

Nova Scotia Department of Economic Development

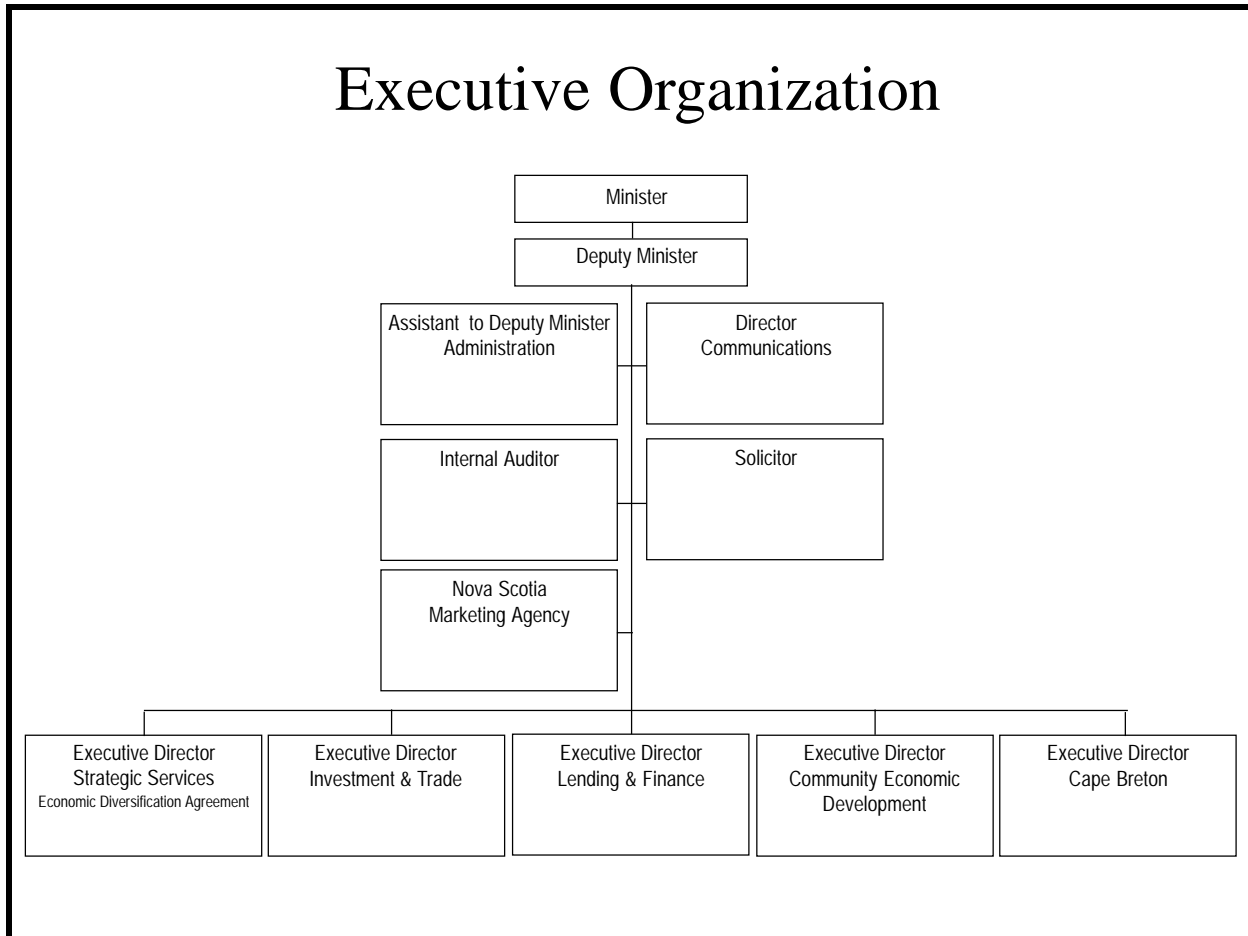
Departmental Business Plan 2000/2001

April 2000

PLANNING AND BUDGETING CONTEXT

Introduction to the Department and its responsibilities

Nova Scotia Economic Development has a complement of 131 Full-Time Equivalent staff with positions in one central and eleven regional offices, operating through four divisions.



