

Opportunities for Sustainable Prosperity  
2006-2007 Annual Progress Report

APPENDIX A  
Strategic Focus Area Overviews



# STRATEGIC FOCUS AREA OVERVIEWS

## Taking Action on Business Climate—Environment for Growth

### **Goal**

*To create a business climate that attracts out-of-province investors and encourages local businesses to start and grow in ways that support sustainable competitiveness*

### **Government's Priority**

*Provincial tax structure*

### **Government's Focus**

*Improvements in efficiency, competitiveness of tax system, tax incentives*

As part of a comprehensive tax system review to assess long-term competitiveness, efficiency, sustainability, and fairness, a number of changes were introduced for 2006–2007:

- increase in basic personal tax credit and other personal tax credits amounting to 13.8 per cent over four years
- incremental decrease in the Large Corporation Capital Tax each year until it is completely eliminated in 2012
- increase in Small Business Tax threshold from \$350,000 to \$400,000
- a new energy efficiency tax credit against the Large Corporation Capital Tax for eligible investments to help promote energy conservation and the use of renewable energy
- a Household Energy Rebate equal to the provincial portion of the Harmonized Sales Tax on home energy purchases
- a new Foreign Convention and Tour Incentive Program, coordinated through the federal and provincial governments, that will rebate the HST for certain convention and tour operators, thereby providing an important tax incentive for attracting tourists to Nova Scotia

## **Government's Priority**

### *Provincial regulatory environment*

## **Government's Focus**

### *Improvements in quality and effectiveness of provincial regulatory system through the Better Regulation Initiative*

The Better Regulation Initiative has been working to create simpler, more effective regulation that will cut time and expense for business but also protect the public and the environment. Improvements in the way laws are designed, communicated, and enforced in Nova Scotia will ultimately improve the competitiveness of businesses. An aggressive target has been set to reduce the paperwork burden of regulations by 20 per cent by 2010. Some highlights of this initiative in 2006–2007 include the following:

- Nova Scotia co-chaired, together with the Treasury Board of Canada, the Federal/Provincial/Territorial Working Group on Regulatory Reform, which focused on regulatory impact analysis.
- Through the Council of Atlantic Premiers, a roundtable of government and small and medium-sized enterprises (SMEs) was organized to identify how best to streamline provincial regulations to reduce the burden on business and protect the public.
- The Service to Business Initiative was introduced to provide business with a single point of contact with government, making it simpler to set up and operate businesses in Nova Scotia.
- Through the Competitiveness and Compliance Initiative (CCI), Nova Scotia Environment and Labour is working to achieve excellence in regulatory practice by 2010. Some accomplishments over the 2006–2007 year include
  - implementing an internal process to ensure the high-quality design of all new and amended regulations
  - making compliance easier for business in a number of ways, including streamlining and increasing public health and environmental protection for on-site septic systems
  - improving the consistency of its compliance efforts through the delivery of inspection and investigation foundation training across all four inspectorates
  - continuously improving its regulatory programs through a number of regulatory reviews as well as through the delivery of the Regulatory Craft in Nova Scotia conference, which brought together public servants from across Canada to share best practices

**Government's Priority***Provincial procurement***Government's Focus***Environmentally intelligent, cost-competitive government purchasing*

The provincial government spends over \$650 million each year on goods and services. This represents a tremendous opportunity to make an impact on and influence the marketplace. Some highlights in procurement in 2006–2007 include the following:

- The Supplier Development Program helps Nova Scotia business operators learn how to bid on government goods and services. Efforts include outreach services and community workshops on accessing business opportunities with government, distribution of a Supplier Development Toolkit, and delivery of Reverse Trade Shows across the province.
- Updates to the Procurement Services website have improved access and usability for the public service user community and increased standards and productivity for government staff. Sustainable procurement is profiled on this site.
- A government-wide working group on sustainable procurement is actively pursuing options and strategies for integrating sustainability into the provincial procurement process. Progress has been made on
  - a Green Fleet Policy, which includes criteria for selection of the appropriate vehicle based on intended use and contribution to greenhouse gas emissions over its life cycle
  - the Greening IT Initiative, which looks at a cradle-to-cradle life cycle for information and communications technology

**Government's Priority***Public policy and monitoring***Government's Focus***Balanced budget, reduced debt, monitoring progress*

Prudent and controlled fiscal management over the past few years has paid off. We can now reap the benefits of an improved credit rating and lower debt-servicing costs. Some accomplishments over the 2006–2007 year include

- a balanced budget for the sixth year in a row and a surplus in year-end financial statements
- a climate of greater confidence in our economy, with three major bond-rating agencies recognizing our debt management efforts by upgrading the province's credit rating, which makes Nova Scotia bonds more attractive to investors and helps lower the overall cost of servicing our debt

## Taking Action on Productivity through Innovation

### Goal

*To promote increased productivity through innovative products and processes that eliminate waste of all kinds*

### Government's Priority

*Innovative processes—improved efficiency*

### Government's Focus

*Technology adoption, process design, best practices, productivity improvements for high-growth-potential SMEs*

- The Department of Energy contributed \$250,000 each to the Offshore Energy Technology Research Corporation and the Offshore Energy Environmental Research Corporation to assist with research studies related to gas and oil and tidal electrical generation issues.
- InNOVAcorp worked with 106 SMEs across the province to increase productivity and promote best practices and technology adoption.
- InNOVAcorp provided technical and financial assistance to more than 20 SMEs to take advantage of the Scientific Research and Experimental Development Program (SR&ED), a federal program that offers tax incentives to Canadian businesses of all sizes and in all sectors in an effort to encourage research and development.
- The first I-3 (Idea, Innovation, Implementation) technology start-up competition, which was designed to encourage and support Nova Scotia entrepreneurs, was launched on March 2, 2006, targeting Cape Breton innovators. The competition generated more than 75 inquiries, and there were 18 formal submissions from across Cape Breton, ranging from medical devices to information and communications technologies to industrial and energy innovations. The I-3 technology start-up competition led to the identification of seven new high-potential companies based in Cape Breton. This model will be used to launch similar competitions throughout Nova Scotia.
- Tourism, Culture and Heritage has launched an expanded tourism marketing website, [www.novascotia.com](http://www.novascotia.com), and launched Google Earth Nova Scotia. Nova Scotia is among the first tourism destinations in the world to promote tourism on this dynamic, three-dimensional geographic platform. The Google Earth Nova Scotia component is fully integrated with [Novascotia.com](http://Novascotia.com). It allows visitors to “sample” Nova Scotia experiences through live video vignettes depicting products such as our Celtic music, wine, cuisine, motorcycling, and surfing and then book their vacation packages online.

