communities. The Broadband for Rural Nova Scotia initiative is well on the way to achieving its goal of making the province one of the most connected jurisdictions in North America by the end of 2009.

Three Internet Service Providers are working to deliver high-speed services across the province. Seaside High-Speed achieved 63 per cent completion of its project this year, and service was made available in 2009 to thousands of homes and businesses across northern Nova Scotia and Cape Breton.

EastLink completed network development and land acquisition phase for over fifty sites in southern and western Nova Scotia. In addition, EastLink is working with the provincial government and private companies to co-locate high-speed services on existing towers throughout its zones.

OmniGlobe Networks will deliver high-speed to remaining unserved homes and businesses in HRM. The Montreal-based company acquired 11 sites and is co-locating on four existing towers to deliver high-speed access to approximately 1,500 homes and businesses in HRM.

As well as facilitating the construction of the fixed wireless network, the Broadband for Rural Nova Scotia team is working to ensure that broadband service is sustainable in rural Nova Scotia. Planning for a High Speed Future is a one day, facilitated workshop that helps communities to identify how broadband can contribute to the achievement of economic and community development goals. The workshop was piloted and successfully launched this year.

The Broadband for Rural Nova Scotia website (<http://www.gov.ns.ca/econ/broadband/>) continues to provide information and support for communities and individuals using high-speed. In addition, video case studies were developed to showcase rural-based businesses that are successfully using high-speed to expand markets and increase revenues.

Priority: Expand Economic Policy Initiatives

a.) Productivity and Innovation

Within the stated priority of enhanced productivity, OfSP recommends encouraging businesses to adopt best practices and make timely investments in the use of new technologies and designs. These steps can improve performance and lead to new products and processes, contributing to the increased competitiveness of Nova Scotia firms. This year, the department will complete a focused assessment of barriers to technology adoption in the private sector and how best to work towards removing those barriers. The assessment will also include identified best practices and identify initiatives as part of a tool kit to enhance innovation and productivity in small and medium sized enterprises (SMEs) in Nova Scotia. Initiatives may include knowledge transfer, assistance for scientific research and experimental development (SR&ED) applications, improving linkages with research institutions, technology adaptation and encourage green business case for competitiveness. Initiatives will be undertaken on a case by case basis using established criteria built around sustainable prosperity; they are expected to assist SME's in improving productivity through innovation to deal with challenges such as the high value of the Canadian dollar, globalization and pending demographic shifts.

Accomplishments

a.) Productivity and Innovation

In the fall of 2008, ERD commissioned Corporate Research Associates to complete an assessment of barriers to technology adoption among Nova Scotia's small and medium sized enterprises (SMEs). A total of 800 telephone interviews were conducted and a wide range of barriers were identified. The study found that the vast majority of companies that invested in new technology were able to increase their productivity. However, the study also identified that there continues to be a large percentage of businesses in Nova Scotia that consider themselves late adopters of technology.

An international review of best practices was also undertaken by staff to identify initiatives targeted at removing barriers to technology adoption. The review brought out the concept of innovation vouchers which are in use in Ireland and the Netherlands. Based on this research, a "Made in Nova Scotia" voucher program was developed. The Productivity and Innovation Voucher Pilot Program became the core initiative for utilizing \$1 million of 2008/09 provincial budget funding allocated to boost private sector productivity and innovation. The program was launched in November, a total of 183 applications were received and 50 vouchers were awarded.

The pilot program illustrated that there exists a demand for a wide range of support to enhance productivity and innovation. Some voucher recipients were at the early stage of developing a high-value added products and required services such as feasibility studies, market validation, applied research, intellectual property management or assistance in preparing applications for the SR& ED tax credit program. Other recipients were further along in the innovation process and were seeking services such as prototyping, proof-of-concept, and field testing. Still others were seeking assistance in improving efficiency of their existing operations and required services and advice on areas including, process engineering, lean manufacturing, quality audits (ISO 9001) and e-business. An evaluation of the program is planned to be undertaken in the summer of 2009.

b.) Trade

There is a growing interconnectedness and an expanding flow of information, technology, capital, goods, services and people around the world. The ability of Nova Scotian companies to adapt to this changing environment is key to their future competitiveness and to the province's economic prosperity. The department will complete a study of the internal and external trends that are affecting the international dimensions of Nova Scotia's economy; of particular interest, is how local firms best fit within global value chains.