The department works in a strong partnership with business, RDAs, communities, community organizations, academia and other government departments to support the development of high-quality jobs across the province, to enhance the business climate, to support innovation in business and industry, to promote Nova Scotia's competitive advantages, and to support equality of economic opportunity in Nova Scotia communities.

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Budget Allocation 2000/2001

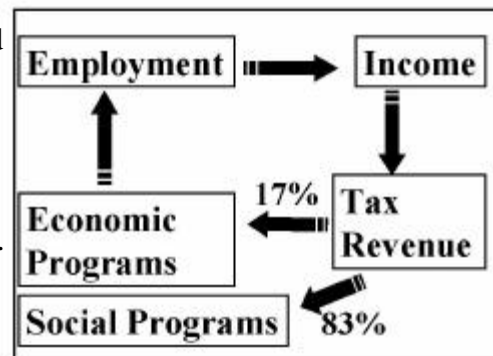
Major Program Area	Budget Allocation
Senior Management, Strategic and Support Services	\$ 2,760,000
Provincial Employment Program	\$ 4,675,000
Brand/Buy NS	\$ 900,000
Community Economic Development	\$ 2,463,000
Investment & Trade	\$ 2,636,000
Lending and Financing Services	\$ 1,353,000
Funds for Non-Departmental Agencies	\$ 5,546,000
Investment and Special Assistance	\$ 13,400,000
Provisions for Losses on Doubtful Accounts	\$ 2,000,000
Economic Diversification Agreement	\$ 13,300,000

Planning

Nova Scotia Economic Development, as set out in the Economic Renewal Act, provides leadership and works in strategic partnerships to create the right conditions for growth in Nova Scotia’s economy. It is also the lead agency for increasing revenues to the Provincial treasury—for expanding the pie.

Economic Development invests in people, companies and communities to generate a positive return on investment: increased tax revenues to government. The various activities of the department are integrated, build on each other and complement the activities of other departments, levels of government, the private sector and communities.

- The department focuses on five key areas:
- < trade, exports and marketing;
 - < business climate;
 - < strategic infrastructure development;



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- < training; and
- < innovation

These efforts are delivered through the work of the five divisions of Nova Scotia Economic Development:

- < Community Economic Development;
- < Lending & Finance;
- < Strategic Services;
- < Investment & Trade; and
- < The Nova Scotia Marketing Agency.

Entrepreneurial support, for instance, is led by Community Economic Development. It starts with Youth Entrepreneurial Skills (YES), a program that provides business advice, mentoring and small loans to students who start their own summer businesses. (More than 1,400 students have cut their entrepreneurial teeth on YES—more than 500 of whom are still running their own businesses.) Graduates of YES and hundreds of other entrepreneurs and business operators get help from CED business development staff in eleven field offices each year. Our offices provide business counseling and information services.

Those loans are processed by staff of the Lending & Finance division on behalf of the Business Development Corporation. The BDC also provides financial advice and due diligence investigations before authorizing loans or loan guarantees on large accounts. BDC has more than 700 active files—80% of which are with companies in rural Nova Scotia. These companies employ 17,700 Nova Scotians directly and 21,200 indirectly, generate over \$3.5 billion in sales and \$110 million in provincial tax revenue each year. BDC helps businesses to expand and create new jobs, and it makes money for Provincial accounts.

The \$261 million Economic Diversification Agreement, administered through the Strategic Services division, is cost shared (70% federal/30% provincial) and contributes to the Nova Scotia economy through its emphasis on Nova Scotia as a transportation gateway, an international centre for Research & Development and oceans and the environment, a trading centre and on our culture and heritage. The EDA not only supports the goals of Government through the Department of Economic Development but the goals of many provincial departments and agencies.

The business counseling our CED field staff provides often touches on exporting— after all, exporting is the best way for most companies to grow and it's critically important for the growth of Nova Scotia's economy. That's where our Investment and Trade division comes in. Investment and Trade works with first-time exporters and seasoned professionals to identify, prepare for and then conquer foreign

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markets.

Up to 400 registrants, the majority from rural Nova Scotia, signed up for four Export Rallies and one Project Trade Express since March 1999. These events gave an intensive blast of practical export assistance to participating companies and encouraged many to participate in trade missions. The Export Rally program has been designated a "National Best Practice" by Industry Canada and is being adopted in several other Provinces.