## **Government's Priority**

*Innovative products—commercialization*

### **Government's Focus**

*Private and public research and development, business incubation, support and coordination, customized commercialization services, demonstration projects*

- In conjunction with Economic Development, InNOVAcorp manages the Early Stage Commercialization Fund to review, advise, and support the early-stage technology commercialization of the best post-secondary institution research.
- The Department of Environment and Labour is working with a Norwegian septic sludge dewatering developer on the opportunity to transfer technology to Nova Scotia for manufacturing and sales.
- An external marketing program focusing on the life sciences community in Nova Scotia raised awareness about companies in this sector and promoted potential investment opportunities.
- Environment and Labour assisted with the development of the flow splitter technology, which allows septic disposal fields to last longer, saving money and the environment.
- InNOVAcorp's High Performance Incubation (HPi)<sup>TM</sup> business model was formally recognized as a best-practice technology commercialization approach by the National Business Incubation Association (NBIA). Based in the United States, NBIA is the world's leading organization advancing business incubation and entrepreneurship and represents over 1600 members from 40 countries.
- Progress is being made on the development of the incubator model at the Centre of Geographic Sciences (COGS).
- The Halifax Regional Municipality dark fibre ring was built and operationalized for the benefit of HPi incubator clients. This fully integrated voice and data IP network will enable early-stage companies to access high-end IT infrastructure and therefore speed time to market and facilitate integrated communications/transactions with customers and suppliers.
- On March 16, 2007, the Nova Scotia Archives and Records Management division of the Department of Tourism, Culture and Heritage launched Historical Vital Statistics Online. Developed in partnership with Unisys Canada Inc., the new website contains a database of one million historical birth, marriage, and death registrations in Nova Scotia dating back to 1864 and is the first of its kind in Canada. Visitors to the site can view high-quality digital images and order electronic files or paper copies of these records online through credit card transactions. Service Nova Scotia and Municipal Relations is partnering in this online business.
- The Winning at New Products workshop was held in March 2007 to highlight product-development best practices, ensuring that resources are directed in ways that accelerate development and reduce that risk associated with product development, as well as other innovative efforts in the agri-food and seafood sectors.

- The Department of Agriculture and Nova Scotia Fisheries and Aquaculture provided support under the Product and Quality Development Initiatives to encourage primary and secondary producers in the agri-food and seafood industries to increase production of new high-quality and value-added products. In 2006–2007, the departments partnered with industry and other relevant stakeholders and organizations to support a total of 18 projects with a total project value of almost \$800,000.
- The Tree Fruit Bio-Products Initiative was completed, including economic analysis and product development.
- The Saltfish Market Research component was completed in 2006–2007. The research provides recommendations for new product and market opportunities in Brazil and the United States. A saltfish product development project will be pursued with industry during the next 12 months as a result of the research findings.
- Agriculture’s Technology Development 2000 Program committed over \$1.1 million in support of research development and adaptation of agricultural technologies and knowledge that enhance the competitive position of the Nova Scotia agri-food industry.
- The Atlantic BioVenture Centre is a key partner in identifying new income opportunities for Nova Scotia agri-producers within the scope of the emerging bio-based economy. The centre has secured research funding for several new initiatives valued at over \$6 million, including
  - creating new wealth from Atlantic Bioresources, which is targeted at the development of nine new natural value-added products from the agriculture and fishing industry
  - Portable Modular Micro-Factory Developments, an initiative focused on developing portable processing capacity to support bio-product processing in rural locations
  - Functional Dairy Product Development, an initiative focused on the development of innovative dairy products utilizing bio-resource materials

## Taking Action on Trade and Competitiveness

### Goal

*Support economic growth through an integrated, collaborative approach to trade, investment, and development of sustainable goods, services, and communities at world standards*

### Government's Priority

*Export development*

### Government's Focus

*Increase the number of exporters, support current exporters, diversify customer base, increase awareness of trade, increase exports of new products and services*

- *Going Global, Staying Local*, the province's export development strategy, was released on January 19, 2007. It offers a focused approach to trade that will help more Nova Scotia companies sell products and services to more markets. Two new programs were introduced:
  - the Exportability program, which offers support for professional development in international trade growth
  - the Go-ahead program, which helps exporters convert leads into sales by assisting with travel and marketing costs
- Tourism, Culture and Heritage drafted an export strategy for cultural products this past year. The document is strategically aligned with the provincial export development strategy. The Nova Scotia Arts and Culture Partnership Council is currently reviewing the draft strategy.
- Tourism, Culture and Heritage also invests in export development in the music and cultural sectors through several programs such as
  - the Export Development Program for Music (\$375,000), which focuses on marketing and touring support for Nova Scotia artists and music business professionals
  - the Industry Growth Program (\$443,000), which assists the Nova Scotia cultural industries to continue to make significant inroads into international markets
- The 22nd Annual Nova Scotia Export Achievement Awards in May 2006 honoured the following companies, who together contributed more than \$370 million to Nova Scotia's economy:
  - C-Vision—New Exporter of the Year
  - Clearwater Seafoods Ltd.—Long Term Exporter
  - Acadian Seaplants Ltd.—Export Growth Through New Markets
  - Ocean Nutrition Canada—Export Growth Through Product Development
  - Jacques Whitford—Export Growth Through Partnership
  - Secunda International Ltd.—Export Growth Through Sales
  - Master Merchant Systems Software—Canadian Market Development
  - Ocean Nutrition Canada—Exporter of the Year

