

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

PUBLIC ACCOUNTS

Wednesday, January 18, 2017

Legislative Chamber

**Nova Scotia Business Inc.
Economic Development Funding**

Printed and Published by Nova Scotia Hansard Reporting Services

Public Accounts Committee

Mr. Allan MacMaster, Chairman

Mr. Iain Rankin, Vice-Chairman

Mr. Chuck Porter

Ms. Suzanne Lohnes-Croft

Mr. Brendan Maguire

Mr. Joachim Stroink

Mr. Tim Houston

Hon. David Wilson

Ms. Lenore Zann

In Attendance:

Ms. Kim Langille

Legislative Committee Clerk

Mr. Gordon Hebb

Chief Legislative Counsel

Mr. Terry Spicer

Deputy Auditor General

WITNESSES

Nova Scotia Business Inc.

Ms. Laurel Broten, President and CEO

Ms. Beth Girard, Director, Strategy and Research

Ms. Lynn Coffin, Regional Business Development Advisor,

Pictou, Antigonish, Guysborough

Mr. Kyle Schmeisser, Director, Export Development

Mr. Mike Queripel, Director, Business Financing



House of Assembly
Nova Scotia

HALIFAX, WEDNESDAY, JANUARY 18, 2017

STANDING COMMITTEE ON PUBLIC ACCOUNTS

9:00 A.M.

CHAIRMAN

Mr. Allan MacMaster

VICE-CHAIRMAN

Mr. Iain Rankin

MR. CHAIRMAN: Good morning everyone, I call this meeting of the Public Accounts Committee to order. This morning we have Nova Scotia Business Inc. with us as a witness.

A couple of points - I want to make sure everyone puts their phone on silent so we don't have interruptions. As I was walking in the main entrance of Province House I found a pass card, so if anybody is missing a pass card, check with security down at the front desk, it may have slipped out of your pocket.

Let's start with introductions.

[The committee members and witnesses introduced themselves.]

MR. CHAIRMAN: We will have our opening comments by Ms. Broten and then it will be followed by questioning. Ms. Broten, please proceed.

MS. LAUREL BROTEN: Good morning and thank you to the Standing Committee on Public Accounts for inviting my staff and me here today. As just said, I am Laurel Broten, President and CEO of Nova Scotia Business Inc., also known as NSBI. As the members of the committee know, we're mandated by the province to do business development, notably export development and investment attraction.

Sitting with me today are: Mike Queripel, Director of Business Financing; Beth Girard, Director of Strategy and Research; Lynn Coffin, Business Development Adviser for Pictou County, Guysborough, and Antigonish; and Kyle Schmeisser, Director of Export Development.

We are part of a collective team of 91 staff with our head office located here in Halifax and eight business development advisers in communities across the province: southern, western, capital, northern, and Cape Breton regions. Our team works daily towards building a strong, thriving Nova Scotia so that citizens, present and future, have the opportunity to build a life in our province. We do this through attracting global investment to create new jobs across the province and by working with companies in all communities to be more successful exporters.

We know there are many drivers that contribute to economic growth, and it's our goal to deliver a suite of services and programs and incentives that support positive outcomes for Nova Scotians. We are aligned with the priorities of the province. We are focused on key sectors, oceans, ICT, seafood, and agri-food and we continue to explore investment opportunities in the financial services sector.

As a service organization committed to helping businesses succeed in our province, we're equipped with approved programs, incentives and services that are designed for companies to achieve results. Sometimes our role is to inform clients about other programs that are available through our partners, like the capital investment tax credit provided through the Department of Finance and Treasury Board. Other investment attraction tools that we promote include the digital media tax credit, digital animation tax credit, as well as our own Strategic Investment Fund, otherwise known as a payroll rebate.

We are proud of what we have to offer in Nova Scotia. We have a strategic location, a highly skilled workforce, competitive business costs, and an enviable quality of life. However, incentives such as the Strategic Investment Fund continue to be relevant in global conversations seeking foreign direct investment. The global competition to attract business growth and investment is competitive and the reality is that companies have choices where to establish, invest, and grow.

Let me take just a few minutes to dig a bit deeper into the tools and programs we use. The Strategic Investment Fund, or payroll rebate, of which I've just spoken, is a non-entitlement tool which means we do not give money to companies up front. We pre-qualify them to earn rebates on actual growth and they are negotiated on a case-by-case basis. It's important to remember that approved companies do not receive any portion of rebate until they have already created new taxable income for the Nova Scotia economy.

Attracting FDI does not always involve a payroll rebate. To recognize the role that service plays in attracting the right companies our team provides project management services to help companies navigate our business and government networks. We help open doors for companies looking to locate here so they can have the right conversation with the

appropriate people in order to make a well-educated decision to invest in Nova Scotia. An example of that would be Nature's Way. With Nature's Way, we helped facilitate discussions with key partners that helped Nature's Way decide to locate their Canadian headquarters in Dartmouth.

Turning to the export side of our business, we also have services designed to help new or experienced exporters gain access to markets outside our borders. We work with each business to determine where they are in their export journey and provide recommendations on whether the business should perhaps participate in one of our 24 Think Export education sessions that were held in 14 communities across the province this past Fall, be referred to one of our partners, or apply for small business development and/or export growth funding or to the Small Business Loan Guarantee Program. They might receive trade market intelligence to identify opportunities in a specific market or join our team on an industry-specific trade mission to explore and build business networks in key markets like the U.S., Europe, and Asia.

I can tell you that the demand for expert services and funding by businesses across the province to support their export objectives is very high. During our 2015-16 fiscal year, we approved over 180 applications for both the Small Business Development Program and the Export Growth Program to receive just over \$1.5 million in available funding. However, reflective of the high demand, the total amount requested was over \$10 million. Those who weren't approved for funding, our team worked with these businesses to evaluate their application and provide advice on next steps so that the next time they apply, they have a greater chance of success.

We also work with the film and television industry administering the Film & Television Production Incentive Fund. This past year, we witnessed a lot of activity through the fund. We've approved funding for The Child Remains; television series Mr. D, season six; Pure; and Stephen King's The Mist - to name a few.

We also play a role through the Eastlink TV Independent Production Fund program. The program is solely funded by Eastlink, which CRTC has identified the Nova Scotia Independent Production Fund to administer.

Since we're still in the process of completing this fiscal year, I thought I would leave you with a jumping-off point for your questions by sharing some of the highlights from our last completed year. During our 2015-16 fiscal year, we had the privilege of working with over 1,100 unique clients in over 150 communities across the province. We travelled with 132 unique businesses on 30 trade missions. We approved over 180 applications through the Small Business Development and the Export Growth Programs. An example might be the Cape Breton Fudge Co., which used funding to pack up to 200 pounds of fudge and travel to Hollywood, where they introduced Cape Breton Fudge to the celebrities and VIPs at the Golden Globe gift suites. We helped to secure job growth for 19 businesses in our province, including Canadian Maritime Engineering Ltd., in Cape Breton. As already mentioned, another example is Nature's Way in Dartmouth. We

committed funding to 15 productions through the Nova Scotia Film & Television Production Incentive Fund.

We continue to do more in 2016-17 and look forward to reporting our complete results later this year.

In conclusion, the efforts of our team are focused on Nova Scotia companies, their success, and what, in turn, that will mean for all Nova Scotians. We're only successful if the companies in the province are successful, because they are the ones driving the positive impact on our economy each and every day.

Thank you again for the invitation to be here today and speak about the services that Nova Scotia Business Inc. offers. We look forward to answering your questions and talking in more detail.

MR. CHAIRMAN: We'll begin with the Progressive Conservative caucus. Mr. Houston, you have 20 minutes.

MR. TIM HOUSTON: Thank you for the opening comments. As we talk about business development, we'll talk about specifically what's happening at NSBI. But I do want to start with a report you did previously, Ms. Broten. It was called Charting a Path for Growth. I'm just curious if any or how many of the recommendations of that report have been implemented.

MS. BROTEN: I did conclude a report for the province. In that role, I gave them advice to move forward. In the role that I have at NSBI, it's not part of the responsibility that I have to track the recommendations that I did advance.

What I can tell you is that thematic of that report are value for money, respect for taxpayers' dollars, and driving transparency into the system. Those values that I put forward in that report are very much part of the values that we are driving through NSBI: transparency with respect to the information that we put out - we disclose the information, who gets what money and how that process works; and value for money with respect to focusing on outcomes and not activities. That would be thematic of the best advice that was received from Don Drummond, the Millier Dickinson Blais report, and Tom Traves, with respect to how you should drive economic development programs. That perspective is part of our daily operations at NSBI.

MR. HOUSTON: Thank you, but in terms of - the report had some advice to government, it was actually called Charting a Path for Growth. I think that probably goes hand-in-hand with what NSBI is trying to do. So you are not aware if any of the recommendations of that report have been implemented?

MS. BROTEN: Certainly you would be aware that the province has established a department that is going through a great deal of activity with respect to regulatory reform.

We all know the impact of regulation on the bottom line of businesses. The CFIB has been a strong proponent of seeing that regulatory work done. I know that Mr. Crooks who leads that shop could certainly be a source of information as to how it has progressed.

I do know there has been activity and I know that from the partners we work with, such as the CFIB where we all reach out into businesses across the province, it's very important that we see that regulatory efficiencies take place. The decisions are the government's to make with respect to tax reform and I accept that my advice to them is in the court of government at this point.

MR. HOUSTON: Okay, and it is important. Taxation is a big consideration of business. You made some tax recommendations and to my knowledge, none of them have been acted upon. You mentioned from your report that they set up a new department, but have they taken any action on the tax recommendations that you made?

I'm just trying to ask a very specific question here because I see that if you are in the business of trying to develop the economy of Nova Scotia, which you are, you did a report which had some ideas as to how that could happen. I don't think the government has acted on it - I'm just asking you if you think they have.

MS. BROTON: My advice to government is what it is when I wrote the Tax and Regulatory Review and it would be the same. You are absolutely right, the impact of tax on decisions are those of the government to make.

Having also sat in the seat of government, I understand the balances you have to have at a Cabinet Table when you are making decisions. A government has that responsibility, I respect that. Those decisions are theirs to make.

Do I stand by the recommendations that I made? Of course I do.