Our trade missions are enormously successful in boosting exports and generating wealth for Nova Scotia. Over the last two years we led or participated in 62 missions and other trade events. Those 62 events generated \$167 million in sales and 2,455 jobs for Nova Scotians. The cost of those events was \$770 thousand and they generated \$6.8 million in direct provincial taxes. So the return on investment is about \$10 back for every \$1 spent. And the benefits from those missions keep coming, year after year after year.

Nova Scotia companies that are trying to penetrate new markets can sometimes begin the challenge with a significant marketing advantage: their home province. The Nova Scotia Marketing Agency has an important role in increasing awareness and appreciation of Nova Scotia and for supporting export activities so that "Brand Nova Scotia" is used consistently and to optimum effect. The Nova Scotia brand is a powerful tool in tourism marketing and investment attraction. Competition for new investment is fierce and the Investment and Trade team markets Nova Scotia's myriad of attributes to companies that will make the best contribution to our economy.

Investment attraction, export development and community capacity building (through our CED division) is also highly integrated with the work of Regional Development Authorities and, increasingly, with private sector partners.

One of the major challenges that confronts the department this year is integrating lending programs and incentives with government's fiscal and policy agenda. Economic Development is creating a new Economic Growth Strategy, with an opportunity for consultation. One of the objectives is to create a strong policy framework to underpin economic development activities in the department.

Economic Development will also need to develop strategies with a number of partners to increase and optimize infrastructure investments as a key driver of economic growth, productivity and innovation and to link these investments to Nova Scotia's strategic importance as a trading gateway and leader in the application of new ideas to fuel the economy. This includes initiatives such as ports, roads, air access, airports, information technology, research & development and our advocacy with the federal government to ensure fair infrastructure funding treatment.

Economic Development will ensure that economic impact is a primary consideration in decisions about

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training, and work to enable Nova Scotia workers to respond with proper training to changing employment opportunities. Training and availability of skilled trained workers is the number one issue in attracting and retaining industry.

The department will also focus on the challenge of enhancing the partnership with Regional Development Authorities, enabling communities to further direct their economic futures.

The major challenges facing Economic Development are:

- ! Developing a strong and focused Economic Growth Strategy that provides clarity around the role of the provincial government in creating the right partnerships to support economic growth.
- ! Reallocating resources and developing a stronger marketing presence for Nova Scotia products and services, including a “branding” and Buy Nova Scotia strategy.
- ! Properly positioning lending programs and investment incentive programs within government’s fiscal and policy agenda.
- ! Adapting the departmental focus to provide coordination in the areas of infrastructure planning, training and marketing.
- ! Evolving relationships with the Regional Development Authorities supporting community decision making and accountability.
- ! Encouraging Atlantic Canada cooperation around business development initiatives.

MISSION STATEMENT

Creating the right business climate for the development of Nova Scotia's people, communities and enterprise

GOALS

1. Focus on the development of more high-quality jobs across the province
2. Establish a business environment that encourages and supports Nova Scotia entrepreneurs
3. Foster and develop the innovative thinking which leads to economic opportunities and advancement
4. Promote Nova Scotia’s competitive advantages at home and abroad
5. Support equality of opportunity and sustainable development in Nova Scotia communities

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CORE BUSINESS FUNCTIONS

- C Encourage innovation and its commercialization across the province
- C Create a more responsive, less burdensome Nova Scotia business climate
- C Market the Nova Scotia advantage
- C Increase trade and export activities
- C Support community economic development to enhance partnerships with communities in directing their own growth
- C Improve the strategic infrastructure required by communities for economic growth
- C With partners including the universities and Nova Scotia Community College, develop a Nova Scotia workforce with the skills needed in today’s economy and anticipating the skill sets required for the future.

PRIORITIES AND LINKAGES

Goal 1: Focus on the development of more high-quality jobs across the province

Initiatives:

- C Participate in a review of business development tools used in competing jurisdictions and develop options/recommendations for Government
- C Review and reconfigure investment attraction strategies to support enhanced revenue generation for Government
- C Work with the business community to create partnerships in key strategic sectors like the Information and Communication (ICT) sector, life sciences/biotechnology, and in oil and gas.
- C Identify companies in a position to expand and/or which have export

Corporate Linkages:
Business Community

Corporate Linkages:
Exporters

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potential, and assist in their pursuit of opportunities

- C Partner with the Petroleum Directorate, industry, communities and municipal government to achieve maximum economic benefits from offshore energy

Corporate Linkages:
Petroleum Directorate

- C Encourage business development in the Province by providing counseling, monitoring financial, and other assistance to companies

- C Develop the Trade Team Nova Scotia model to further expand trade activity and to provide a corporate focus to trade activity.