- In 2006–2007, the provincial government and its partner agencies reached a record year for leading or participating in international trade missions. These included missions to Trinidad and Tobago, Barbados, USA (Florida, Portland, Maine, Boston, Massachusetts, Houston, Texas), Ireland, Italy, Iceland, Scotland, Hong Kong, Australia, and New Zealand.
- The Department of Environment and Labour helped Nova Scotia companies explore environmental business opportunities in the United Arab Emirates, Trinidad and Tobago, and countries in the Organization of Eastern Caribbean States (OECS). A Nova Scotia trade officer was based in Trinidad for four months to build relationships and make connections.
- In December 2006, Nova Scotia Business Inc. and the Department of Energy led a group of 27 Nova Scotia manufacturers, metal fabricators, and service providers to Alberta to launch the Partners East initiative. The goal of Partners East is to connect companies from Nova Scotia and Alberta for mutual benefits—to generate business for Nova Scotia and to help ease Alberta’s labour challenges.
- The Nova Scotia *Come to life* initiative branched out into a number of key markets during 2006–2007. Those markets included Boston, Toronto, Ottawa, and Calgary. This helped to get the overall Nova Scotia message in front of key influencers in each of those markets. The message being—Nova Scotia is a perfect place in which to work, live, do business, raise a family, receive an education, and visit.
- The Nova Scotia *Come to life* Charter Membership program expanded from 12 organizations to 49 by spring 2007. The support of the private sector for the initiative is vital in helping to expand our reach into markets throughout the world—telling Nova Scotia’s story to various audiences.
- Nova Scotia companies learned to work and develop business opportunities with international financial institutions with assistance from the International Financial Institution Working Group.
- The agri-fish market diversification initiative pursued trade development activities in Northern Europe, Spain, Mexico, and South America including
  - European Seafood Exposition—Belgium
  - Consemar Seafood Show—Spain
  - Alimentaria—Mexico
  - Blueberry Market Development—Japan
  - Saltfish Market Diversification—Brazil
- The agri-fish market maintenance initiative continued activities in markets of historic importance, primarily the northeastern USA including the Boston Seafood Show.
- “Food for Thought,” a joint market development initiative between the Nova Scotia Fruit Growers’ Association and EduNova, supported by the Nova Scotia Department of Agriculture and Nova Scotia Economic Development, explored market development and diversification opportunities that will allow the strategic positioning of Nova Scotia’s products and services (namely apples and education) within new and targeted, international markets particularly the United Arab Emirates.

## **Government's Priority**

*Reducing barriers to trade*

### **Government's Focus**

*Trade agreements, partnerships with other governments, Atlantic regional co-operation, efforts to identify and overcome barriers to trade, business development programs that address barriers*

- The Softwood Lumber Agreement was settled with a renewed exemption of the Atlantic region from export taxes, resulting in improved export stability. This took five years of close collaboration with the four Atlantic governments and industry. The agreement recognizes the unique circumstances of the region in terms of land ownership, market-based stumpage fees, and historic trade ties with New England.
- Work has started on labour mobility, more-effective dispute settlement, and energy issues through the Federal/Provincial/Territorial Minister's Committee on Internal Trade.
- Work continues with the Council of Atlantic Premiers and the three other Atlantic provinces to address market-development opportunities on an Atlantic basis.
- A Memorandum of Understanding with Quebec has improved the terms of trade for beer, which created cost savings and new opportunities for well-known Nova Scotia brands.
- Effective lobbying with provincial and federal counterparts has resulted in delays in the implementation of two regulations that would affect cross-border movement of goods and people, including
  - the new US Department of Agriculture APHIS (Animal and Plant Health Inspection Service) rule that would require increased inspections financed through increased fees on goods entering the United States
  - the Western Hemisphere Travel Initiative (the so-called passport law) that would require travellers between the United States and Canada to carry a passport, potentially impacting tourism
- A number of events were organized in Ottawa to help raise the profile of Nova Scotia among opinion leaders and federal policy makers:
  - In May 2006, NSBI hosted an event in Ottawa that was designed to generate awareness of Nova Scotia and its vibrant business environment. The inaugural event identified key elements of Nova Scotia's value proposition, including key sectors like defence and aerospace, information technology, and the emerging Atlantic Gateway.
  - In October 2006, Intergovernmental Affairs, with support from NSBI, hosted a Nova Scotia Day in Ottawa. Specifically, the day was designed to build understanding of Nova Scotia's priority issues with the Government of Canada and demonstrate a new determination from Nova Scotia to build a more prosperous province.

- Ambassadors, high commissioners, and foreign-service officers learned more about the education opportunities available at Nova Scotia’s universities, community colleges, public schools, and private training schools. EduNova, Nova Scotia Business Inc. (NSBI), and the Department of Education partnered on a joint mission to Ottawa on February 15.
- The Department of Energy initiated negotiations with Venezuela’s state-owned petroleum company regarding a trade-related memorandum of understanding.
- InNOVAcorp hosted Atlantic Canada’s first Chasm Institute seminar, which was attended by 30 plus high-potential SMEs from throughout the province. This intensive seminar was focused on addressing and overcoming barriers to business development.
- InNOVAcorp hosted the 2006 Canadian Association of Business Incubation conference, where their best practices in commercialization were shared with other organizations from throughout the country. This event was heavily attended by other Atlantic Canadian agencies.
- Work is under way to understand the logistic situation in Nova Scotia and Atlantic Canada through logistics research and workshops to enhance our competitive stance.
- Nova Scotia Fisheries and Aquaculture worked together with other Atlantic provinces on sourcing joint funding to deliver trade show activities, including the European Seafood Exposition and the Boston Seafood Show.
- The Department of Agriculture and Nova Scotia Fisheries and Aquaculture participated on the Federal/Provincial Market Development Council (FPMDC) to address sharing of market-development information and joint market-development initiatives. Core teams have been established for the USA, Japan, Mexico, and Europe to address market-development opportunities in these countries.