Accomplishments

In the spring of 2009, ERD staff completed a study of how international trends such as the emergence of global value chains are reshaping innovation. Innovation is defined in Nova Scotia's innovation policy as the "process by which new and improved products, services, practices and processes are developed with an aim to commercialize." Both the focus and main

findings of the study was that global value chains are reshaping the innovation process. It was originally thought that only manufacturing or back office operations were being sent offshore to locations such as China and India. However, the study clearly shows that research and development (R&D) is also being sent offshore. This has significant implications for local firms and the Nova Scotia economy.

In the coming year, the Department will continue to conduct research on how international trends are affecting Nova Scotia's economy with a focus on how local firms best fit within global value chains. The ability of Nova Scotian companies to adapt to this changing environment is key to their future competitiveness and to the province's economic prosperity. The findings of this research will help inform the development of future policies and strategies related to trade and competitiveness.

Priority: Develop Regional Economic Development Plans

Part of building capacity for economic growth in Nova Scotia means recognizing that different regional economies exist across the province. In 2007/08, NSED began working with the Strait area RDAs on the development of a regional economic development plan that will build on the unique assets and economic development opportunities for that region. In the coming year, NSED will continue this work in the Strait area, as well as expanding it to other parts of Nova Scotia. In the Annapolis Valley (Hants, Kings, Annapolis and Digby Counties) efforts will focus on regional economic planning from the perspective of environmental sustainability. Another initiative will begin with Lunenburg and Queens Counties with a specific focus on forestry and later will expand to the entire region of South Western Nova Scotia.

Accomplishments

ERD regional staff actively engaged with local partners in responding to economic challenges as well as strategic business planning process in Annapolis/Digby, Hants and other regions of the province. Midyear reviews conducted at the end of 2008 indicated that regional development agencies were well on track with development and implementation of strategic business plans.

Staff in the South Western region participated in planning and implementing initiatives aimed to provide assistance to the forestry sector such as studies to identify economic opportunities, conferences and projects targeting specific segments of the industry (for example, Christmas trees industry).

Staff in Cape Breton region worked closely with federal and provincial partners through creating Cape Breton Developers Alliance to address economic issues facing communities across the Island. The Alliance has provided an opportunity on a regular basis for senior development staff of the agencies represented in the region to collaborate on strategic initiatives and priorities throughout Cape Breton.

During 2008/09 ERD encouraged and supported initiatives aimed to increase regional cooperation within the province. Our staff was engaged to complete work in the Strait area on the development of the 5 year strategic development plan for the region. ERD's staff were also actively engaged with multiple community partners in Quad County Initiative (Inverness, Richmond, Guysborough and Antigonish counties) to identify economic benefits for cooperation between these counties.

ERD supported the project aimed to determine the areas for closer economic cooperation within the Regional Alliance for Economic Growth. This alliance consists of regional development agencies (RDAs) from Hants, Kings, Lunenburg, Halifax and Colchester regions; its objective is to unite efforts, facilitate economic initiatives and define joint investment strategies and ways to attract new people to the area of the province served by the five RDAs.

Priority: Develop an Aerospace and Defence Strategic Framework for Nova Scotia

The aerospace and defence sector is an important part of Nova Scotia's economy and economic future. NSED works with aerospace and defence industries to build on the successes the sector has achieved to date and to help grow its international reputation for quality products.

In 2008-09, NSED will build on its policy leadership role and develop a strategic framework for working with the aerospace and defence sector. The framework will consider emerging technologies, the conditions needed for Nova Scotia companies to successfully compete globally, support for skills development, certification and partnership programs, and promote Nova Scotia as the Atlantic Gateway "Aerospace and Defence" province. The framework will focus on five key elements of the sector, aerospace, defence, civil aviation, space, and marine security.