MR. HOUSTON: Okay, fair enough. Have you had a chance to speak to the Minister of Finance and Treasury Board or the Premier about why they haven't acted on your recommendations around taxation?

MS. BROTON: As a consultant, as an advisor to governments - and I've had that role in many other places - your responsibility is to provide that advice and it is the government to act or not act on that advice. It is not my responsibility to challenge them but what I can tell you is, it is my responsibility to be the President and CEO of NSBI and drive outcomes with respect to economic development and we are doing that.

MR. HOUSTON: As the President and CEO of NSBI, can you think of a better tool for economic development than the recommendations you already made to government around taxation? Is there a better way, a better path forward, for economic development than the one you charted in your report around taxation that the government hasn't acted

on? As you sit here today, as a CEO, can you think of a better path to economic development than the one you laid out before that hasn't been acted upon?

MS. BROTON: There are many aspects to drive economic development and in the current construct under the tax regime we have, we have started down a different path. We have started down a path that focuses our activities and efforts to areas where we have a global value proposition.

Historically you might have spread your resources across a variety of sectors, you might have measured your success by activity. We no longer measure our success by activity. Activity that doesn't drive results is meaningless. We need to drive those results and we need to be focused. We need to recognize that we're a small jurisdiction and we have only certain spaces where truly on a global scale we're globally competitive. Those would be ocean technology, seafood and agri-food. That is another path to economic growth to focus where you have your best opportunity to drive that global economic growth and find investors and trading partners around the world.

MR. HOUSTON: There are many impediments to economic growth in this province. The regulatory burden is one of them, the taxation burden is clearly another. You laid out some recommendations to try and remove that impediment or lessen those impediments. They haven't been acted upon.

What I'm hearing today - we'll go to what's happening at NSBI, but I actually see the full job of NSBI is to try and put a bit of a shine on the province and make it more attractive. So you are trying to use tools with payroll rebates and stuff to overcome the impediments that make us less attractive and you laid out some ways to do that through taxation. They haven't been acted upon so now you're saying okay, if they're not going to act upon it, I'm going to shine these tools over here and try to get around it. That's my sense. I assume you stand by the recommendations of the Charting a Path for Growth.

MS. BROTON: I said that I do stand by those recommendations. I also say though we have a lot of positive things to sell in this province. We have a lot of good things and I've mentioned those.

Another challenge would be distance from a large market, for example. You are talking about this being a barrier to growth. Well where our geography is, in some respects, is a barrier to growth. For example, in some spaces where you are very distant from the consumer market that might purchase those products. With the European trade agreement that opens up another market which we are very close to, and our shipping routes and our cargo flights are opening up another market. We are moderating that distance.

We all have lots of factors that are positive and negative on our side and we work to roll up and highlight what we have. I think it's really important for MLAs, who I know want to see job creation in your communities and want to see the province succeed and young families be able to move here from somewhere else or come back home. That's what

we want, too, and we're seeing success in highlighting what we have to offer. We are competing on a world stage.

MR. HOUSTON: Thank you for that. Let's talk about the success we're seeing then. I'm looking at the financial statements for NSBI for the year ended March 2016. I can see operating expenses of \$16 million and other expenses of another \$16 million, which bring the total expenditure of NSBI up to \$32 million. Are you able to measure the impact of that \$32 million spend on the economy of the province? Do you have a report that says this is how we've increased the GDP of the province with this spend? What's the impact of the \$32 million spend on the economy of Nova Scotia?

MS. BROTON: I think I'll take a minute on your comment with respect to roughly \$30 million in government funding. I'll set the stage and then we'll go into your questions. NSBI received a provincial grant of \$25.9 million in 2015-16. Our operating grant was \$14.8 million - about \$15 million. Our Strategic Investment Fund was about \$10 million - \$9.8 million - that's the payroll rebate. We have different envelopes of money. On loan evaluation agreement . . .

MR. HOUSTON: I do want to go through the numbers but if I may, Mr. Chairman, I had a very specific question about the impact of this expenditure. Is it something you can answer or is it something that's not measurable - the impact on the GDP. We'll go through the specific numbers. I have a series of questions but if I may, I'm curious as to your sense of the results. You mentioned you had some good results and some good impact. I'm just asking if you are able to quantify the impact on the GDP of the province of NSBI.

MS. BROTON: Let's focus on one because each have their own measurement and metrics around them. Let's focus on the Strategic Investment Fund, that is one envelope, a \$10 million envelope. That \$10 million envelope always drives positive results. If you would like, I can spend a few minutes talking about that particular envelope when it comes to export growth and the results that are driven with the programs that we have in that one. There's a different set of metrics so I would turn to different members of my team.

MR. CHAIRMAN: Order. I'm sensing a bit of difficulty going back and forth. Mr. Houston, could you clarify the question you are asking and if you are looking for a brief answer, maybe you can state that.

MR. HOUSTON: I would like to. I do want to go through them so I would appreciate a series of brief answers. You raised the \$10 million fund specifically so I'd ask a very specific question of that \$10 million fund. It had a positive return - what was the positive return? How much did the \$10 million turn into?

MS. BROTON: Beth, who has responsibility for overall metrics, could speak specifically to your GDP question and I will come back to you.

MR. HOUSTON: If we can go back to that, that would be great. What is the impact of NSBI's activities on the GDP of the province?

MR. CHAIRMAN: Ms. Girard.

MS. BETH GIRARD: The way we are measuring our impact - and this was a change that we instituted last year - is that we are measuring the change that happens with our private sector clients that we work with during a year. So we are measuring some things that could potentially be attributed to GDP, things like payroll, things like capital investment spending, and things like revenue through export sales. But we have not gone through an exercise to try to tie those all together into GDP because it's not a straightforward calculation. I haven't seen anyone do it. That's not to say that it can't be done, but it's not a road that we've gone down. We're simply sticking to measuring what our clients are achieving in a year.

MR. HOUSTON: Okay, so you win some, you lose some. On balance, do you have a sense of whether there's more winners than losers in terms of economic development for the province, say over the last five years? Or just pick some time frame that you're comfortable with.

MS. GIRARD: This is a new measurement for us, getting the data direct from our clients, so 2015-16 is the only year that we have data for. But we did see export sales grow with the companies we were working with. Payroll grew. Capital investment did not grow by as much as we would have liked and by as much as we had a goal set for. The only goal where we fell a bit short was in first-time exporters. We wanted to create a certain number of first-time exporters, and we missed that goal. But we saw success in growing export sales and growing payroll. Capital investment did grow, just by not as much as we were hoping.

MR. HOUSTON: Is that a chart that maybe you can table for us?

MS. GIRARD: Yes, it's actually in the back of our annual report, so we will get that for you.

MR. HOUSTON: I do want to talk about the grant. There is an operating grant, and that's to match off the operating expenses. Between 2015 and 2016, the operating expenses of NSBI grew by 25 per cent, from \$12 million up to almost \$16 million. Why? To what do you attribute the big growth in expenses?

MS. BROTON: In terms of the operating grant, you would know that during that year, we absorbed a significant amount of additional responsibility. Mr. Queripel and his team would have absorbed a significant amount with respect to the administration of the film fund. We did not have historic responsibility for that. We expanded our offering with respect to the Export Growth Program. We took over the loans portfolio. Perhaps I would

get Mr. Queripel to just frame out the new responsibilities that we took over between 2015 and 2016.

MR. HOUSTON: No. I appreciate that answer. You're saying that the growth in the expenses is because of the film responsibilities, I guess, right? Is that what we're getting at there?

MR. MIKE QUERIPPEL: Exactly. There's additional staff with respect to the administration of the film funds, also the transfer of the Jobs Fund.

MR. HOUSTON: The payroll for NSBI is about \$9 million. How many staff does NSBI employ?

MS. BROTON: Ninety-one.

MR. HOUSTON: Do you do a sunshine list of all staff over \$100,000? Is that something you could provide?

MS. BROTON: Yes, we can certainly provide that to you.

MR. HOUSTON: How many staff were there before the film responsibilities got absorbed?

MS. BROTON: We can do a breakdown. We would have been around the 80 mark. At one point, we would have taken the regional business development team back into the fold of NSBI. We absorbed a few staff from Economic Development. We took over a few staff from Film and Creative. We began administering both the film industry and the almost \$900 million Jobs Fund in addition to our own loans portfolio that we had.

In that time, we had a great deal of transition that came to NSBI in terms of resource. We would have begun, for the first time, as the intermediary when it comes to the credit union file, the co-operative credit union loans portfolio, and very much in that respect absorbed that into our operations with only minimal new front-line staff who had direct responsibility for those files and brought new and different skill sets to us. For example, with respect to the film industry, Linda Wood brings that expertise to us, and we did not have that expertise before. If you'd like, we could certainly do a bit of a before and after.

MR. HOUSTON: That would be helpful; thank you for that.

In terms of the expenses, just looking through Schedule 2, the schedule of operating expenses, there's business development expenses of \$5 million. I'm just trying to get my head around that. What is that?

MS. BROTEN: Within our business development expenses would be a number of our programs and initiatives that don't have their own line items, so I think I would ask Mr. Schmeisser to talk a bit about that because they fall within the work that we do in the export area.

MR. KYLE SCHMEISSER: We have multiple programs so from an export development standpoint, for example, we have the Export Growth Program with an initial budget of \$1 million. We have the Small Business Development Program with a budget of \$500,000. We also have a budget for trade missions as well. We did about 30 outbound missions last year, as Laurel noted, and we did a number of inbound missions as well, so some of our funding would go to that work as well. From an export perspective, that's the budget package that we would be looking at.

MR. HOUSTON: So it's included in that line item.

MR. SCHMEISSER: Yes.

MR. HOUSTON: Then there's a separate line item for travel, so \$620,000. Where would that travel be? Is that travel outside of Nova Scotia, inside of Nova Scotia, or both?

MS. BROTEN: It would be the entirety of our travel package for our members joining mission and for our team, our investment attraction team, out of country and across the country. We certainly do a great deal of investment attraction work within Canada as well.

MR. HOUSTON: Thank you for that. In terms of some of the specific files that NSBI has been involved with, one file I've been interested in is the Techlink file. I think we've had some emails back and forth on this. This was a file that I was actually hoping I could come and review at NSBI.

What is the NSBI policy, as an MLA with an interest in a file, is that something I could come to your office and look through your file under some confidentiality agreement or something? What's your policy on that?

