

**Opportunities for Sustainable Prosperity  
Annual Progress Report 2007-08**

**APPENDIX C  
Measures**



## MEASURES

A range of measures were included in the 2nd Annual OfSP Progress Report 2007–08 as being reflective of our progress toward the goals and priorities in Opportunities for Sustainable Prosperity. This appendix provides more information on each of these measures, including the source of the data, what it means and how it reflects the province's objectives.

### Our Vision

Our vision is of a thriving Nova Scotia that is the best place in Canada to live, to work, to do business, and to raise families.

### A thriving Nova Scotia

#### Measurable Target - GDP Growth

By 2010, Nova Scotia's real GDP per capita will be five percent closer to the Canadian average.

#### Available Data

Nova Scotia's GDP, as a percentage of the Canadian average

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007
% of Canadian average	76.2 %	75.4 %	77.3 %	78.9 %	79.1 %	78.4 %	78.4 %	77.9 %	77.9 %
Gap to close							Base	\$2,160	\$2,199

Source: Statistics Canada: Provincial Economic Accounts

#### What does the measure mean?

This measure tracks the real GDP per capita, based on the level of inflation-adjusted Gross Domestic Product, or the value added to the economy by current productive activities of individuals, businesses, governments, and non-residents compared to the national average. Faster growth in real GDP per capita results in increased purchasing power, more real personal income, and higher real wages and salaries.

#### How are we doing?

Nova Scotia is 77.9 per cent of the national average in 2006, down from 78.4 per cent in 2005. The province's real GDP per capita compared to the national average has been trending down since 2003.

Nova Scotia's real GDP per capita would need to increase \$2,160 per capita to reach the target in 2006. The outlook for 2007 sees an increase in the gap to \$2,199.

Recently, Nova Scotia's growth in real GDP per capita has slowed when compared to the rest of Canada. Over a ten year period however, Nova Scotia has made progress in closing the gap with the rest of the country.

## A thriving Nova Scotia

### Measurable Target - Personal Disposable Income

By 2010, Nova Scotia's personal disposable income\* per person will increase by five per cent.

\* corrected for inflation

### Available Data

Real personal disposable income per person

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007
Real PDI/ Person	\$19,128	\$19,209	\$19,538	\$19,983	\$19,509	\$19,841	\$20,014	\$20,767	\$21,104 (est.)
Increase							Base	+3.8 %	+5.4 %

Source: Statistics Canada: Provincial Economic Accounts

### What does the measure mean?

Real personal disposable income per capita provides an indication of a person's spending power and standard of living. It represents a person's total income after subtracting income taxes, Canada Pension Plan and Employment Insurance contributions, and various fees, such as medical insurance premiums. Faster growth in real GDP per capita results in increased purchasing power and higher real wages and salaries.

### How are we doing?

Nova Scotia had \$20,767 of real personal income per person in 2006, up from \$20,014 in 2005, an increase of 3.8 per cent. The province's real personal income per person has been trending up since 2003, driven by increases in wages and salaries.

Based on preliminary data for 2007, Nova Scotia will meet its goal of an increase in real personal income per capita of 5 per cent by 2010. In 2007, Nova Scotia's real personal income per person increased to \$21,104 an increase of 5.4 per cent over 2005.

## The best place to live and work

### Measurable Target - Net In-migration Under Age of 30

By 2011, Nova Scotia will experience a net in-migration of individuals under the age of 30.

#### Available Data

Nova Scotia's net migration of individuals under 30 years

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007
Net Migration Under 30	-1,185	-1,533	-2,238	-89	+722	+135	-1,598	-1,559	-1,498

Source: Statistics Canada: Estimates of population, by age group and sex, Canada, provinces and territories, annual

#### What does the measure mean?

This measure tracks the movement of young people under age 30 to and from other provinces.

Net inter-provincial migration of people under the age of 30 serves as an indicator of a jurisdiction's attractiveness as a place to invest and work. Migration is an important contributing factor to economic growth and in expanding the pool of young, highly skilled workers. Historically, there has been a correlation between inter-provincial migration flows and the relative economic strengths and weaknesses of a given jurisdiction.

#### How are we doing?

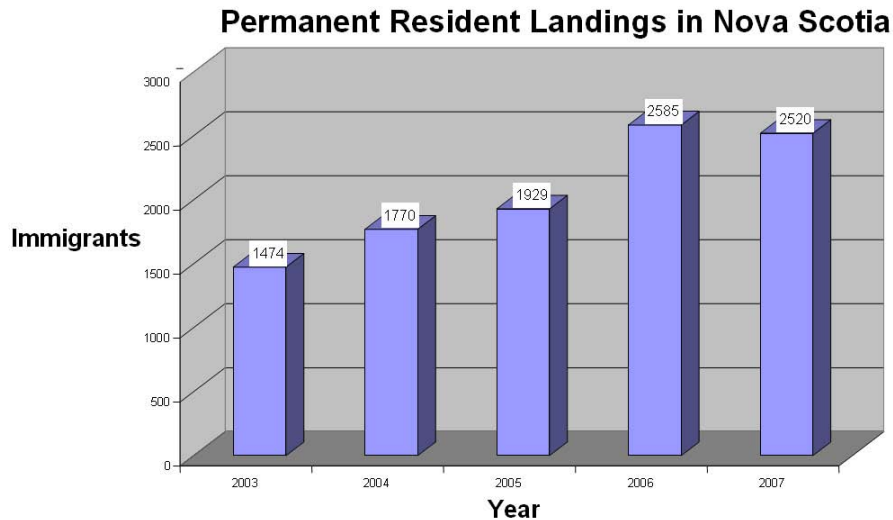
Nova Scotia had net out-migration of youth under 30 in 2007. Nova Scotia lost 1,498 youth to other provinces, with Alberta and Ontario being the biggest recipients. In the past decade Nova Scotia had positive net migration in 2003 and 2004, as economic conditions improved relative to the rest of the country. Preliminary data for 2008 shows, for the population as a whole, net migration has turned positive in the first quarter for the first time since 2003. This is a positive trend.

## The best place to live and work

### Measurable Target - Immigration

By 2010, Nova Scotia will attract 3,600 immigrants per year.