Accomplishments

In 2008/09 ERD established Team Aerospace, Defence and Security (TADS), a partnership with sector stakeholders to explore the development of a strategic framework. The group determined that the best way to move the sector forward was to better understand the capabilities of the sector. It was determined that an asset map of Nova Scotia companies involved in the sector was the key first step. The development of a strategic framework was put on hold pending an assessment of sector opportunities, strengths and weaknesses.

The 2008/09 fiscal year also saw the establishment of the Atlantic Ministers for Aerospace and Defence, a partnership among the four Atlantic provinces to work more collaboratively to take advantage of opportunities in the sector. The group met twice in the year and developed a workplan for the 2009/10 fiscal year. The initiative includes a working group of Assistant Deputy Ministers that provides support to the four Atlantic ministers.

Additional NSED Business Areas

Priority: Human Resources Strategy

In keeping with the Corporate Human Resources Strategy, NSED [now ERD] adheres to government policy applications with regard to recruitment, compensation, performance management and attendance management.

In 2008-09, NSED [ERD] will continue with the Employee Recognition Initiative it established in 2006 and will continue to play an active role in the Government's French language initiative, and GoverNext. Employee health and wellness will also continue to be promoted through departmental activities, and support for employee participation in Public Service Commission workshops and programs associated with work-life balance.

Accomplishments

In 2008/09 ERD continued in various ways with its efforts to recognize employees and foster a climate of shared knowledge and learning. A staff day, focussing on the theme of sustainability in the community was held in October 2008 and brought together all departmental staff to learn together as well as recognize employees' years of service to the provincial government. The event was held at the Nova Scotia Community College's new Waterfront Campus, and featured a presentation by the President of NSCC on the College's green buildings, and bringing a green and sustainable lens to the its educational programs. Staff then visited a variety of businesses involved in sustainability efforts. The day was very well received by staff, businesses and college partners alike.

Late spring of 2008 saw the second annual Minister's Awards of Excellence, a departmental event which showcases and celebrates exemplary contributions to public service by ERD employees. ERD also continued to participate in the government's French language initiative and supported staff in their pursuit of training and development activities.

Budgeting Context - Financial Results

Economic and Rural Development			
	2008-2009 Estimate	2008-2009 Actual	2008-2009 Variance
	(\$thousands)	(\$thousands)	(\$thousands)
Program & Service Area			
Senior Management & Support Services	4,193	3,845	(348)
Community & Rural Development	9,877	14,159	4,282
Corporate Information Strategies	2,922	2,396	(526)
Decision Support	14,155	13,874	(281)
Economic Strategies & Initiatives	32,290	21,668	(10,622)
Investment	26,122	33,059	6,937
Procurement Services	2,086	2,011	(75)
Total Program Expenses (note 1)	91,645	91,012	(633)
Ordinary Revenue (note 2)	(594)	(36)	558
Ordinary Recoveries	(1,770)	(1,868)	(98)
Fees and Other Charges	(6)	(6)	-
Provincially Funded Staff (FTEs)	132	121	(11)

Significant Variance Explanations: 2008-09 Actual to 2008-09 Estimate

1. Overall, total program expenses were \$633 thousand under budget, primarily due to savings in the Broadband for Rural Nova Scotia program of \$5.8 million, the Community Development Trust Fund of \$2.3 million and salary, operational and program grant savings of \$2.3 million throughout the department. These savings were offset by an increase of \$6.8 million in the Industrial Expansion Fund and \$3.0 million in additional funding for Community Development initiatives.

2. Revenues were \$558 thousand under budget, primarily due to early repayment of a guaranteed loan.

Outcome Measures 2008/2009

This section reports on each of the department's measures as outlined in the 2008/09 business plan.

