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**Nova Scotia Department of Finance**

***Business Plan***

**2008-09**



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## **Message from the Minister**

I am pleased to present the 2008-2009 business plan for the Department of Finance.

The department's primary role is to oversee the policy and administration of the Province of Nova Scotia's finances. Plans and activities are guided by the New Nova Scotia and the goal of a fiscally sound province. Delivering balanced budgets and reducing the province's debt are top priorities.

In view of the importance of a competitive tax environment for Nova Scotia, the department will embark this year on a comprehensive review of the tax system.

We will continue important work in many other areas of policy and administration, including federal-provincial fiscal relations, economics and statistical analysis, debt management, and government accounting.

In addition, we will further improve our key public sector financial and administrative services, such as the payroll function, payments to vendors and clients, and delivery of the SAP systems to a growing number of clients.

We value our employees, and for that reason we have some specific programs under way to promote a healthy workplace culture. The department is fortunate to have very dedicated and competent staff, and I would like to thank them for their efforts this year and every year.

The Honourable Michael G. Baker, Q.C.  
Minister of Finance

Vicki Harnish  
Deputy Minister of Finance

## Link to the Corporate Path

As stated in *Opportunities for Sustainable Prosperity*, the plan is a “strategy of strategies”. What this phrase conveys is that *Opportunities* is intended to be horizontal, reaching across the spectrum of government activities and decisions. The same can be said of *Weaving the Threads: A Lasting Social Fabric*, and by its very long-term nature, *The New Nova Scotia* as well. It is within this environment of horizontality that the Department of Finance operates. Through its responsibilities for fiscal policy and planning, the department supports corporate strategies and the vision of a thriving Nova Scotia by ensuring that government is able to carry through on plans and commitments in a sustainable manner.

Specific focus areas where the department’s operations are directly linked to targets under the *New Nova Scotia*, *Opportunities* and *Weaving the Threads* are outlined below:

<i>The New Nova Scotia</i>		
<b>Creating Winning Conditions</b>	<b>Seizing New Economic Opportunities</b>	<b>Building For Individuals, Families and Communities</b>
<ul style="list-style-type: none"> <li>- Support the development and implementation of a balanced budget with an adequate surplus to meet the Provincial Debt Reduction commitment, <i>e.g.</i>, continue fiscal policy research and revenue forecasting; maximize administrative efficiency of Provincial tax and revenue collection; continue to negotiate with the federal government on all fiscal inter-jurisdictional matters</li> <li>- Maximize the timeliness, reliability and clarity of the government’s financial documents and financial public records</li> </ul>	<p>Continue to help build a strong and sustainable fiscal and economic climate which will attract and retain investment essential for the long term growth of the province, <i>e.g.</i>, comprehensive corporate and personal tax review</p>	<ul style="list-style-type: none"> <li>- Implement Business Continuity Management policies for Level 3 mission critical functions</li> <li>- Complete final phase in migration of cheque production from Department of Community services and complete Service Level Agreement</li> <li>- Further expand capacity and capabilities of CIS to support new initiatives within District Health Authorities</li> </ul>

<i>Opportunities for Sustainable Prosperity</i>			
<p><b>Create a business climate that attracts out-of-province investors and encourages local businesses to start and grow in ways that support sustainable competitiveness-</b></p> <p><i>Provincial tax structure; Provincial regulatory environment</i></p>	<p><b>Public Policy and Monitoring-</b></p> <p><i>Balanced budget, reduced debt, monitoring progress</i></p>	<p><b>Long-term view to ensure that Nova Scotia's workforce continues to be a magnet for business-</b></p> <p><i>Population-Demographic Assessment</i></p>	<p><b>Ensure that financing is available for opportunities that will create a more sustainable, competitive economy-</b></p> <p><i>Access to capital—capacity building; opportunity matching; gap analysis</i></p>
<p>- Comprehensive corporate and personal tax review</p> <p>- Implementation of department's four-year plan under the corporate Better Regulations Initiative (BRI)</p>	<p>Support the development and implementation of a balanced budget with an adequate surplus to meet the Provincial Debt Reduction commitment</p>	<p>Provide leadership, analytical and administrative support to "The Future in Focus" initiative</p>	<p>Increase the awareness and, where appropriate, use of the department's treasury services by government entities</p>

<i>Weaving the Threads</i>	
<b>Importance of financial capital and sound fiscal plan in delivery and sustainability of social programs and services</b>	<b>Pursue a federal-provincial partnership that is respectful and built on a regular exchange of information about Nova Scotia's position on social and economic issues</b>
Support the development and implementation of a balanced budget with an adequate surplus to meet the Provincial Debt Reduction commitment	Continue to negotiate with the federal government on all fiscal inter-jurisdictional matters; present and support the province's position on federal transfers.