#### Available Data



Source: Nova Scotia Office of Immigration

#### What does the measure mean?

Recent census data has highlighted the significance population demographics will have on Nova Scotia's future. The confluence of an aging population, small population growth and the out-migration of youth could potentially increase fiscal pressures in the province. The projected shortage of skilled workers will impact our economic growth and prosperity. Immigration can play a key role in helping to alleviate Nova Scotia's population pressures.

This measure shows the progress made in attracting newcomers to Nova Scotia and the positive impact the Nova Scotia Nominee Program has had on immigration in the province since its inception.

#### How are we doing?

The above chart shows that the number of immigrants choosing to make Nova Scotia their home is on the increase. The total number of immigrants in the province in 2007 increased by 71 per cent over 2003. The majority of this increase is attributed to the increasing number of persons selected by the province under the Nova Scotia Nominee Program. In 2007, 896 newcomers landed in Nova Scotia through the nominee program. This number includes both the principal applicant and their family.

## The best place to do business

### **Measurable Target - Business Growth Fixed Capital Formation as a Percentage of GDP**

By 2016, Nova Scotia will improve its national ranking on the “business gross fixed capital formation” (excluding residential structures) as a percentage of GDP.

#### **Available Data**

Nova Scotia's business growth fixed capital formation as a percentage of GDP

Year	1999	2000	2001	2002	2003	2004	2005	2006
% of GDP	17.3 %	13.0 %	12.8 %	12.8 %	11.0 %	10.3 %	10.5 %	11.4 %
Rank	4th	5th	4th	3rd	4th	7th	7th*	6th*

Source: Statistics Canada: Provincial Economic Accounts

\* Figures updated since publication of 2nd Annual Progress Report 2007–08

#### **What does the measure mean?**

This measures the expenditure by businesses on durable assets and on building and engineering construction, relative to the size of the total economy.

Business investment is perhaps the most important factor contributing to long-term economic growth and higher productivity. Without solid business investment, significant or sustained employment growth is unlikely. Periods of strong business investment are generally followed by faster economic growth and rising incomes. Factors such as input costs, market conditions, expected rates of return, and government fiscal policy determine a jurisdiction's attractiveness for fixed business investment.

#### **How are we doing?**

Nova Scotia's level of business gross fixed capital investment has fallen over the past 10 years as investment in the offshore gas industry slowed. Other provinces such as Manitoba and British Columbia have passed Nova Scotia in terms of their level of investment, resulting in a lower ranking for Nova Scotia. Recent increases since 2004 in business investment are a positive sign.

## The best place to raise families

### Measurable Target - Sense of Belonging to Community

By 2016, Nova Scotia will improve its percentage on Statistics Canada's "strong sense of belonging to their local community" measure.

### Available Data

Level of "sense of belonging to the local community" expressed by Nova Scotians

Year	2003	2005
% of respondents with a somewhat strong to very strong sense of belonging to local community	68.4 %	70.3 %
Rank	5th	4th

Source: Statistics Canada: Canadian Community Health Survey (CCHS)

### What does the measure mean?

Population aged 12 and over who describe their sense of belonging to their local community as very strong or somewhat strong. Research shows a high correlation of sense of community-belonging with physical and mental health.

### How are we doing?

Nova Scotia has strong levels of sense of belonging to their local community at 70.3 per cent, ranking fourth in Canada behind the other Atlantic Provinces in 2005. Very young people, age 12 to 19 and those over 45 have the highest levels of sense of belonging to their local community. Nova Scotia's levels increased over the 2003 survey when Nova Scotia ranked 5th.

## 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

### Measurable Target for Business Climate - Provincial Tax Burden

Reduce the provincial tax burden as a percentage of GDP.

### Available Data

Nova Scotia's tax burden as a percentage of GDP

Year	2003	2004	2005	2006	2007
Per cent	12.68 %	13.18 %	13.51 %	14.09 %	13.76 %*

Sources:

*Statistics Canada, Financial Management System, CANSIM Table 385-0001: Taxes (NS Income + Consumption + Property + Other Taxes + Health Premiums + Social Security Contributions, 2003-2007)*

*Statistics Canada, Provincial Economic Accounts, CANSIM Table 384-0001: GDP at market prices (2003-2007)*

*\*Figure updated since publication of 2nd Annual Progress Report*

8

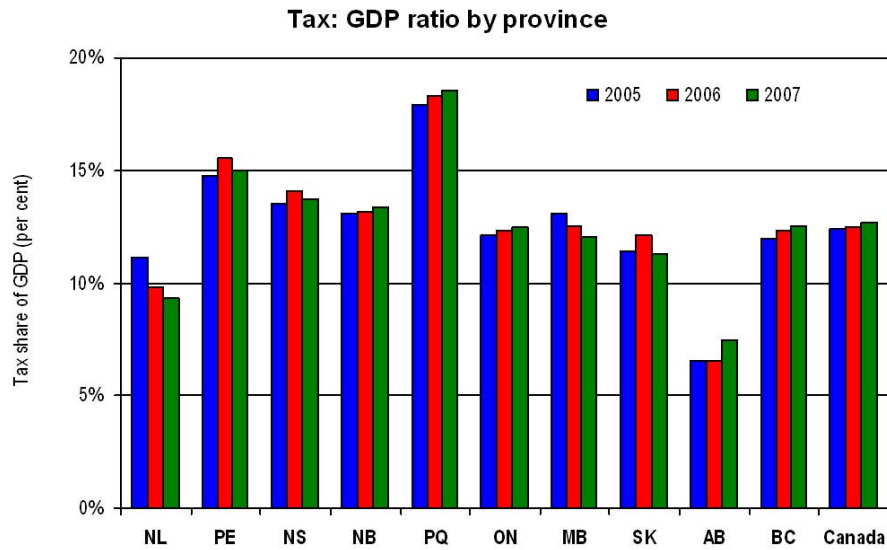
### What does the measure mean?

