

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE ON NATURAL RESOURCES AND ECONOMIC DEVELOPMENT

Tuesday, January 23, 2024

Committee Room

Support to the Rural Economy

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**NATURAL RESOURCES AND
ECONOMIC DEVELOPMENT COMMITTEE**

John White (Chair)

Dave Ritcey (Vice Chair)

Hon. Steve Craig

Nolan Young

Chris Palmer

Hon. Iain Rankin

Ronnie LeBlanc

Gary Burrill

Lisa Lachance

[Hon. Steve Craig was replaced by Tom Taggart.]

[Nolan Young was replaced by Melissa Sheehy-Richard.]

[Hon. Iain Rankin was replaced by Fred Tilley.]

In Attendance:

Tamer Nusseibeh
Legislative Committee Clerk

Karen Kinley
Legislative Counsel

WITNESSES

Department of Communities, Culture, Tourism and Heritage

Justin Huston, Deputy Minister

Bill Greenlaw, Executive Director, Communities, Sport and Recreation

Darlene MacDonald, Executive Director, Tourism Nova Scotia

Department of Economic Development

Scott Farmer, Deputy Minister

Invest Nova Scotia

Peter MacAskill, President and CEO



House of Assembly
Nova Scotia

HALIFAX, TUESDAY, JANUARY 23, 2024

**STANDING COMMITTEE ON
NATURAL RESOURCES AND ECONOMIC DEVELOPMENT**

1:00 P.M.

CHAIR

John White

VICE CHAIR

Dave Ritcey

THE CHAIR: Order. I call this meeting to order. This is the Standing Committee on Natural Resources and Economic Development. My name is John White. I'm the MLA for Glace Bay-Dominion and the Chair of this committee. Today we'll hear from presenters regarding Support for the Rural Economy.

I ask that you please turn off your phones or put them on silent. In case of emergency, we'll use the Granville Street exit and walk up to Grand Parade.

I'll now ask committee members to introduce themselves for the record, starting with MLA Ritcey.

[The committee members introduced themselves.]

THE CHAIR: I would also like to recognize the presence of Legislative Counsel Karen Kinley on my left, and Legislative Committee Clerk Tamer Nusseibeh on my right.

As I mentioned, today's topic is Support for the Rural Economy. Right now, I'd like to ask the witnesses to introduce themselves, and I'll come back for opening remarks in a second. We'll start with Darlene MacDonald.

[The witnesses introduced themselves.]

THE CHAIR: Thank you very much. Now we'll come back to Deputy Minister Huston for his opening remarks.

JUSTIN HUSTON: Good afternoon. I want to thank you for the opportunity to be here with my colleagues, Scott Farmer, Deputy Minister for Economic Development, and Peter MacAskill, Chief Executive Officer with Invest Nova Scotia, to answer any questions you have about support for the rural economy. As noted earlier, I'm also pleased to have Darlene MacDonald here who is the Executive Director for Tourism, as well as Bill Greenlaw who is the Executive Director for Communities, Sport and Recreation at the Department of Communities, Culture, Tourism and Heritage.

We're pleased to be able to share with you some examples of the work that we're doing to support rural communities, and answer the questions you may have about that and others. Our department plays a vital role in Nova Scotians' health and in providing affordable options for their well-being. We contribute to healthy, vibrant communities where Nova Scotians can be physically active and socially connected, and where visitors are drawn to the best of what our province has to offer. We support and invest in so many organizations that are at the heart of our communities: libraries, community centres, rinks, recreation centres, museums, and arts and culture organizations.

Our department focuses on three key areas to support rural communities and economic growth: culture and heritage development, community and sport recreation, and tourism. The maintenance and operation of culture and heritage sites create jobs in the rural economy. This includes roles at site management, tour guiding, conservation, and event management. It also leads to job creation sectors indirectly related to culture and heritage, such as hospitality, retail, and transport services.

Look at the arts and culture sectors, for example, which make a huge contribution to Nova Scotia's economy. In 2019, just before the pandemic, the creative sector provided more than 12,000 jobs and contributed close to \$1 billion to the Nova Scotia GDP. Investing in culture and heritage helps preserve the unique identity of rural communities in Nova Scotia. This sense of identity and pride can be a catalyst for community-driven economic development.

Our museums play a significant role in that form of support. They also provide educational value, not only for tourists, but also for local communities, particularly our youth. This educational aspect can inspire local entrepreneurship and innovation as residents find unique ways to leverage their history and culture for economic benefit.

Last year's budget allocated an additional \$7.2 million in annual operating funding for arts, culture, and heritage organizations. This additional financial support helped 180

cultural and heritage organizations, and 17 community museums remain on strong financial footing.

The health and physical activity levels in rural areas have a direct and significant impact on their economic growth and capacity. That is why a big part of our department's work is helping Nova Scotians lead healthy lives through our support for sport, recreation, and physical activity.

As each of you around the table know, a healthy lifestyle includes not just physical activities but also healthy nutrition. Many Nova Scotians face economic challenges in making this possible for themselves and their families. This is one of the reasons why we have specifically supported food programs. We invest in new and upgraded infrastructure so that people have affordable access to be active. In 2023-24, the department has budgeted \$7.1 million in funding for infrastructure grants. These investments can have a ripple effect on the local economy. Improved access and facilities can attract new investments and create jobs.

Let's not forget that Nova Scotia's tourism sector remains a key economic driver and job creator in Nova Scotia, particularly for rural economies. Tourism spending in rural communities not only supports local shops, restaurants, accommodations, and attractions, but visitors leave behind tax revenues that support investments in services and infrastructure across the province. Tourism generated \$160 million in tax revenues for the provincial government in 2019. Destination Canada estimates that tourism revenues in Nova Scotia reached \$3.1 billion in 2022.

Tourism supports more than 46,000 jobs in Nova Scotia - jobs for Nova Scotians in almost every community. The Province has prioritized support for local tourism, working to ensure that communities in all regions of the province benefit from tourism spending. This includes investments in marketing to raise awareness of Nova Scotia's unique communities, attractions, and experiences. It also includes research, coaching, and tools to help communities and businesses become more competitive and attract visitation.

Tourism Nova Scotia is working with communities and industry to create and promote experiences that will encourage people to explore the province in all seasons. We are working in partnership with communities and businesses through various programs such as RADIATE, Compelling Tourism Communities, Tourism Digital Assistance, EXPORT Travel Trade, and Digital Content Marketing.

One example I'd like to highlight is Tourism Nova Scotia working with the Nova Scotia Indigenous Tourism Enterprise Network, or NSITEN, to conduct research to better understand awareness of and interest in Mi'kmaw cultural experiences and opportunities for Indigenous tourism businesses.

The department is also collaborating with Cycling Nova Scotia and Public Works, who are leading the development of the Blue Route. Once completed, the Blue Route will comprise a 3,000-kilometre network of signed bicycle routes, connecting riders and communities across this province.

Through the close co-operation between Tourism Nova Scotia and Events Nova Scotia team, we host international events that not only draw thousands of visitors to the province but also attract co-investment by federal and non-governmental organizations. These funds are a significant source of financial support for rural communities, aiding in the development of infrastructure and community projects that have a broader economic impact.

We're supporting initiatives to help communities develop cultural experiences so that they can tell their own stories and share their heritage. For example, we've supported the KMKNO, or the Mi'kmaq Rights Initiative, in the development of the cultural tourism strategy for the Mi'kmaq of Nova Scotia. African Nova Scotian Affairs is also collaborating with Tourism Nova Scotia to start the development of an African Nova Scotian cultural tourism strategy.

These are just a few of the highlights of how our department is supporting our rural communities and economy. We'll be pleased to answer your questions following Deputy Minister Farmer's remarks.

THE CHAIR: Thank you, Deputy Minister Huston. Now we'll go to Deputy Minister Farmer.

SCOTT FARMER: Good afternoon, Chair, and committee members. Thank you for the opportunity to be here today to contribute to today's discussion on supporting the rural economy.

Nova Scotia is seeing real growth and momentum like it's not seen in decades. Our population is the highest it's ever been, with over one million people calling Nova Scotia home. In the last year, we've seen population growth in every county across the province. This is important because it's not just Halifax that's experiencing growth - it's happening in all corners of our province. But in order for us to leverage this growth and truly take advantage of the opportunities before us, we know we need to foster prosperity for each of our communities.