## Mission/Vision and Planning Context

### Vision

A financially strong province based on sustainable economic development to the benefit of all Nova Scotians.

### Mission

To support a sustainable economy and sound fiscal framework that targets debt reduction, budget surpluses and financial accountability through the provision of responsible fiscal management; development of strong tax and revenue policies and economic growth incentives; financial reporting; and corporate support services.

### Planning Context

As a central agency of government, the Department of Finance has a broad mandate in matters related to fiscal planning. The department's primary function, from a corporate perspective, is to set the fiscal agenda through its powers over budgeting and forecasting, the provincial tax system and financial reporting. It is through this omnibus role that the department supports government's ability to deliver on expenditure commitments and the needs of Nova Scotians. In 2008-09, the department will continue to deliver and augment its core responsibilities by committing, as it has since 2003, to support the development of a balanced budget with an adequate surplus to meet debt reduction plans, and to ensure that Nova Scotians receive timely, reliable and clear financial reports from government.

Government's ability to deliver services and programs to Nova Scotians *today* must be balanced against the province's long-term economic competitiveness and ability to meet the needs of future generations. Over the past two years, government has made significant progress towards this approach through its long term planning strategy, *The New Nova Scotia*, and supporting frameworks, *Opportunities for Sustainable Prosperity* and *Weaving the Threads- A Lasting Social Fabric*. In 2007-08, the department committed to increasing the long-term and cross-government approach of its own internal planning. This remains a goal for 2008-09, supported by planned key initiatives—a comprehensive tax review; continued support to the corporate long-term planning project, "The Future in Focus" – and greater collaboration with stakeholder departments in developing funding plans and strategies in such areas as infrastructure, post-secondary education and off-shore development.

The year 2007-08 was notable for Nova Scotia in the area of federal-provincial fiscal relations. Finance played a key role in realizing the new clarification agreement with Ottawa on Equalization and the treatment of Offshore Revenue. In the coming years, Finance will continue to promote Nova Scotia's point of view on federal-provincial fiscal arrangements. Nova Scotia will continue to make a case for additional funding for priority areas such as post-secondary education and infrastructure. The province will also highlight the negative impact of the current and proposed changes to the Canada Social Transfer and the Canada Health Transfer.

The Department of Finance oversees the administration of core central services, including Payroll, Corporate Information Services, Internal Audit, and Government Accounting; it is the delivery of these services that enable government to carry out its day-to-day operations. In the coming year, a priority will be placed on maximizing the efficiency and effectiveness of service delivery through further investments in risk management and systems stabilization, with a goal of improving the overall service delivery orientation of the department.

The department's 2007-08 Business Plan remarked that "*human resource planning is being undertaken in an environment (where) there are significant demands in virtually all areas of human resource management... .*" Considerable steps have been taken within the department, including the hiring of a full-time Workplace Initiatives Advisor.

In 2008-09, Finance will embark on a multi-year strategy rooted in the Corporate Human Resource Plan. Planned initiatives include the implementation of a Finance-specific foundation training program, performance appraisal training for all staff, and official exit strategies.

The department also plays a lead role in the human resources strategy for the financial community and will focus on completing the plan and contributing to its implementation across government.

## **Core Business Areas**

### **Fiscal and Economic Policy**

Provides fiscal and economic analysis, policy development and strategic advice by:

- providing economic, tax and fiscal decision support for the Minister, Cabinet and provincial departments and agencies
- maintaining an equitable, efficient and effective tax regime that supports public services and sustains economic growth
- providing timely economic and revenue forecasts for government budgets, financial reporting and long term planning
- advancing Nova Scotia's interests on a wide variety of federal-provincial fiscal arrangements such as Equalization, Canada Health Transfers and Canada Social Transfer

### **Central Policy and Planning**

Works in cooperation with Treasury and Policy Board to develop corporate fiscal and economic policies, and supports coordinated information flows into and out of the department and intra and interdepartmental collaboration. Specific responsibilities include:

- development and maintenance of provincial fiscal and debt reduction plans
- supporting the development a balanced provincial budget
- preparing regular forecast updates
- providing policy analysis and advice to the Minister's Office and executive management on the department's corporate responsibilities, as well as departmental organization and operations
- overseeing the department's Information Management division

### **Financial Institutions**

Promotes and enhances consumer confidence and public trust in the credit unions, insurance and trust and loan sectors through:

- the regulation of market conduct
- financial monitoring to protect consumers pertaining to these sectors
- administration and collection of premiums and other taxes levied in the insurance sector

### **Treasury, Investment and Liability Management**

Manages the processes, policies and procedures that ensure effective money management, maximizing return on investments and minimizing debt servicing costs within risk tolerances acceptable to government. Specific business activities include:

- managing the debt portfolio and sinking funds
- treasury function and investor relations
- Capital Markets administration and Middle Office compliance assessment

### **Central Agency Services**

Includes services that support the management of the province's programs and public resources, in addition to supporting the core business functions of the department and external clients:

- ongoing SAP systems support to provincial departments and other clients
- provision of policy and planning support--descriptive statistics; impact, cost benefit and economic policy analyses - to other government entities
- management of government statistical infrastructure that supports corporate evidence-based decision making and program planning
- delivery and facilitation of value-added internal audit and advisory services to departments and agencies
- over-sight of government accounting, including professional accounting advice to all government reporting entities and close collaboration with the Office of the Auditor General to ensure financial reporting requirements are met
- delivery of central payroll services for all government employees, including pensioners serviced by the Nova Scotia Pension Agency and all employees of Nova Scotia Regional School Boards

The department also hosts the Corporate Services Unit (CSU) that provides financial services to the Departments of Finance; Economic Development; Tourism, Culture and Heritage; as well several Public Service appropriations (Acadian Affairs, African Nova Scotian Affairs & Nova Scotia Securities Commission). Human Resources are provided through the Transportation and Infrastructure Renewal CSU and Information Technology resources are hosted by the CSU at the Department of Natural Resources. Communications staff are assigned to the department by Communications Nova Scotia, and legal expertise is provided through the Department of Justice.

## Strategic Goals

1. Produce a sound fiscal plan and high-level transparency and accountability in government fiscal planning and reporting.
2. Strengthen the Department's central agency role by enhancing the corporate focus of its operations and long-term strategic planning.
3. Maximize the efficiency and effectiveness of central client services
4. Continued investment in our people and workplace culture.

## Priorities for 2008-2009

In 2008-2009, the department will focus on eight high-level priorities. Each priority is supported by specific action items.

Departmental management and staff acknowledge that several priorities are multi-year in nature; however, the intent is to execute action items in 2008-2009 as a means towards achievement of longer-term priorities.

Each priority is listed according to the relevant Strategic Goal.

### **Strategic Goal 1: Produce a sound fiscal plan with high-level transparency and accountability in government fiscal planning and reporting.**

The core business of the Department of Finance from a corporate perspective is fiscal planning, which includes budgeting/forecasting, preparation of public accounts and negotiations with the federal government on intergovernmental fiscal matters. Through this role, the department's activities support government in its capacity to deliver on expenditure priorities and commitments.

#### **Priority 1: Support the development and implementation of a balanced budget with an adequate surplus to meet the Provincial Debt Reduction commitment.**

##### Action Items:

- ▶ In cooperation with TPB, advise government on strategies to develop and implement a balanced budget to ensure efficient and effective use of government resources.
- ▶ Continue fiscal policy research and revenue forecasting by working closely with service delivery partners like the Canada Revenue Agency and Service Nova Scotia Municipal Relations.
- ▶ Maximize administrative efficiency of Nova Scotia's tax credit programs.
- ▶ Continue to negotiate with the federal government on all fiscal inter-jurisdictional matters; present and support the province's position on federal transfers.

**Priority 2: Maximize the timeliness, reliability and clarity of the government's financial documents and financial public records.**

Action Items:

- ▶ Deliver Public Accounts with unqualified audit report before August 30, 2008.
- ▶ Continue the financial document review to improve the usefulness of the documents produced by the department while maintaining compliance with Generally Accepted Accounting Principles (GAAP) for the public sector.
- ▶ Participate in internal controls documentation pilot project being led by Senior Finance Executive Forum group. The SFEF is an interdepartmental group led by the Controller and comprised of senior finance officials from all line departments, TPB and Finance.