Calculating the overall tax burden depends on several variables, including the tax base, tax rates, deductions from the tax base, and credits against tax liabilities. The definitions and economic drivers of these important tax variables can be substantially different between provinces and countries. Moreover, provinces and countries can significantly alter the mix of tax burdens among groups by setting different taxes and credits on specific subsectors of the economy.

Taxes as a share of gross domestic product (GDP), which relies on standard economic accounting data found commonly throughout developed countries, is used as a globally-comparable benchmark for the tax burden. The Organization of Economic Cooperation and Development uses taxes as a share of GDP as its baseline measure of the tax burden.

Taxes are typically applied to economic activities like consumption, work, savings, and investment. Taxes as a share of GDP measures how much tax is withdrawn from the Provincial economy to pay for government services, infrastructure and debt. GDP represents the sum of potentially taxable transactions and as it grows, so do the opportunities to raise tax revenues. This measure does not consider whether this burden is applied to businesses, households, or other sectors of the economy, but considers the economy as a single taxpaying entity.

## How are we doing?



Source: Statistics Canada, CANSIM tables 385-0001, 384-0001, 380-0016

Nova Scotia's Provincial taxes were 13.76 per cent of GDP in 2007, a decline from 14.09 per cent in 2006. This is the third highest tax:GDP ratio in Canada, after Quebec and Prince Edward Island. Five Provinces in Canada (NL, PE, NS, MB, SK) improved their Provincial taxes as a share of GDP in 2007 while the country as a whole increased its taxes as a share of GDP to 12.69 per cent.

In 2007, Nova Scotia's reduction in taxes as a share of GDP reflects declines in capital taxes, consumption taxes and other miscellaneous taxes. In particular, the Province lowered its Large Corporations Capital Tax (towards elimination in 2012) and provided sales tax relief through Your Energy Rebate. In 2006, Nova Scotia's taxes grew as a share of GDP on the strength of higher personal and corporate income tax revenues.

## Measurable Target for Business Climate - Paperwork Burden

Reduce the paperwork burden of regulations by 20 per cent by 2010.

### Available Data

Time businesses spend on administrative paperwork for provincial government requirements

Year	2005-06	2006-07
Hours	615,000	600,000
% reduction	base year	2.5 %

Source: *Better Regulation Index, Better Regulation Office, Treasury and Policy Board*

### What does the measure mean?

The Index is an estimate of the time it takes businesses to report information, find the right forms, fill them out and submit them to provincial departments. The formula for the baseline – time per transaction x number of transactions summed up from all departments – is updated annually. New transaction requirements are added and streamlining measures are deleted for the final tally.

The Index measures only the administrative burden component of total regulatory burden and, as such, is one indicator from a suite of measures to assess the full burden.

This measure is important because it tracks the time spent on regulatory paperwork which has a real impact on business and is often singled out as being excessive.

### How are we doing?

In spring 2005, Government announced the target to reduce administrative burden by 20 per cent by 2010. When the baseline was calculated in 2006, it was a first time effort by government to capture the level of administrative burden as an indicator of regulatory burden. It was determined that the baseline administrative burden was 615,000 hours per year. In 2007, government reported that we had stopped the growth of administrative burden and rolled it back by 2.5 per cent. Additional reductions are expected to be announced in Fall 2008, 2009 and finally, 2010 respectively.

## Measurable Target for Business Climate - Provincial Government Debt

Reduce the provincial government debt as a percentage of GDP\*.

*\* based on revised GDP estimates from Provincial Economic Accounts released by Statistics Canada, in November 2007*

### Available Data

Provincial government debt as a percentage of GDP

Year	2004	2005	2006	2007	2008
Per cent	41.0 %	38.8 %	38.6 %	36.6 %	34.9 % (estimate)

*Source: Nova Scotia Department of Finance; Net Direct Debt as a per cent of Nominal Gross Domestic Product*

### What does the measure mean?

The measure represents the provinces debt burden, or the level of debt carried as a proportion of the gross domestic product. A stable debt to GDP ratio would indicate that government's fiscal policies have been sustainable in the sense that the rate of economic growth in the economy is the same as the growth in debt. A declining ratio indicates that economic growth is outpacing growth in debt and that debt costs will use up a smaller proportion of government revenues in the years ahead. An increasing debt to GDP ratio means that the debt burden on tax payers is growing and becoming more onerous and that debt cost will use a greater proportion of government revenues.

### How are we doing?

Nova Scotia has been doing very well in reducing its net direct debt as a per cent of GDP. The ratio has fallen from a high of 48.7 per cent in 1999-00 to the current forecast of 36.6 per cent for 2007-08 and the Estimate of 34.9 per cent for 2008-09.

11

## Measurable Target for Business Climate - Provincial Budget

Achieve annual provincial budget surplus.

### Available Data

Provincial budget surplus

Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
\$ million	\$27.8	\$38.1	\$170.2*	\$238.8	\$182.4	\$158.4*

*Source: Nova Scotia Department of Finance; Public Accounts and Budget Estimates*

*\* New information since publication of 2nd Annual Progress Report*

### What does the measure mean?

The surplus represents an excess of revenue over expenses. Operating costs could be met by revenues, and an increase in debt was not needed to fund operations.

### How are we doing?

2008-2009 was Nova Scotia's seventh consecutive balanced budget and the forecasted surplus for 2007-2008 will be the seventh consecutive realized surplus.

## Productivity through Innovation

### Goal

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

### Measurable Target for Productivity Through Innovation - R&D Expenditures

Achieve the highest ranking in the Atlantic region for expenditures in research and development per business.

### Available Data

Annual expenditures in research and development per Nova Scotia business ranked by Atlantic provinces

Year	1999	2000	2001	2002	2003	2004	2005
\$ per business	\$2,768	\$2,888	\$4,417	\$4,077	\$3,929	\$3,991	\$4,034
Rank	1st	1st	1st	1st	1st	2nd	3rd

Source: Statistics Canada - Industrial Research and Development, 2005 Intentions, Statistics Canada - Catalogue No. 88-202-XIB

### What does the measure mean?

This measure shows how much money is spent on research and development by businesses in Nova Scotia per employee. Spending on research and development (R&D) is a key factor in innovation and the creation of new wealth.