When we look to government's economic growth plan, it prioritizes four key areas, the fourth being "increase local prosperity." What this looks like in practical terms is the ability for all Nova Scotians to succeed. Regardless of where someone lives, they should have equitable access to opportunities.

We know that we have distinct economic regions throughout the province, each with their own strengths and unique challenges. That's why it's critical that we take a community-based approach to economic development. Part of how we can achieve this is through the programs and supports we have in place that drive change.

Under Invest Nova Scotia, the Innovation Rebate Program is one example that has had great uptake and success, particularly in our rural communities. Invest Nova Scotia also has a regional business development team that provides support services across the province.

We fund incubators and accelerators like IGNITE Atlantic, which is in Yarmouth and in New Glasgow, and brings people together to explore how to make change in rural communities. Propel and Futurpreneur are great organizations that we partner with that support innovation across the province.

We also have the Community Economic Development Fund under our department, which will help ensure that Nova Scotians can benefit from community-based projects that build stronger, more collaborative regions. Of course, we partner with the Nova Scotia Regional Enterprise Networks to implement regional strategies and connect businesses to resources, expertise, and local business climate information. Collectively, this network helps drive our province forward and build economic prosperity.

We know there's always more work to do, but we're making great progress. I want to thank you again for the opportunity to say a few words, and I look forward to your questions.

THE CHAIR: I'm not aware of any other opening remarks, but if you'd like to . . . Mr. MacAskill.

PETER MACASKILL: Thank you to the committee for the opportunity to speak to you today on this very important topic. My team and I at Invest Nova Scotia wake up and think about how we can help our clients meet their goals, because if they meet their goals, we'll meet our goals. On behalf of the Province, it's very important from an economic development perspective.

With government prioritizing economic development and an enhanced regional mandate, we're extending our reach and services across the province. With six dedicated regional business development advisers located in offices around the province, and other roles filled by qualified candidates outside of Halifax, we're building on the legacies of the former Innovacorp and NSBI. We're no longer bound by an export-only mandate. We're focusing on working locally, building businesses that make a difference here at home and in markets around the world.

I want to share a few examples with you. We continue a service that supports diverse businesses, rural and urban. Invest Nova Scotia employs an export development executive who is dedicated to working with businesses of diversity to help them improve their competitiveness and increase their sales.

The United States, Canada's biggest export market, is also a leader in supplier diversity. Eighty-two per cent of the Fortune 200 companies have formal supplier diversity programs and have committed more than \$50 billion and counting to minority- and women-owned businesses over the next 10 years. Closer to home, the federal government has a supplier diversity action plan, and large corporations with a local presence, such as Sobeys and EY, are leading the way in procurement from a broader, diverse supply chain.

Speaking of procurement, in our province, government is asking: Why not use procurement? Aligned with that, Invest Nova Scotia posted a new procurement-focused position to work with partners across government to identify goods and services being purchased by the Province that could provide potential opportunities for vendors and companies here in Nova Scotia.

I believe a support such as this will build economic capacity in communities where business and entrepreneurs are rooted. We've also recently aligned and dedicated resources, notably an employee based in Kings County, to focus on existing assets and infrastructure around the province that could be beneficial to entrepreneurs. An example is the Verschuren Centre in Sydney, which focuses on industrial bio. The Verschuren Centre provides efficient access to capital and advanced expertise to help entrepreneurs develop innovative solutions that are solving problems in areas such as climate change, food ingredients, and recycling techniques.

The Verschuren Centre is also aligned with the forestry and seafood industries, helping companies build new products using readily available resources such as wood fibre and food waste.

Asset-based economic development is key to the success and resilience for businesses. We strive to ensure assets in our rural economy are utilized and leveraged for the benefit of the local economy. Venture capital is a very specific tool that's needed for Nova Scotia to help drive innovation. It's difficult to build a company, and that's especially true within sectors like life science and ocean tech. It's important to have the right processes around raising capital to help those companies as they progress to help investors see a return.

We're continuing that work and have dedicated an employee based in Sydney, Cape Breton to focus on getting more capital into innovation-based companies in regions outside of Halifax. We intend to use Invest Nova Scotia as a primer for that capital to leverage investments and form partnerships with individuals and groups of investors, such as private wealth and angel investors. This intentional work begins by seeking out groups of partners

across the region who will leverage existing programs such as Accelerate, to increase the pipeline of investment and co-investment opportunities. Accelerate is currently open for submissions, and its focus includes Agtech, ocean tech, and clean tech.

[1:15 p.m.]

Invest Nova Scotia developed the Digital Marketing Asset Development Program to help Nova Scotia companies in their ongoing digital marketing activities. Through financial and project management assistance, the program seeks to support our Nova Scotia companies with the development of custom digital marketing assets to elevate their national and international sales efforts, and help them succeed in increasingly competitive digital sales reality. Over the past year, Invest Nova Scotia has been working in collaboration with the Nova Scotia Native Women's Association to develop a program proposal that would see a cohort of Indigenous-owned businesses through the DMAD Program.

There's a strong need for continued collaboration between federal, provincial, community, and private sector groups to maximize or scale up impact. The Atlantic Trade and Investment Growth Strategy has been implemented for seven years. It's a partnership that pulls funds from the federal government and the four Atlantic provinces to deliver solutions for the economy.

Nova Scotia contributes 11 per cent, and one of the projects is the Atlantic Certified Sites program. It promotes the sale of development-ready sites and industrial buildings to investors. It provides key data and information they need about a property's availability, utilities, transportation access, and environmental records to support faster site selections that align with their needs. The program is being delivered by the Atlantic Association of Community Business Development Corporations, with its head office here in Mulgrave, Guysborough County.

As of last year, dozens of landowners across Nova Scotia created accounts on the system. They create the accounts and go on to get certified. To date, six certified Nova Scotia sites are uploaded and marketed, and four acres at Kaizer Meadow in Chester were purchased using this tool.

Recently, communities and assets in southern and southwestern Nova Scotia have taken the lead to obtain certification as a bio-economy zone - the region of Queens Municipality, Municipality of the District of Lunenburg, Chester Municipality, the Town of Bridgewater - and through the lead of the Nova Scotia Innovation Hub, have collaborated to have an area of 150 kilometres centred around Caledonia independently assessed. The zone has received an A-rating, based on the number of acres, to develop bio-projects. There are numerous parks around the region which are included in this. Also highlighted is the potential for the forestry sector to sustainably provide 550,000 tonnes

per year of byproduct for wood fibre. There have been a number of BDO zones launched across North America, but this one is the first in Atlantic Canada.

These are some of the examples that I hope show the exciting business activities across our province, and many of the ways my team plays a role, supports, and collaborates. For my team, we work to understand the goals, opportunities, and challenges of our clients first, then help solve them. We do not purvey programs in a one-size-fits-all way - creativity and collaboration are key.

Thank you, and I look forward to any questions you may have.

JOHN WHITE: Thank you, Mr. MacAskill. No other opening remarks? You're good?

I want to come back to MLA Taggart for a brief introduction.

TOM TAGGART: I apologize for being late. I get my ones and twos mixed up I guess. Anyway, Tom Taggart, MLA for Colchester North.

THE CHAIR: Simply for the record - not to interrogate you. (Laughs)

Before we begin questions, I just want to remind members that if you're going to ask a follow-up question, I really am asking that you have it relate to the original question. We have a history in this committee of going question after question, and I keep track of them, and they're all double questions. I just ask that because we have some great witnesses and a great topic. I'm looking forward to some information based on introductions.

I'll remind everybody that you have to wait until I call your name and your microphone turns red so that Legislative TV can have you recorded.

The floor is open for questions, and we'll wrap up around 3:40 p.m., somewhere close to that. The floor is open for questions.

MLA Palmer.

CHRIS PALMER: Thanks, everybody, for being here today. This is a topic near and dear to my heart. It's one of the driving forces that made me want to go into politics. My background is working with small businesses as a financial advisor throughout my career. I've had a chance to meet with so many people from different stakeholders and different parts of the economy. The rural economy, with farming and agriculture, those primary industries are big in my area in Kings West.

