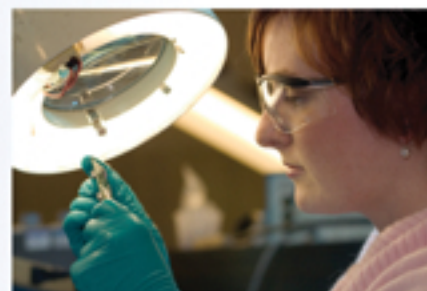


OPPORTUNITIES FOR **Sustainable Prosperity**

2nd Annual Progress Report

2007–08



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



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O P P O R T U N I T I E S F O R S U S T A I N A B L E P R O S P E R I T Y

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INTRODUCTION

Opportunities for Sustainable Prosperity 2006 has sparked a new way of thinking in Nova Scotia and opens the door for long-term progress. This economic growth strategy takes a bold departure from a traditional approach to economic development. It integrates environmental, social, and economic systems, while investing in Nova Scotia's financial, built, natural, human, and social capitals.

Over the past two years, many businesses have embraced this concept, responding to increasing expectations from clients, both here and abroad, for cost-effective, cleaner, and greener options. We see this on the development front with initiatives such as the eco-friendly Halifax Seaport Farmers' Market, designed on the basis of sustainability. Representatives from other countries often call on us to learn about Nova Scotia-based environmental solutions.

This annual report for the 2007–08 year highlights progress in eight focus areas through government-wide initiatives that work towards sustainable prosperity. In some cases these initiatives are complete, while others are works in progress.

There's no question we face many challenges such as out-migration, the shift from a resource to a knowledge-based economy, and the high value of the Canadian dollar. Guided by the vision for the New Nova Scotia, government is creating opportunities for our skilled workforce, educating to compete, improving infrastructure, creating safer and healthier communities, and protecting our natural and social environment.

New legislation in 2007, the Environmental Goals and Sustainable Prosperity Act, sets ambitious targets to make Nova Scotia one of the cleanest and most sustainable environments in the world. This includes achieving economic performance at or above the Canadian average by the year 2020. *Opportunities for Sustainable Prosperity* outlines the province's strategy to reach this challenging economic objective in a sustainable way. Effort from all levels of government, businesses, industry associations, and non-government organizations is required to make this happen.

Social and economic prosperity, and environmental sustainability depend on each other; our people and quality of life are directly affected by their outcomes. An integrated assessment of these three systems must form the basis of government's decisions and investments. The Social Prosperity Framework, *Weaving the Threads – A Lasting Social Fabric*, was released in 2007, providing the social context for doing this. Quality of life now and for future generations is emphasized within this important framework.

The following report highlights our progress with *Opportunities for Sustainable Prosperity*. For more details, including appendices, visit www.gov.ns.ca/econ/ofsp/.

Sustainable prosperity means seizing today's opportunities without compromising tomorrow, while working together for a strong, competitive economy, a healthy environment, and vibrant, thriving communities.

NOVA SCOTIA'S ECONOMIC GROWTH STRATEGY

Opportunities for Sustainable Prosperity envisions “a thriving Nova Scotia that is the best place in Canada to live, work, do business, and raise families.” It identifies the five capitals that form the foundation of our economy: financial, natural, built, human, and social. These capitals support and are enhanced by three strategic priorities: a better business climate, increased productivity through innovation, and increased competitiveness (see Figure 1).

The strategy provides a coordinated framework for the delivery of government initiatives and is a driver for new initiatives. Led by Nova Scotia Economic Development, the strategy engages departments and agencies across government to work towards the goals of *Opportunities for Sustainable Prosperity*. Web links to some strategies and initiatives that complement and support the goals of this strategy are listed in Appendix B. Visit www.gov.ns.ca/econ/ofsp/.