MS. BROTEN: I do appreciate your interest in the Techlink file. As we said at the time, we are bound by confidentiality requirements and the process would be one - access to information for us would be through freedom of information.

I would want to highlight that we have made some progress in other areas in years past, putting contractual requirements into our Schedule A on our strategic investment funds which does allow us to disclose a greater deal of information and our clients are all subject in that portfolio to accountability.

With respect to Techlink specifically, I'm going to ask Mr. Queripel to speak to it.

MR. QUERIPPEL: I apologize, I'm attempting to find my . . .

MR. HOUSTON: Is the Techlink file closed, from NSBI's perspective?

MR. QUERIPPEL: The Techlink file is closed. The company was in receivership and all assets have been liquidated and distributed to the shareholders.

MR. HOUSTON: NSBI had an appointed board member on Techlink. Is that common practice? Does NSBI put a board member on companies that they have a relationship with?

MR. QUERIPPEL: It has been common practice in the past. At present we have a board membership on only one of the VC companies.

MR. HOUSTON: What's the bottom line on Techlink in terms of the financial impact to the province? It was a loss; how much was the loss after the liquidation?

MR. CHAIRMAN: Order, the time has just expired. Perhaps that answer can be provided later.

MR. QUERIPPEL: We can get you the write-off number for that.

MR. CHAIRMAN: The time for questioning has expired for the PC caucus. We'll move to the NDP caucus, Ms. Zann.

MS. LENORE ZANN: I'd like to turn to the Eastlink fund. I know that on October 19, 2015, NSBI received conditional approval from the CRTC to transition the Eastlink fund from the now defunct Film and Creative Industries Nova Scotia, yet it took more than seven months for NSBI to actualize this pre-existing fund. I know the delay created much uncertainty for local productions. The project schedules of these were tied to the availability of cast, crew, producers, directors, sets, and on and on. It was very difficult for these productions to secure all these things when their funding remained up in the air. I know in the case of a couple of them they had to keep pushing their schedules back and back and they weren't even sure whether they would be able to pull people together at the last minute, especially one which had CBC broadcast approval and had to be shot within a certain amount of time, or it would not get to be part of the CBC broadcast year.

My first question is, why did it take more than seven months to actualize this pre-existing fund?

MS. BROTON: I certainly will ask Mr. Queripel to speak to some of the specifics. What I can tell you is that the Eastlink TV Independent Production Fund in the transition from Film and Creative Industries to ourselves, there were a number of hurdles that had to be overcome - some with the CRTC, some with respect to the corporate structure that was

needed. We do know and we are actively engaged with those businesses, the productions that were waiting for that approval.

What you probably also know is that funding commitments totalling \$755,000 were approved on November 22, 2016 and we approached that approval in a different way than we had historically. We did allow productions that were caught, by nothing of their own fault, in a time period where we had been without funds available for us to pursue.

So there are approval processes to get the fund in place but more than anything, critically important, are having resources in the fund to be able to release those resources. So we released those resources very quickly upon receipt of them from Eastlink, which is the sole provider of funding to that portfolio on November 22nd. We did so in a way that allowed a catch-up period for those productions that had not been able to secure investment in advance. We fully funded every dollar we had available to us at that point because we knew there was pent-up demand.

MS. ZANN: Thank you. Now I did see letters that had gone back and forth between the CRTC and your office. In fact the people from the CRTC said there were no hurdles - you just needed to respond and answer a few of their questions in order for them to move ahead to make this official. I still don't understand why the lag of the seven months.

MS. BROTON: The Eastlink fund is meaningless to the productions if it doesn't have funding in it. We released and issued funding immediately upon receipt of funding from Eastlink.

MS. ZANN: Could you explain that a little bit better, please? I'm not sure what you mean.

MS. BROTON: Perhaps I'll ask Mr. Queripel, directly involved with this, to respond.

MR. QUERIPPEL: As has been mentioned, the Eastlink fund is 100 per cent industry funded. At the time NSBI took over administration of the fund in May 2015, there was in the account of the fund approximately \$520,000 to put out and around the funding, which we did immediately.

We did not receive additional funding from industry to do another round until November 2016.

MS. ZANN: And that \$520,000 was already in the fund, right?

MR. QUERIPPEL: It was already in the fund and after the closure of Film & Creative Industries we very quickly got around it together and got that money out.

MS. ZANN: So who did that money go to? Which productions did that go to?

MR. QUERIPPEL: There were two productions, I can find them for you here. I'll get you that information. It was publicly announced . . .

MS. ZANN: Would one of them have been Weirdos?

MR. CHAIRMAN: Ms. Broten.

MS. BROTEN: The funding commitments out of that first \$500,000 were Boulevard Productions: the Moblees, Season One; and Topsail Productions: Mr. D, Season Five.

MS. ZANN: Now I know that Mr. D was waiting for funding as well as several other small productions. I know Studio Black was looking for \$60,000.

MS. BROTEN: Those two were in the first round.

MS. ZANN: Was Studio Black in the first round?

MS. BROTEN: No. Do you want to know who was in the next round?

MS. ZANN: Yes.

MS. BROTEN: The round of \$755,000 November 2016: TV series Addison, Season 1, \$145,000; TV series Inspector Gadget, Season 3, \$195,000 . . .

MS. ZANN: Thank you so much. I see that here on your Eastlink TV Independent Production Fund program page, so I've got that.

Is it the Braggs who put money into that fund? Who is it that helps to fund the Eastlink fund? It would be the Braggs, wouldn't it?

MS. BROTEN: There's a structure. I'm going to get Mr. Queripel to speak to it. Eastlink Television, as is the requirement, has the ability to put funding in any type of independent production fund. They could put it in a national one or they could put it in a provincial one. They chose now on a couple of rounds to put the funding here. It comes from Eastlink Television Production as a result of CRTC commitments.

MS. ZANN: It says that it's the Nova Scotia Independent Production Fund board of directors that decides who gets the funding, correct? Who chose that Independent Production Fund board of directors? Is that left over from Film and Creative Industries Nova Scotia? Or is this a new board?

MS. BROTEN: It's a new board made up of myself and other NSBI employees. It is a board internal where we work and make the decisions as to the funding that we have through a series of eligibility criteria.

MS. ZANN: Can you provide a list of who's on that board?

MS. BROTEN: I can.

MS. ZANN: How many people did you say are on it?

MS. BROTEN: I believe it's three.

MS. ZANN: Actually, so you, and who are the other two?

MS. BROTEN: Mr. MacAskill and Glenda Lindsay, our Director of Corporate Services and Compliance.

MS. ZANN: During that time, I started to ask some questions about why it was taking so long in the House. I was told that various people in the industry were basically given warnings from people within your department to shut up or they may not get their funding. Also, the minister said on the floor of the House to one of my questions that just because somebody had applied doesn't mean they were going to get it.

That sounded like a threat. I know that the industry was incredibly disturbed by and concerned about this atmosphere of threatening them if they were going to be bringing this to the public's attention, that things were not quite as smooth as the government was pretending that they were.

You're on the board, so you actually have a say in which productions get chosen, correct?

MS. BROTEN: Yes, but I need to speak to the hearsay that you've put forward with respect to what my . . .

MS. ZANN: It wasn't exactly hearsay because I got it directly from people.

MS. BROTEN: I do not accept that the front-line team at NSBI would have spoken that way to clients. Every single day, the most important people in our lives are our clients. We look to drive economic growth. We have professionals who have a long-standing history - Ms. Wood has a long-standing history in the industry. She has very good relationships. We understood that many productions were looking for funds. The fact of the matter remains that we had no funds to distribute. We can only distribute . . .

MS. ZANN: You did for the first round.

MS. BROTEN: We distributed those immediately, and we distributed all the funds that we had. We waited for many months to see additional funds come forward, and we distributed those . . .

MS. ZANN: So why didn't the minister say that on the floor of the House when I asked him the specific question about what was taking so long?

MS. BROTEN: The reality is, there are eligibility criteria. Those are publicly available. They're long-standing . . .

MS. ZANN: Yes, and those people had already been accepted other years. Some of them are award-winning shows that had also been broadcast on CBC. The chances of them being turned down were very slim . . .

MS. BROTEN: But there is a process that needs to be gone through . . .

MS. ZANN: When this government came in, they said they weren't going to pick winners and losers. But I have to say that by threatening people and making them feel unsure whether they're going to be getting money for their productions based on whether or not they are talking about the length of time it is taking to get funding, that it's damaging their product, their project - that is not exactly a healthy business atmosphere.

MS. BROTEN: Again, we would not be in a position to give out funds that we don't have. Our uncertainty was whether we would have funds to release under these . . .

MS. ZANN: Again, I don't know why the minister might not have said that on the floor of the House. He said they were waiting for this and that and that there were all these different hoops to jump through but really . . .

MS. BROTEN: There certainly were a lot of hoops to go through to get certified.

MS. ZANN: The CRTC said that actually there were not very many hoops to run through. In fact you had received the letter and they were waiting to hear from you and they never heard from you. I would say that we need to have some better communication with the industry in order to . . .

MS. BROTEN: But at the end of the day you have to accept that if there are no funds . . .

MR. CHAIRMAN: Order. We have to have some decorum in terms of questions asked and questions answered. If a question is asked, the witness has to be given a chance to answer. I would ask both parties to try and come back to questions and answers, instead of perhaps maybe I could call it debate.

MS. ZANN: Thank you Mr. Chairman. Yes, I think to set a tone in an industry where people are feeling scared, they are nervous, they are being told that they have to be quiet, they can't write things on Facebook - that's not a very democratic way. It created a lot of uncertainty in the industry, in an industry which was already feeling a great deal of

uncertainty. This was one of their few funds that they could go to in order to try and get their independent films and television shows done.

I would say my next question for the minister would be, why didn't NSBI start receiving applications on May 31st, as they said they had planned to do?

MS. BROTEN: I'm going to ask Mr. Queripel, who has direct responsibility, to talk to this and perhaps answer your very specific questions again.

MS. ZANN: Thank you.

MR. QUERIPEL: Was it May 31st?

MS. ZANN: Yes, it was.

MR. QUERIPEL: I assume that at that point that was the anticipated date at which the final CRTC certification was expected to come in. Again, we would not accept applications for a program that we don't have funding for. As we've noted, the funding was not available until the Fall of last year.