<b>Strategic Goal 1: A sound fiscal plan with high-level transparency and accountability in government fiscal planning and reporting</b>					
<b>OUTCOME</b>	<b>MEASURE</b>	<b>DATA</b>	<b>TARGET 2008-09</b>	<b>TARGET Long term</b>	<b>STRATEGIC ACTIONS to achieve target</b>
Effective management of the province's financial operating resources	Surplus (deficit) budget	- 2006-07: \$182.4M - 2005-06:\$238.8M - 2004-05:\$170.2M - 2003-04: \$38.1M	Meet legislated requirements for balanced budget <u>Budget Target:</u> \$189.7M	meet legislated requirements for balanced budget	(With TPB) Oversee expenditures and continue to update and improve fiscal models to improve in-house revenue forecasting.
	Net Direct Debt (NDD) reduction	<u>NDD</u> - 2006-07: \$12.357B - 2005-06: \$12.239B - 2004-05: \$12.305B - 2003-04: \$12.328B	Meet legislated requirements for debt management <u>Budget Target:</u> \$12.336B	Meet policy requirements for debt management	Ensure sufficient surpluses to meet NDD reduction commitments

<b>Strategic Goal 1: A sound fiscal plan with high-level transparency and accountability in government fiscal planning and reporting</b>					
<b>OUTCOME</b>	<b>MEASURE</b>	<b>DATA</b>	<b>TARGET 2008-09</b>	<b>TARGET Long term</b>	<b>STRATEGIC ACTIONS to achieve target</b>
Effective management of the province's financial operating resources	credit spread relative to Ontario	2007-08: 1.1 bps 2006-07: 0.0 bps 2005-06: 0.0 bps 2004-05: 4.6 bps 2003-04: 7.6 bps 2002-03: 14.4 bps 2001-02: 20.1 bps	nil (indicative of rates equal to Ontario)	nil (indicative of rates equal to Ontario)	Adherence to balanced budget legislation, debt reduction plan, and continue positive relations with investment community - all in the context of managing the portfolio within an acceptable level of risk.  Continue to re-finance maturing debt in net Canadian dollar exposure.  Provide information to rating agencies highlighting the province's financial position.
Efficient and prudent management of the province's financial assets and liabilities	percentage of foreign debt in debt portfolio	2008: 0% 2007: 10.0% 2006: 13.0% 2005: 16.2% 2004: 16.9% 2003: 18.1% 2002: 28.9%	0%	0%	
	credit ratings of major rating agencies (DBRS, S&P and Moody's)	January 2008: - DBRS: upgraded from "A (low)" to "A", stable outlook (Aug '06) - S&P: A+ with stable outlook - Moody's: upgraded from "A2" to "A1" (Aug '06); upgraded from "A1" to "Aa2" (Nov '06), stable outlook	improved or sustained credit rating	improved or sustained credit rating	

<b>Strategic Goal 1: A sound fiscal plan with high-level transparency and accountability in government fiscal planning and reporting</b>					
<b>OUTCOME</b>	<b>MEASURE</b>	<b>DATA</b>	<b>TARGET 2008-09</b>	<b>TARGET Long term</b>	<b>STRATEGIC ACTIONS to achieve target</b>
Open and transparent financial reporting	- timeliness of Public Accounts documentation - unqualified audit report	consolidated financial statements released: - August 9, 2007 - September 29, 2006 - September 28, 2005 - September 30, 2004	release date: on or before August 30 <sup>th</sup>	release date: on or before August 30 <sup>th</sup>	- Continue improving procedures to expedite production of documents - Enhance understandability and usefulness of the Public Accounts and the audited financial statements contained in the Public Accounts. - Communications strategy to effectively educate stakeholders about GAAP and PSAB.
Prudent and sustainable fiscal plan	provincial government debt as a percentage of GDP ( <i>restated ratios as of December 2005</i> )	provincial government debt as a percentage of GDP 2006-07: 38.6% 2005-06: 38.8% 2004-05: 41.0% 2003-04: 42.7% 2002-03: 45.1% 2001-02: 46.8%	34.9%	continue downward trend	Work closely with TPB on expenditure management
Clear and understandable financial reports	Revised format for Public Accounts Volumes I and II, and Budget Documents	Conclusions and final recommendations	May 2008		- Conclude comparative review of Best Practices from other jurisdictions - Determine application of results and formulate recommendations

**Strategic Goal 2 : Strengthen the department's central agency and corporate leadership by enhancing the corporate focus of operational responsibilities and long-term strategic planning.**

As a central agency of government, the department develops and promotes the use of consistent corporate financial policies across government, and works with departments and agencies to ensure a sustainable long-term fiscal plan.