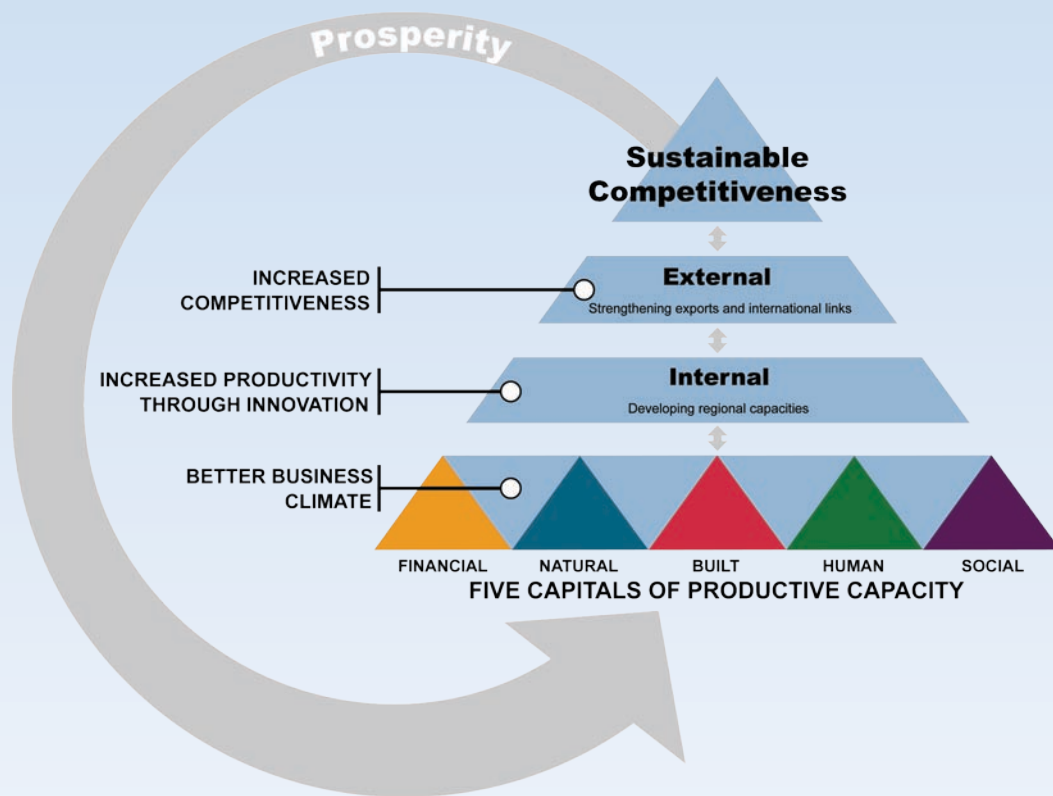


Figure 1. Nova Scotia's economic growth model.

HOW WE MEASURE OUR PROGRESS

The government is committed to reporting each year on the progress in the eight focus areas outlined in the economic growth model (Figure 1). For each focus area, a number of goals are identified and measurable targets set. The tables in this report include the most recent data available for each target. Some measures are affected by external forces, over which we have no control. We are tracking these measures over time to determine how we are doing and to identify areas that need more work.

Measurable Targets for Our Vision

<p>a thriving Nova Scotia By 2010, Nova Scotia's real GDP per capita will be five per cent closer to the Canadian average.</p> <p>By 2010, Nova Scotia's personal disposable income* per person will increase by five per cent.</p> <p>* Corrected for inflation</p>	<p>2005: Nova Scotia at 78.4 per cent of Canadian average real GDP (base year) 2006: Nova Scotia at 77.9 per cent of Canadian average real GDP</p> <p>2005: Nova Scotia real personal disposable income per person, \$20,014 (base year) 2006: Nova Scotia real personal disposable income per person, \$20,767 (an increase of 3.8 per cent)</p>
<p>the best place to live and work By 2011, Nova Scotia will experience a net in-migration of individuals under the age of 30.</p> <p>By 2010, Nova Scotia will attract 3,600 immigrants per year.</p>	<p>2006: net in-migration, -1,559 under 30 (base year) 2007: net in-migration, -1,498 under 30</p> <p>2005: 1,929 immigrants (base year) 2006: 2,580 immigrants 2007: 2,523 immigrants (preliminary)</p>
<p>the best place to do business By 2016, Nova Scotia will improve its national ranking on the "business gross fixed capital formation" (excluding residential structures) as a percentage of GDP.</p>	<p>2005: Nova Scotia ranks 6th at 10.5 per cent (base year) 2006: Nova Scotia ranks 5th at 11.4 per cent</p>
<p>the best place to raise families By 2016, Nova Scotia will improve its percentage on Statistics Canada's "strong sense of belonging to their local community" measure.</p>	<p>2005: very strong to somewhat strong sense of belonging to local community = 70.3 per cent (base year)</p>

Link to the Environmental Goals and Sustainable Prosperity Act

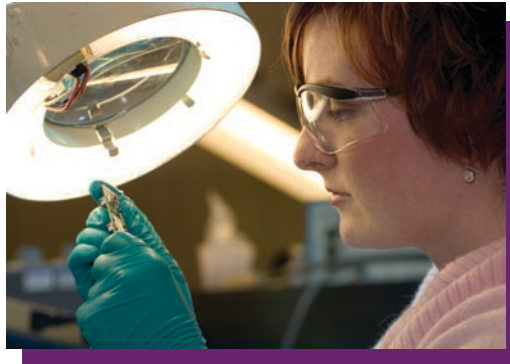
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provide certainty to all sectors of the economy through the Government's economic development strategy entitled Opportunities for Sustainable Prosperity and establish clear environmental goals, while improving the province's economic performance to a level that is equal to or above the Canadian average by the year 2020.

Today, economic performance is commonly measured by calculating real GDP per capita. The most recent data (2006) places Nova Scotia at 78 per cent of the Canadian average. The Business Climate Index, with 53 indicators, is also used to measure economic performance from a broader perspective.

Visit www.gov.ns.ca/econ/businessclimate/

Government is currently investigating an integrated approach to this assessment, using a more sustainable view of prosperity rather than just GDP per capita.