### How are we doing?

Nova Scotia had been a leader in Atlantic Canada in the levels of R&D expenditures by business. Nova Scotia levels have been steady since 2001. Recently Newfoundland and Labrador and New Brunswick have surpassed Nova Scotia level of business R&D. This is a concern given the large incentives in place to encourage R&D in Canada and Nova Scotia in particular.

## Measurable Target for Productivity Through Innovation - Knowledge-intensive Service Industries

Increase the value of knowledge-intensive service industries relative to GDP.

### Available Data

Value of knowledge-intensive service industries relative to GDP

Year	1999	2000	2001	2002	2003	2004*	2005*	2006*	2007*
\$Million	\$5,329	\$5,398	\$5,612	\$5,867	\$5,988	\$6,082	\$6,279	\$6,483	\$6,579
as % of GDP	24.3 %	23.7 %	23.9 %	23.9 %	24.0 %	24.0 %	24.4 %	25.0 %	24.9 %

Source: Statistics Canada – Provincial Economic Accounts

\*Information revised and updated since publication of 2nd Annual Progress Report 2007–08

### What does the measure mean?

A wide range of knowledge-intensive service activities enables firms and public sector organizations to better innovate. They are both sources and carriers of knowledge that influence and improve the performance of individual organizations, value chains and industry clusters across all sectors of the economy.

The industries, classified according to the North American Industry Classification system (NAICS), that were included in calculating the contribution of knowledge intensive service industries are grant-making and giving services, civic, and professional and similar organizations [NAICS 2100]; Health care and social assistance [6200]; educational services [6100]; professional, scientific and technical services [5400]; monetary authorities and depository credit intermediation [5A01]; and information and cultural industries [5100].

### How are we doing?

Nova Scotia has very high levels of knowledge intensive service industries when compared to the Canadian average. For the past decade Nova Scotia has exceeded the national average. In 2007 the percentage for Canada was 24 per cent compared to 24.9 per cent for Nova Scotia. Nova Scotia has increased its level of knowledge based services since 2001, led by growth in the information and cultural industries and professional, scientific and technical services.

## 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**

### Measurable Target for Trade and Competitiveness - Companies that Export

Increase the number and value\* of Nova Scotia companies that export.

\* includes companies with export values greater than \$30,000

### Available Data

Number of Nova Scotia companies that export and the value of these exports

Year	1999	2000	2001	2002	2003	2004	2005
# of companies	910	924	925	933	898	933	885
\$ million	\$4,262	\$4,569	\$4,851	\$5,055	\$4,915	\$4,874	\$4,560

Source: Statistics Canada – Profile of Canadian Exporters 1993 to 2005

### What does the measure mean?

This measure shows the number of companies in Nova Scotia that export in excess of \$30,000 annually and the overall dollar value of the exports.

Strong exports tend to increase productivity and income levels in a jurisdiction due to additional markets available beyond the domestic market.

### How are we doing?

Nova Scotia has core group of exporters that provide the majority of international exports. Fluctuations in the number of companies and values of exports are related to the economic conditions of our trading partners, with the United States being the largest. Recent appreciation in the Canadian dollar and a slowing US economy have resulted in lower export levels for Nova Scotia. This trend is expected to continue into the future and negatively impact the number and value of exports.

### Measurable Target for Trade and Competitiveness - Export Diversity

Increase Nova Scotia's export diversity (as measured by the percentage of exports by products not in the top five broad product categories (HS2) per year compared with total exports).

#### Available Data

Percentage of Nova Scotia exports not in the top five broad product categories (HS2)

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007*
% not in top 5 HS2	35.3 %	32.2 %	29.0 %	31.2 %	30.1 %	34.1 %	31.5 %	37.5 %	32.7 %
Canada	46.1 %	44.8 %	46.6 %	47.7 %	46.4 %	46.0 %	44.7 %	46.9 %	48.4 %

Source: Industry Canada – Trade Data Online

\* Revised since publication of 2nd Annual Progress Report 2007–08

#### What does the measure mean?

This measure shows the percentage of exports in broad product categories (HS2) that are not in the top 5 product export categories, as a percentage of total exports. Trade diversification in more product classifications means that export levels are less dependant on a few commodities and may be more resilient to a down turn in these product commodities than other provinces.

#### How are we doing?

Exports of natural gas, fish, tires, paper, and lumber make up Nova Scotia top five exports. These product groups have remained unchanged for almost a decade with the exception of the addition of natural gas. Fluctuations in the values of exported products are related to the economic conditions of our trading partners with the United States being the largest. Recent appreciation in the Canadian dollar and a slowing US economy have resulted in lower export levels for Nova Scotia but the level of diversification has remained constant. Nova Scotia has less diversification in trade than Canada as a whole but is more diversified than provinces like Alberta, New Brunswick and Newfoundland and Labrador.

## Measurable Target for Trade and Competitiveness - Proportion of Businesses that Export

Increase the number of Nova Scotia companies that export, compared to the total Nova Scotia employer businesses; compared with the ratio of Canadian companies that export and total Canadian employer businesses.

### Available Data

Proportion of businesses that export

Year	1999	2000	2001	2002	2003	2004	2005
Nova Scotia	1 in 36.4	1 in 35.1	1 in 34.8	1 in 34.4	1 in 35.6	1 in 32.4	1 in 34.4
Canada	1 in 23.0	1 in 22.5	1 in 22.2	1 in 22.2	1 in 22.3	1 in 22.4	1 in 23.2

Source: Statistics Canada, Longitudinal Employment Analysis Program and Profile of Exporters 1993 to 2005

### What does the measure mean?

This measure shows the ratio of companies in Nova Scotia that export in excess of \$30,000 annually compared to the number of employer businesses in total in Nova Scotia. By comparing ratios of exporters to non-exporters we can determine the growth or decline in our exporter community independent from broader economic conditions that might impact one jurisdiction more than another. The comparison to Canada is presented as a reference point.

### How are we doing?

Compared to the rest of Canada, Nova Scotia has fewer businesses that export as a ratio of exporters to non-exporters. This ratio has been steady for a decade. The gap with Canada has been consistent. Canada has fifty percent more exporters per employer business than Nova Scotia. In 2005 Nova Scotia decreased the number of exporters compared to employer businesses at roughly the same rate as Canada. This trend will need to be reversed to improve the ratio in future.