As Laurel mentioned, we did make an exception in the last round to allow productions that had commenced photography after June 6th - to make applications to this round.

MS. ZANN: So Ms. Broten, you were appointed head of NSBI in January 2015, just a few short months before the current government axed the Film Tax Credit. Aside from recommendations made by the tax and regulatory review on which you were the lead, were you involved in discussions about the fate of the Film Tax Credit leading up to the April 2015 budget?

MS. BROTEN: No, I was involved with making a plan as to how NSBI would absorb our new responsibility, how we would staff up, what team we would put in place after the decision had been made by the province and released in the budget to transition from the Film Tax Credit to the Film and Television Production Incentive Fund.

MS. ZANN: When did you become aware that that was the plan, to get rid of Film and Creative Industries Nova Scotia and put those responsibilities into this new department of NSBI? When did you become aware of that?

MS. BROTEN: At the time of the budget.

MS. ZANN: Just right on that day? So you didn't do any preparations ahead of time?

MS. BROTON: In the day leading up to the budget. As you know, the Film and Television Production Incentive Fund did not launch until July so although the budget would have come out in March, indicating what would transpire, we immediately were part of transitioning some individuals from Film and Creative Industries Nova Scotia to Nova Scotia Business Inc. We were immediately responsible for various budgetary issues associated with rolling up and transitioning some of the services of Film and Creative Industries Nova Scotia to NSBI, and taking on those staff. Then we worked on the development of the film fund in terms of how we would administer it. Mr. Queripel would have been directly responsible . . .

MS. ZANN: You mean the new fund?

MS. BROTON: On July 1st, yes, the new fund.

MS. ZANN: But that went through several changes after the industry met with them and . . .

MS. BROTON: We were not involved in those discussions.

MS. ZANN: The other question is, if you weren't aware of it, when did you become aware that the Eastlink fund was actually tied to Film and Creative Industries Nova Scotia and needed that entity or another entity in order to deliver those funds to the industry?

MS. BROTON: We conducted due diligence immediately upon being advised that we would be taking over this responsibility. We set in place a structure to be able to maintain, as you know, we did maintain, that legal entity to be able to do the funding call in June. We maintained the entities that already existed. We worked with the CRTC to gain approval to be able to do that. We understood the industry wanted to see those funds released and we want to keep things as stable as possible. We then went through the process.

MS. ZANN: So you are saying you found out right away about the Eastlink fund, because it seemed to take a long time for government to realize that they had actually just axed an agency that was responsible for that particular fund.

I have one other question here - my time is running out. Does the NSBI accept the findings of the PricewaterhouseCoopers report on the Nova Scotia film industry? Of course, the report says that the film industry provides a net benefit ratio of seven to one, \$24 million in tax credits under the old regime which generated \$180 million in GDP. Does NSBI accept those findings of PricewaterhouseCoopers?

MS. BROTON: I don't even know if we actually have a copy of this report but . . .

MS. ZANN: You should have, you should have read it.

MS. BROTON: What I will speak to is a seven to one ratio. I will tell you that we measure our exclusively direct impact, so a multiplier effect of seven to one would be a higher multiplier effect even in the broader economic development sphere . . .

MS. ZANN: In other provinces, it is six to one or seven to one.

MS. BROTON: Actually it is not the approach that we take with our own measurement.

MS. ZANN: Do you accept the PricewaterhouseCoopers report, yes or no?

MS. BROTON: I have not seen the PricewaterhouseCoopers report.

MS. ZANN: And why haven't you? If you are the head of NSBI and the industry has come out with this report which was asked for by government, a business report showing how much money they contribute to the GDP and how many jobs, 3,200 jobs that they create, why wouldn't you as the head have read that report?

MS. BROTON: I can ask Mr. Queripel if we have even been given a copy of the report. I can't speak to . . .

MS. ZANN: Why didn't you go out and get a report? I'm sure the industry would be happy to provide you with that.

MS. BROTON: I'm not sure that they did release it publicly. They released certain excerpts, as I understand. If I'm going to review a report, when I released a tax and regulatory report, I released it all publicly. I didn't take out certain excerpts and only release those.

MS. ZANN: I'm sure you could get a copy of it if you were interested enough to read it and I think you should. I really highly recommend that you do.

MS. BROTON: Perhaps you can assist us in getting the entirety of the report unedited.

MS. ZANN: Or perhaps we could ask industry although that should be your job. Okay, thank you very much; that's my time.

MR. CHAIRMAN: Order, yes time has expired. We'll move to the Liberal caucus and Ms. Lohnes-Croft.

MS. SUZANNE LOHNES-CROFT: Thank you for being here today. I think I'll start with - you were created when they closed down the Department of Economic and Rural Development and Tourism. That was 2014.

MS. BROTON: NSBI has been in existence for almost 15 years. We existed as a Crown Corporation under Economic Development as an entity over many years, so an arm's length Crown Corporation. What happened at the time of the dissolution of Economic and Rural Development and Tourism, and the transition to the Department of Business, is that we were asked to take on additional responsibility. So some responsibilities of Film and Creative Industries Nova Scotia came to us - not all of it, but some of it.

The Economic and Rural Development and Tourism Department would have had historically the regional business development advisors. That was transitioning over to us already, full responsibility, at the time. The Jobs Fund came over to us as well, as an example. We took on additional responsibility and the new structure for business is quite clean in that it's very clear that direct-to-business services fall within NSBI. When it comes to economic development, policy development exists and maintains coordination responsibilities in the Department of Business.

MS. LOHNES-CROFT: Part of your job portfolio is to do trade missions. We have a Minister of Trade, and you do trade missions. Do you work together? What do you do that's different than what the Minister of Trade would do?

MS. BROTON: The responsibility for trade policy and trade negotiations would lie with the Minister of Trade, housed with a policy team in the Ministry of Intergovernmental Affairs. Again, we do the direct-to-business on-the-ground work of doing trade capacity building, trade missions, et cetera. I think to hear more about that suite of services that we offer, I would ask Mr. Schmeisser to speak to that.

MR. SCHMEISSER: Our role, as Laurel stated, is to work directly with companies. We have our export development team essentially divided into two groups. Half the group works one-on-one with business on the ground, helping them develop the capacity to be able to get their products and services to markets. The other half focuses on market development, essentially trade missions.

We did about 30 trade missions last year. We've really focused down into three specific sectors: ICT, agri-food and seafood, and ocean tech. Those are sectors where we know we have competitive advantages. We've done research, and the province has done work on that as well. It's not that we would ignore other sectors, but from a trade mission perspective, those are the sectors we're being proactive in.

Our programs and our services and the capacity-building work that our team does is sector-agnostic, so any company that would like to work with us, we would absolutely work with from an export development perspective.

As I said, we did about 30 outbound missions last year, very sector-specific missions. For the most part, we've gotten away from the larger, multi-sector missions. We

do a few, where they make sense. But we're trying to be very specific from a sector perspective.

We're trying to attract more inbound missions because we know we can get quick, direct results from an inbound mission. If a company or companies are willing to take the chance to come to Nova Scotia and meet with our suppliers, oftentimes, they'll end up purchasing products or services.

My last comment would be that we work really closely with other partners as well, provincial partners, like the Department of Fisheries and Aquaculture, Intergovernmental Affairs, the Department of Energy; federal partners, through Global Affairs Canada and ACOA; and municipal partners as well, such as Halifax Partnership and other RENOs throughout the region to make sure that the right companies are on the missions that we're putting forth.

MS. LOHNES-CROFT: How do you decide where you go for these outbound trade missions?

MR. SCHMEISSER: What we've focused on are the priority markets of the province, which are large, but they're essentially China, Western Europe, and the eastern U.S., although we really look at the U.S. and Canada - North America, as a whole. I would say 90 per cent of our missions would be in those markets.

We work with the companies to understand where they have opportunities. We do some analysis from a sector perspective to understand where our opportunities are.

You would see, for example, that China has risen to the top over the last number of years. The province has done a China engagement strategy. We've focused a lot of efforts from the agri-food/seafood and ocean tech perspective now into China because we've identified opportunities there.

We'll continue to look at opportunities in other regions as well, but we'll only do missions if we believe it makes sense.

MS. LOHNES-CROFT: If you're planning a mission, say, to China - and I know we export berries and seafood and cranberries and whatnot - how do you go about reaching out to businesses across Nova Scotia to let them know? Do they have to apply to go on these missions with you? What's the process?

MR. SCHMEISSER: When we decide that we're going to do a mission, say it's to China, we would have one export development executive who would lead that mission. They would reach out to companies that we've worked with in that sector. They would reach out to other export development executives, too, to make sure that we're not missing anybody. But we always publicly put it out on our website, that mission, and we put it out in our trade development news as well so that any company across the province will have

the opportunity to see that. They can then register through us. We do work with the companies to make sure that they're a fit for that mission. Certainly if they're fit we want them to join us but there are companies that sometimes might not have the appropriate products or might not be ready to go to that market, we work with them. We then take them, work with them through a capacity-building perspective, so that maybe the next time we go on that mission they would be ready.

The goal is to get them to market but we don't want to take companies that aren't ready to go to market.

MS. LOHNES-CROFT: Okay, so what are your growing pains with expanding? Expanding our exports is really important here in Nova Scotia.

MR. SCHMEISSER: It's really the fear of the unknown. We've got a lot of companies that aren't exporting now simply because they don't understand how - they think it's difficult to export, and it is oftentimes, to be honest. We're trying to work with companies to make them understand what the benefits of exporting would be. In fact, as Laurel had mentioned earlier, we are now doing a number of Think Export sessions across the province. We'll do about 24 or 25 this year across the province to try to get companies in a room for a couple of hours to explain the benefits and the challenges of exporting - I guess to get them thinking outside of the box at this point.

The biggest challenge we definitely have is finding new exporters. We're doing a very good job with the existing export orders that we're working with and helping them grow their sales. We need to continue to work hard through our team on the ground, our regional business development team. They're talking to 1,100 businesses a year and working to unearth potential new exporters that could work with our export development team. That's the piece that we still need to continue to work hard on, to get companies thinking about exporting and not being afraid to take the chance to export, if it makes sense for them.