STRATEGIC FOCUS AREAS

Business Climate – Environment for Growth

Create a business climate that attracts investors and encourages local businesses to start and grow in ways that support sustainable competitiveness

The challenge

getting the right mix of regulations; tax policies and incentives; harmonizing with other jurisdictions; optimizing procurement processes; lowering the provincial debt

What is being done

The Province of Nova Scotia is committed to good fiscal management and has made considerable progress in recent years on debt management. This has resulted in improved credit ratings and reduced debt servicing costs. The budget has been balanced for the last six consecutive years and Nova Scotia is committed to the debt reduction plan.

In keeping with a continued commitment for a balanced budget, the province is implementing a multi-year program of tax relief for business and individuals. The basic personal exemption will be increased by \$1,000 between 2007 and 2010. The Small Business Tax threshold has been increased to \$400,000. The Large Corporations Capital Tax will be phased out by 2012. This tax is paid on share capital, long-term debt, and other capital components. Its elimination will remove a significant impediment to investment and productivity for many businesses, helping them to compete in national and global markets.

We are also making improvements in our regulatory system. The province-wide Better Regulations Initiative is making it easier to do business in Nova Scotia. It is improving the quality of regulation in the long term and helping companies comply with regulation. In 2006–07, the provincial paperwork burden for business was cut by 2.5 per cent. We are on our way to reaching a reduction of 20 per cent by 2010, which will lower the cost of doing business in our province. In December 2007, a meeting of Atlantic Premiers on regional cooperation resulted in an agreement to target key areas and opportunities to streamline regulations on a regional basis.

Highlights in 2007–08

- Nova Scotia is the first Atlantic province to partner with the federal government to offer BizPal. This free web-based service guides business owners through regulation processes at all levels of government. BizPal was launched in Halifax Regional Municipality and New Glasgow, and plans are underway to expand the service to other Nova Scotia communities. Another 10 municipalities are forecast to be on-line with BizPal by the end of March 2009.
- A modern regulatory regime for the development of the Donkin coal mine in Cape Breton is being facilitated through joint federal-provincial law reform and administrative coordination.
- The Registry of Mineral and Petroleum Titles is developing a digital system to improve efficiency and customer service and to increase competitiveness with other jurisdictions.
- In spring 2008, a bill to repeal the Tourist Accommodations Act will allow the tourism industry to self-regulate through national and international programs and standards established through the Tourism Industry Association of Nova Scotia.
- A Green Vehicle Procurement Policy (September 2007) considers the long-term costs of fuel and emissions for government's new vehicle purchases, leases, and rentals.
- The Electronic Product Environmental Assessment Tool Silver Standard is applied to government procurement of desktop computers, notebooks, and monitors. This internationally recognized tool provides standards for product design and environmental attributes.

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Measurable Targets for Business Climate

Reduce the provincial tax burden as a percentage of GDP	2004 2005 2006 2007	13.18 per cent (revised) 13.51 per cent (revised) 14.09 per cent (revised) 13.61 per cent
Reduce the paperwork burden of regulations by 20 per cent by 2010	2005–06 2006–07	615,000 hours; 0 per cent reduction (base year) 2.5 per cent reduction
Reduce the provincial government debt as a percentage of GDP*	2004 2005 2006	41.0 per cent (revised) 38.8 per cent (revised) 38.6 per cent (revised)
* based on revised GDP estimates from Provincial Economic Accounts released by Statistics Canada, in November 2007		
Achieve annual provincial budget surplus	2004–05 2005–06 2006–07	\$165.3 million surplus \$238.8 million surplus (restated) \$182.4 million surplus (actual)

Productivity through Innovation

Promote increased productivity through innovative products and processes that eliminate waste of all kinds

The challenge

investing in research and development; improving communication and coordination; focusing on sustainability and competitiveness

What is being done

Research contributes to the economy of Nova Scotia by attracting and retaining highly qualified people. As a result of successful research awards, infrastructure and capacity are enhanced. In 2001, the province established the Nova Scotia Research and Innovation Trust (NSRIT) to support Nova Scotia research. The province contributes \$5 million annually to the NSRIT. To date, NSRIT has provided over \$40 million to support over 250 research projects worth \$150 million. The province's support for NSRIT has leveraged over \$90 million from federal granting councils.

The province continues to support research and innovative businesses, such as Protocase, an innovative design and manufacturing company, and Trihedral Engineering, developer of mission-critical monitoring and control software. The “Come to life” initiative showcases Nova Scotia as a place that cultivates innovation. MedMira, the Brain Repair Centre, and Survival Systems are a few examples of our leading edge Nova Scotia companies.

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InNOVAcorp's High Performance Incubation (HPi)TM business model helps high potential Nova Scotia knowledge-based companies overcome barriers to business growth. InNOVAcorp integrates incubation infrastructure, business mentoring, and seed/venture capital investment to do this.