Core Business Area 1

A Competitive Environment for Economic Growth

ERD aims to create an environment for economic growth in three key ways; by promoting sustainable competitiveness to achieve long term prosperity, encouraging increased productivity through innovation, and by working with other entities to identify opportunities and develop strategies for economic growth.

Outcome: A competitive provincial climate for economic growth

Measure: Competitiveness of Nova Scotia business climate compared to other provinces, as measured by the Business Climate Index

Intended Outcome: Improving the business climate of Nova Scotia was the number one issue identified by the Red Tape Reduction Task Force and the Opportunities for Prosperity consultations. The Business Climate Index (BCI) is based on a broad range of indicators and provides a benchmark for comparing Nova Scotia's performance to other Canadian jurisdictions. It is currently under review.

What does this measure tell us? The BCI assesses the general business climate across 53 indicators and ranks the province on each relative to other provinces in Canada. Data compiled for the index helps pinpoint areas where Nova Scotia needs to improve. BCI data is compiled primarily from Statistics Canada and is based on the most recent year available. Typically complete data is available two years after the fiscal year it occurred.

Where are we now? In its eighth year, the BCI demonstrates that Nova Scotia had the most competitive business climate in Atlantic Canada. In addition to continuing its lead in Atlantic Canada, Nova Scotia placed 5th on the national ranking scale. Slower economic growth compared to the rest of Canada resulted in Nova Scotia dropping to last in economic performance and pushing down the overall business climate ranking from 4th in 2005.

Outcome	Create a competitive provincial climate for economic growth			
Measure	Base Year	2008/2009 Target	Performance Results* 1999 through 2005	Data Source
Competitiveness of Nova Scotia business climate compared to other provinces	National: 3 rd Atlantic: 1 st (BCI 1999)	National: 3 rd Atlantic: 1 st	National Ranking/Atlantic Ranking** 1999: 3 rd / 1 st 2000: 4 th / 1 st 2001: 4 th / 1 st 2002: 5 th (tie) / 1 st 2003r: 4 th / 1 st 2004: 5 th / 1 st 2005 4 th / 1 st 2006: 5th/1st	Business Climate Index*

* The format and approach to the Business Climate Index are currently under review.

** Note that the data for this outcome measure is on a 2 year delay. Not all indicators for the BCI have been reorted yet for 2006. 2007 information will be reviewed and available later in 2009.

Where do we want to be in the future?

Nova Scotia's goals are to maintain the best business climate in Atlantic Canada and improve our national ranking.

Core Business Area 2

Increased capacity for economic growth

NSED assists specific communities, and the province as a whole, in building economic capacity in three main areas - financial capital, human and knowledge capital, and infrastructure. Capacity building efforts may target specific industries, strategic goals (e.g. innovation), or communities of interest.

Outcome: Increased provincial capacity for economic growth

Measure 1: Atlantic ranking of Nova Scotia development capacity

Intended Outcome: Development capacity refers to the quality of social and physical infrastructure supporting economic performance.

What does this measure tell us? The measure tells how Nova Scotia ranks in development capacity in comparison with other provinces across Canada. This measure is based on a series of indicators that include human, financial, and technical resources as well as infrastructure and amenities.

Where are we now? For the eighth year in a row, Nova Scotia had the best development capacity ranking in Atlantic Canada. Nova Scotia also had the third best ranking in the nation.

Outcome	Increased capacity for economic growth			
Measure	Base Year	2007/2008 Target	Performance Results* 1999 through 2006	Data Source
Atlantic ranking of Nova Scotia development capacity	Atlantic: 1 st (BCI 1999)	Atlantic: 1 st	Atlantic ranking** 1999: 1 st 2000: 1 st 2001: 1 st 2002: 1 st 2003: 1 st 2004: 1 st 2005: 1 st 2006: 1st	Business Climate Index*

* The format and approach to the Business Climate Index are currently under review.

** Note that the data for this outcome measure is on a 2 year delay. 2007 information will be reviewed and available in 2009.

Where do we want to be in the future?

To maintain the best development capacity ranking in Atlantic Canada.