- C Assist companies that are already exporting to expand, and to find their way into new markets with specialized trade missions

Corporate Linkages:
Business Community

- C Use the Nova Scotia Export Achievement Awards as a tool to draw business attention to value of exporting

Goal 2: Establish a business climate that encourages and supports Nova Scotia entrepreneurs

Initiatives:

- C Lead the development of an Economic Growth Strategy for Nova Scotia and convene Economic Roundtable Sessions to identify priority issues and develop cooperative strategies to achieve sustained economic growth

- C Make Nova Scotia the most attractive place to do business in Atlantic Canada by guaranteeing that costs imposed by government are the lowest in the region, and by taking a leadership role in isolating impediments to economic growth and making recommendations to government for improvement

- C Work with the Departments of Business & Consumer Services and Finance and with federal partners to evaluate business regulations and costs, assess and recommend tax measures, evaluate business service delivery throughout the province and advocate changes to improve the

Corporate Linkages:
Business & Consumer Services
Finance
Federal Government

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competitiveness of Nova Scotia's business climate relative to other jurisdictions

- C Support Priorities and Planning and other departments in developing a process for economic development review of new regulatory/program measures proposed to Government

Corporate Linkages: Priorities & Planning
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- C Work with other departments to simplify Nova Scotia's regulatory environment without jeopardizing the safety of workers

Corporate Linkages: Labour Environment
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- C Support the Labour Market Secretariat in identifying and anticipating labour market needs, and work with the education sector and industry to develop programs to meet human resource requirements

Corporate Linkages: Labour Market Secretariat
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- C Explore opportunities to consolidate administrative duties of provincial government lending agencies in an effort to increase cost effectiveness

Corporate Linkages: Fisheries & Aquaculture Agriculture & Marketing

- C Provide economic planning and policy direction to infrastructure development efforts, including in the pursuit of fair treatment from Ottawa for upgrades to the Port of Halifax

- C Work with railway companies to upgrade rail links to North American markets through New England and extend private short lines in Nova Scotia

Goal 3: Foster and develop the innovation which enhances economic opportunities and advancement

Initiatives:

- C Identify and celebrate rural innovators in traditional industries and small businesses, to further encourage innovation

Corporate Linkages: Rural business

- C Work in conjunction with and advocate for the Nova Scotia private sector in the pursuit of economic opportunities arising from key strategic sectors including ICT, life

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sciences, and the offshore energy industry

C Position the province in developing partnerships to maximize the inherit advantages Nova Scotia enjoys though strategic infrastructure projects

C Work with TSS, the federal government, academia and the private sector IT community to exploit government's potential to use information technology to enhance our economic growth and competitiveness, including growing and creating opportunities in e-commerce and Web-enabled technologies

Corporate Linkages:
Technology & Science Secretariat
Federal Government
Academia
Business Community

C Continue to work with and utilize InNOVAcorp to aggressively seek out and encourage companies that would benefit from R&D investment, incubation and innovation

C Collaborate with Intergovernmental Affairs to:

Corporate Linkages:
Intergovernmental Affairs

< maintain contact with Ottawa and key strategic markets to help business identify and compete for large government contracts

< pursue partnerships with the federal government concerning the development of centres of excellence in research

Goal 4: Promote Nova Scotia's competitive advantages at home and abroad

Initiatives:

C Capitalize on Nova Scotia's developing international presence and accelerate export growth through a redefined corporate marketing strategy. Specific activities include developing Brand Nova Scotia/Buy Nova Scotia and marketing Cape Breton

C Establish a Buy Nova Scotia First program, an aggressive and sustained multi-media marketing campaign to increase consumer awareness of Nova Scotia products and services, including the promotion of Nova Scotia's arts/craft industry as an integral and important sector of our economy

Corporate Linkages:
Agriculture & Marketing
Fisheries & Aquaculture
Education
Tourism & Marketing