Highlights in 2007–08

- Ecotrust for Clean Air and Climate Change was established to help fund projects to reduce greenhouse gas and air pollutants in Nova Scotia. A total of \$42.5 million has been allocated to the fund, which is being used to support projects such as development of the Bay of Fundy in-stream tidal demonstration facility.
- The Nova Scotia Environmental Engineering Research Centre was created to increase capacity within the province to address technical challenges related to improving the environment.
- Nova Scotia's Google Earth web portal, an innovative tourism marketing tool, won the Deloitte Innovator of the Year Award — a national award for Tourism Excellence.
- The new Private Sector Research and Development Co-operative Employment Program was launched to stimulate innovation among Nova Scotia companies engaged in research, development, and engineering. The program matches university students in science, engineering, and business with companies engaged in research in their field of study.

- The InNOVAcorp I-3 Technology Start-Up Competition identified and supported the creation of high potential early stage Nova Scotia knowledge-based companies and encouraged entrepreneurial activity across the province. In 2007, five zone winners each received \$100,000 in a combination of cash and in-kind business building services. From these, the provincial winner, MorSwift Machines Inc. was selected, securing a \$100,000 seed equity investment from InNOVAcorp.

Measurable Targets for Productivity through Innovation

Achieve the highest ranking in the Atlantic region for expenditures in research and development per business	2004	\$3,991 Nova Scotia 2nd in Atlantic region 8th in Canada
	2005	\$4,034 Nova Scotia 3rd in Atlantic region 9th in Canada
Increase the value of knowledge-intensive service industries relative to GDP	2004	24.7 per cent
	2005	24.9 per cent
	2006	24.0 per cent



Trade and Competitiveness

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

The challenge

competing regionally, nationally, and globally; reducing barriers to trade; growing existing businesses; attracting new businesses

What is being done

Trade Team Nova Scotia (TTNS), a federal, provincial, and private-sector partnership, is working to ensure potential and active exporters have easy access to the wide range of services offered by its members. TTNS focuses on three main areas: communications, skill development/outreach, and collective trade projects. The competitive position of Nova Scotia companies abroad receives on-going support through a range of initiatives, including participation in joint trade missions and international trade shows and exhibitions.

“Come to life” raises awareness about Nova Scotia in key markets such as Boston, Toronto, Ottawa, and Calgary. Strong marketing campaigns reinforce the message that Nova Scotia is a great place to live, work, invest, do business, receive an education, and raise families. The private sector support for “Come to life” continues to grow. Eighty-nine charter members participated in the program by the fall of 2007, with a projected target of 100 members by spring 2008.

As a first step in Nova Scotia’s International Framework Initiative, Premier Rodney MacDonald launched *A Global Nova Scotia: an International Framework for Nova Scotia* during the Ambassadors Economic Mission to Nova Scotia in November 2007. This framework profiled the province’s strengths to ambassadors from 19 countries. Nova Scotia brought this message to a larger audience of over 90 ambassadors and high commissioners on February 6, 2008 on Nova Scotia International Day in Ottawa.

The trade development team at Nova Scotia Business Inc. (NSBI) has already met many of its targets for 2007–08. Since April 1, 2006, this team has arranged more than 2,000 selling/partnering meetings and assisted more than 300 clients to further penetrate existing export markets worldwide. As a result of this activity, NSBI clients reported more than \$120 million in incremental export sales.

The Forestry Transition Program helps the forest industry adapt to challenges that have led to mill closures across the country. These challenges includes the high value of the Canadian dollar, high energy prices, the slow down of housing starts in the US, and changes in global market conditions.

The province completed a competitive analysis of the Nova Scotia Seafood Processing Sector, investigating opportunities and challenges in the global context. The report considered industry infrastructure, labour force issues, regulations and policy, investment, financial and market analysis, and business climate. It provides the seafood processing industry and government with a framework for action to improve global competitiveness.

The growth of the international financial services sector will create more than 1,200 jobs in Nova Scotia by 2014 with salaries in excess of \$60,000. This is double the average provincial salary. Companies like Butterfield Fund Services, Marsh Captive Solutions, Citco Fund Services, Flagstone Management Services (Halifax) Inc., Meridian Fund Services, and OC Financial Services are establishing strategic business operations in Halifax. To celebrate Nova Scotia's recent success in the international financial services sector, Premier Rodney MacDonald was joined by Economic Development Minister, Angus MacIsaac, president and CEO of Nova Scotia Business Inc, Stephen Lund, and industry representatives on February 26 to ring the closing bell at the New York Stock Exchange.

Highlights in 2007–08

- Citco Fund Services, a leading global provider to the hedge fund industry, selected Halifax as one of its key locations for industry-specific technology development. This will create 325 new technology-related jobs over the next six years.
- The Mining Matters 2007 conference included a mining investment symposium featuring Nova Scotia-based mining companies doing business here and abroad, as well as international companies doing business in the province.
- The Go-Ahead Program (GAP) and the ExportAbility Program under Nova Scotia's export strategy, *Going Global, Staying Local*, is demonstrating positive results. The GAP participants reported sales of over \$7.8 million for projects with a provincial contribution of \$110,000 (with fourth quarter still to report). The ExportAbility program has supported 32 individuals and their businesses in efforts to become globally competitive.
- The annual revenue generated by current and graduate InNOVAcorp client companies during 2007–08 reached \$216 million. Further, approximately 80 per cent of InNOVAcorp's current client companies are exporting goods and/or services internationally.
- NSBI's payroll rebate tool was enhanced to provide more flexibility and enable participating companies to undertake productivity upgrades (e.g., new equipment) to improve competitiveness. The payroll rebate will be used to support the creation of jobs that match the skills of the province's graduates and workforce, pay competitive salaries, and contribute to increased prosperity for Nova Scotia.
- A re-energized Nova Scotia Tourism Brand is increasing awareness of the province as a tourism destination and promoting tourism exports.

