



Accountability Report

2023–24

Economic Development



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Accountability Statement

The Accountability Report of the Department Economic Development for the year ended March 31, 2024, is prepared pursuant to the *Finance Act* and government policies and guidelines. The reporting of the Department Economic Development outcomes necessarily includes estimates, judgments, and opinions by Department Economic Development management.

We acknowledge that this Accountability Report is the responsibility of the Department Economic Development 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 Economic Development 2023-24 Business Plan.

Original signed
Minister Susan Corkum-Greek

Original signed
Deputy Minister Scott Farmer

Measuring Performance

The Department of Economic Development (DED) is responsible for developing and informing economic policy to enable broad-based economic growth and prosperity in Nova Scotia. The

Department's work focuses on building and maintaining partnerships with departments and other partners and providing strategic policy advice and data-informed analysis.

In 2023-24, DED continued to work in partnership with Invest Nova Scotia and Events East Group (EEG) to advance our priority areas listed below, which include growing our strategic sectors, enabling increased productivity, investing in new ideas, and community economic development.

Growing Strategic Sectors of Our Economy

Strategic sectors are high-wage, high productivity sectors with strong potential to grow Nova Scotia's Gross Domestic Product (GDP) per capita. The Department of Economic Development continues to focus on innovation, sustainability and growing opportunities in key sectors across the province, including life sciences, ICT, clean technology and oceans.

In 2022, the Department provided \$2.5 million in funding for three years to support the [Verschuren Centre](#) in Sydney to grow Nova Scotia's bioeconomy ecosystem to accelerate the development and growth of transformative technologies and products.

We continue to work across government to facilitate regulatory coordination on major projects and within strategic sectors. This involved targeted discussions between regulators and proponents on regulatory processes, project timelines and milestones to ensure key issues are understood and addressed. Programs delivered through Invest Nova Scotia also support innovative approaches and partnerships in emerging and high-potential sectors. In 2023-24, through the Payroll Rebate Program, there were nine signed agreements with Invest Nova Scotia to create up to 1,490 high-paying jobs over the coming years.

Enabling Increased Productivity in Sectors, Industries & Businesses Across the Province

Productivity is a major driver of business performance and growth. Working with our partners, we continue to explore ways to increase productivity across sectors. The Innovation Rebate Program (IRP), administered through Invest Nova Scotia, helps businesses invest in capital technology to scale and operate more sustainably and efficiently in the province. In 2023-24, 26 companies anticipated spending \$90.5 million in new capital upgrades and are eligible for up to \$21.8 million in rebates through this program.

The Department is committed to growing an ecologically sustainable and globally competitive forestry industry. DED provided administrative support throughout the year to the Forest Innovation Transition Trust (FITT) including coordinating departmental reviews of projects, budget management, preparation of correspondence, and communications as requested by the FITT.

In 2023-24, the FITT announced \$12 million in funding for projects at Dalhousie University, the Verschuren Centre, and to the Nova Scotia Community College (NSCC) to administer an equipment investment program for forestry contractors. At the end of fiscal 23-24, a total of 18 projects were approved under the FITT with total commitments of \$43.2 million of the \$50 million fund.

Investing in New Ideas to Grow the Economy

Supporting innovation and entrepreneurship in Nova Scotia is essential for driving economic growth and renewal, and DED is committed to building a world-class innovation ecosystem in Nova Scotia.

In 2023-24, the Department provided \$2.5M in funding to support innovation and entrepreneurship. The majority of this funding was provided to incubators and accelerators throughout Nova Scotia to provide mentorship, coaching, programming and space to startup founders. Organizations funded include VOLTA, Ignite, Propel, Futurpreneur, Creative Destructive Labs (CDL), Genome Atlantic, IdeaHub, and CBDC Spark, making Nova Scotia an emerging destination for business investment and growth. The Department is leveraging the expertise of these incubators and accelerators by working with them to ensure a strong and interconnected ecosystem exists across the province where entrepreneurs from close to 400 startups across the province can receive the advice and support they need to help them grow.