## **Government's Priority**

*Investment attraction*

### **Government's Focus**

*Attract new businesses to Nova Scotia, Nearshore Strategy, IT and communications, knowledge sector, private-sector-funded R&D from large multinational companies*

- InNOVAcorp placed a heavy emphasis on strengthening its “go-to-market” expertise in key sectors, such as information and communications technology (ICT) and life sciences, and actively monitored emerging sectors.
- The Department of Energy initiated an investment-attraction strategy aimed at revitalizing offshore gas and oil activity.
- The Department of Agriculture and Nova Scotia Fisheries and Aquaculture are attracting investment in areas of land-based aquaculture, horticulture production systems, and new producers.
- Tourism, Culture and Heritage launched a new tourism-investment initiative including a new website ([www.gov.ns.ca/tourisminvestment](http://www.gov.ns.ca/tourisminvestment)) and an investors tool kit, Nova Scotia Tourism: The Business Advantage.
- Four financial services companies have chosen to expand in the province. These companies are a significant addition to the provincial economy, paying average salaries in excess of twice the average salary for the province:
  - Butterfield Fund Services expects to create up to 400 full- and part-time jobs over the next seven years.
  - Citco Fund Services, the leading global provider of administrative services to the hedge fund industry, has opened an office and training centre in Halifax that will employ up to 350 people.
  - Olympia Capital (Bermuda) Limited, one of the world's most respected hedge fund administrators, is expanding its operations, bringing up to 150 new jobs to Halifax.
  - Marsh, the world's leading risk and insurance services firm, will establish a technical centre of excellence to provide high-level financial administrative support for its captive solutions business and create up to 150 new jobs.
- With the support of the provincial government and the Cheticamp Co-operative Council, Acrobat Research is adding up to 115 new jobs at its new contact centre in Cheticamp.
- Alberta-based Crape Geomatics Corporation is opening a new Dartmouth facility, which will create up to 75 new jobs.
- Hogg Robinson Group (HRG), one of the world's largest corporate services companies, is expanding its Halifax operation by adding up to 250 new jobs.
- IMP Inc. has secured a capital expenditure loan to construct a new building at the Halifax Robert L. Stanfield International Airport that will service Canadian and international military aircrafts.
- Corporation Service Company (CSC) is creating up to 78 new jobs over the next five years at its new location in the Hebron Industrial Park in Yarmouth County.
- Cape Breton-based Advanced Glazings Ltd., a developer, manufacturer, and marketer

of leading-edge technologies that bring natural daylight into buildings to improve the quality and energy efficiency of light, is creating up to 238 new jobs over the next five years.

- xwave, one of Canada's largest information and communications technology (ICT) services companies, is growing its defence, security, and aerospace operations in Nova Scotia, resulting in the creation of up to 250 incremental full-time jobs over the next five years.
- Research In Motion, the innovator behind the BlackBerry handheld device, broke ground for its technical support operations centre in Nova Scotia. In April 2006, RIM opened at an interim location near Bayers Lake Industrial Park and has hired more than 200 employees to date.

## Taking Action on Financial Capital—Investment

### Goal

*Ensure that financing is available for opportunities that will create a more sustainably competitive economy*

### Government's Priority

*Access to capital—capacity building; opportunity matching; gap analysis*

### Government's Focus

*Develop and maintain public and private-sector funding mechanisms; facilitate capital formation; match angel investors, venture capitalists, commercial lenders, and public-sector funds with qualified businesses; identify and work to address any gaps in existing funding mechanisms*

- The Credit Union Loan Guarantee Program has been expanded to provide access to capital for small business throughout the province for up to \$25 million in loan guarantees. To date, over 240 loans have been approved for more than \$18 million, creating or maintaining more than 1,500 jobs. Through this program, businesses can borrow up to \$150,000 under normal commercial terms through a credit union. In the event of a business failure, the amount of any loss, after realization of security, is 75 per cent guaranteed by the province.
- Through the management of the Nova Scotia First Fund (NSFF), InNOVAcorp operates as an active and effective venture capitalist. Since the fund was recapitalized in 2003–2004, InNOVAcorp has approved and invested more than \$5.5 million in promising early-stage companies based in Nova Scotia. Over the last four years, the corporation helped attract more than \$20 million from angel and strategic investors, financial institutions, and other seed and venture capital funds. Ten million dollars of this investment capital originated outside Atlantic Canada. For every \$1 investment made by the Nova Scotia First Fund, at least \$3 was invested by syndicated investors. The forecast for this fund for 2006–2007 is \$93 million.
- The Industrial Expansion Fund offers a variety of financial assistance on a per-case basis to help support the province's economy. Over the past two years it has helped create or maintain more than 3,000 jobs in the province and has a return on investment of \$3 for every \$1 spent.
- The Equity Tax Credit is designed to assist Nova Scotia small businesses, co-operatives, and community economic development (CED) initiatives in obtaining equity financing by offering a personal income tax credit of 30 per cent to individuals investing in eligible businesses. In 2006, 980 people invested \$16.3 million in 75 companies in Nova Scotia.
- InNOVAcorp has formed a strategic relationship with the Nova Scotia Co-operative Innovation Council to co-invest in innovation with high commercial potential from the co-operative membership.
- The Department of Environment and Labour is working to identify funding gaps for certain environmental technologies, which will address serious issues such as waste treatment, septic system maintenance, and lagoon operation.