Measurable Targets for Trade and Competitiveness

<p>Increase the number and value* of Nova Scotia companies that export</p> <p>* includes companies with export values greater than \$30,000</p>	<p>2004 (base year)</p> <p>2005</p>	<p>933 companies, \$4,874 million</p> <p>885 companies, \$4,560 million</p>
<p>Increase Nova Scotia's export diversity (as measured by the percentage of exports by products not in the top five per year compared with total exports)</p>	<p>2005</p> <p>2006</p> <p>2007</p>	<p>31.5 per cent of exports not in top five</p> <p>37.5 per cent of exports not in top five</p> <p>35.1 per cent of exports not in top five</p>
<p>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</p>	<p>2004 (base year)</p> <p>2005</p>	<p>1 in 32 Nova Scotia companies 1 in 22 Canadian companies</p> <p>1 in 34 Nova Scotia companies 1 in 23 Canadian companies</p>



Financial Capital – Investment

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

The challenge

accessing necessary capital for business start-ups, expansion, and productivity improvements

What is being done

InNOVAcorp proactively engages key public and private stakeholders to improve access to capital in Nova Scotia. There has been increasing momentum in financial capital placements. Nova Scotia-based companies raised \$7 million in venture capital financing in 2004. This increased to \$18.7 million in 2005, \$24 million in 2006, and \$17.5 million in 2007.

In 2007, NSBI created a distinct venture capital business unit. NSBI Venture Capital provides capital and strategic advice to help promising companies achieve their full potential. NSBI partners with entrepreneurs and investors to deliver tools and resources necessary for clients to stimulate and sustain growth in today's competitive business environment.

The Industrial Expansion Fund (IEF) is another way the government of Nova Scotia supports economic development in the province. The IEF is flexible in the amount and type of funding it provides. It contributes to a prosperous and sustainable business climate for Nova Scotia by helping industries maintain and grow current employment levels, move to the forefront of technological production, and help ensure long-term sustainability. The IEF also serves as a corporate funding source for broader government initiatives and policy implementation that further the goals outlined in *Opportunities for Sustainable Prosperity*.

An analysis of economic impacts of the IEF shows it created or retained an estimated 11,000 full-time jobs during a six-year period ending in March 2007. In those six years, the fund invested \$146 million in 40 private businesses, crown corporations and economic development agencies. About two thirds of the investments went into the province's manufacturing sector. A cash flow analysis shows a return of \$1.89 for every dollar invested.

Over nearly an 11-year period (historical and projected) ending in March 2012, every dollar invested in IEF client organizations would have over a five dollar return. This is based on an estimated cumulative impact of jobs created and maintained, as well as the financial impact of spin-off jobs, income, and tax revenues over another five years. See the Analysis of Economic Impacts of the Industrial Expansion Fund, 2001–02 to 2006–07 at www.gov.ns.ca/econ/impacts07.

Highlights in 2007–08

- In September 2007, the Film Tax Credit was increased to 50 per cent for Halifax and 60 per cent for rural Nova Scotia. This increase encourages a competitive film industry.
- In 2007–08, the province provided \$750,000 in funding to businesses and industry groups through the Strategic Infrastructure Investment Fund. This fund facilitates important infrastructure projects in the agri-food industry.
- A new Nova Scotia Digital Media Tax Credit, announced in November 2007, helps companies develop interactive products like video games and websites.
- The Nova Scotia Strategic Opportunities Fund Inc., a new Crown corporation that participates in the federal Immigrant Investor Program, enables the province to provide loans of at least \$1 million for projects that contribute to *Opportunities for Sustainable Prosperity*.

Measurable Targets for Financial Capital

Achieve the highest ranking in the Atlantic region for private-sector equity dollars per employee	2005	\$39, Nova Scotia 3rd in Atlantic region			
	2006	\$54, Nova Scotia 1st in Atlantic region			
	2007	\$39, Nova Scotia 2nd in Atlantic region			
Increase the use of Equity and Community Economic Development Investment Fund (CEDIF) tax credits	Equity and CEDIF Tax Credits (2006)				
		Investment	Credits	Investors	Firms
	ETC	\$16.3 million	\$4.8 million	980	75
	CEDIF	\$5.8 million	\$1.7 million	715	18
	Total	\$22.1 million	\$6.5 million	1,695	93

Natural Capital – Sustainability

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

The challenge

managing provincial natural resources in a sustainable way; achieving sustainable competitiveness

What is being done

Recent changes to Nova Scotia's Environment Act (2006) improve the way we manage and protect the environment in Nova Scotia. In addition, Nova Scotia is one of only a few provinces in Canada that has established ambitious environmental and sustainability goals in law. In June 2007, the Environmental Goals and Sustainable Prosperity Act was passed, bringing together 21 specific goals to improve air, land, and water quality and to address climate change. Together, *Opportunities for Sustainable Prosperity* and the Environmental Goals and Sustainable Prosperity Act will help us reach the objectives of having one of the cleanest and most sustainable environments by 2020, with economic performance equal to or above the Canadian average. The first report on progress toward each of the goals in the act will be released in 2008.