**Priority 3: Continue to help build a strong and sustainable fiscal and economic climate which will attract and retain investment essential for the long term growth of the province.**

Action Items:

- ▶ Launch a comprehensive corporate and personal tax review with the goal of creating a more competitive tax environment in Nova Scotia that is fiscally sustainable.
- ▶ Collaborate with stakeholder departments in developing plans and strategies to address federal support for long-term investments related to such key areas as infrastructure, post-secondary education, offshore development, sustainable communities and the environment.
- ▶ In collaboration with stakeholder departments, evaluate the economic impacts and returns from strategic investments under consideration by the province.

**Priority 4: Facilitate strong strategic planning and delivery of policy and planning support to other government entities.**

Action Items:

- ▶ Continue to provide leadership, analytical and administrative support to "The Future in Focus" initiative.
- ▶ Increase the awareness and, where appropriate, use of the department's treasury services by government entities.
- ▶ Provide effective governance, oversight and accountability to crown agencies and corporations under the purview of the Minister of Finance through active communication with agencies/corporations and policy advice to Government. This includes: maintaining expertise in relevant regulatory areas; monitoring emerging issues/risks; and coordination/implementation of decisions.
- ▶ Develop and implement Mandatory Filing for the auto insurance industry. Mandatory filing will help ensure that auto insurance rates are just and reasonable for all Nova Scotians.

<b>Strategic Goal 2: Strengthen the department's central agency and corporate leadership by enhancing the corporate focus of operational responsibilities and long-term strategic planning.</b>																																																	
<b>OUTCOME</b>	<b>MEASURE</b>	<b>DATA</b>	<b>TARGET 2008-09</b>	<b>TARGET Long term</b>	<b>STRATEGIC ACTIONS to achieve target</b>																																												
Reduce Administrative burden for private sector business	Implementation of department's four-year plan under the corporate Better Regulations Initiative (BRI)	<ul style="list-style-type: none"> <li>- Departmental Better Regulations Index</li> <li>- Sub-index to track progress in deliverables of four-year plan</li> </ul>	Progress on implementation	Government-wide BRI by 2010	Financial Institutions to implement action plan to achieve reductions in administrative requirements																																												
Positive climate for investment and economic growth	overall personal income, corporate income and capital tax rates	<p>marginal personal income tax rates at December 31:</p> <table border="1"> <thead> <tr> <th></th> <th>2008</th> <th>2007</th> <th>2006</th> </tr> </thead> <tbody> <tr> <td>1:</td> <td>8.79%</td> <td>8.79%</td> <td>8.79%</td> </tr> <tr> <td>2:</td> <td>14.95%</td> <td>14.95%</td> <td>14.95%</td> </tr> <tr> <td>3:</td> <td>16.67%</td> <td>16.67%</td> <td>16.67%</td> </tr> <tr> <td>4:</td> <td>17.50%</td> <td>17.50%</td> <td>17.50%</td> </tr> </tbody> </table> <p>Surtax:</p> <table border="1"> <thead> <tr> <th></th> <th>2008</th> <th>2007</th> <th>2006</th> </tr> </thead> <tbody> <tr> <td></td> <td>10.00%</td> <td>10.00%</td> <td>10.00%</td> </tr> </tbody> </table> <p>corporate tax rates at December 31:</p> <table border="1"> <thead> <tr> <th></th> <th>2008</th> <th>2007</th> <th>2006</th> </tr> </thead> <tbody> <tr> <td>General:</td> <td>16%</td> <td>16%</td> <td>16%</td> </tr> <tr> <td>sm. bus:</td> <td>5%</td> <td>5%</td> <td>5%</td> </tr> <tr> <td>Capital*:</td> <td>0.20%</td> <td>0.225%</td> <td>0.25%</td> </tr> </tbody> </table> <p>* large non-financial corporations</p>		2008	2007	2006	1:	8.79%	8.79%	8.79%	2:	14.95%	14.95%	14.95%	3:	16.67%	16.67%	16.67%	4:	17.50%	17.50%	17.50%		2008	2007	2006		10.00%	10.00%	10.00%		2008	2007	2006	General:	16%	16%	16%	sm. bus:	5%	5%	5%	Capital*:	0.20%	0.225%	0.25%	<p>Reduce personal income tax burden</p> <p>Phase out of Large Corporations Tax</p>	<p>Increase basic personal amount by \$1,000 by 2010, other credits to grow in proportion; index personal income tax brackets and credits starting 2011; phase out of Large Corporations Tax</p>	<ul style="list-style-type: none"> <li>- Increase basic and other non-refundable tax credits</li> <li>- Continue to monitor and assess the socioeconomic demographics of Nova Scotia tax payers and maintain a close working relationship with key stakeholders to ensure tax policy decisions are made with a full appreciation for the key trends and issues</li> <li>- Continue to monitor the overall tax burden</li> </ul>
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**Strategic Goal 3: Maximize the efficiency and effectiveness of central client services.**