MS. LOHNES-CROFT: You mentioned earlier that you work with departments here in government. I know Fisheries and Aquaculture, for example, and Agriculture are very involved. How is your relationship and how do you work interdepartmentally where you're separate from the government?

MR. SCHMEISSER: It's very good, we work very closely, specifically with Intergovernmental Affairs, and with Fisheries and Aquaculture, for example. Fisheries and Aquaculture is leading a number of seafood promotions into certain markets, such as China and the EU. We tie into that; we make sure our missions make sense for the promotions that they're doing and we're getting together on a regular basis. Certainly, there's no mission that we're doing that our partners aren't aware of. Oftentimes we're working together to make sure that all of the elements are taken care of from a mission perspective.

MS. LOHNES-CROFT: Do you have anything to do with tourism?

MR. SCHMEISSER: No, tourism is through the agency.

MS. LOHNES-CROFT: Okay, so they look after their own, great.

MR. SCHMEISSER: The only comment I will say is that tourism is at the table, for example, from a China engagement plan. We make sure we know where they're going and we make sure that we know what they're doing so that we're not tripping over each other.

Certainly, we understand what their plan is and what they're doing in certain markets. If it makes sense to tie the two together, we'll look to do that. But they have that mandate, not us.

MS. LOHNES-CROFT: Great, thank you. I'd like to talk about payroll rebates because they pop up in the news quite a bit. We see in estimates, for example, that a lot of the questions asked at that time show that there's a lot of confusion even by government people - I should say elected government officials - over the role that rebates play and how they really work.

Can you clarify how they work here in Nova Scotia and as far as what you're looking for in full-time jobs?

MS. BROTEN: Our investment attraction team goes out and looks proactively for target companies that would be able to invest and grow in Nova Scotia. The work we do is to build a prospect list of those types of companies. We negotiate on a case-by-case basis with an entity that we might be able to engage who is interested in looking at this market.

So payroll rebates, as they work, are disbursed after a business has generated actual payroll for the Province of Nova Scotia. For example, you would see a payroll agreement that would be announced that would be based on prospective determination as to the payroll that that company would create in the province. The province then would provide back between 5 per cent and 10 per cent - that's the range that we will negotiate in - to that business after they have paid their payroll to individuals in the province who are now employed with that entity.

As a concrete example, during the 2016-17 year, we would have made Strategic Investment Fund disbursements. Those disbursements would be based on job creation the year before and taxes paid the year before. Our clients generated \$134 million in new payroll for the economy. They created over 1,900 new FTEs. The clients earned around \$10 million in payroll rebates after the fact, after having created that rolled-up amount of \$134 million in payroll.

MS. LOHNES-CROFT: You said you look for companies?

MS. BROTEN: We have targeted sectors - IT, ocean technology, and financial services, as three examples - where we are looking for entities that want to establish or

grow their business in a place where there's a strong knowledge economy, where there's a strong workforce, a good quality of life, and a strong university-educated population in the spaces where we are looking.

We recognize that Nova Scotia is the university capital of Canada. We have many, many young people who would be looking either to stay here or come here and stay here after university. We believe those are key sectors for us, and those are the types of companies that we would target. In all circumstances, they are competitive processes. We are in competition with other parts of the globe that also want to see those jobs created there.

We certainly believe in Millier Dickinson Blais and Tom Traves and others. We know that there is certainty associated with the model that we use because you do not pay out funds to a company that does not create the jobs and create that tax base and payroll base for the province.

MS. LOHNES-CROFT: The one that keeps popping up in my mind is the RBC one. We hear how the government is giving millions out to RBC. Do you have any figures that you can share with me about how much we were actually paying out to RBC?

MS. BROTON: Absolutely. RBC's announced payroll rebate is a \$22 million performance-based incentive. That means they have to create the jobs, and they have to pay that payroll to be eligible for a claim of up to \$22 million over 10 years. At present, they tell us that they will soon have more than 200 new full-time positions at the Nova Scotia shared service centre in Bedford. We have 200 individuals in the province who will soon be in the employ of RBC.

The payout at this point in time, this year's disclosure, is \$425,000. That has been paid out for their claim this past year. In the big picture, if RBC creates all the jobs that it expects to, we will see \$240 million in new salaries and benefits being attributed to RBC's presence in the province to allow them to claim that \$22 million in total 10 years from now.

MS. LOHNES-CROFT: For \$425,000, 200 new jobs were created. You said across the province, or is this in Bedford?

MS. BROTON: This is the Bedford shared service centre. I can tell you that there's additional value being brought to the province simply as a result of RBC choosing Nova Scotia. I can tell you that when our team speaks to other global international players about the fact that, after reviewing a global search and a Canada-wide search and a determination that RBC wanted to have a Canadian shared service centre - the fact that they chose Nova Scotia has opened doors for us globally. There's additional value that is drawn. What we focus on is exclusively the direct taxation. I can tell you that our return on investment on all payroll rebates across the board are always positive.

If we look at the publicly-announced payroll rebate information, the average of the return on investment would be over 30 per cent; that's from the announced projections. When we do our calculations post-claim, we see that average go up and a return on investment starting to hover somewhere around the 60 per cent range.

MS. LOHNES-CROFT: Is that coming from a chart?

MS. BROTON: Some of this information in terms of the publicly-announced payroll rebate information that is publicly available and we calculate a rolled-up return on investment.

MS. LOHNES-CROFT: Can you table that?

MS. BROTON: I can give you a public version. We certainly have confidentiality agreements with our clients. I can prepare for the committee a version of return on investment calculation using public information.

MS. LOHNES-CROFT: Can we get that, Mr. Chairman?

MR. CHAIRMAN: Yes, our clerk will make note of that request and follow up on that for you, Ms. Lohnes-Croft.

MS. LOHNES-CROFT: Can you tell me, the ocean technology – has anything come through there?

MS. BROTON: It is an area of focus that we have longstanding in our trade development group so certainly Kyle could speak to some of the successes of our ocean technology companies, for example at Oceanology in China, et cetera.

In terms of investment attraction, we have just created a new role at NSBI where we will put one of our individuals on our investment attraction team with the exclusive focus of looking for that foreign direct investment in the ocean technology space. We're excited about it. We think we have a very strong Nova Scotia value proposition with the Ocean Frontier Institute and COVE establishing the work that the universities are doing. We hope to be in a position to be talking about some of that success a year or so from now.

MS. LOHNES-CROFT: Dr. Tom Traves completed a report reviewing the youth incentive tools with businesses - this included NSBI tools and other tools. He recommended best practices which the government has followed through on and now requires of organizations such as yours. What are these main principles that you have taken on?

MS. BROTON: We certainly have been guided by the advice received by Tom Traves and the Millier Dickinson Blais portion of that review. You quite rightly state that when new job creation is a goal of government, that the payroll rebate system we operate

that he provided his support to is a successful model. I think if we unpack why is it a successful model it goes to exactly the points that I was raising.

The certainty associated with the job creation, and the collection of income tax and direct taxes from the employees employed, is in the hands of the province before that investment is made by the province into that company. Unlike other models where you would have to see a significant outlay and it creates some uncertainty for the province in terms of investing in XYZ company - we don't know what XYZ company is actually going to do. They tell us they are going to do certain things. That model has a lot of risk. This model has less risk because it's after the fact and always ROI positive.

In addition, another aspect that was talked about by Millier Dickinson Blais and Tom Traves was the need for transparency and publicly available information. I know I talked about that as well in the tax and regulatory review . . .

MR. CHAIRMAN: Order, time has expired. I let you go on a little longer . . .

MS. BROTON: One more little thing. I would say you should contrast . . .

MR. CHAIRMAN: Unfortunately, we have to move to the next round of questions with Mr. Houston - perhaps you can get that in in with your closing comments. Mr. Houston.

MR. HOUSTON: I want to go back to the film industry. The PricewaterhouseCoopers report said that the film industry, for the tax credit of \$24 million, that generated \$180 million of GDP. Whether or not you agree with the PricewaterhouseCoopers report or have seen it or not, I just want to ask the question, do you think the film industry is bigger today or smaller than it was before the change to the tax credit? Is it bigger or smaller?

MS. BROTON: I do want to correct our NSBI record. Mr. Queripel tells me he has a copy of the PwC report, so I want to acknowledge that.

I will have Mr. Queripel speak to this. I think the best indicator of where the film industry is at this point in time is with respect to our current productions. I will have Mr. Queripel speak to that because that's clear, concrete evidence about what is happening right now.

MR. HOUSTON: Bigger or smaller?

MR. QUERIPPEL: First of all, just briefly, the fund activity: we've approved 45 productions since the fund was opened last year, which is a little over \$23 million in commitments with an estimated Nova Scotia spend of about \$81 million. If you look at industry activity with respect to this, the CMPA data on average, over five years, I believe the number was about \$128 million for Nova Scotia. That would be productions that started

filming in Nova Scotia in a particular year, and that would be on the total production budget of that production.

Right now, for this fiscal year, with two and a half months remaining, we estimate we're at about \$132 million. Those are the numbers. Anecdotally, we're seeing long-running series such as Trailer Park Boys and Mr. D transition to the new fund. We're seeing new documentaries and feature films being done through the fund. The fund has also attracted one of the largest productions ever in this province, The Mist. I think objectively there's a lot of evidence there that it's a busy year for film production in Nova Scotia.

MR. HOUSTON: Okay, your sense is that it's bigger than it was and maybe for the same spend because the tax credit cost about \$24 million, and I think you said there's \$23 million in fund disbursements.

MR. QUERPEL: It's \$23 million in commitments to date.

MR. HOUSTON: Government will expend the same amount, and you would advance the position that the industry is better for it; it's bigger. That's your position?

MR. QUERPEL: I've relayed the data on the industry. I think you're getting into a bit of an economic question there, which I wouldn't want to speculate on. Obviously our role at NSBI is to administer the fund, and we can speak to the activity of that fund. I wouldn't want to speculate on economic impact data.

MR. HOUSTON: Whose role would that be, to speculate on economic impact?

MR. QUERPEL: When decisions are made with respect to funding for film, those would obviously be made at the province. The Department of Finance and Treasury Board would typically prepare economic impact analyses to support those decisions. Our role would be to feed into those analyses by providing the data from the activity in film.