Measure 2: Percentage of Nova Scotians with high speed internet available to them

Intended Outcome: To build a broadband network to ensure access for all Nova Scotians by the end of 2009.

What does this measure tell us? The measure describes the percentage of Nova Scotians who currently have access to high-speed internet.

Where are we now? After clarifying the number of unserved civic addresses in Nova Scotia, and issuing tenders for service providers to begin engineering and planning work, construction of the wireless network is underway at a number of sites across the province. The project is on target to reach its goal for every Nova Scotian to have access to broadband by the end of December 2009.

Outcome	Increased capacity for economic growth		
Measure	Base Year	Target	Data Source
Percentage of Nova Scotians with high speed Internet available to them	80% (June 2007)	100% (December 2009)	Industry Canada, with additional data from ERD field office, RDA and municipal government sources

Where do we want to be in the future? Nova Scotia's goal is that by the end of 2009, all residents of the province will be able to subscribe to broadband internet.

Measure 3: Number of new market penetrations (exports) by service firms.

Intended Outcome: A growth of export culture and export activities among service firms by expanding into new markets.

What does this measure tell us? This measure indicates the number of new markets to which service firms are expanding. **Note:** A different approach from previous years for reporting market penetrations is used in this report and will be followed going forward. Given the nature of export development, there is usually a time lag between initial market introduction and a resulting sale (i.e., market penetration), after follow-up by the exporting company. NSBI allows up to 6 months for lag reporting purposes, and conducts regular follow-up with companies to determine the success of their export efforts. Market penetrations will now be reported in the year the initial market introduction occurred, even if the resulting market penetration happened in the following 6 months. This approach to reporting provides a more accurate reflection of the success of export development efforts by provincial government partners and exporting firms.

Where are we now? In 2008/09 there were 36 new market penetrations.

Outcome	Increased capacity for economic growth

Measure	Base Year	2008/2009 target	2010 Target	Performance Results	Data Source
Number of new market penetrations (exports) by service firms	17 (2005/06)	20	60 (cumulative)	2006/07 53 2007/08 33 2008/09 36	SEP quarterly reports; mission reports

Where do we want to be in the future? In the province's export growth strategy, the vibrant service industry in Nova Scotia was identified as a sector with tremendous growth potential. As such, these service firms must look globally to reach their potential. Nova Scotia's goal by 2010 is to have a cumulative total of 60 new market penetrations by service firms.

Core Business Area 3

Corporate technology and information management

In 2008/09 , the Corporate Information Strategies division of ERD worked to develop the Government of Nova Scotia's corporate objectives in the areas of technology and information strategies. This was accomplished through close work with other departments and nurturing an environment that utilized technology to effectively share information across government and assist in improving government administration. Through the development of a work culture that values the use of technology and information management, the division helped to grow effective and sustainable governance for Nova Scotia.

Outcome 1: An improved and sustainable corporate administration via the application of information and technology

Measure 1: Number of Nova Scotia public service entities participating in SAP program (cumulative)

Intended Outcome: An improved and sustainable corporate administration via the application of information technology.

What does this measure tell us? An increased number of public sector entities participating in the SAP Public Sector Program is an indicator of efficiency through system coordination.

Where are we now? In 2008/2009, 51 public service entities participated in the program.

Outcome 1 of 3	An improved and sustainable corporate administration via the application of information and technology				
Measure	Base Year	2008/2009 Target	Trend	Performance Results	Data Source
Number of NS public service entities participating in SAP program (cumulative)	39 (2005/06)	Maintain and increase by at least one entity	07/08 41 08/09 51	+10 (2008/09)	SAP PMO records

Where do we want to be in the future?

Further roll out of SAP into the municipal sector.

Measure 2: Number of SAP modules implemented (cumulative)

Intended Outcome: An improved and sustainable Corporate administration via the application of information technology.

What does this measure tell us? An increased number of public sector entities implementing SAP modules in the SAP Public Sector Program is an indicator of efficiency through system coordination.