The Bay of Fundy is one of the world's best sites for tidal power generation. In January 2008, Nova Scotia committed \$5 million to an in-stream tidal demonstration project. Pending environmental assessments and permits, tidal energy devices may be generating energy as early as 2010. This renewable energy source holds great promise to help reach the goals to reduce greenhouse gas emissions to 10 per cent below 1990 levels by 2020 and to obtain 18.5 per cent of our total energy needs from renewable sources by 2013. See Environmental Goals and Sustainable Prosperity Act at www.gov.ns.ca/legislature/legc/bills/60th_1st/3rd_read/b146.htm

Nova Scotia is a national leader in proactively managing the environmental risks associated with normal farming activities. Approximately 42 per cent of the 2,400 registered farms in the province, or more than 1,000 farms, are participating in the Environmental Farm Plan Program. In partnership with Agriculture and Agri-Food Canada, the province 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.

Highlights in 2007–08

- Public consultations on a revised provincial energy strategy and the creation of a climate change action plan began in November 2007. The strategy and plan will be released in 2008.
- The first Power of Green Conference in September 2007 advanced thought and discussion on sustainable prosperity in Nova Scotia. More than 250 participants shared best practices and approaches for societal growth and renewal by eliminating waste and encouraging diversity and creativity. Building on this successful conference, another is planned for October 2008.

- A wind atlas, released in September 2007, identifies viable locations for wind energy development in the province.
- A year-long community consultation process on forests, minerals, parks, and biodiversity was launched in 2008. This consultation, led by Voluntary Planning, provides the basis for a strategy to support sustainable natural resource management, a healthy natural environment, and new economic opportunities linked to these natural resources.
- The province is closer to its target of 12 per cent legally protected lands through the land acquisition from Bowater Mersey, the establishment of the Blandford Nature Reserve, and a commitment to establish new wilderness areas at Blue Mountain and Ship Harbour Long Lake, Halifax County.
- The Provincial Oceans Network is working on a province-wide coastal management framework, which will establish a coordinated and strategic approach to coastal management in Nova Scotia.
- The mercury emissions cap for Nova Scotia Power Inc. has been reduced, which will result in a cumulative 70 per cent reduction in emissions from pre-2001 levels, meeting the EGSPA target.
- A discussion paper was released and the first round of public consultations on a comprehensive Water Resource Management Strategy began in January 2008.
- Select Nova Scotia, the province's buy local strategy, was launched during the summer of 2007. This program encourages Nova Scotians to consume locally produced and processed agri-food products. By the fall, according to surveys, those who considered it critically important that they purchase goods produced in Nova Scotia rose from 14 per cent to 27 per cent.

Measurable Targets for Natural Capital**

<p>By 2015, increase the percent of land legally protected* in Nova Scotia to 12 per cent</p> <p>* as defined in the Environmental Goals and Sustainable Prosperity Act</p>	<p>2006 8.2 per cent</p> <p>2007 8.2 per cent *</p>
<p>By 2008, increase the percentage of Nova Scotia farms participating in the Environmental Farm Plan initiative to at least 50 per cent</p>	<p>2004–05 27 per cent</p> <p>2005–06 35 per cent</p> <p>2006–07 40 per cent</p> <p>2007–08 42 per cent (estimate)</p>
<p>By 2015, reduce the annual waste disposal rate per person* to 300 kilograms or less</p> <p>* from Statistics Canada</p>	<p>2002 Nova Scotia: 416 kg/person Canada: 760 kg/person</p> <p>2004 Nova Scotia: 427 kg/person Canada: 772 kg/person</p> <p>2006 data pending</p>
<p>By 2013, 18.5 per cent of Nova Scotia's total electricity* is obtained from renewable sources (wind, tidal, biomass, solar and hydro)</p> <p>*pre + post 2001</p>	<p>2001 8.5 per cent</p> <p>2006 10.0 per cent</p> <p>2007 11.3 per cent</p>

**Note: The annual progress report for the Environmental Goals and Sustainable Prosperity Act includes a suite of targets and measures related to natural capital.



Built Capital – Infrastructure

Support infrastructure that can be sustained and will support current and future economic activity

The challenge

making strategic infrastructure investments for the long term benefit of Nova Scotians

What is being done

An Atlantic Gateway in Nova Scotia will create economic benefits for Canada, the Atlantic region, and Nova Scotia. Over the past year, the province has made significant progress on the Atlantic Gateway initiative by advocating and building support across a diverse network of stakeholders. The Government of Canada has committed to this initiative in the federal budget (March 2007). The strategic list of gateway projects comes from the private sector and is substantiated by numerous studies and reports from a wide range of experts representing business, industry, and communities. Together, these projects will lay the foundation for Nova Scotia's future as Canada's Gateway on the Atlantic.