One of the concerns I hear from people in the sector and throughout the area - a lot of small businesses - is the idea around succession planning. Some of the concerns that

only about 8 per cent of businesses in agriculture have any kind of succession plan in place. I was going to ask Deputy Minister Farmer or Mr. MacAskill, anybody who would like to chime in on this: What kind of strategies and initiatives is the department implementing to encourage and support farm operators, for example, in the province to develop succession planning so we have more stability going forward?

THE CHAIR: Deputy Minister Farmer.

SCOTT FARMER: As it relates to farm operators, the Department of Agriculture is the primary interface. They've got good relationships with those businesses, and I know they work closely with them to help understand their needs and challenges. Outside of farming, we see it across Nova Scotia. The demand around succession or business transition - it's sometimes called that, succession sometimes implies within a smaller group, business transition can imply some broader solutions - there's certainly a growing need.

BDC has some data that they shared recently: In 2000, about 10 per cent of the Nova Scotia workforce was 55 years or older. Not everybody retires at 55 - it's just a benchmark. In 2023, that's risen to 22 per cent. There are more and more people who are advancing in their careers or in their entrepreneurial endeavours.

There are a number of agencies that provide supports. The RENs in particular work directly with businesses, and some of them have formal succession planning programs in place under the Business Retention and Expansion Program. The regional development advisers whom Peter made reference to work closely with businesses to understand their needs and connect them to resources. The CBDCs funded by ACOA across the province, have practices around succession planning and business transition, as do lenders and consultants.

There are some choices for businesses, certainly, but what we hear is that businesses don't often turn their minds to it until it's very late, when they're getting very close to wanting to exit the business or transition the business, or they discover that a family member they have lined up to take the business on is not going to choose that path. There's certainly more that can be done around education. We've got some work under way with our colleagues at the Department of Labour, Skills and Immigration to map out that list of supports that exist around the province, and try to work out where some additional gaps might be. This is an area that will require continued focus and emphasis as we go forward.

THE CHAIR: Mr. MacAskill.

PETER MACASKILL: I think Scott laid it out quite well. There really is a collaborative approach when it comes to helping businesses there. One of the big things that he talked about is awareness and making sure that you're getting at business owners

so that they're understanding. Sometimes you move along and it's too late, and there's not a succession plan there.

One of the things that we've talked about with partners - and we also recently did a workshop just on that - is awareness. It's really those leading questions, getting the companies to think about it, and then having the resources available so they know. If you want to talk about tax structures, here's your local accounting group that can help you with that and help you set it up. If you want to talk about management and how you can do a transition - because a lot of times it's the retirement nest egg as well - you want to be able to maximize that too.

Again, it goes back to having those - first, the marketing to get the issue out there so that people understand it, but then moving into what it is one-on-one with that company to get them thinking about the right things.

THE CHAIR: Next I have MLA Burrill, followed by MLA Tilley and then MLA Taggart.

GARY BURRILL: I wanted to ask all of you here in the economic development and the tourism worlds about the major thing that has happened in our economy this month: the passage of the CEBA deadline. We know that a pretty disproportionate part of the businesses impacted are in hospitality and tourism. Does the government have a handle on the number of businesses, particularly in hospitality and tourism, that are going to be hit negatively by the passage of the deadline - the non-extension of the program?

SCOTT FARMER: It has been very topical of late. The deadline of January 18th has come and gone. Leading up to that date, there were a lot of voices that were arguing for an extension of the date. For businesses that didn't pay back by January 18th, they've lost the forgiveness aspect of the CEBA loan. The Premiers collectively wrote to the federal government, as did the Minister of Economic Development, to advocate for a pushing out of that time frame. Ultimately, it didn't occur.

The Canadian Federation of Independent Business did some surveying in December 2023 asking businesses about their intention and the state that they would be in. CFIB tends to the smaller businesses in the economy. About 35 per cent had said they repaid their loan in full; 7 per cent had repaid some and planned to repay by the deadline; and 34 per cent were planning to repay by the deadline. What's actually transpired, we couldn't say. Not much time has passed.

That's in the order of two-thirds of businesses saying that they planned to, which leaves a third who will be in a position where they either have to refinance or have their CEBA loan flip into a three-year term loan at a 5 per cent interest rate. They can pay the principal at the end, but the 5 per cent interest that kicks in will be a new cost for them.

That's an impact. If they had the maximum, a \$60,000 loan, they're going to be paying 5 per cent on \$60,000 and still need to repay that principal by December 31, 2026.

[1:30 p.m.]

JUSTIN HUSTON: To your question, we have not been hearing a lot from the tourism sector. We don't have any numbers. I can tell you - and Darlene, you can jump in here to correct me - we have been starting to do some work around a tourism strategy and doing consultations around priorities and hearing directly from sectors, and this is not one of those issues that is coming up on a regular basis. I do think, though, that they have been voicing that directly to the federal government, because that's who the loan is through, but we're not seeing it as going to have a huge impact on the sector.

GARY BURRILL: The numbers that you've presented though, Mr. Farmer, those are general numbers, not numbers about the hospitality and tourism sector. We know that the impact is disproportionate. Are you saying, Mr. Huston, that the department does not have an empirical sense of the percentage in hospitality and tourism that's impacted, or even the broad absolute numbers?

JUSTIN HUSTON: That's correct. We do not have the numbers.

THE CHAIR: MLA Tilley.

FRED TILLEY: Thank you all for being here. In 2021, two major planks for economic development of the current government were the Better Pay Cheque Guarantee and also the Nova Scotia Loyal program. We've come to learn that the first one, the Better Pay Cheque Guarantee, which was designed to put more money into people's pockets, has been cancelled. The last time we had committee, the Department of Economic Development told us that within months we would have a date of implementation.

We've also been hearing from stakeholders in the local food and beverage industry that they've not had any consultation. They don't know how it's going to improve their sales, how it's going to affect their bottom line. Are they going to have to pay for the program, or is it going to be paid by the government?

My two specific questions on this one would be: When can we have a specific date when this program will be implemented? Have the conversations been happening with local producers, and how have those conversations been going?

SCOTT FARMER: I can't give you a specific date today. There's some more design work that continues around the Nova Scotia Loyal program. There's a lot that's advanced on it, but there are some final decisions that still need to get made. I can't commit to a time for you today.

In terms of engagement, the engagement has been extensive across the province. If there are specific stakeholders that haven't had an opportunity to provide input, I'd really like to have that contact information afterward, and we'll ensure that we engage them. Whether it's been through the Nova Scotia Federation of Agriculture, or through Craft Nova Scotia, or through the wineries in Nova Scotia, there's been quite an extensive contact, as well as a consumer survey that gathered input from 10,000 Nova Scotians. There have been 100 in-person brand events. There were 24 retail prototyping activities that engaged 5,000 Nova Scotians. There have been dozens upon dozens of events. In August 2023 alone, there were 13 events around the province. Part of this is engagement, feedback, and input around the program.

We don't want to leave any stone unturned. If there are voices that are feeling unheard, we'd certainly like to hear those before the program is finalized.

FRED TILLEY: Given the extent of consultations that you talk about, the extensive information that you've gathered, it's hard for me to believe that three years in, we're still at the design phase of this program. When it came out, when it was in the election platform, it was ready to go. The same with Better - day one, it was going to happen. We don't have a specific date as to when it can be released. Can you give me an approximate date? How close are we? Are we a month away, a year away, or are we not going to see this program for Nova Scotians?

SCOTT FARMER: There are decisions that won't be my decisions to make. In the coming months is what I could offer to you around it. When I say design - the "design of the final" - there's an interim brand, and if anyone cares to go on the Instagram account, you can see lots of activity that's occurred and lots of places where Nova Scotia Loyal has been promoted.

There's certainly been an aspect of learn by doing with it where there have been vouchers at craft fairs and local food events around the province. There was a voucher program that was done with schools in the Annapolis Valley where students were given a voucher to take to the farm market with their families. The uptake on that was significant. Somehow or another, these vouchers made it home in backpacks and into the hands of their parents, and about 65 per cent of them ended up at a farm market - many of them for the very first time. When these vouchers are used, there's a fairly substantial up-spend that goes along with it. There are lots of Nova Scotian producers that have benefitted - over \$500,000 in up-spend that we've seen through these various programs, and lots of new people going to farm markets all around the province.