## Financial Capital—Investment

### Goal

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

### Measurable Target for Financial Capital - Private-Sector Equity Dollars

Achieve the highest ranking in the Atlantic region for private-sector equity dollars per employee.

### Available Data

Private sector equity dollars in Nova Scotia per employee

Year	2000	2005	2006	2007
\$ per Employee	\$28	\$39	\$54	\$39
Rank in Atlantic Canada	3rd	3rd	1st	2nd

Source: Statistics Canada, Labour Force Survey and Thompson Financial

### What does the measure mean?

The measure shows the level of venture capital investment in Nova Scotia companies compared to other provinces in Atlantic Canada. Many factors impact the level of investment capital in a region. Industry composition, growth and the prevalence of local venture capital offices are important influencers. High levels of venture capital investment per employee show we have fast growing investment quality firms that are creating wealth and employment opportunities in Nova Scotia.

High growth firms are significant contributors to wealth creation and job growth. Access to equity capital fuels this growth. Difficulty accessing local sources of capital can result in high growth firms moving to other jurisdictions and slow down the growth of firms that remain.

### How are we doing?

Nova Scotia continues to lag the rest of the country in terms of the amount of venture capital investment it attracts. Over the past decade Nova Scotia has had steady annual investments in the range of a low of \$16 million to a high of \$68 million. Nova Scotia has achieved its target of being the best in Atlantic Canada twice in 2001 and 2006. Nova Scotia ranked second in 2007.

### Measurable Target for Financial Capital - Equity and CEDIF tax credits

Increase the use of Equity (ETC) and Community Economic Development Investment Fund (CEDIF) tax credits.

#### Available Data

Participation in the Equity (ETC) and CEDIF programs\*

Year	Program	Investment	Credits	Investors	Firms
2006	ETC	\$17.2 m	\$4.9 m	992	75
	CEDIF	\$ 5.8 m	\$1.7 m	715	18
	<b>Total</b>	\$ 23.0 m	\$6.6 m	1,707	93
2007	ETC	\$12.5 m	\$3.6 m	588	67
	CEDIF	\$ 4.4 m	\$1.2 m	804	19
	<b>Total</b>	\$16.9 m	\$4.8 m	1,392	86

Source: Department of Finance

\* Revised and updated since publication of 2nd Annual Report 2007–08

#### What does the measure mean?

This measure shows how much equity was raised through the ETC and CEDIF programs, as well as how much equity was retained in CEDIFs through the use of rollover tax credits.

18

Most of the companies who raise capital through the ETC program are either new or small businesses. One of the barriers of growth of these businesses is that they typically have a hard time raising capital (either debt or equity) because of the inherent risk in these types of enterprises. These credits reward individuals who invest in these companies thereby improving access to equity capital for new small businesses.

These credits also encourage the use of equity financing over debt. While increased equity financing lowers investor's returns, it helps companies grow by removing an element of risk.

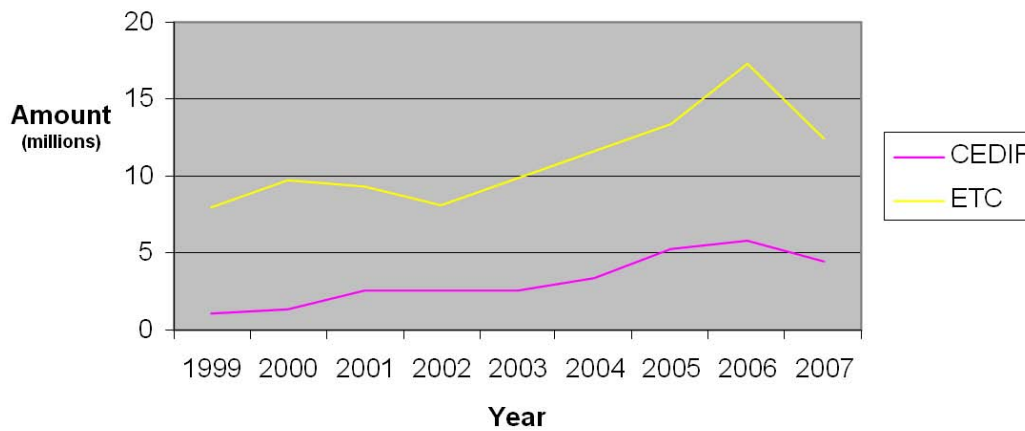
To be clear, this does not measure whether investment in Nova Scotian companies is increasing or decreasing. It only measures the amount of investment that took place within this program. It is also not reflective of changes in debt to equity ratios for small/new businesses.

### How are we doing?

Total equity raised by applicants in 2007 under the ETC and CEDIF programs fell by almost 25 per cent compared to 2006, erasing much of the gain in the last two years. The number of companies and individuals using the CEDIF program increased marginally, however the average investment decreased by a third, lowering the total amount raised under the CEDIF program. Businesses who utilized the ETC also raised less money in total due to a decrease in the number of investors offset partially by a greater average investment. Both the number of companies who applied and the number of investors fell by 11 per cent and 41 per cent respectively, while average investment increased by 23 per cent.

Overall, the goal to increase the amount of credits issued was not met this year as there was a sharp decline in investments that were registered under these programs. There are many possible explanations for this such as the decreased interest rate encouraging debt financing, or the slowdown in the North American economy.