## Taking Action on Natural Capital—Sustainability

### Goal

*Manage our natural capital to sustain our quality of life, our economy, and our environment*

### Government's Priority

*Sustainable competitiveness*

### Government's Focus

*Green business opportunities, sustainable practices, environmental technologies products and services, natural resource strategies, aquaculture strategy, sustainable competitiveness concept in business plans, climate change, renewable energy, energy efficiency, renewed energy strategy*

- Three significant pieces of legislation affecting natural capital were introduced or amended by the Legislature in 2006–2007:
  - In December 2006 extensive amendments to Nova Scotia's Environment Act made improvements in the way environmental management and protection are achieved in Nova Scotia.
  - In February 2007 the Renewable Energy Standard Regulations, under the Electricity Act were enacted, resulting in the requirement by 2013 for 10 per cent of the electricity supply to come from renewable generation facilities built in Nova Scotia after 2001. Combined with pre-2001 renewable energy sources, this will result in at least 18.5 per cent of the electricity in Nova Scotia supplied by renewable energy sources, including wind, tidal, solar, hydro, and biomass, by 2013.
  - In March 2007 a new act entitled the Environmental Goals and Sustainable Prosperity Act was introduced in the Legislature. This act includes 21 aggressive time-bound objectives and sets a goal for Nova Scotia to become the cleanest and most sustainable environment in the world by 2020. This act was proclaimed in June 2007.
- An environmental assessment for the Sydney Tar Ponds and Coke Ovens Remediation Project received approval in January 2007. The approval permits the stabilization and solidification of the toxic materials. The Department of Environment and Labour is the primary regulator for the project, and plans are under way to establish an independent remediation monitoring board to monitor regulatory management related to the project.
- The Department of Natural Resources is preparing background papers on biodiversity, parks and outdoor recreation, minerals, and forests in preparation for a provincial natural resources strategy. The public will be consulted in the development of this strategy.
- Plans are under way to expand the Drinking Water Strategy to address security and sustainability of Nova Scotia's water supply to ensure the long-term prosperity of water-dependent industries and the health of communities and ecosystems.

- The Departments of Natural Resources (DNR) and Environment and Labour are working together to improve understanding of the province's groundwater resources. As part of this process, DNR's Geological Services Division will hire a hydrogeologist to take the lead in groundwater resource assessment for the Province of Nova Scotia.
- The Environmental Home Assessment Program, a two-year program launched in October 2006, provides homeowners with a septic-system assessment, a water-quality sampling kit, and a water-saving device. Participants also receive a rebate on septic system pumping, and depending on financial need and the state of the septic system, homeowners may be eligible for a grant of up to \$3000 to help cover the costs of necessary repairs.
- The Adopt-A-Stream program continued to provide interested community groups with funding to improve inland fisheries habitats. In addition, technical advice for this program is now considered for funding, leading to a 10 per cent increase in monies available to support volunteer work.
- The Provincial Oceans Network (PON) was formally established as the lead provincial body to support improved coastal management provincewide. PON is leading the development of a Coastal Management Framework to guide the provincial government in coastal and ocean planning and to maximize potential opportunities for prosperity in the long term.
- Tourism, Culture and Heritage has embraced a concept that encompasses guiding principles of sustainability called SMART (Sustainable Marketable Assets Relevant to Tourism). Many activities fall under the SMART guiding principles. The department also supports Canada's Code of Ethics and Guidelines for Sustainable Tourism and worked with partners to capture examples and best practices of sustainable tourism in Nova Scotia.
- The Department of Natural Resources acquired thousands of hectares of land of historic, ecological, and recreational significance. DNR's land acquisitions in 2006–2007 included
  - 147.5 hectares of land at Cape Split, Kings County, representing breathtaking scenery and natural coastal wonders
  - 10 050 hectares of land spanning six counties from Bowater Mersey Paper Company, including properties with coastal or inland water frontage, old-growth forests, and some rare and endangered species, as well as areas of rich cultural and historical significance, including areas along the Mersey River where thousands of Mi'kmaw artifacts have been identified and recovered
  - 699 hectares of prime property dispersed throughout Nova Scotia, including islands in Mahone Bay, Lunenburg County; St. Margarets Bay, Halifax County; North Harbour, Victoria County; and parcels of land in Guysborough and Queens Counties

- Energy-related accomplishments for 2006–2007 include
  - establishing Conserve Nova Scotia to develop energy-efficiency and conservation strategies
  - continuing to fund the Smart Energy Choices program, which included business opportunities related to home renovations and construction
  - cost-sharing the Electric Power Research Institute study, which identified the potential for tidal electricity generation in Nova Scotia
- Agriculture-related accomplishments for 2006–2007 include the following:
  - The Department of Agriculture continued to deliver the Environmental Farm Plan initiative, helping producers to address environmental issues. There has been a steady increase in the number of farms enrolled in the program. As of May 2007, approximately 960 farms had enrolled, representing 40 per cent of the 2400 registered farms in the province.
  - As part of the Competitive Transition Project, the department identified the agriculture sector’s role in producing multi-functionality or public goods, such as environmentally friendly watersheds, cleansing barriers, buffer zones, and forest preserves.
- Aquaculture- and seafood-related accomplishments for 2006–2007 include the following:
  - Nova Scotia Fisheries and Aquaculture continued to deliver the Aquaculture Environmental Monitoring program. The collection of a three-year baseline has produced results indicating very limited environmental impact. The problem sites are being addressed through remediation planning and action.
  - The salmon stocking program, which maintains salmon stocks in inland waters, was continued. In addition, capital modifications were undertaken at the Fraser Mills Hatchery to grow salmon for this program.
  - The Seafood Processing Sector Processing Analysis was completed. The analysis will provide guidance for growth and development of the Nova Scotia seafood processing industry.