There's been an important iterative - learn by doing. I would say, from my experience in government, when you draw up a program in the back room and then drop it into the public, it doesn't work as well as something you test and try and refine before you finally launch it.

THE CHAIR: Next I have MLA Taggart, followed by MLA LeBlanc.

TOM TAGGART: My first question is for Invest Nova Scotia or the Department of Economic Development, whichever fits best. What supports and strategies are being used to help local businesses export their products to other markets? You may have spoken about that before I got here, but in the event you didn't.

PETER MACASKILL: For export development, there are numerous different strategies and supports that we put in place, including a team of export development executives who work one on one with companies in their sectors. We would have someone who's focused on the agriculture business. There's someone who's focused on the fisheries business, the ocean tech business, IT. We also have - I did mention earlier - an export development executive who is working with diverse suppliers. There are particular procurement opportunities for businesses that are wholly or at least 50 per cent owned by diverse founders and owners. It makes good sense for them to go after that business, because it's defined for their stream.

In addition to that, there is support on trade missions that are going into market for companies. A couple of the more popular ones in Nova Scotia would be in the seafood industry, obviously, because of the size of the sector. There are a number of particular trade missions that we take Nova Scotia's seafood producers, agents and sellers into market to help market the Nova Scotia seafood product. Three big ones would be the big show down in Boston every year, Seafood Expo North America. There's a big one in Europe every year, in western Europe. It's in Barcelona. We don't send people there now, but there is a big market in Asia, in China, where agents will help our companies sell.

In addition to that, there's a diversification strategy that we're working on in seafood as well. We have export cafés that are planned this year for four different markets in Asia. The idea being, after research and developing a strategy, there are specific markets that would be receptive to Nova Scotia's seafood. We need to do more on the marketing front, get our companies there, get them contacts in those markets.

We have an export program as well, which is a \$2.5 million program. It's 50-cent dollars, and it helps companies address any barriers that they may have to export. That includes travel - again, 50-cent dollars. It's up to \$15,000 per company. It helps offset some of the travel costs. We've seen travel costs go up lately as well. It also helps eliminate any barriers that they may have in order to enter a new market. They may have a product that's ready made for the North American market, but in order to get into Europe or other locations, they may need another certification or something like that. This program can help offset some of the costs on that as well.

Those are just a few. Hopefully that answers your question.

THE CHAIR: MLA LeBlanc.

RONNIE LEBLANC: When it comes to the rural economy, we know that the resource sector is a large part of the driver of most small rural communities. As we all know, it's hitting headwinds. We have a warming climate, new regulations.

What I'm trying to get at is that I think those industries are facing challenges that they have to adapt, or the economy - they have to find new ways of moving forward. Those economies, they create jobs, but really what they do is generate generational wealth for a lot of small rural communities that maybe would have absolutely no opportunity to have that quality of life. They do build our communities.

I guess what I'm asking the Department of Economic Development is: Are you monitoring the state of the economy in rural Nova Scotia in terms of the resource sector? Are you working with the different departments to really get a handle on what needs to be done and what you can do to help with those headwinds - if I repeat that phrase - to try to make sure that the resource sector comes through this at the end and our communities continue to flourish?

THE CHAIR: Deputy Minister Farmer.

SCOTT FARMER: There are all kinds of different definitions of rural that exist. Statistics Canada has three of their own. On one of the Stats Canada definitions, it would say one in five rural jobs are resource-based. It's a significant part of the rural economy in Nova Scotia. There's traditional farming, fishing, and forestry that represent significant portions of the economy in the province and the jobs in rural Nova Scotia. There are emerging sectors as well in terms of hydrogen and offshore wind in the Strait area, from an energy perspective, which is different than the traditional mining activities, as an example. There aren't a lot of mining activities that are taking place in the province to date.

We recognize the importance of these industries, and in fact, there are government departments that are dedicated to each of them: the Department of Agriculture because of the importance of the agriculture industry; the Department of Fisheries and Aquaculture because of the importance of that industry; and the Department of Natural Resources and Renewables because of their importance. They've got dedicated departments to support them. We work with them, of course, through the programming that we have, whether it's export development or supporting capital investments under the Innovation Rebate Program.

We're also making investments in business incubators and accelerators, innovation sites around the province. One of the organizations we do a lot of work with is IGNITE Atlantic, which is in Yarmouth and in New Glasgow. They have a particularly strong connection to traditional industries - innovation in fishing, as an example. There's a company called Katchi that's working out of IGNITE Atlantic, and they're developing low-impact fishing that attracts fish with audio signals as opposed to dragging in an aggressive way.

[1:45 p.m.]

Part of the solution as well is building that bridge between innovation and our traditional industries as well. We see that in the investments that we have at COVE and other places. Fundamental to our success going forward will be the success of these resource-based industries in the province. That's always going to be an important part of our economy.

RONNIE LEBLANC: I get your point on the definition of rural, but the smaller the rural, I'd say, the more dependent they are on the resource sector. Even if it's one or two jobs out of five - coming from a community where in my case lobster fishing - when it starts, most businesses depend on the industry to make sure that they make enough money to survive for the year. You can tell when there's a good year and a bad year.

The reason I'm raising these questions is I want to make sure that - I'm sure you understand it probably better than I do - but the reality is, if we don't move and make sure that these industries are really monitored, taken care of, and that the Department of Economic Development is on top of it, so that if there's a need to move in - diversification takes a long time. If you wait until the industry is in trouble, then you're probably too late. That's my message. I don't know if you want to elaborate on the diversification part. I know you did a little bit in your first answer.

SCOTT FARMER: It's so important that we take all the steps that we can to preserve sustainability around these business types. It was not that many weeks ago we were sitting with our colleagues at ACOA, and we were talking about what others are doing to ensure that the resource that we're harvesting is being completely utilized. There are Scandinavian countries where there's almost zero fish waste. It's all turned into a product. Sometimes they're pharmaceutical products, sometimes they're natural supplements. We need to make sure that we are wringing every last bit of value out of what's being harvested, and that we're doing that in a way that's informed by what's happening in the rest of the world.

What's happening at the Verschuren Centre is nothing short of amazing, and the Verschuren Centre was here as a topic within the last year or so. They have a real focus on what you can do with food waste. It gets turned into dyes, into food supplements, proteins that can be part of other products. Part of our responsibility is to make sure that we're on the cusp of the innovation to make sure that we're driving that sustainability.

To the point about how one or two jobs makes a difference, we have the conversation all the time. Adding 10 jobs in Chéticamp has a much bigger impact than adding 100 jobs in Halifax. It's felt. We might add 100 jobs in Halifax or lose 100 jobs in Halifax today, we won't notice it, but if you add 10 jobs in Chéticamp, it makes a difference.

THE CHAIR: Next, I have MLA Ritcey, followed by MLA Sheehy-Richard.

DAVE RITCEY: I guess this question's directed to Deputy Minister Huston. You touched on it in your opening remarks, and I just wanted to know if you can expand on programs and initiatives that Communities, Culture, Tourism and Heritage has in place to develop and support the rural economy through cultural experiences and heritage?

THE CHAIR: MLA Huston - Deputy Minister Huston. (Laughs)

JUSTIN HUSTON: I've become an MLA. I love this. I get to ask you all the questions. (Laughter)

THE CHAIR: Careful what you wish for. (Laughter)

JUSTIN HUSTON: Thank you for the question. It's a pretty broad question, so I'll take a couple of opportunities to highlight some big-level stuff, then I might hand it over to my colleagues to give some specific examples.

Our department touches upon community in a lot of different ways, whether it's sport and recreation or it's the culture and heritage side of things. Really, I think key to the success of the department and in reaching the community is our staff who are located across the regions who really have a pulse on what's going on. I know many of you have worked with staff in the region who are that kind of go-between - what a community group and organization wants to try to achieve and then the art of the possible, and what kind of resources might be at play.

We have specific programs, such as the Rink Revitalization Fund, the Recreation Facility Development Grant. We also have programs such as the Compelling Tourism Communities Initiative, which is helping local community organizations market their community's area.

With that, I think I'd like to hand it over if I could. Maybe Darlene, you first, to talk a little bit about those in-community specific programs. Then Bill afterward, maybe you can talk a little bit about some of the RFDs.