### Equity Raised



## Natural Capital—Sustainability

### Goal

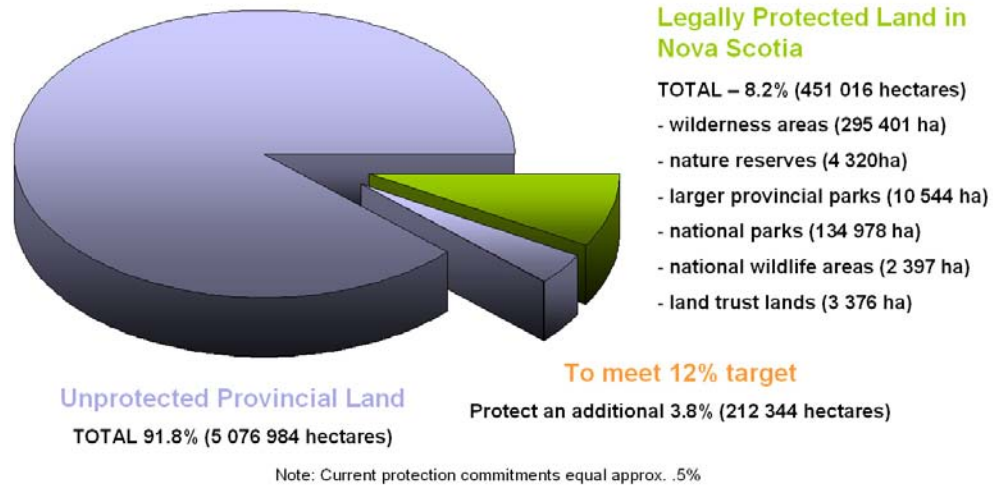
**Manage our natural capital to sustain our quality of life, our economy, and our environment**

### Measurable Target for Natural Capital - Protected Areas

By 2015, increase the percentage of land legally protected\* in Nova Scotia to 12 per cent

\* legally protected includes designated and protected under the Wilderness Areas Protection Act, under the Special Places Protection Act, as a national park under the National Parks Act (Canada), under the Conservation Easements Act or under the Canada Wildlife Act (Canada), primarily dedicated to the protection of biodiversity and natural processes under the Provincial Parks Act or held by non-government charitable land trusts (Environmental Goals and Sustainable Prosperity Act - Chapter 7 of the Acts of 2007).

### Available Data



20

Source: Nova Scotia Environment, Protected Areas Branch, 2008

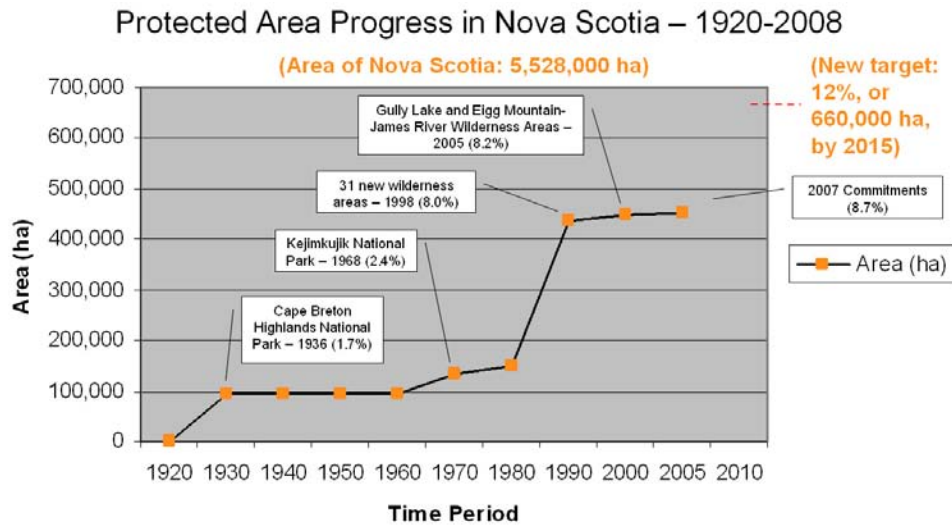
### What does the measure mean?

This measure refers to the amount of land in the province which is set aside from development in order to protect, maintain, and restore natural ecosystems and their dependent species. Protected areas also have scientific, educational, recreational, and tourism-related values, and provide economically valuable 'ecological services' such as water purification and carbon storage. They can serve as 'benchmarks' or reference areas which we can use to ascertain the environmental impacts of human activities on the remainder of the landscape.

## How are we doing?

In 2007, the provincial government established a goal of ensuring legal protection for 12 per cent of the land area of Nova Scotia by the year 2015, up from the current 8.2 per cent. To reach this goal, approximately 212,000 hectares of land must be protected over the next seven years. In 2007, commitments were made which will increase the amount of land protected to 8.7 per cent.

Progress in the establishment of protected areas is depicted in the graphs below.



Source: Nova Scotia Environment, Protected Areas Branch

### **Measurable Target for Natural Capital - Environmental Farm Plan Initiative**

By 2008, increase the percentage of Nova Scotia farms participating in the Environmental Farm Plan initiative to at least 50 per cent.

#### **Available Data**

Registered farms participating in the province's Environmental Farm Plan Initiative

Year	2004-05	2005-06	2006-07	2007-08
% farms	27 %	35 %	40 %	42 %

*Source: Nova Scotia Department of Agriculture - EFP Initiative*

#### **What does the measure mean?**

The Environmental Farm Plan Initiative helps agricultural producers identify and address on-farm environmental risks. The measure is expressed as a percentage of all registered farms under the Nova Scotia Farm Registration Act participating in the initiative. Increasing the number of farms in this program serves to improve the overall environmental performance of Nova Scotia's agricultural industries.

#### **How are we doing?**

The province, in partnership with Agriculture and Agri-food Canada, has provided an estimated \$11.2 million in 2007-08 to on-farm environmental initiatives to help farmers meet enhanced standards for environmental stewardship and water management. As of March 2008 approximately 42 per cent of the 2,400 registered farms in Nova Scotia, or more than 1,000 farms, are participating in the Environmental Farm Plan Initiative. This percentage has increased steadily over the last four years.

## Measurable Target for Natural Capital - Waste Disposal

By 2015, reduce the annual waste disposal rate per person to 300 kilograms or less.

### Available Data

Nova Scotia's annual solid waste disposal rate compared to the national average.

Year	1996	2000	2002	2004	2006
Nova Scotia	595 kg/person	459 kg/person	416 kg/person	426 kg/person	430 kg/person
Canada	697 kg/person	688 kg/person	760 kg/person	772 kg/person	835 kg/person

Data Source: Statistics Canada

### What does the measure mean?

Nova Scotia's disposal rate is calculated as the quantity of waste disposed in municipal solid waste landfills, divided by population size. It measures the province's overall success in waste reduction, achieved through recycling, composting and reducing waste at source.