MR. HOUSTON: The questions that I have about the change from the tax credit to the fund, we won't solve today, but I would say to you that to me it seems like we've gone back to picking winners and losers, whereas the tax credit was a leveller. Everyone had an option to do that. Now, somebody at NSBI or somebody at the fund is picking winners and losers. We've gone back to who you know. That's my sense.

MR. QUERPEL: There are two funds. The data I've relayed to you there is for the new Film & Television Production Incentive Fund. That fund is provided on a first-come, first-out basis. We have approved 45 applications. No applications have been turned down. That is strictly on a first-come, first-out basis.

MR. HOUSTON: Is there a cap on that fund?

MR. QUERPEL: The province has committed a budget of \$10 million a year through fiscal 2021.

MR. HOUSTON: Is that gone for this year, the \$10 million?

MR. QUERPEL: When we say "this year," we're typically dealing with more than one fiscal year at a time because we're allocating amount to fiscal years based on the anticipated end date of that production. For the 2016-17 year, there was an additional \$1.5 million provided for the fund to bring the total budget for that year to \$11.5 million.

This year there is a special allocation - I'm sorry, when I say this year I'm referring to 2017-18, which is the year we're allocating those funds towards now. There was an additional approximately \$6 million allocation made.

MR. HOUSTON: That's the thing that gets my curiosity up because that's an exception to the rule, I guess. It's a special allocation, not available to everyone, it's only available to some person who meets some criteria that is not available to everyone else. I think that's frustrating to me. That's 1980s or 1990s style of politics, is what has happened here.

My main focus on that today was I was curious as to whether NSBI feels the industry is bigger or smaller. I guess you feel it's bigger, I don't know if I necessarily agree with that.

MR. QUERPEL: I guess I would say we are fairly new to this industry; at least I am. You are asking for my impression of whether the industry is bigger. I would prefer a point objective.

MR. HOUSTON: Yes, fair enough, I accept that.

Does NSBI advertise? Do you have an advertising budget to advertise your services and what is that budget?

MS. BROTON: Certainly we'll answer your question, but I wanted to say the one point I think that would be critical from the Public Accounts perspective with respect to the transition from the tax credit to the Film & Television Production Incentive Fund - if I might for one moment - would be the shining of the light and the transparency associated with that. As you would know, tax credits are not publicly notified who is the recipient of a tax credit. The Film & Television Production Incentive Fund is very publicly available, how much productions get and who the entities are of that production. I think that's one point.

With respect to advertising, let me talk to you about our marketing and communications group. Our marketing and communications group focus on portraying and producing material and information not about NSBI but about the province, about the

sectors for our companies. For example, we would produce information with respect to this is a place that you should come for big data analytics, this is a place that you should come if you care about ocean technology.

I brought only a little bit of information with us today and I brought, I think, our export package but I'd be more than happy to send some of the information that we produce that markets the Province of Nova Scotia and what we have to offer here. That is the focus of the work that we do. We would be producing materials to take to the Boston Seafood Show, for example, to support the companies that are there making sales.

At the end of the day, and I am sure you agree with me, nobody really needs to know about NSBI. What they need to know about is the Province of Nova Scotia and the great companies that are here so that they can make sales around the world.

MR. HOUSTON: So is that advertising spend included in the business development for \$5 million, and how much was specifically for advertising?

MS. BROTON: It would be rolled up within the various units of work engrained within our operating budget.

MR. HOUSTON: So you don't have a number as to how much and that's not really a number you'd be looking at, as the CEO?

MS. BROTON: I'm looking for value for the dollars that we spend. I have a team that, for example, has worked right now to refresh our website. Our website has capacity now to do much more video on it. We will produce, for example, stories and narratives about companies that are talking about why you should come to Nova Scotia, why you should do business here, why they are here, et cetera. That is what we do. We are not in the business of saying what NSBI is all about. We're in the business of talking about Nova Scotia and why you should come here.

We do need to compete on a global scale. Do we have the resources to compete with some of the jurisdictions that put extremely glossy material in global productions? We don't, but with a better capacity on our website, we will do a lot more work that will be nimble. We tell a lot of stories - success stories.

MR. HOUSTON: Who's doing the website work? Is it internal, or did you hire somebody?

MS. BROTON: We would have an internal team and be working with external providers as well.

MR. HOUSTON: What's the budget for the website redevelopment?

MS. BROTON: I don't have those figures available.

MR. HOUSTON: Is that something you could provide?

MS. BROTEN: I'll take that back. I'm not sure if we have it in a form that is extracted out of our operating budget. But I can certainly tell you - and you can take a look - that is one example of why it's important. We have people from the other side of the world . . .

MR. HOUSTON: I would think you know how much you're willing to spend on your website.

MS. BROTEN: We have people from the other side of the world who don't know where Nova Scotia is, and we need to get on their radar screen. That's what we spend our money doing.

MR. HOUSTON: I'm not debating the value of the website. I'm just . . .

MS. BROTEN: We live within our allocated budget that the province gives us, and we work hard to drive value with the resources that we're given.

MR. HOUSTON: The question is, how much is the website redevelopment going to cost? The answer is, you don't know. If that's the answer, then I'm willing to move on.

I do want to ask about the Origin BioMed investments. That was an \$8 million write-off for the province. Was the entire investment written off?

MS. BROTEN: I'll get Mr. Queripel to talk about Origin BioMed.

MR. QUERIPEL: I'm just checking to see if that was the balance of the investment. I believe the company went through receivership again, and all assets would have been liquidated and allocated to secure creditors and investors, so that would have been the balance of the . . .

MR. HOUSTON: It was a big investment.

MR. QUERIPEL: Well, comparative to the portfolio, yes. The write-off was nearly \$8 million.

MR. HOUSTON: So it was a big investment. Have you done some backwards analysis as to what went wrong? I know some investments go bad and some go well, and that's the way life is in the investment world. But this was a very big investment, and it went completely wrong. Have you changed any procedures or policies? What's the lesson learned from a situation like that?

MR. QUERIPPEL: As I think you're aware, NSBI discontinued its new VC activity in 2014, I believe. In terms of informing future equity investments, we aren't pursuing future equity investments.

MR. HOUSTON: I do want to finish up with the payroll rebates. I took from your comments that payroll rebates are a success story in the province, I guess, so far. Do you have a metric that says, okay, over the last five years, we've approved this many on the basis that X number of jobs would be created? Are we above the X number of jobs or on track? How do you look at that internally? Are we creating the jobs that are expected?

MS. BROTON: As I answered in the previous questions, I used the announced data to indicate that our projections of our return on investment would have been tracking at about 30 per cent. That was our expectation, that with between 5 per cent to 10 per cent after-the-fact investment, we would see a return on investment of 30 per cent. When we get a real data set . . .

MR. CHAIRMAN: Order. I'm sorry, time has expired. We'll move to the NDP caucus. Ms. Zann.

MS. ZANN: I was very interested in what all my colleagues had to ask you about and the responses. Some of it cleared up some questions, and others made me question it a little bit more.

To begin with, I just want to say one thing about the economy here in Nova Scotia. Obviously, we want to build a healthy economy with great-paying jobs. Hopefully less part-time work, hopefully jobs that can have benefits and look after people into their old age.

I'd say that it's interesting when you note that Statistics Canada shows that - they just released figures and it indicates that while Nova Scotia gained some 12,800 new part-time jobs, it actually lost more than 13,000 full-time jobs. Do you have anything to comment about those figures?

MS. BROTON: Yes, thank you very much for the question. I think when looking at this Statistics Canada data it's critically important to dig deeper into those stats. If you dig deeper into the stats and you look at the seasonally-adjusted numbers you will see what we believe to be indicative of job growth, and we are seeing that. We're also seeing, when you dig deep into these stats, declining unemployment which is critical and which we are understanding from our clients in the targeted sectors.

In all this data also is the fact that our labour force is down by 3,600 individuals who have removed themselves from the labour force. To me the most critical and informative piece of the Statistics Canada data set is the Nova Scotia unemployment rate by age. It's important for me because it drives my desire to see our team deliver jobs in the IT, financial services, digital media, and animation space.

Listen, we acknowledge that there is work to do because we know from young people who are here that they are looking for their roles. I think that highlights more than ever before about why it's so important for us to focus in this province on delivering new economy jobs, knowledge-based jobs, to create roles for young people. The fact that we've made the decision in our investment attraction work that we do to focus on IT, to focus on ocean tech, to focus on financial services, digital media, and animation is important because we know that's the sphere of individuals - you know, just speaking broadly - that's the type of job that that younger demographic would be looking for.

MS. ZANN: Great, thank you. I would agree with that but I would also again say if that is the objective, then why on God's earth would they cancel a tax credit that was working to keep young people in Nova Scotia, to keep them working not only in digital animation which I'm very well acquainted with that sector, but to do live action, to do TV series, to do movies? It's also tied to tourism, all we have to look at is the Book of Negroes which was shot here and bang, it has been seen all around the world, and now tourism goes up and people want to come over and follow the footsteps of their ancestors and see Birchtown. Was Birchtown really getting that much tourist attraction before the series came out and we built the beautiful new museum?

These sorts of things help our province and they help keep young people here and they help attract others. I would suggest that if there is a loss of jobs or people who have gone out of the province who are no longer looking for jobs, no wonder, because half of the film industry has left. That was providing 3,200 full-time jobs.

The DGC - the Directors Guild of Canada - has now gone on record saying that this new fund here in Nova Scotia is too time-consuming to attract businesses and that we're losing business because of it. Do you foresee any changes to the new fund, in terms of operation or process, for next year? Again, the guild is saying exactly this, they are "... blaming major changes made to Nova Scotia's film industry ... as reasons why its members have seen their salaries and working days cut in half. It says "... the national organization representing creative personnel and production staff announced, overall, its Nova Scotia members made \$2.8 million less in 2015 compared to the previous year," when we had the tax credit in place.

These results are based on a number of projects. When you talk about the fact that there have been projects that have come here, yes, there have been projects that have come here, but nowhere near the amount of projects we could have had if we had not gotten rid of the tax credit. While we see the rest of Canada in a boom of production - so much so that they can't even find enough crews to do the jobs - we're really not doing that great in comparison to what we would be if that tax credit hadn't been changed.

What changes, if any, do you foresee in the new fund in terms of operation and process and application for the next year?