Nova Scotia's ability to tap international markets depends on improving air service to and from Canada. Nova Scotia is advocating that the federal government aggressively pursue significant liberalization of air agreements with other countries. Canada announced an open skies agreement with Iceland in 2007 that allows Icelandair to service Canadian points, including Halifax, on an unrestricted basis.

Increases in highway funding over the past few years have enabled the province to improve highway infrastructure. Access to the federal government Infrastructure Funding Program announced in the 2007 federal budget has continued the work already started on 100-series highways. This includes the twinning project on highway 101, which is expected to be complete by 2012. The signing of the Canada Strategic Infrastructure Fund agreement with the federal government will enable further work on highways 104 and 125.

High-speed broadband access to the Internet is a business and consumer necessity in today's global marketplace. Broadband is also essential to the efficient and effective delivery of provincial social programs. The Broadband for Rural Nova Scotia initiative is on track to achieve its goal of province-wide sustainable broadband coverage by the end of 2009, making Nova Scotia one of the most connected jurisdictions in North America.

Highlights in 2007–08

- In October 2007, the province signed a Memorandum of Understanding with Transport Canada, Atlantic Canada Opportunities Agency, and the other three Atlantic provinces to support an Atlantic Gateway.
- The Broadband for Rural Nova Scotia pilot project (Tidnish to Port Howe) was successfully completed in June 2007. In December 2007, contracts were signed with two Internet service providers to roll out high-speed access to the Internet to the unserved areas of the province, which includes approximately 200,000 Nova Scotians, 93,500 dwellings, 213 schools, and 5,600 businesses.

- The province has made a submission on Canada-European air transport negotiations to Transport Canada. Negotiations began in fall 2007 and are a critical opportunity for the province.
- In June 2007, \$2.25 million in provincial funding was announced for the new Seaport Farmers' Market in Halifax. This ecofriendly building will have a produce-friendly green roof and generate energy from wind turbines and solar panels. This facility will fill the growing demand for fresh local food.
- In April 2007, the province expanded the area of the Joggins fossil cliff face protected under legislation from two kilometres to 14 kilometres. The new Joggins Fossil Centre opened in April 2008 under the operation of the Cumberland Regional Economic Development Association. Guidelines are underway for paleontological research to support the UNESCO nomination as a World Heritage site.

Measurable Targets for Built Capital

	Time period	Average fatalities/serious injuries
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	1996–2001	504: 0 per cent reduction (base year)
	2002–2004	416: 17.5 per cent reduction
	2003–2005	390: 22.6 per cent reduction
	2004–2006	392: 22.2 per cent reduction
By the end of 2009, all Nova Scotians will be able to subscribe to high-speed access to the Internet.	2006–2007	80 per cent of Nova Scotians

Human Capital – Labour Force

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

The challenge

addressing issues such as an aging population, out-migration of skilled workers, emerging new occupations, increasing demand for highly-skilled workers, and levels of productivity lower than the national average

What is being done

A renewed Skills Nova Scotia framework resulted in a comprehensive 4R (Recruitment, Retraining, Retention, Repatriation) strategy and a collaborative implementation structure. Initiatives have been developed to enhance training and work experience opportunities, keep skilled workers in the province, and attract skilled workers to Nova Scotia — both newcomers and former Nova Scotians.

Opportunities Nova Scotia was launched in 2007 as a two-phase initiative to connect Nova Scotia employers with skilled workers, both locally and nationally. Phase I connected job seekers and employers in Nova Scotia. Phase II took Nova Scotia companies across Canada to showcase jobs in all sectors of the provincial economy to attract talent to the province. Recruiting and retention activity continues under Phase II.

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In 2008, the province will start the transfer of the administration of federal–provincial Labour Market Development Agreements to Nova Scotia. This suite of programs, valued at \$81 million annually, helps people on Employment Insurance to train, prepare for, and find work. Additional funds of \$14.5 million, through a second Labour Market Agreement may be used to provide services to those not eligible for Employment Insurance benefits. This is a tremendous opportunity to build a better system of targeted, coordinated programming through an integrated labour market development model that supports Nova Scotia's full participation in the global economy.

The Nova Scotia School for Adult Learning, a comprehensive, province-wide system of tuition-free training, continues its success. The school provides learning opportunities for adults who wish to improve their literacy/essential skills and/or obtain a high school diploma.

The apprenticeship training and certification system continues to work with industry and other partners to ensure that Nova Scotians get high-quality training that meets the needs of employers.