### How are we doing?

Nova Scotia's per capita disposal rate dropped significantly between 1996 and 2000, reflecting the successful implementation of the province's 1995 Solid Waste-Resource Management Strategy. Between 2002 and 2006, disposal rates for both Nova Scotia and Canada rose slightly, although Nova Scotia's rate remains well below national levels. This increase can be explained by economic growth, changes in consumption patterns, product changes, and improvements in data collection methodologies that allowed more precise measures of materials not previously captured.

The upward trend in disposal rates is now changing. In 2006-07, according to data collected by the province, Nova Scotia's disposal rate dropped back down again. Factors contributing to this decrease include the introduction of municipal clear bag programs and the expansion of curbside green cart programs.

Based on Statistics Canada's most recent data (2006), Nova Scotia's disposal rate is 48.5 per cent lower than the national average, and the province's residential recycling rate is 68 per cent higher than the national average.

### **Measurable Target for Natural Capital - Renewable Energy**

By 2013, 18.5 per cent\* of Nova Scotia's total electricity is obtained from renewable energy sources (wind, tidal, biomass, solar and hydro).

\* sum of pre-and post 2001 renewable energy, as a percentage of all electrical sales in the province

#### **Available Data**

Nova Scotia's renewable energy as a percentage of all electrical sales in the province

Year	2001	2006	2007
% renewable energy relative to total energy sales	8.5 %	9.7 % (revised)	8.4 % (revised)

Source: Emera's Generating Results – Annual Financial Report 2007 (Chart on page 16)

#### **What does the measure mean?**

This measure tracks how Nova Scotia Power Inc. (NSPI) is doing in meeting its future renewable energy supply targets as prescribed in the province's Renewable Energy Standards (RES) Regulations. These regulations require 5 per cent of NSPI's electricity supply to come from post 2001 renewable generation facilities sited in Nova Scotia by 2010. A further ramping up to 10 per cent is required by 2013. This 10 per cent, together with the 8.5 per cent renewable energy supply that existed prior to 2001, meets the Environmental Goals and Sustainable Prosperity Act target to achieve 18.5 per cent renewable energy by 2013.

#### **How are we doing?**

As you will note from the information presented in the chart above, the percent of renewable energy supply rose in 2006 and dropped back in 2007. The primary reason for this was the shut down of a large manufacturing facility for virtually all of 2006, which significantly reduced NSPI's total sales and resulted in a proportionally higher percentage of renewable energy supply that year. It is important to note however, that NSPI is currently being supplied with renewable energy from 60 Megawatts (MW) of post 2001 renewable generation and has recently signed long term power purchase deals with wind energy developers for an additional 245 (MW) of wind that is scheduled to be on line by the end of 2009. This will provide NSPI with more than enough renewable energy to meet the province's 2010 RES target.

## Built Capital—Infrastructure

### Goal

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

### Measurable Target for Built Capital - Fatalities and Serious Injuries - Provincial Roads

Achieve a 30 per cent reduction in total fatalities and serious injuries that occur as a result of traffic collisions on provincial roads by the time period 2008–2010 compared to average for the period 1996-2001.

### Available Data

Traffic fatalities and serious injuries on provincial roads

Time Period	1996 - 2001	2002-03-04	2003-04-05	2004-05-06
# fatalities and serious injuries	504	416	390	392
% reduction	base year	17.5 %	22.6 %	22.2 %

Data Sources:

*Nova Scotia Collision Record Database, Transportation and Infrastructure Renewal (TIR) and Collision Information Management System (CIMS) being developed by Service Nova Scotia and Municipal Relations*

### What does the measure mean?

Casualty rates are impacted by driver behaviour, vehicle safety, enforcement, education and engineering programs. The casualty rate is used by TIR as an overall indicator of how well government's programs are contributing to highway safety. A change in the casualty rate may be caused by any one or combination of the factors listed. TIR is directly responsible for highway engineering initiatives and assumed responsibility for driver and vehicle rule making late in 2003–2004.

### How are we doing?

Our objective is to continue to decrease the three-year average of total number of fatalities and serious injuries that occur as a result of traffic collisions during each three year period (in accordance with the Road Safety Vision 2010 national target).

The ultimate target is to achieve a 30 per cent reduction by 2008-09-10 compared to the average period 1996 to 2001 (to 353 or less). The three-year average for fatalities and serious injuries has declined since it started being tracked. There was a 17.5 per cent reduction in the average for 2002-03-04, a 22.6 per cent reduction for 2003-04-05, and a 22.2 per cent reduction for 2004- 05-06 compared to the base year 1996 to 2001 average.

### **Measurable Target for Built Capital - High Speed Access to the Internet**

By the end of 2009, all Nova Scotians will be able to subscribe to high-speed access to the Internet.

#### **Available Data**

Percentage of Nova Scotians with access to high speed Internet services

Year	2006-07	2007-08	2008-09	2009-2010
% with access	80 %			target 100 %

*Data Source: Industry Canada*

#### **What does the measure mean?**

The measure describes the percentage of Nova Scotians who currently have high speed access to the Internet. By the end of 2009, all Nova Scotians will have access to high speed Internet services.

#### **How are we doing?**

The Broadband for Rural Nova Scotia Initiative identified the number of unserved civic addresses in Nova Scotia. Following that, the Initiative team divided the province into seven zones, each comprising a number of unserved addresses, and issued RFPs for Internet service provision in each zone.

Service providers were chosen, and contracts signed to deliver a Fixed Wireless Internet solution in six zones. The Zone 7 contract is currently under negotiation. Radio Frequency engineering, site identification and acquisition, and LUA permit applications are underway in zones across the province.

Construction of the wireless network is underway at a number of sites across the province and the initiative is on schedule for completion by the end of 2009.

## Human Capital—Labour Force

### Goal

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

### Measurable Target for Human Capital - Labour Force Participation Rate (55-64 years)

Increase Nova Scotia's labour force participation rate of workers aged 55-64 relative to the national average (expressed as a ratio in the table below).