The Department of Finance supports and provides business services that enable the whole of government and external clients—e.g., School Boards—to deliver on policy and program responsibilities. In 2007-08, the department assumed additional corporate responsibilities in areas such as payroll, Corporate Information Services (CIS) and operational accounting. The focus for 2008-09 is towards improving the overall service delivery orientation of the department.

**Priority # 5: Assess the risk to client services and develop strategies that address business quality and continuity of department's operations.**

Action Items

- ▶ Implement Business Continuity Management policies and document operating procedures for Level 3 mission critical functions. Level 3 Mission Critical functions are functions that must be completed in 4-7 days.
- ▶ Implement process improvements in accountability and reporting operations, including procedural documentation and automation of Trust Fund accounting.
- ▶ Complete final phase in migration of cheque production from Department of Community services and complete Service Level Agreement.

**Priority #6: Invest in central client services infrastructure to improve the relevance and quality of services delivered.**

Action Items:

- ▶ Administer client satisfaction surveys within Community Counts and CIS.
- ▶ Further expand capacity and capabilities of CIS to support new initiatives within District Health Authorities.
- ▶ Begin a multi-year effort to upgrade SAP systems to address vendor support issues as well as identified business needs of current clients.

<b>Strategic Goal 1: Maximize the efficiency and effectiveness of central client services</b>					
<b>OUTCOME</b>	<b>MEASURE</b>	<b>DATA</b>	<b>TARGET 2008-09</b>	<b>TARGET Long term</b>	<b>STRATEGIC ACTIONS to achieve target</b>
Enhanced risk management	Complete business continuity plans for Level 3 (4-7 days) mission critical functions	Documentation of critical functions and requirements to ensure business continuity through business interruptions	March 2009		<ul style="list-style-type: none"> <li>- Document existing procedures and identify gaps</li> <li>- Establish and communicate objectives throughout department</li> <li>- Assess requirements to continue business during an interruption</li> <li>- Identify critical functions for consideration at corporate level</li> <li>- Documentation of alternate procedures</li> </ul>
Operationalize Information Management Division	Implement Records Management Program (RMP)	2008-09 Maintain Records Retention Schedule and Standards/Guidelines and Procedures	March 2009	Central Registry Complete: 2011-12	<ul style="list-style-type: none"> <li>- Train department staff in RM Policy</li> <li>- Auditing of staff activities to ensure compliance with RM Policy</li> </ul>
Improved audit advisory services to government departments	Approved projects completed during the fiscal year	Compare work schedules to approved Audit Plan	100% completed or substantially completed	100%	Conduct annual Risk Assessment workshops with all departments to develop a departmental risk profile to assist with the selection of projects for the risk based Audit Plan

**Strategic Goal 4: Continued investment in our people and workplace culture**

Promotion of a positive workplace culture, recruitment and retention of staff remain priorities of the department to ensure a sustainable, highly skilled workforce.

**Priority 7: Promote the Department of Finance as a good employer through implementation of a workforce enhancement strategy.**

Action Items:

- ▶ Work towards obtaining National Quality Institution Level 2 Healthy Workplace award.
- ▶ Complete the development and begin implementation of a comprehensive HR strategy, beginning with the Foundation Development Plan.
- ▶ Augment the creation of a culture which supports and shapes a diverse and healthy work environment, through department-wide participation in diversity training and a healthy workplace program.
- ▶ Address recommendations of the “How’s Work Going” survey and create a staff advisory committee to provide regular feedback and recommendations to Senior Management and Deputy Minister on workplace environment and culture.