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- C Aggressively market Nova Scotia products abroad by working with other departments to ensure marketing efforts aimed at specific industries reflect the “Brand Nova Scotia”
- C Market new initiatives that demonstrate Industrial Cape Breton’s economic diversity, for example by promoting the high tech sectors and the work carried out at Silicon Island to develop industries such as film/video and multi-media
- C Lead the development and implementation of Government’s plan to market Nova Scotia’s competitive advantages to attract investment from outside the province, through both partnerships and direct initiatives

Goal 5: Support equality of opportunity and sustainable development in Nova Scotia communities

Initiatives:

- C Work with Municipal and Federal partners to establish a long-term sustainability mechanism for the Regional Development Authorities, based on recommendations from the RDA Evaluation

Corporate Linkages: Municipalities Federal Government

- C Continue to foster the development and increasing authority of the Regional Development Agencies to act as primary economic growth agents in their own communities, and encourage strategic alliances between them to take advantage of export opportunities or manage mutual issues
- C Work to identify economic opportunities for rural Nova Scotia

Corporate Linkages: Communities

- C Work with RDA’s to develop a consistent approach to investment and trade, including establishment of key community attributes and resource information
- C Work with other departments and the federal government to ensure infrastructure investments are carefully planned so as to build on regional potential and advantages and help companies grow
- C Ensure rural Nova Scotians continue to have the opportunity to access financing required to expand industry, create jobs and enjoy the benefits of an expanded economy
- C Evaluate the effectiveness of the Youth Entrepreneurial Skills program to provide support for

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business establishment/growth within the Province

- C Enhance small business job creation by continuing to support entrepreneurship through Young Entrepreneurial Skills (YES), the Centre for Entrepreneurship Education and Development (CEED), First Step, and other programs through the Business Service Centres
- C Promote the Community Economic Development Investment Fund (CEDIF), an initiative under the Nova Scotia Equity Tax Credit Program, as a vehicle to invest in the province's economy

COMMUNICATIONS

Key Messages:

- C Economic Development must ensure the right conditions exist for a competitive business climate. This will benefit all Nova Scotians.
- C Partnerships are critical to the province's economic growth - partnerships with communities, the private sector and other governments. This is how we make the most of our strengths and are best able to deal with the challenges we face.
- C Nova Scotia faces unparalleled opportunities for economic growth. A more strategic approach to economic development will provide better direction in the years ahead and allow us to make the most of these opportunities.

HIGHLIGHTS FROM HUMAN RESOURCES

The Human Resources Corporate Services Unit will provide human resource services and expertise. Ensuring that appropriate staffing decisions are made is essential to enable our clients to meet their mandates.

Other initiatives include assisting with the delivery of Corporate programs.

There will also be individual initiatives for each client department which will be determined as outcomes of this business planning process.

HIGHLIGHTS FROM INFORMATION TECHNOLOGY

Information Technology provides the management and support for the networks, desktops, and systems used by departmental staff across the Province. During 2000-2001 we will be striving to gain efficiencies in the manner in which these services are delivered by;

- C partnering with other Corporate Service Units to further develop common approaches to support and share resources. In 1999-2000 a cross departmentally funded and managed Regional Support pilot project was completed for 3 geographic regions in the Province, involving 9 departments and 3 Corporate Service Units. During 2000-2001 the geographic coverage will be expanded from the 3 pilot regions to include the entire Province.
- C moving to a technology platform that allows the Information Technology Help Desk and network team to take advantage of best practices in the industry for computer support. The Division will be taking full advantage of remote support capability by April 2001. IT service staff will be able to correct client software problems directly from the help desk center without requiring a physical visit resulting in faster problem resolution and improved service.
- C assisting with development of new systems to improve business processes
- C cross training staff who provide systems support to mission critical systems such as the Registry of Motor Vehicles system, OASIS, Nova Scotia Business Registry, Vital Statistics and Registry of Joint Stocks.
- C working with clients to keep existing systems operational & enhance systems as required.

HIGHLIGHTS FROM FINANCIAL SERVICES

The Financial Services Group will be providing financial expertise and advice to the department in its support of the Government's objective to balance the budget and provide a 10% tax reduction over the next 4 years.

The Financial Services Group will provide complete, timely and accurate financial information to the senior management team and the deputy minister.

The Financial Services Group will continue to build and strengthen relationships with the department's staff to improve our understanding of the department's business and understand our customers needs.