Where are we now? In 2008/2009, four additional modules were implemented in the public sector, for a total of 15. The Customer Relationship Management (CRM) module was implemented in both Service Nova Scotia and Municipal Relations (SNSMR) and the Customer Competency Center (CCC) at the Department of Finance. The District Health Authorities implemented Mobile Infrastructure, Business Planning Simulation (BPS), and Manager Self Serve (MSS).

Outcome 1 of 3	An improved and sustainable corporate administration via the application of information and technology				
Measure	Base Year	2008/2009 Target	Trend	Performance Results	Data Source
Number of SAP Modules implemented (cumulative)	8 (2005/06)	Maintain and increase by at least one module	07/08 11 08/09 15	+4 (2008/09)	SAP PMO records

Where do we want to be in the future?

Other modules that are currently being considered for applicability within the Province include Environmental Health and Safety and Performance Management.

Measure 3: Number of SAP users

Intended Outcome: An improved and sustainable corporate administration via the application of information technology.

What does this measure tell us? An increased number of public sector entities participating in the SAP Public Sector Program is an indicator of efficiency through system coordination.

Where are we now? There are 7517 SAP users within the Nova Scotia Public Sector. As well, there are approximately 58,000 employees being paid using SAP.

Outcome 1 of 3	An improved and sustainable corporate administration via the application of information and technology				
Measure	Base Year	2008/2009 Target	Trend	Performance Results	Data Source
Number of SAP users	3975 (2006/07)	Increase SAP user base	06/07 3975 07/08 6017 08/09 7517	+1500 (2008/09)	SAP PMO records
Number of Employees and Pensioners paid using SAP	52000 (2006/07)		06/07 52000 07/08 52000 08/09 58000	+6000 (2008/09)	

Where do we want to be in the future?

Further roll out of HR/Payroll to the rest of the District Health Authorities as well as implementation of Environmental Health and Safety for the Nova Scotia Public Service Commission.

Outcome 2: An environment that enables the increased sharing of information and technology resources among government departments and agencies**Measure 1: New endeavours undertaken in support of shared resources and a collaborative environment**

Intended Outcome: To maintain and increase the opportunities for departments to participate in government wide initiatives that share resources, be they information, software, hardware, skills or experience.

What does this measure tell us? This measure tracks the collaboration of cross departmental initiatives to share resources.

Where are we now? In order to create the enabling environment for sharing of information and technology resources, five working groups were established, made up of individual government departments.

Outcome 2 of 3	An environment that enables the increased sharing of information and technology resources among government departments and agencies				
Measure	Base Year	2008/09 Target	Trend	Performance Results	Data Source
New endeavours undertaken in support of shared resources and a collaborative environment	3 (2006/07)	New Data	06/07 3 07/08 5 08/09 5	N/A (see “where are we now”)	Enterprise Architecture Project Records

Where do we want to be in the future?

Each working group will identify and create opportunities, both individually and collectively, for collaboration across department sin the sharing and use of common resources, be they information, technologies, appliations, processes and/or methods.

Outcome 3: A public service that understands and values the importance of managing information as a corporate resource

Measure 1: Number of government employees who have participated in new IM training program

Intended Outcome: The IM Strategy and Framework vision is that all provincial government employees manage information as a strategic business resource and public trust on behalf of Nova Scotians. This outcome ensures that government employees understand their responsibility for managing information and know where to go to get more information (in other words, have a sufficient grasp of IM to realize its relevance to their own jobs and its importance to government overall).

What does this measure tell us? This measure will tell us how many staff have taken the mandatory IM orientation program. It is anticipated that by taking the mandatory program staff will be better informed and will understand their responsibilities to adhere to IM policy and frameworks.

Where are we now?

In 2008/09 sixteen employees participated in the new IM training program.