DARLENE MACDONALD: Two years ago, we started a program called the Compelling Tourism Communities Initiative. That's where we work with local leaders in the community in ways which they can enhance the tourism value and attract more visitors to their communities.

Under this suite of programs, we do a number of things, and I'll just start off with research. A lot of the information that we have through our visitor exit surveys, market surveys is really valuable for communities to understand who our visitors are and, more importantly, who the visitors are that they could attract to keep within their communities -

to extend that stay, go to their businesses, you know. We have a program in which we work with them, and we can understand some of their research questions and needs that they have to ask or want to ask. With our research team, we can formulate those surveys.

We've successfully worked with communities such as Chester and Guysborough, and really dug in deep as to what would appeal to people coming to those communities that would make them want to stay there longer.

We also have a team of tourism development advisors who work with our partners across the province in the different regions. These tourism development advisors provide that expertise in coaching and mentoring to help communities in developing their community tourism plans, and really looking and listening to communities as to what they want to get out of tourism - what their values are, and what their needs are. Then working to identify what's unique about that community that would attract people to come and stay, and how ready they are as a community. We've developed that. We have also developed toolkits and resources to help and enable those communities in the work that they do.

Marketing certainly is a key component. Everybody wants to have their community featured in our overall provincial marketing. There are a lot of great video resources, photography. We'll work with communities and caption that marketing content. We're also doing things to pull it together into, say, video or online, so that they can use it, and we can also use it in our marketing activities, but more importantly, really stitch it together, if you will, so that it will appeal to people to come and want to stay in that community.

Digital adoption - I think Peter mentioned it - certainly from a tourism perspective, working with communities so that they are digitally prepared, they are online, have a good website presence, and they know how to do digital marketing. We've developed a whole suite of programs with Digital Nova Scotia to match up that digital expertise with communities. We've even done Digital Days, where we take that expertise out to the communities - Bridgewater, Antigonish, Sydney - and allow the businesses and community members to come together and learn first-hand with those digital providers.

Visitor servicing - we're very fortunate to have a strong network of visitor information centres across the province. We operate five provincial ones, but there are over 40 visitor information centres throughout the communities in the province. We provide them some assistance. Those are the ones on the ground in the communities who know their communities best, and can help counsel and encourage people when they are coming into the VIC: "Oh, you must go to this business" or "This event's coming up." It's a really important network that we have.

All of the suite of programs, which we call Compelling Tourism Communities - last year was our first year of implementation, where we partnered with over 118 communities, and we're into year two, with a lot of success and interest.

I'll turn it over to my colleague.

THE CHAIR: Mr. Greenlaw.

BILL GREENLAW: First of all, I'm going to give you all the most important date that you should all remember as MLAs. My infrastructure deadlines for the department are due February 14th, and we make a decision in April and May. You need to make sure your constituents are reminded about those deadlines. I have most of your websites on my feed for that social media platform. I see most of you have flipped that email out to your constituents, so thank you. I would just give you the most relevant piece of information that I could give you that will affect you and your ridings.

I like to think about my division - or the division that I happen to be privileged to the leader of at CCTH - is kind of like if you think about public good economics, we're the public good economics. We invest in rinks. We invest in community halls. We provide municipalities and First Nations communities with partner funding to leverage an employee called a Municipal Physical Activity Leader or Mi'kmaw Physical Activity Leader.

If you think about all the wraparound supports that support the things that our partners on the business economics side want to have supports for in community, this file, or our department, helps with those wraparound supports and making communities livable. Not only do we have great economic drivers in community, but you don't want a one-plant town where everybody goes to the factory or goes down to the wharf, and then vacates and goes 40 miles down the road and lives in another community.

We think - and I think there's evidence - that we supply the funding that helps make communities livable and affordable. We're focused on that and we're quite proud of that. I think we resonate with Nova Scotians in the things that we support.

Take, for example, if we fund a rink - so a chiller or a new roof - let's use that as an example. A rink in most rural communities is a community centre. Without proper supports for that, and the employment that the rink employs, et cetera, there's the multiplier effect of, say, a \$100,000 fix for a roof that we co-match to currently one-third - it's moving to two-thirds. That is a significant multiplier in community. Not only does it help with the local company or the Bradys or whomever your supplier is, this money multiplies.

I can tell you for a fact that we went back and looked at our investments to date. Just on purely our matched dollars, one dollar that we invest leverages five dollars in community. That does not include any kind of multiplier effect through a person getting paid to do the project and picking up the Tim Hortons coffee on the way to the work site, et cetera.

Think about CCTH and particularly Communities, Sport and Recreation as this public good investor that has an invisible hand in driving local economies in a way that

may or may not be apparent to most Nova Scotians. But if you think about those direct investments in community and the multiplier effect it has, it is quite substantive and quite meaningful, and it really binds community together. I'll just leave it at that.

THE CHAIR: MLA Sheehy-Richard.

MELISSA SHEEHY-RICHARD: You had me mesmerized there. I had a meeting in my office right before I came, and I've been jotting down all these notes. It's a good refresher.

I do want to go back to a different topic. I wrote down "the cusp of innovation." I really liked that statement that you made, Deputy Minister Farmer. I just wanted to talk a little bit about the Innovation Rebate Program. I know a couple of my businesses early on in my term benefited from a program that had started, and I think it was made permanent, if I'm correct, in 2022. I would say that the department sees value in that.

I just wanted to know if you could talk a little bit more about where you see that program going and the benefits it does have to grow our rural communities. You also had me at that six jobs in a rural community do have a bigger bang for their buck and impact on lives of rural Nova Scotians as opposed to 100 in HRM. I totally agree with that as well. If you could just talk a little bit more about that program.

SCOTT FARMER: I'll talk a little bit about why it's an important program, and then I'll invite Peter at Invest Nova Scotia who administers the program to talk about its application.

Nova Scotia has the second lowest GDP per capita in Canada. Only P.E.I. is behind. There are lots of reasons for that. One of the reasons is there's been traditional underinvestment in automation and capital. The reason for that is because there's always been a steady supply of low-wage labour - no longer true. To drive prosperity in our province, one of the things that has to happen is there needs to be continued investment in productivity and automation.

It's also a solution to a labour shortage. If you've got a manufacturing facility and you can't find people, you may be in a position where you can make some investments in automation and productivity that help you to advance your business to the benefit of everybody who works there.

In the history of Invest Nova Scotia, we've gone through some iterations of the Innovation Rebate Program, most recently making it a permanent program, as you indicated, with a budget of \$12 million a year. Nearly fully subscribed every year, because that demand is out there. In the last 18 months, 54 projects have been approved, which include over \$250 million in private spending. That's matched with about \$45 million in

rebate. Not every dollar that's spent qualifies. Qualifying dollars are matched at 25 per cent.

[2:00 p.m.]

Within five years of the project starting, we're anticipating that these projects collectively will drive \$590 million in incremental revenue and 1,200 FTEs in terms of employment, and 75 per cent of the projects are spent outside HRM. Lots of good reasons to like this program. It hits a lot of important priorities for us in terms of economic development around the province and in terms of getting at this productivity challenge that we have.

Peter can perhaps talk a little bit about its application and an example or two.

THE CHAIR: Mr. MacAskill.

PETER MACASKILL: It's been very popular, as Deputy Minister Farmer pointed out. When we go through the process with a client on IRP, we talk about a lot of the outcomes and what things are happening: the great stats on jobs, incremental revenue, that sort of thing. We're also tracking some of the sustainability activities that come from it, and 97 per cent of the projects that the deputy minister spoke about, there's a specific sustainability outcome that the companies have told us would happen. A lot of times it's as a result of waste. Through any process, there can be waste, and driving some of that back through the process. Sometimes it's just limiting the waste.

We had an example in the Valley with Nova Agri where they brought in new technology, which was a scanner for onions. What it did was it eliminated the misclassification of a lot of onions. They look at it and think, "That doesn't look quite right, might not pass, so get rid of it," kind of thing. Well, this enabled them to actually keep it in and process. That's another example of what it is.

A lot of times it's - you know, if you're upgrading your machinery, it's something that's much more efficient. You're driving down some of the - maybe it's diesel, maybe you're converting from diesel to something that's cleaner. Sometimes you're bringing in new - we've had some projects where they are solar panels that they're putting on the roof. They're doing the design of a new building or a new roof in order to be able to hold that as well, and then circle that energy back into the project.