**Priority 8: Support corporate HR initiatives to ensure continued professional development of staff. This will help to retain and develop a skilled workforce to deliver on the department’s priorities and corporate responsibilities.**

Action Items:

- ▶ Completion and submission of performance appraisals for all staff on an annual basis.
- ▶ Support the respectful workplace policy through department-wide participation in training and other initiatives.
- ▶ Promote a safe working environment through the existing OH&S committee and department-wide participation in OH&S training.

<b>Strategic Goal 4: Continued investment in our people and workplace culture</b>					
<b>OUTCOME</b>	<b>MEASURE</b>	<b>DATA</b>	<b>TARGET 2008-09</b>	<b>TARGET Long term</b>	<b>STRATEGIC ACTIONS to achieve target</b>
Effective HR investments	Staff participation in Foundation Development Plan	Percentage staff participation	Base year: 66%	100%	Workplace Initiatives Advisor to implements Foundation Development Plan and track participation
	Percentage of staff receiving performance appraisals in compliance with corporate standards	Bargaining Unit: 2006-07 91% 2005-06 81% 2004-05 40%  Non-Bargaining Unit 2006-07 91% 2005-06 89% 2004-05 91%	100%	100%	- Workplace Initiatives Advisor will work with HR CSU to redesign performance appraisal training - Workplace Initiatives Advisor will work with Executive Management to ensure all performance appraisals are completed
	Staff participation in performance appraisal training	Percentage staff participation	Base year: 66%	100%	Workplace Initiatives Advisor oversee redesign and delivery of performance appraisal training
	number of vacancies as percentage of approved positions	2007-08: 9.4% 2006-07: 9.5% 2005-2006: 17%	vacancy rate <10%	continue downward trend	- Maintain HR-CSU presence on-site - update managers on interviewing and recruitment techniques

## Human Resource Strategy

Current staffing levels consist of approximately 212 occupied positions, the total approved complement is approximately 226. The department's workforce consists of management, confidential excluded and NSGEU employees. The following illustrates the demographic breakdown of current occupied positions:

Employee Type	Male	Female
Contract	2	2
Management	35	29
Professional	17	33
Technical	9	8
Clerical	3	27
Other	15	32
<b>Total</b>	<b>81</b>	<b>131</b>

Age	Male	Female	Total
Under 30	5	12	17
30-34	8	10	18
35-39	8	12	20
40-49	24	52	76
50-59	21	38	52
60+	15	7	22
<b>Total</b>	<b>81</b>	<b>131</b>	<b>212</b>

In 2005, the Public Service Commission released the Corporate Human Resource Plan, focussing on the development of the government's most valuable resource—its people. The primary objective of the Plan is to provide guidance in the development of a sustainable workforce that is skilled, dedicated and responsive, and that delivers high-quality services throughout the province.

The department has a multi-year strategy under way to create a culture of performance excellence. The planned activities that make-up this strategy include:

- ▶ Department-specific Foundation Development Plan
- ▶ Focus on organization health- better management of human resources through performance appraisals to corporate standards and official exit strategies
- ▶ HR-related targets in management performance appraisals

The department also plays a lead role in the development of a corporate human resources strategy for the financial community. In the coming year, efforts will be focussed on completing the plan and contributing to the plan's implementation across government.

## Budget Context

<b>Finance</b>			
	<b>2007-2008</b>	<b>2007-2008</b>	<b>2008-2009</b>
	<b>Estimate</b>	<b>Forecast</b>	<b>Estimate</b>
Program & Service Area	(\$thousands)	(\$thousands)	(\$thousands)
<b>Gross Program Expenses:</b>			
Senior Management	4,517	3,491	4,498
Office of the Assistant Deputy Minister	4,252	3,939	5,035
Corporate Services Unit	1,268	1,365	1,441
Controller	19,710	18,987	18,897
<b>Total Program Expenses</b>	<b>29,747</b>	<b>27,782</b>	<b>29,871</b>
<b>Fees and Other Charges</b>	<b>649</b>	<b>678</b>	<b>675</b>
<b>Ordinary Recoveries</b>	<b>3,479</b>	<b>2,735</b>	<b>3,336</b>
<b>TCA Purchase Requirements</b>	<b>0</b>	<b>1752</b>	<b>1665</b>
<b>Provincial Funded Staff (FTEs)</b>	<b>198</b>	<b>168</b>	<b>201</b>