Outcome 3 of 3		A public service that understands and values the importance of managing information as a corporate resource.			
Measure	Base Year	2007/2008 Target	Trend	Performance Results	Data Source
Number of government employees who have participated in new IM training program	0 (2006/07)	New Data	07/08 15 08/09 31 (cumulative)	+16 (2008/09)	Corporate IM Program Office records

Where do we want to be in the future? In the future we want all employees to take the orientation program to gain an understanding of the fundamentals of information management and their responsibility for incorporating IM policies and practices into their everyday work life.

Measure 2: Number of government departments and agencies who have departmental IM programs of some nature

Intended Outcome: To ensure government departments are responding to the need for better information management by establishing IM programs.

What does this measure tell us? This measure will allow us to gauge departmental response to the creation of departmental IM programs.

Where are we now?

To date, 13 provincial government departments and agencies have IM programs of some nature.

Outcome 3 of 3		A public service that understands and values the importance of managing information as a corporate resource.			
Measure	Base Year	2008/2009 Target	Trend	Performance Results	Data Source
Number of government departments and agencies who have departmental IM programs of some nature	10 (2006/07)	New Data	06/07 10 07/08 12 08/09 13	+1 (2008/09)	Corporate IM Program Office records

Where do we want to be in the future? IM programs across government need to move towards more common IM structures. At minimum, there should be a structure suitable for large departments and a viable model for use within smaller departments.

Measure 3: Number of IM positions assigned roles in government

Intended Outcome: This outcome is to ensure we have sufficient IM capacity within the Nova Scotia Government to meet the challenges and realize the vision of Information Management.

What does this measure tell us? This measure will allow us to determine increases in capacity within the various IM disciplines.

Where are we now? Although all staff play a role in managing government information, it is the IM professionals who use their knowledge, skills, and abilities to advance IM programs. Nova Scotia's community of IM professionals is relatively small. In 2005 it appeared that government had 32 employees who could be identified as pure IM professionals and 18 of those were within the Department of Health. This number has grown slightly over the past two years.

Outcome 3 of 3	A public service that understands and values the importance of managing information as a corporate resource.				
Measure	Base Year	2008/2009 Target	Trend	Performance Results	Data Source
Number of IM positions assigned roles in government	32 (2006/07)	New Data	06/07 32 07/08 35 08/09 37/126	+2 (2008/09)	Corporate IM Program Office records

Where do we want to be in the future? Additional IM capacity is essential if we are to advance the IM agenda. We want to augment our IM ranks and ensure the IM professional is recognized with an appropriate classification and career path.

Core Business Area 4

Procurement Services

Outcome 1: A procurement process that is open, fair, transparent and obtains best value for province

Intended outcome : Procurement Services is committed to ensuring that the government's requirements for goods, services, and construction are met through an open and fair process that provides the highest degree of competition and value to the province.

Measure 1: Percentage of expenditures for goods, services and construction obtained through the competitive bid process

What does this measure tell us? This measure tells us the percentage of government goods, services, and construction that have been obtained through the competitive bid process.

Where are we now? In 2008/2009, the average percentage of government goods, services, and construction obtained through the competitive bid process was 90.8 per cent.

Outcome 1 of 2	A procurement process that is open, fair, transparent and obtains best value for the Province				
Measure	Base Year	2008/2009 Target	Trend	Performance Results	Data Source
Percentage of expenditures for goods, services and construction obtained through the competitive bid process	89% (2001/02)	>90%	2001/02 89% 2002/03 91% 2003/04 91% 2004/05 89% 2005/06 87% 2006/07 86% 2007/08 89% 2008/09 90.8%	90.8% (2008/2009)	SAP

Where do we want to be in the future? The target for 2009/10 is to have 90% or greater of goods, services, and construction obtained through the competitive bid process.

Measure 2: Average number of bids received per competition through the competitive bid process

What does this measure tell us? This measure tells us the average number of bids that we have received per competition. It provides us with a perspective on what the supplier response has been to the public tendering process.

Where are we now? In 2008/2009, the average number of bids received per competition was 4.3.