MS. BROTON: As Mr. Queripel has done, I can only speak to the activity of the fund, and what I can tell you is that 52 applications have been received for that fund. So 52 enterprises have believed that that fund is something that will work for them. Even this week, we announced support for a two-part documentary series called *Vague d'Acadie*, which would be produced here. Those are regular announcements under the fund. I can speak to the activity that exists, and I can tell you that we really have worked hard to . . .

MS. ZANN: Yes, I've seen them. I just want to ask, are there going to be any changes to it going forward? That's my main question.

MS. BROTON: We are not responsible for the policy metrics. We administer the fund. But I can tell you that we've worked very hard to make sure that we complete the approvals quickly. One fact that I can give you is that the first year of administering the new fund, it took us on average 20 calendar days in 2015-16, and now we have improved that to 18 calendar days.

It's a very tight turnaround time for those enterprises that are trying to understand if this is a place where they want to do their production. With *The Mist*, as an example, a large-scale production that required an additional set of approvals because it was beyond our \$4 million limit . . .

MS. ZANN: Yes, I know you had to add some money to the fund.

MS. BROTON: That happened quickly, and that secured that production.

MS. ZANN: Here's my question then. As a performer and as somebody who has been in that industry a long time, there are different types of productions. There are service productions, which is when a big production comes in, and they have mainly their stars, and they really just want to use a place as a location. They didn't create the show here. There's no Nova Scotian writers or directors or anything like that. It's not a Nova Scotia-made production.

Nova Scotia-made productions are the ones that are suffering right now, they're having a hard time trying to get the funding needed to be able to create original Nova Scotian material and get their films and television shows shot here. That's why the Eastlink fund, for instance, was so important, since most of the helpful tools were taken away. They were swept away when the tax credit was gone, when the film industry agency was taken away.

It's nice to have our crews working for sure, but it still doesn't necessarily help our Nova Scotian creators and actors and people like this who want to be playing leading roles, to get our stories out to the world. Again, I think that there need to be changes made in order to help with that, perhaps introduce a film production fund, bring back the equity fund, things like this. We need more help if we're actually going to grow our film industry.

That said, I also have to say that a lot of these jobs that are being created - some of them, as I said, are part-time jobs and they can be precarious. Often it seems like people have to work two or three jobs just to get by, just to sustain a family in a house. I think that we need to understand that the cost of things for people is rising all the time, and wages just aren't keeping up with inflation. So people are actually going backwards in Nova Scotia.

I can't believe we just don't have any money. We do have money; it's just a matter of where we put it. Getting back to one of the questions my colleague had asked about payroll rebates, it does disturb me that this government would cut a \$24 million tax credit to the film industry, which creates jobs for young people, to keep them here, generations of people. Mothers and fathers and then their children and their children's children get involved in this business. Yet we're quite happy to give away millions of dollars to banks for payroll rebates. For instance, you say the Royal Bank - well the Royal Bank received a record annual profit of \$10 billion in the same year that we gave it \$21 million in payroll rebates. Also, Butterfield Bank, an offshore bank in Bermuda - why would we give them \$840,000 to create jobs?

I've asked the minister about this and he said well they're creating jobs. Yes, well the film industry is creating jobs. How much money have we given to the TD Bank? The government is picking winners and losers when they choose to give huge amounts to banks and yet to our own creative community here in Nova Scotia, we're making them starve. In answer to some of the questions that were being asked about that, I'd like to add that on the record.

One other question I'd like to ask you is I know you did some work in Ontario on the education system and on teachers. I noticed in one of your stories that you put in the paper you said: the goal was to protect the classroom experience for students and we asked teachers who received benefits in pay increasing over the years, we've asked them to freeze their salaries and take away some of their other outdated benefits, like banking sick days.

I'd like to know, have you provided any advice to this government on the teachers' situation, given that you had been through a similar experience during your time in government in Ontario?

MS. BROTON: My role in this milieu is as President and CEO of NSBI. What I did in the past is not connected to what I'm doing now and I have not been involved in that. I do not sit at the Cabinet Table here in Nova Scotia and rightly so. I should not and am not part of discussions that take place at a Cabinet Table.

MS. ZANN: Okay, thank you. The other thing is the venture capital fund, I had a question about that. How will companies actually be selected to receive cash from that particular fund?

MS. BROTEN: I have a list of things that I would like to respond to you. Let me speak first to VC. As Mr. Queripel said, NSBI is no longer in the business of venture capital and neither should we be. There is a space for government, that is the role of Innovacorp. The work that NSBI was doing was high risk. As you know, one of the first things I did when I joined in a leadership role at NSBI is really evaluate the investments we had made and agree that that is not a space we should be in.

I want to speak directly now to the issue of RBC. I think it is imperative that members of the Public Accounts Committee deal with the facts. The \$22 million figure is a figure over 10 years. It is the maximum eligibility that they will have to claim after-the-fact incentive from the province, after they create 500 jobs and those jobs exist for 10 years. When you are talking about the tax credit . . .

MR. CHAIRMAN: Order. I do apologize but the time has expired. Ms. Broten, you may wish to get that in your final comments. We'll move to the Liberal caucus and Mr. Stroink.

MR. JOACHIM STROINK: I guess I'm going to follow up on that answer sort of thing. I guess with payroll rebates, first off, is it a guaranteed investment? I mean, it's following up on the question.

MS. BROTEN: Any payroll incentive client is not eligible to receive any incentive from the province until they create the jobs and those new employees pay taxes to the province and the province receives those funds. They provide audited information after the fact and the funds are then released to them.

It's absolutely certain that if they don't create the jobs, they are not going to get the incentive. It allows us to negotiate with companies who don't have perhaps a significant footprint in the province and if they don't create the jobs, they don't get paid. That is different than the risk associated with funding a venture capital company, as an example. We've talked about it here on the floor. I am not happy with the losses in Origin BioMed and others. I've said that publicly, I'll say it again, that is not driving value for taxpayers' dollars. Those decisions were made in the past, and at this point in time the role we have at NSBI is to manage out that old VC portfolio and not to do any follow on investments.

The Strategic Investment Fund, that is different. We find companies, we negotiate with them on a case-by-case basis, and I guess in some respects we do pick who we negotiate with because we want to see high-level salary jobs. We're not interested and we do turn away companies that approach us, for example, to set up a footprint in Halifax where they won't be paying above-average salaries, that's not something that we are interested in.

MR. STROINK: Payroll rebates are a tool and it seems like they're for high-paying salaries so you are getting your return on investment, that's very clear in this discussion

right now. One thing that maybe you can elaborate on is that the payroll rebate, the examples that have been given, are just about banks but it's eligible to everyone, is it not?

MS. BROTON: Yes, and I think it's so important to really bring life to what happens. I'm going to call upon Ms. Coffin to talk about the impact in New Glasgow when we were able to secure Web.com to set up a new shop in New Glasgow. She was part of representing that community.

MS. LYNN COFFIN: With the whole Web.com process from the beginning, interest in the company expanded in Nova Scotia. The negotiations, the payroll rebate discussions, were held with our investment staff. However, we worked very closely with them on the ground from New Glasgow.

What was important to Web.com, we've had a relationship with that company for 15 years, the experience in Yarmouth was absolutely wonderful. What we had to provide to Web.com is that we could prove that New Glasgow, as a municipality, could provide that same experience to them and could provide the quality of environment that the company wanted to locate it in, but also be able to provide the quality of employees that the company was looking for.

Throughout the entire process, working with the municipality, the various partners, the landlord, everyone who was involved, it was a wonderful experience to work on this. To end it at the grand opening of the facility when you saw several people - at that point I think there were about 42 working then - they were so happy to be able to return to work, but not only just return to any job, return to a company that they felt very confident in. We're seeing people working there who - we're speaking about generations of jobs and there are people there who are working. We've got couples working there, we've got mothers and daughters working in that facility, and it's providing employment for themselves, for the families, and to date we have 139 people. They have 139 people working as of a couple of days ago, which is very much on track, so we're very happy, the Town of New Glasgow is happy, employees are happy, and it's a really good story.

MR. STROINK: Excellent, and I guess that's the positive stuff about this program.

I kind of want to touch base on the VCs because it has been brought up on several occasions here today. I think there needs to be clarity that there was a line drawn in the sand for that fund and the costs and the irresponsible spending during that time that created some heavy writeoffs and burdens on taxpayers.

The two companies which have been discussed here are Techlink, which was one which the Auditor General spoke to. I want to kind of walk through this a bit - when was that fund approved? How much was that fund eligible for?

MR. QUERPEL: I don't have that kind of background information on the timing of the investments that were made with me. We can certainly get that information for you.

MR. STROINK: For clarity's sake, I think it was allocated in September 2013 - does that ring a bell?

MR. QUERPEL: That might be, there were a number of investments so that might have been the last one.

MR. STROINK: Who approved those funds?

MR. QUERPEL: The VC transactions were approved by our board and there is also authorization with Cabinet or the minister on the VC portfolio.

MR. STROINK: It was Cabinet.

MR. QUERPEL: NSBI did not have sole authority on VC.

MR. STROINK: It's very interesting that at that time, by that government, and under that leadership, that was approved during an election time, during the writ. To me, it's very irresponsible to do that kind of stuff.

I also want to touch on BioMed, which was also done on the same principle, if I'm correct.

MR. QUERPEL: When the fund was closed, there were 12 accounts, 12 different companies, and many different agreements because there would have been follow-on investments. Those would have been made throughout the history of NSBI from 2001 forward to 2014, when we ceased those investments.

MR. STROINK: What is the total amount that was given under that fund?

MR. QUERPEL: I believe the total amount was about \$35 million. I believe that was the total amount of authorizations all told to the 12 different companies.

MR. STROINK: How much of that total amount has been written off?

MR. QUERPEL: I don't have the write-off number. I believe the reserve, if I can find the existing reserve - we have reserved obviously amounts against the portfolio for bad debt. There would be items in there that have not been written off, but there has been a reserve applied to it. You'll see Origin BioMed on our write-off list. That's because we've deemed that there are no further recoverable amounts on that account. I'm sorry, I don't have the exact amount of the reserve against those accounts with me.

MR. STROINK: I guess that kind of irresponsible spending that was controlled by Cabinet - can that happen today? Can this kind of thing continue to hurt taxpayers in this way?