- Forestry-related accomplishments for 2006–2007 include the following:
  - Public consultations were held on proposed changes to the Forest Sustainability Regulations, designed to increase the health of private woodlots and provide more silviculture treatment options and flexibility. Silviculture is the art of producing and tending a forest.
  - As part of an ongoing process for implementing a comprehensive forest strategy for Nova Scotia, the Department of Natural Resources has completed the first of three components of a Code of Forest Practice entitled A Framework for the Implementation of Sustainable Forest Management. It describes the general principles that will form the basis of forest practices to be included in future components as guidebooks and technical manuals. The Code of Forest Practice is intended to provide direction to forest landowners and operators on forest-management practices that lead to sustainable forests and forest use. The code will become part of planning and operational requirements for Nova Scotia Crown lands. Its use will be encouraged on all private forest lands through information and education.
- Mining-related accomplishments for 2006–2007 include the following:
  - The Geological Services Division initiated a Mineral Resource Potential Project to develop a series of mineral resource maps that will ultimately lead to the preparation of mineral resource potential maps for Nova Scotia. The first map series focuses on exploration and mining data, providing a factual record of mineral development activity. A second map series will focus on defining mineral resource potential based on mineral occurrences, geological formations, and highly prospective zones. Mineral development is an important economic activity in Nova Scotia, with more than 5,000 people currently employed directly and indirectly.
  - DNR announced a scientific research program to see how surface mine reclamation can support land-use strategies in Nova Scotia. Provincial experts sitting on a committee representing industry, academia, government, research organizations, and public interest groups are leading the study. The committee's mandate includes site selections for the study, a review of scientific literature, ecological studies, recommendations for test vegetation plots, planting and monitoring of test plots, public consultation, and an action plan for reintegrating mine sites into the local environment. The first phase of the reclamation study, expected to take two years, will also provide significant research and training opportunities for universities throughout the region.

## Taking Action on Built Capital—Infrastructure

### Goal

*To support infrastructure that can be sustained, and will support current and future economic activity*

### Government's Priority

*Transportation*

### Government's Focus

*Atlantic Gateway, highways, ports, airports, rail*

- Considerable progress has been made in 2006–2007 on the Atlantic Gateway initiative including the following:
  - CPCS Transcom, in partnership with Drewry Shipping Consultants, was hired to research Nova Scotia's Gateway potential for air, cruise, and container traffic. Government endorsed the resulting Nova Scotia Gateway Study and action plan in December 2006.
  - Strong working relationships are being cultivated with key gateway partners and stakeholders such as the Halifax Gateway Council, Atlantic Canada Opportunities Agency (ACOA), and Transport Canada to strategically position the initiative locally and at the federal level. Nova Scotia is a member of the Atlantic Gateway Federal/Provincial Officials Committee with the objective to develop an Atlantic Gateway Strategy.
  - The Atlantic Gateway was featured prominently in Ottawa during Nova Scotia Days in October 2006, with both Premier MacDonald and Minister MacIsaac making presentations about the initiative. In February 2007, Minister MacIsaac made a well-received presentation to the Senate's Standing Committee on Transport and Communications.
  - Planning work during 2006–2007 will culminate in the Premier's Gateway Symposium scheduled for May 2007. The symposium brings together key gateway stakeholders and experts from North America to discuss and explore gateway concepts and issues.
- The Department of Transportation and Public Works (TPW) Highway Construction Program increased from \$167.2 million in 2005–2006 to \$223.0 million in 2006–2007. With the increased funding of \$55.8 million, TPW increased the number of subdivision roads paved from 25 to 44, increased money spent on construction on our highways by \$21.9 million, and increased money spent on repaving on our highways by \$23.5 million. In total, 19.2 km of subdivision streets were paved, 24 km of new highways were opened and 593.4 km of highways were repaved.

## **Government's Priority**

*Broadband and wireless*

### **Government's Focus**

*High-speed Internet access for all Nova Scotians*

- A pilot project successfully connected the northern Nova Scotia communities of Tignish and Port Howe with high-speed Internet. Lessons learned from this pilot were used to plan the approach to provide high-speed Internet to the remaining unserved areas of the province.
- A detailed inventory and mapping of unserved areas was undertaken, and the province was divided into zones based on population and existing infrastructure in preparation for rollout of the broadband initiative in 2007–2008.

## **Government's Priority**

*Municipal infrastructure*

### **Government's Focus**

*Support for economic development related infrastructure projects*

- The Canada–Nova Scotia Municipal Rural Infrastructure Fund Agreement (Canada–Nova Scotia MRIF) will mean an investment of \$111 million for municipal and rural infrastructure in this province up until 2012, with contributions from federal, provincial, and municipal governments. The Governments of Canada and Nova Scotia will each invest up to \$37 million towards the Canada–Nova Scotia MRIF. Each municipality is also expected to provide one-third of eligible project costs.
- The governments of Canada and Nova Scotia have also agreed that at least 60 per cent of the funding available under this program will go to “green” projects that improve the quality of the environment and contribute to cleaner air, soil, and water. Green projects include water, wastewater, solid waste, public transit, and environmental energy improvements. Other eligible project categories will be local roads; cultural, recreational, and tourism infrastructure; and broadband connectivity.
- InNOVAcorp formalized and operationalized a comprehensive support program for affiliate incubation facilities throughout the province. Affiliate incubators are defined as Nova Scotia incubation facilities that are owned and/or managed by a third party and that meet best-practice criteria. InNOVAcorp incubation experts provide startup as well as ongoing management consulting.

## **Government's Priority**

### *Knowledge park*

## **Government's Focus**

### *Knowledge-based cluster*

- In 2006–2007, InNOVAcorp completed Phase I of the Woodside Knowledge Park by accommodating the Ocean Nutrition Canada (ONC) micro-encapsulation facility. In 2007–2008, InNOVAcorp will continue to facilitate the development of the Mount Hope extension in Dartmouth. The completion of this valuable link will allow the recruitment of additional businesses to the knowledge park, maximizing cluster synergies.

## **Government's Priority**

### *Federal presence*

## **Government's Focus**

### *Build on existing federal assets, especially the military*

- Research is in progress to better understand the past and current federal presence in Nova Scotia.
- Canadian Forces was identified as a significant federal entity in Nova Scotia, and consequently the Defence Forum was formed.
  - Regular interdepartmental meetings are being held to build a stronger understanding of government and of the military and military families and their respective needs and issues.
  - The forum has focused efforts on relationship building with the Canadian Forces and the Department of National Defence with a view toward making Nova Scotia the best place in Canada for the military to do business and for its staff to live. It has organized numerous military-related events, speeches, and presentations.
  - Opportunities for increased collaboration between the military and Nova Scotia government are currently being pursued.
  - Legislation was introduced to protect the jobs of Canadian Forces reservists, a Minister Responsible for Military Relations was appointed, and a support structure was formed.