Highlights in 2007–08:

- The Energy Training Program for Students provides payroll incentives to assist students with obtaining work experience in the energy sector.
- Certificates of Qualification were issued to 668 people who had completed their apprenticeship training requirements in the 11 month span between April 1, 2007 and February 20, 2008. Participation has been steadily increasing since 2001, when a total of 641 certificates were issued.
- Over 450 Nova Scotians will receive their Nova Scotia High School Graduation Diploma for Adults in June of 2008.
- The province signed a new immigration agreement with the federal government, making it easier to attract skilled international workers.
- Mi'kmaq–Nova Scotia–Canada Tripartite Forum's Economic Development Working Committee encourages increased Mi'kmaq labour market participation, employment, and economic opportunities that enhance the overall conditions of Mi'kmaq in Nova Scotia. In support of these goals, the committee facilitated the establishment of a Mi'kmaw apprenticeship coordinator and supported the development of a Mi'kmaw cultural tourism strategy.
- Nova Scotia is the first province in Canada to introduce legislation and regulations to protect the employment and academic status of reservists who wish to serve their country.

Measurable Targets for Human Capital

	Year	Nova Scotia %	Canada %	Ratio
Increase the ratio of labour force participation rate of workers aged 55–64, compared to the national average	2004	51.1	57.3	0.89
	2005	50.8	57.9	0.88
	2006	51.2	58.7	0.87
	2007	52.3	60.1	0.87
By 2010, achieve or surpass the average national percentage of those 15 and over with a high school diploma	2004	72.3	75.6	
	2005	73.2	76.4	
	2006	73.4	76.8	
	2007	74.7	77.8	
Annually achieve or surpass the average national percentage of those 15 and over with post-secondary certificates, diplomas, or university degrees	2004	49.0	46.6	
	2005	48.5	48.0	
	2006	48.5	48.8	
	2007	48.8	49.9	

Social Capital – Regional Capacity

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

The challenge

building community capacity; encouraging entrepreneurship and regional development

What is being done

In December 2007, the province released its framework for social prosperity, *Weaving the Threads – A Lasting Social Fabric*. This framework compliments *Opportunities for Sustainable Prosperity* and the Environmental Goals and Sustainable Prosperity Act by emphasizing how social prosperity, economic prosperity, and environmental sustainability are linked and depend on each other. The framework establishes a vision for 2020 where “every Nova Scotian has the opportunity to live well and contribute in a meaningful way within a province that is caring, safe and creative — now and into the future.” It sets goals relating to health and well-being, lifelong learning, access and inclusion, citizenship development and engagement, and safety and security.

The Province of Nova Scotia will invest \$34.9 million from a new national Community Development Trust to support community development and diversification. It will help communities and workers who are affected by global competitiveness, weakening economies, and the high value Canadian dollar. The trust will enhance sustainable prosperity in the following areas: increasing economic and trade diversification; improving productivity, innovation and training; preparing for and developing community transition plans; and helping workers who are facing adjustment challenges.

The Government of Nova Scotia continues to support rural business through the Business Retention and Expansion Program. This community-based program collects information in order to create a better understanding of business in local areas, identify issues, and make referrals. It is part of a multi-stakeholder partnership, including Nova Scotia Economic Development, NSBI, the Atlantic Canada Opportunities Agency, Nova Scotia Department of Education, and the Nova Scotia Association of Regional Development Authorities. Piloted in seven areas of Nova Scotia over the past two years, six new Regional Development Authorities (RDAs) will join the expanded program this year. In 2008–09 the program will be fully implemented province-wide.

In 2007–08, Nova Scotia Economic Development piloted a new Nova Scotia Business Development program, which encourages business start-ups and provides help through qualified consultants for business operators to review and assess their practices and develop new approaches. Government assistance for eligible business activity includes training and recruitment, market research and business plan development, advertising and promotional plans, visual merchandising techniques, and fiscal management tools. Thirty five applications were received for this pilot that ended on March 31, 2008 and the program is being evaluated for success.

The “Come to life” Charter Membership Program brings together various sectors across the province, including business and research/educational organizations, for networking opportunities. An external marketing program focused on the life sciences community in Nova Scotia is underway, with the goal to raise awareness for companies involved in this sector, as well as potential investment opportunities.

Highlights in 2007–08

- The Celebrating Communities Conference and Awards was held in Sydney and Membertou in September 2007; 300 community leaders and representatives from business and government met to forge partnerships, discuss innovative approaches and share ideas on sustainable community development.
- Since its inception in 2007–08, the Community Vitality Initiative has enabled more than 20 leaders, representing the diversity of Nova Scotia’s communities, to participate in workshops, conferences, and other learning events. These events enhance skills and understanding and help to build the capacity of communities to remain sustainable, vibrant, and competitive.
- An interdepartmental committee, under the direction of the Nova Scotia Defence Forum, is working to ensure that military personnel and their families are appropriately supported within provincial jurisdiction and to build capacity within the provincial government to promote their well-being.

Measurable Targets for Social Capital

	Year	Nova Scotia %	Canada %
Maintain the ratio of rural versus provincial income at or above the national average	2005	92	92
	2006	93	92
Annually achieve or surpass the average national percentage of new businesses established relative to total businesses	2004	14.7	14.7
	2005	13.0	15.6