We have had companies say, "But for this project, we might not do it, we probably wouldn't do it as quickly, and we might not do it quite as wholesomely as we're able to because of the program" - so cutting right to the GDP and GDP per capita and productivity numbers that we're trying to help Nova Scotia catch up because, as the deputy minister mentioned, we're behind on - this drives right to that on a project-by-project basis.

THE CHAIR: Next, we have MLA Burrill, and he'll be followed by MLA Palmer and MLA Tilley.

MLA Burrill.

GARY BURRILL: Mr. MacAskill, I wanted to ask you - it's quite a bit over a year now since the Invest Nova Scotia legislation was put in place and all of the discussion about the governance model and so on, yet we find ourselves now in a position where we still don't have an advisory board. Can you speak to the reason for that? What is the rationale for that?

PETER MACASKILL: I'm not part of the advisory. It goes through the Agencies, Boards and Commissions process for the advisory board people. I'm waiting anxiously as well.

GARY BURRILL: Does it not seem from an operational and governance point of view that 15 months to have zero appointments made is somewhat not what we'd expect - that people would naturally look for an explanation about this? Doesn't this feel like an absence in your operation to you?

PETER MACASKILL: I can say, without an advisory board, there are a lot of advisors around the province that I do go to - businesses, community, economic development people. There are a lot of people who I have called out, and I've actually had that conversation with them and said, "You know, from an advisory perspective, we are looking to you for your specific advice." It's an advisory board.

From a governance perspective, I can tell you we're well governed, and there is a lot of oversight. We're obviously subject to audits from the Auditor General. Obviously, all of our financial statement audits are done by an independent accounting firm. Deloitte handles the audit, and then beyond that, we're always open to the Auditor General coming in. Deloitte's files go in.

I do regular reporting, obviously, to the minister when it comes to any of the funding. There is a process that is put in place to make sure there's oversight around that as well. Do I think about the advisory committee? The thing that I think about is: How can I make sure that we're both on the ground and consulting with businesses and those who are attached to the economy - particularly around rural parts of the province - to ensure that we're getting what it is that we need from an advice perspective?

THE CHAIR: MLA Palmer.

CHRIS PALMER: Obviously, we're hearing things like collaboration, consultation, listening. It's good to hear this is all happening. There's good communication with stakeholders all out there in the rural economy. We have great examples around the

province of our Regional Enterprise Networks. The RENs, do a lot of great work. I know the Valley REN does a lot of great work. We're on that. I have a good working relationship with them.

I wonder if the deputy minister or Mr. MacAskill might be able to inform the committee of how you gather and use the data that you might collect from, say, the RENs, to inform you on the decisions and policies that government takes, and really getting that information from the ground. I'd just like you to comment on that.

SCOTT FARMER: I'll back up just a little bit. Part of the superpower that we have in Nova Scotia, I think, is that we're large enough that we have some sophisticated assets, but we're small enough that we have relationships, and we can collaborate. Our staff, for example, meets very regularly with the RENs. We meet very regularly with other stakeholders and partners as well. In that way, we try to maintain a pulse on what's happening in the economy, and where there are issues and where there are opportunities. We work closely across departments as well.

If we go back just a week, we had a meeting with the CFIB to talk about what it is that they're seeing in the economy and what some of their priorities are. When we talk about succession planning, we're talking with our REN colleagues about what's working and where might there be gaps. When we're going out to consult on a particular program or set of programs, it's often with our partners that exist in the region.

We've got a lot of really valuable relationships. We've got an ability to pull people together who we need to pull together on short notice. If we want to have a conversation next week about rural innovation, we can have Propel, IGNITE Atlantic, the Verschuren Centre and three or four government departments all together to talk about that, and talk about a problem or an opportunity that we see. I would say it's a way of working, as opposed to a particular initiative that might exist.

FRED TILLEY: Back to Nova Scotia Loyal. In the election platform, we saw the fact that Nova Scotians would receive money directly, whether it be through a points card, or they could spend on government services, or would be direct cash back to them. We're at a time now when inflation at the grocery store is enormous. We're all feeling it. We've seen this program in development for three years now. Can you tell me how much to date we have spent on development of the program and how much the average Nova Scotian can expect to receive from this program?

THE CHAIR: Deputy Minister.

SCOTT FARMER: I'll start with the second question in terms of what somebody can expect to receive. That will be dependent on the final design parameters of it. I couldn't tell you. I would say the more that somebody spends on Nova Scotia products, the more benefit they'll see. Without a final program, I can't do a calculation on that.

In terms of spending, the spending includes all of the research, the vouchers that have been issued to school students, like I talked about before. In this fiscal year to date, it's \$650,000 that's been spent. I looked at last fiscal as well, before I came - \$820,000. I don't have the number for the fiscal prior to that, but we could certainly get that as a follow-up for the committee if you'd like.

FRED TILLEY: Thank you, and this is no disrespect to you whatsoever. I know it's other places, but the fact is we've spent upwards of \$1.5 million - we've got nothing to show for it. We've got people struggling day to day to put food on the table. They were promised a better paycheck. They were promised more money for purchasing local. Again, people are struggling to buy the necessities, let alone to benefit from this program - having to spend greater amounts on more expensive product. It's just not going to happen.

It seems to me that the current government is - you could use the analogy of a dog chasing a car. I've caught it, now what do I do with it? Is the program being delayed because the government has finally realized that the way they were going to implement was difficult, and now they're looking for a way to implement something so that they can save face? I know you can't answer that part. That's just my piece on it. It's what I believe: that in the end, we're not going to see the program - not as advertised, I guess.

Can you elaborate on the development and when Nova Scotians can see something?

SCOTT FARMER: On the "when" question, I'll reiterate: I mentioned earlier I think the best I could say is coming once. I couldn't be more specific than that for you. The design of it is intended to be something that is compelling for consumers, compelling for producers, instills pride in buying Nova Scotian, and has a meaningful impact on shifting demand toward local products.

Through the pilot exercises that we've done, we've learned a lot. We've learned about what kind of an incentive drives behaviour to a greater extent than others. In our retail prototyping, for example, we had things along the lines of a contest. We had things along the lines of the more you spend, you can qualify for a product reward. Think of the Jamie Oliver knives that they did at Sobeys - a one-time, similar kind of approach as that. Then there was also a monetary benefit. What we learned, not surprisingly, was that the monetary benefit was the most compelling, and drove the behaviour to the most significant degree.

An important part of this will be visual identity so that people can easily locate Nova Scotia products. There are lots of Nova Scotia products on the shelves at Sobeys and Walmart that you might not be able to pick out today, but if you knew they were Nova Scotia products, you might pick them. It's a call to action. It's a consumer incentive. It's the ability to identify. I will say that there has been some benefit by producers and consumers as we've done some of the iterative learning things along the way with vouchers and promotions.

[2:15 p.m.]

We continue to have good enthusiasm, I would say, from the Farmers' Markets of Nova Scotia. We've spent some time with them very recently, the association. Individual producers are continuing to look forward to its launch. When we talk about it with folks who aren't as familiar, we get a positive response. I think we've maintained the enthusiasm of people who will benefit from it, but when it launches, that's when we'll feel the real impacts of it.

THE CHAIR: MLA Taggart.

TOM TAGGART: My question - and I may have a follow-up - is for the Department of Communities, Culture, Tourism and Heritage. Not sure who the right person is. Can you provide some examples of how CCTH's support for events and festivals in rural areas contributes to the economic development and community engagement? Specific examples.

THE CHAIR: Deputy Minister Huston.

JUSTIN HUSTON: I can start with that. Like I mentioned in my opening remarks, we have an events team at CCTH that works directly with local organizers, as well as with Tourism Nova Scotia or direct marketing organizations like Discover Halifax, and we work to attract events. I would also say that part of our events strategy provincially is - let's face it, we'd love to have more tourists in the Summer, but we don't really need them. Anybody who's tried to rent a car here over the last couple of Summers, we've got lots of tourists here in the Summer. What we're really keen on, and where we're looking to attract events, would be outside of the normal tourist seasons, shoulder seasons, or off-season, as well as to other parts of the province other than just metro Halifax, which we have our fair share of tourists.