## Taking Action on Human Capital—Labour Force

### Goal

*Take a long-term view to ensure that Nova Scotia's workforce continues to be a magnet for business*

### Government's Priority

*Population*

### Government's Focus

*Demographic assessment, immigration, 4R Strategy (Retain, Retrain, Repatriate, Recruit), engage under-represented populations, Skills NS Framework*

- The Office of Immigration improved the provincial Immigration Program, including the introduction of two new Nominee Program streams—Family Business Worker and International Graduate—and eliminating the \$5,000 fee under the Skilled Worker category for new applications.
- Seven CEO Forums were held around the province to learn about business labour force needs and to promote opportunities available through the Nova Scotia Nominee Program.
- Under the Act Respecting the Elimination of Mandatory Retirement, effective in 2009, most employers will no longer be permitted to have mandatory retirement policies. This will give Nova Scotians the option to work after they turn 65 if they wish to continue in the workforce.
- The government directly promotes supports for older workers through its Age Advantage Program available through career resource centres in the Province. Age Advantage was created out of the need for a comprehensive resource for career practitioners that would speak to specific issues facing older workers.
- The Department of Education conducted a review of the Skills Nova Scotia Framework's goals and implementation structure. The framework's goals were reaffirmed and a comprehensive 4R Strategy (Recruitment, Retraining, Retention, Repatriation) was added. A new implementation structure was designed to increase stakeholder collaboration and opportunities to work hand-in-hand to advance programs to meet common needs.
- Opportunities Nova Scotia (ONS), a two-phased initiative designed to connect Nova Scotia employers with local and expatriate job seekers was launched by the Department of Education. Phase I highlighted over 2300 job openings and attracted over 2500 job seekers to a series hiring fairs held throughout the province. Phase II will take ONS to major Canadian cities to attract expatriates back home and draw new talent to the Province. Phase II will be launched in the fall of 2007.
- A range of career planning and labour market information resources are now available including *The Nova Scotia Demographic Research Report: A Demographic Analysis of Nova Scotia into 2026*, annual labour market reviews, career guides, and Career Options, an interactive website developed specifically for Nova Scotians. The site has information on more than 300 careers for Nova Scotians—from wages and work prospects to training options. Web-based access to Nova Scotia-specific labour market information is also available through [www.labourmarketinfo.EDnet.ns.ca](http://www.labourmarketinfo.EDnet.ns.ca).

- A dedicated information and communications job site ([www.techportjobs.com](http://www.techportjobs.com)) was established to link recent graduates, local professionals, and expatriates with employment opportunities in Nova Scotia.
- \$1.4-million has been invested in Workplace Education programs to help business upgrade the skills of the workforce it already has and to help specified groups and individuals enter or re-enter the workforce. This includes offering support to workers who have been displaced as a result of downsizing or closures, including Maple Leaf and Trenton Works employees, and with Sector Councils and Business Associations to assist them in recruitment and retention activities. One hundred and thirty-nine Workplace Education programs were delivered at 69 worksites across Nova Scotia.
- The Information Technology Association of Canada held its board meeting in Atlantic Canada for the first time. As part of the meeting, board members visited Halifax West High School where they met with students, answered questions, and discussed the IT job opportunities available in Nova Scotia.
- Training sessions were developed and delivered to increase employment and career development professionals' knowledge and use of Prior Learning Assessment and Recognition, adult learning options, and labour market information. One hundred and thirty-three professionals accessed training over 5 sessions offered throughout Nova Scotia.

## **Government's Priority**

### *Education system*

## **Government's Focus**

### *Primary and secondary education, post-secondary education, Learning for Life, preparing for skill shortages*

- *Learning for Life II: Brighter Futures Together* marked its first year with an annual report and action plan focused on ensuring that all students graduate with the best possible preparation for their futures.
- The Department of Energy supported the Pengrowth–Nova Scotia Energy Scholarship Fund, an energy student training program, and provided funding for teaching aids and lab equipment.
- The Graduate Research Training Initiative within the Agricultural Policy Framework Agreement has awarded over \$350,000 in scholarships to high-calibre students who are engaged in a research-based graduate program at Nova Scotia Agricultural College and who are conducting research that will benefit Nova Scotia's agriculture and agri-food industry. This initiative is intended to ensure a reliable supply of highly qualified personnel to meet the future needs of Nova Scotia's agri-food industry.
- The Department of Energy contributed funding to the young women's Techsploration program designed to increase the number of women working in science, trades, and technology through mentorships with women in these fields.