Outcome 1 of 2	A procurement process that is open, fair, transparent and obtains best value for the Province				
Measure	Base Year	2008/2009 Target	Trend	Performance Results	Data Source
Average number of bids received per competition through the competitive bid process	4.4 (2001/02)	>4	2001/02 4.4 2002/03 4.4 2003/04 4.3 2004/05 4.3 2005/06 4.1 2006/07 4.5 2007/08 4.6 2008/09 4.3	4.3 (2008/2009)	SAP

Where do we want to be in the future? The goal is to have an increasing trend in the average number of responses received for each competition through the public tendering process.

Measure 3: Average lapse time between tender issue and closing dates

What does this measure tell us? This measure provides us with the average time lapse between the day a tender is publicly available and the closing dates. It is an indicator of whether vendors have reasonable notice to bid on opportunities.

Where are we now? In 2008/2009, the average time lapse was 18.1 days

Outcome 1 of 2	A procurement process that is open, fair, transparent and obtains best value for the Province				
Measure	Base Year	2008/2009 Target	Trend	Performance Results	Data Source
Average lapse time between tender issue and closing dates.	21.9 Days (2001/02)	>15	2001/02 21.9 2002/03 21.3 2003/04 22.9 2004/05 21.7 2005/06 22.4 2006/07 21.6 2007/08 21.8 2008/09 18.1	18.1 (2008/09)	SAP

Where do we want to be in the future? To maintain a minimum lapse time between tender issue and closing date of 15 days in order to give suppliers time to respond to tenders.

Measure 4: Number of formal complaints received from suppliers

What does this measure tell us? This measure provides us with the number of formal complaints received by the Director of Procurement Services during the year. It provides us perspective on supplier satisfaction with public procurement.

Where are we now? There were no formal complaints received in 2008/09.

Outcome 1 of 2	A procurement process that is open, fair, transparent and obtains best value for the Province				
Measure	Base Year	2007/2008 Target	Trend	Performance Results	Data Source
Number of formal complaints received from suppliers	8 (2005/2006)	<10	2005/06 8 2006/07 2 2007/08 1 2008/09 0	0 2008/09	Procurement Services

Where do we want to be in the future? We want to maintain a minimum number of complaints to ensure satisfaction with public procurement.

Outcome 2: A procurement process that promotes the use of sustainable procurement best practices for the acquisition of goods, services, and construction

Measure: Number (and percentage) of tenders containing evaluation criteria related to sustainable procurement

Intended Outcome: In 2007, the Province of Nova Scotia enacted the *Environmental Goals and Sustainable Prosperity Act (EGSPA)*, which requires the development and adoption of a Sustainable Procurement Policy by December 31st, 2009. Implementation of the policy is expected to begin in 2009. The intended outcome of this measure is an increase in the number of tenders with sustainable considerations used in evaluation criteria.

What does this measure tell us? During 2007/2008, tracking of this measure began in anticipation of the new Sustainable Procurement Policy. The decision was made to track the use of environmental considerations and 3rd party environmental certification in tender specifications that are processed through Procurement Services (e.g. tenders that are over \$5,000 for goods and, tenders over \$10,000 for services or construction) as they are the best defined and easiest to track aspects of sustainable procurement.

Where are we now? Changes were made to forms used for data entry and systems to accommodate tracking of environmentally preferable considerations and the use of 3rd party environmental considerations in tender specifications.

Outcome 2 of 2	A procurement process that promotes the use of sustainable procurement best practices for the acquisition of goods, services, and construction			
Measure	Base Year	Trend	Performance Results	Data Source
Number (or percentage) of tenders containing evaluation criteria related to sustainable procurement.	08/09 (New Measure)	To be established with baseline data collected after 08/09.	93 (7.9 %)	Procurement Services

Where do we want to be in the future? It is anticipated that in future further changes will be made to this measure with the ongoing implementation of the Sustainable Procurement Policy. The collection of information for this measure has been delayed until this measure can be revised to reflect the objectives and intended outcomes of the Sustainable Procurement Policy. It is expected that new outcomes will be incorporated into the 2009/2010 Business Plan when the policy becomes effective.