We've done a lot of work - whether it's a curling tournament that might be happening in Liverpool or up in Sydney are examples of past and coming up. We're looking at - for example, I think it was last year we hosted the world sailing event in Mahone Bay, on which we were able to capitalize. We have the Sail Grand Prix, which is coming in 2024. It's going to be here in Halifax Harbour. This is a world-class event that's happening all over the world - every major harbour in the world. We're going to be hosting it here, which is a huge win for Halifax. It won out over other Canadian cities. This is going to be broadcast all over the world. It's going to put Nova Scotia, Halifax, and Canada on the map in ways that it hasn't before in a different economy.

We also have other large events. For example, we have the Juno Awards, which are coming up here shortly in March. We're hosting that here. Again, that's an example of off-season. The Acadian World Congress, which is coming in 2024, is going to be huge down

Yarmouth this Summer. It's been planned for years. Again, good luck finding a hotel room or a rental car down that way. It's a huge win.

What we also look to capitalize on is looking at how we can take that not just as a one-time event, but how do we build on that experience of someone coming here maybe for just one event, or they hear about it and the word spreads, so that we are then able to attract tourists in future years or future other seasons?

Those are some examples of some very big projects. We also do a lot around community. We have a Festival and Community Event Funding Program. We have funding that's available to smaller direct-marketing organizations, municipalities, other community organizations. Examples would be: the Gran Fondo Baie Sainte-Marie and the one that's happening out in Guysborough County as well, Nova Scotia Summer Fest, the Wharf Rat Rally, and the Cabot Trail Relay Race. These are examples of community events that have turned into annual events that attract. It's heads in beds, it's people in restaurants that are really a way to leverage that piece.

Again, what we're looking for are ways that we can capitalize on that investment to translate into tourism visits as well. Whether it's coverage on television - we have a golf event, and it happens to be broadcast through NBC, and people see that Nova Scotia might be an interesting place to visit. Those things matter. We really work hard where we can to target tourism audiences. Northeast of the U.S., Ontario, Quebec, Germany, England are examples of where, from our marketing research and our exit surveys, we know people are looking to visit from. We've done a pretty good job, I think, on some of those events and how we gear towards attracting those markets. That's an example of some of the things that we do.

TOM TAGGART: I was really kind of fishing a little bit there. You never even nibbled. No. Because we are talking about rural, and there is an event coming in 2024 called the Nova Scotia Stampede in rural Nova Scotia that the media never really reported on. I just wonder if you could tell us a little bit about that.

JUSTIN HUSTON: I don't have a lot of the information on that offhand, but we can get that information to you following up.

TOM TAGGART: I've already got it.

JUSTIN HUSTON: Oh, you've already got it.

We did make a significant investment. There was an announcement two weeks ago, I believe. This is going to be a pretty significant event. It's the first of its kind in Nova Scotia at this scale. Again, when we talk about the Nova Scotia brand - and I want to make sure that you have a chance to talk a little bit about it too - one of the things that we're very keen to be able to communicate to the world is that it isn't just tartans and lobster in Nova

Scotia. An important part of our brand is diversifying what Nova Scotia looks like to your visitor. We're working across different segments of the population, different sectors and different audiences, and this is a great example.

What first comes to mind - people aren't thinking "stampede" or "rodeo," but then when people come to Nova Scotia, they realize that there is a big aspect of that culture here in the province.

THE CHAIR: MLA LeBlanc.

RONNIE LEBLANC: My question is for CEO MacAskill. I want to go back to the seafood sector and exports. We all know that exports are incredibly important to the seafood industry. That's where most of the increased price is generated. I remember back when I was fishing - I don't say this to be political - when Premier McNeil had decided to put a huge emphasis on the Asian market and had spent a great deal of time going to Asia trying to promote the lobster, we saw the price go from, give or take, \$5 to \$7. That was a \$2 increase, which was significant.

If I'm not mistaken, exports are down year over year for seafood at 4.5 per cent. I'm just wondering - if I'm correct - could you give me a broad view of why that occurred? Do you see a trend, and what's your plan going forward to make sure that exports continue to be strong?

THE CHAIR: Mr. MacAskill.

PETER MACASKILL: Seafood exports - you're right, there was a big push. The industry did a lot and government did a lot on pushing and opening up the China market, which did have an uptick, absolutely, in it.

Diversification is a key component of that. I mentioned earlier that on our agenda this year, there are four export cafés, is what we call it. These would be new Asian markets - the Philippines, Macau. I can't remember all four right now, but four other markets in Asia in order to expand. The Asian market, as you all know, of course, is a massive market. China is a big part of that, but it's not all of it. There is a push on that.

Diversification of product is another thing that we're working very closely with the department on - the types of things that would be coming downstream from a resource perspective, which can help with the seafood exports as well.

The deputy minister talked about innovation and a little bit about waste. There are a lot of different things that we're doing really early. I think you mentioned earlier that you can't wait for that to happen. You have to do a lot of work. There's the intermediary work of what the intermediate markets are that we can go after today, and there's the work on

different product that's coming. Then on the innovation and the waste stream side, what can you do to ensure that you're using the whole fish?

We had mentioned the Verschuren Centre, which is in Sydney, but there is a tie-in to the fisheries industry when you think about some of the waste streams that come from the seafood sector - the processing, and what's going out. How do you preserve and stabilize some of the some of the ingredients - the waste streams that are coming from that?

We have a program which is really early stream. It's called PIVP, the Productivity and Innovation Voucher Program. The way that program works is companies come to us, and they have a researcher in mind from one of the institutions or the Verschuren Centre in Nova Scotia. A lot of times what we found is people have this notion, because it's an old recipe in the neighbourhood, it's different things that they've noticed. If they put certain waste streams on the fields, it has fertilizer capabilities - different things like that.

It enables them to team up with the institution to be able to do a research project to actually prove that. What is it about that waste stream or that product that contributes - whether it be the effectiveness of a fertilizer, different things like that. It gives them an idea. What we're driving for is something that becomes a product. This is, like I said, the early stage of what you do. You have to tap into some of the other programs that we've got in order to scale that one up.

Sometimes too, you disprove it, which can be worth something as well, because then you don't spend a whole bunch of money trying to build something that maybe doesn't work. It's no silver bullet on these, but there are a lot of different things that we're tackling on that front. If there are other ideas, we're more than open to hearing about them.

RONNIE LEBLANC: On the export front, if I'm correct, it's down 4.5 per cent year over year. Do you see that as a trend, or do you see that as a blip? That is an important long-term trend to see - if it is a trend going down, then obviously there's a lot of work to do to make sure that the industry benefits.

PETER MACASKILL: I'm not an economist, I'll say that, but we do read and study *The Economist*. There are numerous reasons that what we heard and what's being pointed to from the price being down. One of the big ones is what's happening in some parts of the economy, and the fact that some luxury goods - lobster is one of the first things that certain households will take a pass on on that front.

In commodity and luxury markets, that's what does go up, so it's somewhat dependent upon what will happen from an economy perspective. Trend or not a trend, those things that I talked about, they're the right things to do for businesses - to constantly innovate, to think about diversification strategies from a risk management perspective, and to try to adopt what's coming from a new product perspective.

[2:30 p.m.]

SCOTT FARMER: Quickly on exports - generally, Nova Scotia is caught up in what's happening in the global economy. Looking at the most recent export data for January to November 2023 for Canada, exports are down 2 per cent overall. On a national basis, we're seeing a reduction at 2 per cent. For Nova Scotia, the corresponding number is 1.3 per cent, but of course, that's based on many aspects of the economy. Seafood might be down, and tires might be up, but on a net basis, we're doing better than Canada as a whole, and we are seeing that trend at a national level of a decrease in exports year over year.

THE CHAIR: MLA Sheehy-Richard.

MELISSA SHEEHY-RICHARD: I had a lot of committees into the new year, but I believe it was the Department of Community Services that I chaired, and we were talking about food security. CCTH wasn't part of the witness panel that day, but they talked a little bit about community food security in Nova Scotia. I just wonder if you could shed some light on how CCTH is supporting community food security in Nova Scotia, and if you could use an example of one of the successful ways that your department touches on that field that you wouldn't necessarily expect to come from the department.

THE CHAIR: Deputy Minister Huston.

JUSTIN HUSTON: Yes, we have a lot of programs that are responsive directly to priorities within communities. Certainly, affordability and food security has for all Nova Scotians become a more important issue as we deal with inflation and other issues.