- High school students from across the province learned about the career opportunities in information technology (IT), thanks to a new awareness program, Where Will IT Take You? A partnership between the Nova Scotia Department of Education, the Information Technology Industry Alliance of Nova Scotia, and Nova Scotia Business Inc. (NSBI), this program brought the Information Technology Opportunity Awareness program to every region of the province during the 2006–2007 school year. With the program, students, parents, educators, and community leaders learn how IT skills can translate ideas into innovations.
- Options and Opportunities (O2), a program that matches high school students with qualified employers to give them opportunities to gain experience in the workplace, was launched in 27 schools across Nova Scotia.
- Invest in Youth, a program which builds a database of Nova Scotia employers, is another Department of Education initiative that encourages employers to work with schools to help young people connect with the workplace. Over 4000 employers have signed up for the program.
- Career planning and labour market publications and resources, including *Career Guide for Students and Parents*, *Career Options: An Occupational Handbook for Nova Scotians*, and career-planning website guides were distributed to junior and senior high schools to support students, teachers, counselors and parents. Web-based access to employment information and counseling services is also provided through <http://novascotiacaereroptions.ca>.
- Parents as Career Coaches (PACC), a program to help parents better understand today's labour market and the role they play in guiding and supporting their children in making educational and career choices, was piloted in 16 high schools in 2006-07 and will be rolled out to all high schools in Nova Scotia in 2007-08.
- Almost 5000 adult learners upgraded their literacy/numeracy skills with support from the Department of Education. An additional 500 Nova Scotians received their Nova Scotia High School Graduation Diploma for Adults.
- The Department of Education has committed \$480,000 annually to the Workit Youth Apprenticeship Initiative to provide a career pathway to the skilled trades for 16-19 year-olds. Information and awareness about skilled trade careers is also shared with high school students, educators, employers and parents.
- The apprenticeship training and certification system continues to work with industry and other partners to ensure Nova Scotians get high-quality training that meets the needs of employers. Seven hundred and forty-five Certificates of Qualification were issued in 2006-07. Of these, 475 (64%) were issued to completed apprentices, and 242 (32%) were issued to trade qualifiers. The remaining 28 (4%) certificates were issued to Certificate of Qualification holders from other jurisdictions who qualified for Nova Scotia certification.
- The Interprovincial Standards (Red Seal) Program provides greater worker mobility across Canada. It allows qualified tradespersons to practice their trades in provinces or territories of Canada where the trade is designated without having to write further examinations. A total of 665 Interprovincial Red Seals were issued to qualifying candidates.

## Taking Action on Social Capital—Regional Capacity

### Goal

*Capitalize on ways to expand economic opportunity throughout the province, maintaining a balance in quality of life*

### Government's Priority

*Community development*

### Government's Focus

*Implementation of Community Development Policy, training community leaders, network development, support for agencies that work with disadvantaged communities and populations*

- The Community Development Policy's Year 2 (2006–2007) Implementation Plan accomplishments include
  - establishing a partnership with the Cape Breton County Economic Development Authority (CBCEDA) to host the second Celebrating Communities Conference and Awards, scheduled for September 2007
  - supporting the establishment of the Volunteerism Interdepartmental Coordinating Committee (VICC) to develop a government action plan to support the volunteer sector
  - sponsoring Coastal Communities Network's (CCN) Rural Policy Forum, Communities Choosing Change, February 2007
  - developing, in partnership with CCN and the Pictou Regional Development Commission (PRDC), a tool kit for community groups' use of Community Counts, a web-based statistical information system that provides accessible community-level data, statistics, and indicators
  - initiating a new community-based program to support community-level practitioners' access to learning opportunities and skills development
  - initiating the development of community development training materials, for both government and community
- The Office of Immigration provided settlement service funding to community-based settlement organizations, regional development authorities, and ethnic groups to facilitate immigration throughout the province.
- In the past year, Tourism, Culture and Heritage has helped fund several projects within destination areas to support their development efforts. Communities were supported through the Tourism Destination Area process to plan, prioritize, and implement destination development activities. A Tourism Destination Area Discussion Forum provided an opportunity for active working groups to share lessons learned and facilitate networking.
- In recognition of the crucial part volunteers play in making our communities and the province strong, a Minister Responsible for Volunteerism was appointed in May 2006. One of the first tasks of the minister is to develop Nova Scotia's first volunteer action plan to support and grow volunteerism in Nova Scotia.

## **Government's Priority**

*Regional planning and development*

### **Government's Focus**

Support strong regional approach to economic development, work with regions to assess new business development opportunities, support key industry associations

- Economic Development is helping regional development authorities to work together better across broader economic zones.
- A new Atlantic Poultry Research Centre at the Nova Scotia Agricultural College provides leading-edge research capacity in poultry management, welfare, and processing products utilizing bio-resource materials.
- As part of the Competitive Transition Project, work is under way to identify the agriculture sector's role in becoming a highly entrepreneurial and self-sufficient sector with a high economic contribution to regional and provincial economies.

## **Government's Priority**

*Entrepreneurship and small business*

### **Government's Focus**

*Support for entrepreneurs starting or running high-value firms, integrated support system for entrepreneurs, training programs, strengthened linkages between educational research institutions and the business community*

- Nova Scotia Economic Development is working with community business development corporations and regional development authorities on succession planning for small and medium-sized enterprises (SMEs).
- The Business Retention and Expansion program was broadened from the Halifax area to Queens, Shelburne, Yarmouth, Kings, Hants, Colchester, and Pictou Counties. This program focuses on the needs of the businesses we have in the province and on connecting them with government programs and services.
- In March 2007, NSBI hosted the Geared for Growth business conference in Halifax. Through guest speakers including technology futurist Todd Maffin, social entrepreneur Bill Strickland, and William Taylor, co-author of *Mavericks at Work*, the conference provoked thought, generated ideas, and inspired growth for businesses.

- Two Nova Scotia entrepreneurs were selected as the 2006 winners of Nova Scotia Business Inc.'s Executive Development in Global Entrepreneurship (EDGE) program:
  - Douglas Milburn will attend a course on entrepreneurship development at the Massachusetts Institute of Technology Sloan School of Management in Cambridge, Massachusetts. Dr. Milburn is the president of Sydney-based Advanced Glazings Ltd., a developer, manufacturer, and marketer of leading-edge technologies that bring natural daylight into buildings to improve the quality and energy efficiency of light.
  - Faith Drinnan will attend a course from Babson College's Corporate Entrepreneurship Program in Wellesley, Massachusetts. Faith is President and CEO of Dartmouth-based The Oyster Group, which provides database marketing services for magazine publishers and direct marketers.
- Tourism, Culture and Heritage updated 11 tourism business development guides and added festival and event guides, all made available through CD-ROM and the department's website.
- Funding was made available to the Tourism Human Resource Council to develop and deliver a series of Masterclass workshops on specific topics directed to senior managers/owners of tourism businesses. The tourism Masterclass series focused on e-marketing, leadership, quality, and service excellence. They also offered small business technology workshops (Annapolis Royal, Truro, Iona) focused on maximizing the use of technology for operations, guest services, and marketing a small business.