### Available Data

Labour force participation rate of Nova Scotia workers (55-64), compared with the national average

Year	2000	2004	2005	2006	2007
% NS	41.7 %	51.1 %	50.8 %	51.2 %	52.3 %
% Canada	50.9 %	57.3 %	57.9 %	58.7 %	60.1 %
% Ratio	0.82	0.89	0.88	0.87	0.87

Source: Statistics Canada, Labour Force Survey

### What does the measure mean?

This measure reflects the level of engagement of a population in the labour force, either as employed or unemployed. Many factors affect a region's labour force participation rate including education, demographics, wealth, economic conditions, population health, and so on. Supporting and promoting increased labour force participation, particularly for older workers and other underrepresented groups, is one strategy aimed at easing the demographic impact of our aging population on the labour market.

### How are we doing?

Over the past decade, the labour force participation rate for individuals aged 55 to 64 has increased significantly in Nova Scotia, up from 38.8 per cent in 1997 to 52.3 per cent in 2007. This growth has exceeded the national average growth, closing the gap in the ratio from 0.81 in 1997 to 0.87 in 2007. The values of the ratio in recent years resemble the record highs observed in the late 1970s.

### **Measurable Target for Human Capital - High School Diploma**

By 2010, achieve or surpass the average national percentage of those 15 and over with a high school diploma.

#### **Available Data**

Nova Scotians 15 years and over with a high school diploma, compared to the national average

Year	2000	2005	2006	2007
% Nova Scotia	68.0 %	73.2 %	73.4 %	74.7 %
% Canada	71.8 %	76.4 %	76.8 %	77.8 %

*Source: Statistics Canada, Labour Force Survey*

#### **What does the measure mean?**

This measure is an indication of the knowledge intensity, or productive capacity, of a population based on educational attainment. As of 2007, approximately three out of four Nova Scotians 15 years of age and over have attained at least a high school diploma.

Having an educated population is regarded as beneficial and necessary to advance the economy, technology, health, and other societal conditions. The growing prevalence of technology in the workplace is increasing the skill requirements of employers and driving the need for an educated population and labour force.

28

Several factors affect this measure including demographics, economic and labour market conditions and accessibility of post-secondary education.

#### **How are we doing?**

Meaningful changes in the value of this measure occur over a long horizon, as it is influenced by gradually changing factors. In 1990, only 57.6 per cent of Nova Scotia's population had attained at least a high school diploma. The substantial progress made to date can be attributed to the large increase in the population having attained a post-secondary education.

Nova Scotia has traditionally fallen short of the national average for this measure, although the gap has narrowed somewhat over the last 15 years.

### **Measurable Target for Human Capital - Post Secondary Education**

Annually achieve or surpass the average national percentage of those 15 and over with post-secondary certificates, diplomas, or university degrees.

#### **Available Data**

Nova Scotians 15 years and over with post-secondary certificates, diplomas, or university degrees, compared with the national average

Year	2000	2005	2006	2007
% NS	44.9 %	48.5 %	48.5 %	48.8 %
% Canada	42.8 %	48.0 %	48.8 %	49.9 %

Source: Statistics Canada, Labour Force Survey

#### **What does the measure mean?**

This measure is an indication of the knowledge intensity, or productive capacity, of a population based on high level educational attainment. As of 2007, approximately one in two Nova Scotians 15 years of age and over have attained at least one post-secondary certificate, diploma or degree.

Having an educated population is regarded as beneficial and necessary to advance the economy, technology, health and other societal conditions. The growing prevalence of technology in the workplace is increasing the skill requirements of employers and driving the need for an educated population and labour force.

Several factors affect this measure including demographics, economic and labour market conditions and accessibility of post-secondary education.

#### **How are we doing?**

Meaningful changes in the value of this measure occur over a long horizon, as it is influenced by gradually changing factors. In 1990, only 35.7 per cent of Nova Scotia's population had attained a post-secondary certificate, diploma or degree, which highlights the considerable progress made since then. Nova Scotia has exceeded the national average since 1990, but the gap has been slowly narrowing and in recent years Nova Scotia has fallen behind.

## Social Capital—Regional Capacity

### Goal

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

### Measurable Target for Social Capital – Rural versus Provincial Income

Maintain the ratio of rural versus provincial income at or above the national average.

### Available Data

Ratio of rural income versus provincial income in the province compared with the national average.

Year	2000	2004	2005	2006
Nova Scotia	92 %	93 %	92 %	93 %
Canada	91 %	91 %	92 %	92 %

*Source: Statistics Canada, Labour Force Survey, special run for NSED*

### What does the measure mean?

Income inequality between urban and rural areas diminishes growth potential through the erosion of social cohesion, increasing social unrest, and social conflict which may lead to misery and lower life expectancy. Extreme inequality can effectively reduce access to productivity enhancement measures, or cause such measures to be allocated inefficiently toward those who already have, or can no longer absorb such measures.

Having a reasonable level of income in rural Nova Scotia allows current residents to take advantage of existing local infrastructure such as roads, schools, and hospitals while maintaining an acceptable standard of living.

### How are we doing?

Nova Scotia has met or exceeded the national average for the past decade. Government transfer programs such as unemployment insurance and old age security have increased the income level of disadvantaged groups, many of whom live in rural communities.

### **Measurable Target for Social Capital – New Business Start-up**

Annually achieve or surpass the average national percentage of new businesses established relative to total businesses.

#### **Available Data**

New business start-ups, relative to total businesses

Year	2000	2003	2004	2005
Nova Scotia	16.0%	14.1 %	14.7 %	13.0 %
Canada	14.0 %	13.6 %	14.7 %	15.6 %

Source: Statistics Canada, Longitudinal Employment Analysis Program

#### **What does the measure mean?**

This measure shows the level of entrepreneurial activity in Nova Scotia compared to Canada. A high business start-up rate compared to the number of existing business shows a healthy entrepreneurial culture.

#### **How are we doing?**

For most of the past decade Nova Scotia has had very high levels of business formation as well as high levels of business closure. Recent trends have shown a slowing of business start-up activity when compared to the rest of Canada. This is related to recent high employment growth as workers are choosing jobs over self employment.