MR. QUERPEL: As we said, NSBI is no longer involved in making equity investments in companies.

MR. STROINK: So it can't happen again. I'm just trying to get clarity.

MR. QUERPEL: No, it can't. NSBI cannot do equity investments.

MR. STROINK: I guess that's what I'm trying to get at, that we're using one of our tools, which is payroll rebate, which is obviously very clear on return on investment. Numbers are thrown out there that, yes, that's the total investment of a certain one, but the return on that is very positive for Nova Scotia. I guess that's where there's a disconnect here.

MR. QUERPEL: There's always a much greater risk when you're putting money up front, as opposed to paying it in arrears on activity that's already happened. That's always the risk that you take in economic development when you're trying to achieve certain outcomes.

MR. STROINK: Most business owners understand that when you go into an area, you take a risk. You invest, you take a risk. You win some, yes for sure. That's the entrepreneur's responsibility, the entrepreneur's risk. You guys allow for the support of businesses to do that.

Red tape is one issue that has been brought up again. The work that is being done with Fred Crooks, that is the way that Nova Scotia is going to be successful. Is that a fair analogy to create here going forward for Nova Scotia?

MR. QUERPEL: I think that fairly represents our approach going forward, yes. It's about supporting entrepreneurs in their efforts to expand exports and grow the economy.

MR. STROINK: I just want to expand on that a little bit more because there are a lot of great programs within the entrepreneur world coming out of NSBI. You hit on the first-time export program. Yes, you didn't hit your targets. What are you going to do to expand on that and create those support mechanisms for that?

I guess to me, that's where the future is. It's not giving millions of dollars through VC to do that. It's creating platforms where businesses can succeed. We do have a lot to offer. Yes, maybe our taxes are high. Yes, we get all that. But in Nova Scotia, as an example, we have one of the best time zones in the world to do business. That is a successful thing that we have that no one can take away from us.

MS. BROTON: Certainly when it comes to growing new exporters, one of the key things we wanted to do when we could see that it would be hard and heavy lifting to get someone who had never exported before ready to export. Mr. Schmeisser - we reorganized

the entirety of that team and had individuals who were exclusively focused on capacity building. That's how we are offering 35-plus sessions across the province. The Regional Business Development Advisors team is also focused on export and finding those exporters. We're looking to build up their skills and their capacity, to be able to do that export.

If I could ask Kyle to speak to it, I think it's a really important transition that our organization has gone through to say we've got to be side-by-side with these new potential export curious, as we're calling them, to get them ready to export successfully.

MR. SCHMEISSER: As Laurel mentioned, it's a big focus of ours, trying to find those new exporters. We're working with our regional team, they're meeting with companies, they're trying to understand the needs of those companies from an export perspective, and then we're looking at the programs. We have the Small Business Development Program, for example, that can fund companies to hire a consultant to help them develop an export plan. Oftentimes that's step one.

We noticed through our Export Growth Program that many companies were not developing a plan first, to be able to get to market. We're working with our companies to do that, and that's step one.

Then we have our capacity-building group of export development executives that are going to walk them through those steps to make sure they can take those steps to be able to get their products or services to market. We hadn't really taken the time strategically to do that in the past, we had been more mission-heavy and focused on taking export-ready companies on missions. Now we're taking a step back, using the programs we have, using the resources we have internally, along with our partners, to try to work with companies that have yet to export, to get them ready to get to market.

MR. CHAIRMAN: Order, time has expired. We'll move to closing comments. Ms. Broten.

MS. BROTEN: Thank you very much and thank you for being here today. I'll answer a couple of questions. Staffing numbers prior to the budget of 2015 were 79 active employees. To date, as I said, we have 91 active employees. That would be prior to ERDT transformation, the transfer of us to that responsibility, and the RBDA's regional business team as I said.

Our intent today to the committee was to provide you with information about our approved services and tools that we use to help companies drive economic growth for Nova Scotia. Export is our first priority, and I hope that came across today.

We are working diligently to unearth more first-time exporters, equip companies pursuing certification, and bring new export markets within reach. We're also working with foreign direct investment in exporting companies best suited for success through a Nova

Scotia location, not just for today but for generations to come. We are really proud of our clients' accomplishments because their accomplishments are the success stories that we share on our website that we talk about around the globe.

Let me just take the last minutes that I have remaining to really give some shout-outs to the companies that are driving economic growth across the province who we're privileged to work with every day: Surrette Battery in Springhill; Web.com in New Glasgow; Oxford Frozen Foods in Oxford; Tony's Meats in Antigonish; Classic Fine Foods in Edwardsville, Cape Breton; Gidney Fisheries in Digby Neck; MoorQik in Bedford; and Cedar Bay Grilling in Blandford. These are just a few of the companies that our team is privileged to work side by side to help them succeed and compete on a world stage. The NSBI team is with them every step of the way.

We're proud of what we have accomplished but we have a sense of urgency and motivation to do more, just as they do, to see success in communities right across the province. We take that very seriously. I'm really proud of the dedicated team that I am privileged to lead and I hope the committee walks away knowing that it is important to us to see successful business enterprise right across the province. We look to be nimble and to constantly evaluate and monitor the activity that we're undertaking, to make sure that it drives results because taxpayers deserve value for the money they give and invest in us and that we, in turn, invest in the companies.

MR. CHAIRMAN: Thank you very much, Ms. Broten, and thank you to everyone here today who has provided answers to questions.

We do have some committee business. We had correspondence. Mr. Houston sent a letter requesting a meeting relating to *Bluenose II*. Are there any comments on that correspondence? Mr. Houston and then Mr. Rankin.

MR. HOUSTON: I'll let Mr. Rankin go first.

MR. CHAIRMAN: Mr. Rankin.

MR. IAIN RANKIN: I think the intent is clear in the letter. We have equal opportunity to bring forward topics in agenda setting. Each Party puts topics forward, and they're generally accepted at the meeting, and it goes to the full committee. I don't see any reason why we should subvert that process.

The only thing I would be open to considering is if the Progressive Conservative Party would want to replace one of their prior topics that's approved and scheduled. I have no problem transferring that topic into that slot. I do think we need to keep this committee fair with regard to the three Parties and how they bring the topics.

MR. CHAIRMAN: Mr. Houston.

MR. HOUSTON: In this situation, where we have the information that the government had some advice to not pay an amount and they went ahead and ignored that advice and paid the amount out, I think it's of public interest to bring it before the committee.

I note that the committee has an open date with no witnesses scheduled on February 8th. I would like to make a motion that we fill that February 8th open date with witnesses from Transportation and Infrastructure Renewal to specifically talk about the *Bluenose II* and some of the recent costs. I would like to make that motion, Mr. Chairman.

MR. CHAIRMAN: A motion has been made for the *Bluenose II* to be discussed as a topic here on February 8th. Would all those in favour of the motion please say Aye. (Interruption)

Order. Mr. Rankin has a comment.

MR. RANKIN: Again, I think that we should stay with the fairness in terms of every Party having equal topics. It's clear that this topic is being presented by the Progressive Conservative Party, and I'm not against this topic. If we're going to add a topic, I have no problem with that, as long as we get a topic from our Party and from the NDP put forward.

MR. CHAIRMAN: I'm going to be asked to make a ruling on this. We do have a process, and I think that process should be followed as well. Members do have a right, I guess, to put any motion forward that they wish before the committee, including if they feel something is of an emergency nature, then the committee can weigh in on it. I certainly respect what you're saying, Mr. Rankin. There is a process. As the chairman, I'd like to follow the process myself, as closely as we can, but if a motion is put forward, it is difficult for me to stop the committee from addressing the motion that's put forward.

Mr. Houston.

MR. HOUSTON: Just in the interest of time, I would move that the *Bluenose II* be brought forward February 8th, and I'll ask for a recorded vote on that motion too please.

MR. CHAIRMAN: Mr. Rankin.

MR. RANKIN: We do have a right as a committee member to defer any motion that's brought forward to the committee at least to the next meeting. That's what I'll ask, that we defer it. It's clear in the rules of the committee.

MR. CHAIRMAN: Mr. Rankin, you are correct. We can defer it, and we will do that. We will defer the motion until the next meeting.

We have just one and a half minutes left. I'm going to try to get a couple of other items in here. We have Transportation and Infrastructure Renewal correspondence from the December 14th meeting. I want to make sure everyone has received that. If you have any questions, ask myself or the clerk.

Mr. Rankin, I believe you may have been going to put forward a motion today for Auditor General recommendations. I'll let you proceed.

MR. RANKIN: I move that the Public Accounts Committee formally endorse the accepted recommendations contained in the November 2016 Report of the Auditor General and ask that departments and agencies commit to and take responsibility for full and timely implementation of those recommendations that they have accepted.

MR. CHAIRMAN: Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried. Nobody opposed, our clerk will make note of that.

Our next meeting is January 25th with the Department of Transportation and Infrastructure Renewal and the Department of Health and Wellness to discuss public-private partnerships for public infrastructure.

May I have permission to extend the meeting for a couple of minutes? Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

There is unanimous consent so we will extend the meeting for a couple of minutes. I won't keep you long.

As I mentioned, our next meeting is January 25th.

We have one last item, and that is the Auditor General's follow-up report. This is now scheduled for February 22nd. That is when the Auditor General has decided to release that report.

Typically, we would hold a one-hour in camera meeting, followed by a two-hour public meeting on the date that report is tabled. We do have February 22nd vacant and we actually have it tentatively scheduled to do that on that day. Does anybody have any questions or comments on the idea of having an in camera, followed by a public meeting on the Auditor General's follow-up report on past recommendations that office has made? That would be on February 22nd. Mr. Porter.

MR. CHUCK PORTER: I guess as we've done in the past, we've usually had our one-hour meeting prior to our public meeting, and I see no reason that we would change that to move it to a different day. That would certainly be fine with our caucus.

MR. CHAIRMAN: Thank you. Are there any other comments? Would all those in favour of having the one-hour in camera followed by a two-hour public meeting on February 22nd to discuss the Auditor General's follow-up report released that day, please say Aye. Contrary minded, Nay.

The motion is carried.

Our clerk will take note of that, and we will schedule that meeting for February 22nd.

Is there any further business to come before the committee? Hearing none, this meeting is adjourned.

[The committee adjourned at 11:01 a.m.]