Ensuring All Communities Experience Growth and Prosperity

Growth in all communities across the province is vital to economic growth and prosperity. Throughout the year, DED continued to work with departments, municipalities, Regional Enterprise Networks (RENs), and community partners to support community economic development.

The Community Economic Development Fund (CEDF) helps sectors and communities become more competitive by funding projects that have a broad impact on a sector or region. The fund considers projects that promote cooperation and partnerships. It opened for two rounds in August and December of 2023-24. As of March 31st, 2024, 79 applications were received, to be reviewed by the Department. A third round will open in April 2024.

The Department continues to lead the implementation of Nova Scotia Loyal and worked with industry and retailers of all sizes and other provincial departments to develop a consumer reward program. Highlights of 2023-24 included consumer incentive rewards and business supports pilots, and a school voucher program pilot, delivered in partnership with the Farmers' Markets of Nova Scotia. Additionally, the program's final visual identity and marketing strategy were finalized in preparation for a program launch in 2024-25.

In response to the wildfires in Halifax Regional Municipality and Shelburne County, the Province provided assistance through the Small Business Wildfire Relief Program. The program was launched on June 5, 2023, and provided a \$2,500 one-time payment to businesses that were located within an evacuation zone or were unable to open for at least five days. A total of 668 businesses (490 Halifax County, 178 Shelburne County) received assistance totalling \$1.67 million.

Financial Summary and Variance Explanation

Departmental Expenses: <i>(\$ thousands)</i>	2023-24 Estimate	2023-24 Actuals	2023-24 Variance
<u>Programs and Services</u>			
Senior Management	1,043	943	(100)
Policy & Operations	12,092	10,411	(1,681)
Halifax Convention Centre Amortization	7,720	7,721	1
Community Economic Development Fund	3,000	762	(2,238)
Nova Scotia Jobs Fund	11,534	48,742	37,208
Crown Corporations	59,737	49,810	(9,927)
Total - Departmental Expenses	95,126	118,389	23,263
Additional Information:			
Ordinary Revenue	(470)	(955)	(485)
Fees and Other Charges	(1)	(1)	0
Ordinary Recoveries	(526)	(2,106)	(1,580)
Total: Revenue, Fees and Recoveries	(997)	(3,062)	(2,065)
TCA Purchase Requirements	0	0	0
<u>Funded Staff (# of FTEs)</u>			
Department Funded Staff	28.5	25.7	(2.8)

Departmental Expenses Variance Explanation:

Department of Economic Development actuals are \$23.3M higher than estimate due to increases of \$37.2M in the Nova Scotia Jobs Fund for revised valuations and Small Business Loan Guarantee Program (SBLGP) updates, \$1.78M in Invest Nova Scotia for Port of Sheet Harbour remediation and \$1.7M for Invest Nova Scotia for the Small Business Wildfire Program. These increases are offset by decreases of (\$7.2M) in Invest Nova Scotia for Payroll Rebates, (\$3.65M) for Invest Nova Scotia Operating savings, (\$2.24M) in the Community Economic Development Fund for revised timing of claims, (\$1.65M) for Events East Group decrease in net operations, (\$1.16M) for SBLGP claims for losses, (\$904K) for Invest Nova Scotia's Innovation Rebate Program and (\$616K) Salary and Operating savings.

Revenue, Fees and Recoveries Variance Explanation:

Department of Economic Development revenues were \$2.07M more than estimate mainly due to \$1.6M for Nova Scotia Jobs Fund Recoveries related to profit sharing contribution and \$524K transfer of unrecognized fair value gains to interest revenue for Sun Life shares.

Provincial Funded Staff (FTEs) Variance Explanation:

Variance due to vacancy savings.

Public Interest Disclosure of Wrongdoing Act

Annual Report under Section 18 of the *Public Interest Disclosure of Wrongdoing Act*

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.

The following is a summary of disclosures received by the Department Economic Development:

Information Required under Section 18 of the Act	Fiscal Year 2023-2024
The number of disclosures received	0
The number of findings of wrongdoing	0
Details of each wrongdoing	NA
Recommendations & actions taken	NA