

Accountability Report 2017–2018

Department of Business

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2017-2018 DEPARTMENT OF BUSINESS ACCOUNTABILITY REPORT

Accountability Statement

The Accountability Report of the Department of Business for the year ended March 31, 2018 is prepared pursuant to the *Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the Business Plan of the Department of Business for the fiscal year just ended. The reporting of the Department of Business outcomes necessarily includes estimates, judgments and opinions by Department of Business management.

We acknowledge that this Accountability Report is the responsibility of Department of Business management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the Department of Business 2017-2018 Business Plan.

Original signed by

Honourable Geoff MacLellan
Minister of Business

Original signed by

Bernard Miller
Deputy Minister of Business

Message from the Minister

As Nova Scotia's Minister of Business, I am pleased to update you on our work.

The pages which follow provide a brief financial overview for the Department of Business for 2017-2018. They also explain the actions we're taking to grow our economy, create jobs, drive exports, keep young people at home, increase the number of high-growth companies, support entrepreneurs, attract newcomers and be more competitive.

As you may remember, the Department of Business was created three years ago to create the conditions for more businesses to start and grow. We continue to advance that work with the help of our five agencies as well as Invest Nova Scotia.

A few highlights from the last year include the creation of an Internet Funding Trust to improve high-speed internet service for homes and business, funding to increase the number of high-growth companies and foster collaboration with the private sector, and working with the Social Enterprise Network of Nova Scotia (SENNS) on implementing our joint strategies for advancing the sector.

What's next for Nova Scotia?

Through the Department of Business and our Crown corporations, we will continue to invest in innovation and entrepreneurship, align strategic outcomes across government, improve internet service across the province, back two private-sector-led venture capital funds, drive exports and increase tourism.

Government and its partners will also shepherd exciting projects like the launch of the new Centre for Ocean Ventures & Entrepreneurship (COVE) through completion and enhance programming for entrepreneurs living and working in rural Nova Scotia.

There's much to look forward to.

Original signed by

Honourable Geoff MacLellan
Minister of Business

Financial Results

Department of Business Accountability Report

	<u>Estimate</u>	<u>Actuals</u>	<u>Variance</u>
Senior Management	999,000	853,168	(145,832) ⁽¹⁾
Strategy, Policy & Corporate Services	2,215,000	1,840,542	(374,458) ⁽¹⁾
Halifax Convention Centre Amortization	5,066,000	1,207,460	(3,858,540) ⁽²⁾
Department & Crown Relations	10,068,000	16,088,712	6,020,712 ⁽³⁾
Nova Scotia Jobs Fund	36,090,000	36,079,286	(10,714)
Business Relations & Innovation	27,031,000	27,352,109	321,109 ⁽⁴⁾
Crown Corporations and Partnerships	114,668,000	103,386,404	(11,281,596) ⁽⁵⁾
Clearing Centre	0	(34,020)	(34,020)
	<u>196,137,000</u>	<u>186,773,661</u>	<u>(9,363,339)</u>

Note:

- ⁽¹⁾ Temporary salary and operating savings
- ⁽²⁾ Delay in substantial completion of Halifax Convention Centre (amortization)
- ⁽³⁾ Investment in International Air Service pilot offset by delayed Tourism Site Development & Capital Investment Incentive claims
- ⁽⁴⁾ Investment in Innovation Ecosystem offset by deferred spend for Invest Nova Scotia projects
- ⁽⁵⁾ Decreases noted for NSBI (Nova Scotia Film and Television Production Fund and Strategic Investment Fund), Waterfront Development capital projects

Measuring our Performance

In 2017-2018, the Department of Business collaborated with its agencies (Nova Scotia Business Inc., Innovacorp, Waterfront Development Corporation Ltd., Tourism Nova Scotia, Events East Group) and other departments to advance Government's economic agenda. As Government's central lead on economic development policy, the Department fostered better alignment of economic policy objectives to enhance Nova Scotia's innovation, competitiveness, entrepreneurship, and export orientation. The applicable outcomes identified in the 2017-2018 Business Plan are discussed in terms of activities that were undertaken to support them.

Innovation and Exports

In partnership with its agencies, other departments, and organizations in the private and academic sectors, the Department of Business advanced the development of an innovation ecosystem and championed Government's innovation agenda in Nova Scotia. The Department led the process to create a governance structure at the Centre for Ocean Ventures and Entrepreneurship (COVE), a collaborative facility for applied innovation in the oceans sector that opened its doors in June 2018. The Department also worked with partners on several projects to support the development of innovation districts, incubators, and accelerators.

The Department of Business continued to provide a secretariat function to the Invest Nova Scotia board. Through Invest Nova Scotia, two applications totaling \$4.4 million were approved to increase opportunities for innovation in Nova Scotia. The Department also negotiated two project agreements, and supported three projects that had been approved in previous years.

The Department of Business continued to develop and implement policy and program initiatives to increase exports and tourism. Tourism revenue increased by over \$100 million to \$2.7 billion in 2017 – seven per cent more than the year before. In 2017-18, Nova Scotia ranked 4th in Canada in non-energy export growth (international goods), increasing by 7.8% (or \$394 million) to \$5.47 billion compared to the previous fiscal year.

Collaboration

The Department plays a key role in supporting economic growth and international competitiveness by providing strategic policy oversight, accountability and facilitating connections among the private sector and other levels of government. In 2017-2018, the Department enhanced economic growth and competitiveness in the following capacities:

- Worked with the Social Enterprise Network of Nova Scotia (SENNS) on implementing our joint strategies for advancing the sector through committees and working groups;
- Facilitated the Minister's Working Group on Short Term Rentals to better understand the policy needs from the tourism sector and innovation leaders;

- Collaborated with Halifax Stanfield International Airport to establish an international air route initiative;
- Represented Nova Scotia on the Federal-Provincial-Territorial Working Group on Clean Growth; the ADM's Committee on Innovation and the Broadband Team, for the Atlantic Growth Strategy;
- Established a working group to develop stakeholder engagement plans to promote sector and high potential cluster growth.

Coordination

The Department of Business coordinated the development of the Middle Mile and Last Mile strategies for improving high-speed internet service. These documents will help Government improve internet service in a strategic and sustainable way. The Nova Scotia Internet Funding Trust, with an initial investment of a minimum of \$120 million, was also established to implement the Middle and Last Mile strategies. The Minister and Department will continue to ensure that Nova Scotians see service improvements and that our investments benefit as many communities, households and businesses as possible.

Appendix A: Public Interest Disclosure of Wrongdoing Act Annual Report

The Public Interest Disclosure of Wrongdoing Act was proclaimed into law on December 20, 2011.

The Act provides for government employees to be able to come forward if they reasonably believe that a wrongdoing has been committed or is about to be committed and they are acting in good faith.

The Act also protects employees who do disclose from reprisals, by enabling them to lay a complaint of reprisal with the Labor Board.

A Wrongdoing for the purposes of the Act is:

- a) a contravention of provincial or federal laws or regulations
- b) a misuse or gross mismanagement of public funds or assets
- c) an act or omission that creates an imminent risk of a substantial and specific danger to the life, health or safety of persons or the environment, or
- d) directing or counselling someone to commit a wrongdoing

As noted in the table below, the Department of Business has not received any disclosures of wrongdoing in the fiscal year 2016-17.

Information Required under Section 18 of the Act	Department of Business Fiscal year 2017-2018
The number of disclosures received	None
The number of findings of wrongdoing	None
Details of each wrongdoing	N/A
Recommendations and actions taken on each wrongdoing	N/A