We have a number of programs that are in place. I think we have a community food security initiatives program where we'll work with various organizations. I think this was said earlier around businesses, but the same is true for work in community: there isn't a one size fits all. We have programs where we work with organizations on the ground that know their communities best, know their stakeholders best, and we can be as responsive as possible to some of the things that they see as key priorities.

An example would be the mobile food truck, which we helped initiate here in Dartmouth. It has really taken off and has now become permanent. As well, we work with organizations like Meals on Wheels up in Cape Breton, which has been hugely successful. It came out of COVID and has continued.

What we don't want to do is that we come up with something in the ivory towers of Halifax, or wherever it might be, and say: Do this. We want to hear from community and work with folks on the ground, whether that be a community organization or in some cases it's looking at how you leverage resources that already exist. There might be a community group operating out of a church, but their kitchen is not up to grade to be able

to serve food at the quality or level that's required for it. So we make an investment in that, which would then leverage the volunteer hours and the donations by the local supermarket, but it couldn't happen unless they had that infrastructure in place.

Those are a few examples of some of the things that we're doing. It's certainly a key issue.

Another issue I would say is around nutrition and food literacy. We've got programs that are operating now. Again, this is one of the programs coming out of the libraries. They saw this as an interest and a need, particularly for folks who were looking to eat healthy on a limited budget. It's running programs right out of the library - cooking classes and information sheets on here's what you can buy at the supermarket for this much money, and this is how you can eat healthy. That's another example of a program that we support.

MELISSA SHEEHY-RICHARD: I love when you fit in committees and it kind of relates to something you're working on in the community. I know one of the initiatives that a person in the community is working on, and I feel it might fit this, is teaching those living rough how to cook in the field with some of the donations that they're receiving. Would that be something similar? Is that kind of what you mean? Programs like that, that if they're doing a soup kitchen or to put some freezer soup aside for those folks? That would be . . .

JUSTIN HUSTON: That's exactly the type of programming that we would be interested in looking at finding ways to support. For sure, have your organization reach out to our department.

BILL GREENLAW: We have two funding programs. One is Food Security Initiatives, or FSI. That is for Meals on Wheels or food kitchens to produce food and deliver food into community. We work with lots of community partners on that. Then there's CFAL - Community Food Access and Literacy Fund. That would be the program that the person you're speaking of would apply to because that's about learning and education. One's food in bellies - FSI is food in bellies. The other one is CFAL, which is education, learning, learning how to cook with certain foods, learning how to eat healthy.

Two significant partners are Nourish Nova Scotia - we're partnering with them now. We're the funder for Nourish, and of course, the Farmers' Markets of Nova Scotia on the food coupon program, which has been quite successful. Those are two things, but I just wanted to give the MLA some specific programs you could know where to go to.

THE CHAIR: Next we have MLA Ritcey, and then we'll have MLA Burrill.

DAVE RITCEY: My question is around the film industry. I just wanted to know what work is currently being done to support the film industry in rural Nova Scotia.

JUSTIN HUSTON: As you would know, the film industry is growing and is quite strong right now. We've got a number of major productions that are taking place in rural Nova Scotia right now. We have funding that film productions can apply for up to a certain percentage of their production costs. The thing that makes Nova Scotia attractive from a film perspective is that it can model for a lot of small-town U.S.A. where a lot of these productions are supposed to be set. We've all heard of the examples of things like Chester or Lunenburg mirroring as small-town U.S.A.

Another example of a production that's recently taken place is *Washington Black*, which was largely filmed on the South Shore, as well as here in Halifax. That is going to be a major production that will stream on Disney+ probably this year. It has the potential to be one of the bigger series ever to put Nova Scotia on the map. What's interesting about that, - two points I want to make there around it. It's based in rural Nova Scotia. It's telling a story about Nova Scotia that most folks maybe around the world might not realize - that we have historical African Nova Scotian communities here for close to 400 years. As well, it's a huge potential for us to tap into a tourism market that is really underutilized.

If you look at from, say, Washington D.C. to the Boston area, African Americans with disposable income is a huge market that we are just not tapping into from a tourist opportunity. The ability for people to see that in rural Nova Scotia, that film to then drive folks to visit rural Nova Scotia to visit the places where it was filmed.

We are also working on a film tourism strategy that is going to look at how we capitalize on those opportunities where Nova Scotia is highlighted and seen across the world. I'll give you an example. *Titanic* was filmed how many years ago - 20-plus years ago? That is still one of the major drivers for tourism when folks come off the cruise ships. It's *Titanic, Titanic, Titanic*. They want to know where Jack and Rose were buried.

The opportunity that we have with a production like *Washington Black* and others is just huge from a tourism potential. It's something that we're looking very closely at.

THE CHAIR: MLA Burrill.

GARY BURRILL: Returning to our previous discussion, Mr. MacAskill, by when can we expect to have all the positions on the Invest Nova Scotia advisory board filled?

PETER MACASKILL: Again, that process happens outside of Invest Nova Scotia, so I don't have information on that. I would expect in the coming months.

THE CHAIR: MLA Palmer.

CHRIS PALMER: Deputy Minister Huston, I'm glad to hear that we're looking at events that just aren't lobster and tartan. One of the cultural fabrics of Nova Scotia is military service. We have a rich history of that. There's a big event happening this year

with the Royal Canadian Air Force - the 100th anniversary of the RCAF here in Canada. A big air show is being planned in Greenwood. I'm just saying, there's a lot of opportunity for the rural economy in the Kings County area this Summer. That's a little plug.

I do want to move on and ask Ms. MacDonald a question. A lot of our small rural businesses are tourism-based, obviously. Could you talk about how the department is working to ensure sustainable tourism opportunities in the province?

THE CHAIR: Ms. MacDonald, I will give you time to answer the question. We don't have much business today, but I will be calling order soon, so if you could briefly answer his question. Thank you.

DARLENE MACDONALD: Certainly when we are going out and meeting with communities, understanding what their needs are and how much tourism they want to have in their community, we have that conversation about sustainability. We're very fortunate to be blessed with so many natural resources.

We are a coastal province, and we very much position the province as coastal, so we want to make sure that we're not impacting negatively on our environment, on our coast, and that we are presenting experiences and opportunities for visitors to explore, to learn more, and to safely do that. Sustainability both in the respect that we have for communities, and their wishes and the environment, and then also the sustainability just on the longevity, so that we're not doing activities that are maybe contrary or harmful to what we have to offer - that they're respectful. This is a whole area where we're seeing more and more of that responsible tourism and activities, and certainly recognizing the value of community sentiment and how much tourism they want.

I think it's something we're going to see more of as a province, and it's going to come out as we further develop our provincial tourism strategy.

THE CHAIR: That brings our time for questioning to a close. I would like to offer each of the witnesses brief closing remarks, if you can identify you wish to do so.

Deputy Minister Farmer.

SCOTT FARMER: I'd like to thank the committee for the opportunity to appear and answer some questions. At the next meeting, I'll be sure to match clothing with my colleagues to my right. (Laughter)

THE CHAIR: No further closing remarks? Thank you.

On behalf of the committee, I want to thank you for attending and coming prepared with answers for us. I really do appreciate that you've had the answers we're looking for. Thank you very much.

This brings a close to the questioning period. You folks are free to leave. Thank you.

Do you guys want a couple minutes of recess? We'll come back at 2:45 p.m.

[2:42 p.m. The committee recessed.]

[2:46 p.m. The committee reconvened.]

THE CHAIR: Order. I call the meeting back to order.

For committee business, we have one piece of correspondence here that we received by email. Brenna Walsh has asked that David Neira, Energy Coordinator for the Ecology Action Centre, take her place at the February 27th meeting, as she will no longer be a part of the organization by that time.

Any comments or discussion on that? It's pretty straightforward.

Any further business?

Our next meeting will be February 27, 2024, on Nova Scotia Power's Transition to Renewable and Progress Meeting Climate Goals. Witnesses are the Department of Environment and Climate Change, the Department of Natural Resources and Renewables, and Nova Scotia Power, and there will be a change, as we just discussed, with the Ecology Action Centre.

That brings the meeting to adjournment. Thank you.

[The committee adjourned at 2:47 p.m.]