



Standing Committee on Economic Development

ANNUAL REPORT

2016

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Honourable Kevin Murphy
Speaker
House of Assembly
Province House
Halifax, Nova Scotia

Dear Mr. Speaker:

On behalf of the Standing Committee on Economic Development, I am pleased to submit the Annual Report of the committee for the period from September 2015 to August 2016 of the Sixty-second General Assembly.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Joachim Stroink".

Mr. Joachim Stroink, MLA, Halifax Chebucto
Chair
Standing Committee on Economic Development

Halifax, Nova Scotia
2016

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INTRODUCTION

The Standing Committee on Economic Development, an all-party Committee of the House of Assembly, was struck at the beginning of the Sixty-second General Assembly. Pursuant to Rule 60(2)(ba) of the *Province of Nova Scotia Rules and Forms of Procedures of the House of Assembly*:

(ba) the Economic Development Committee is established for the purpose of considering matters normally assigned to or within the purview of the Nova Scotia Economic Renewal Agency and the Minister responsible for the Agency and the Department and Minister of Transportation and Public Works and matters relating to the Technology and Science Secretariat.

MEMBERSHIP

The membership of the Economic Development Committee is as follows:

Mr. Joachim Stroink, MLA – Chair
Halifax Chebucto

Hon. Pat Dunn, MLA
Pictou Centre

Ms. Suzanne Lohnes-Croft, MLA – Vice Chair
Lunenburg

Mr. John Lohr, MLA
Kings North

Mr. Derek Mombourquette, MLA
Sydney-Whitney Pier

Hon. Sterling Belliveau, MLA
Queens-Shelburne

Mr. David Wilton, MLA
Cape Breton Centre

Hon. Denise Peterson-Rafuse, MLA
Chester-St. Margaret's

Mr. Chuck Porter, MLA
Hants West

MEMBERSHIP CHANGES

Mr. Chuck Porter, MLA, replaced Hon. Margaret Miller, MLA, in April 2016.

PROCEDURES AND OPERATIONS

The Standing Committee on Economic Development meets on the second Tuesday of the month at the Legislative Committees Office.

NOTICES, TRANSCRIPTS AND REPORTS

NOTICES

Notices of committee meetings are sent to all members of the committee, caucus office staff, legislative staff and Communications Nova Scotia. The notices are also posted in Province House and on the Nova Scotia Legislature website at the following address:

<http://nslegislature.ca/index.php/calendar/>

TRANSCRIPTS

Transcripts of the Economic Development Committee meetings are available from the Legislative Library in Province House, the Legislative Committees Office or on the Economic Development Committee's web page at the following address:

http://nslegislature.ca/index.php/committees/committee_hansard/C9/

REPORTS

All reports of the Standing Committee on Economic Development are compiled by the Legislative Committees Office and forwarded to committee members for consideration. Upon completion of the review and approval of the report, the Chair tables the report with the Speaker of the House of Assembly or with the Clerk of the House of Assembly.

Distribution of the report is as follows:

To the Speaker and the Clerk of the House of Assembly, committee members, all witnesses who appeared before the committee, the Nova Scotia Legislative Library, caucus offices and the media. The report is also available to the general public upon request from the Legislative Committees Office, and is available on the Economic Development Committee web page at the following address:

http://nslegislature.ca/index.php/committees/reports/economic_development

RESEARCH MATERIAL

All research for the Economic Development Committee is compiled by the Legislative Library in consultation with the committee clerk. Research material is compiled in an electronic format and is distributed by the committee clerk prior to the meeting to members, staff and witnesses.

ACKNOWLEDGEMENTS

The committee wishes to extend its gratitude to all witnesses for their time and co-operation. Special appreciation is extended to the Legislative Committees Office; Hansard Reporting Services; Legislative Television and Broadcasting Services and the Nova Scotia Legislative Library.

PUBLIC HEARINGS

WITNESSES

Nova Star Cruises

Mr. Mark Amundsen – President and CEO

Mr. Owen John – President of Sales and Marketing

Mr. Danny Morton – Director, Cruise Marketing and Business Development

Mr. Mark Muise – Chief Operating Officer

Department of Transportation and Infrastructure Renewal

Mr. Paul LaFleche – Deputy Minister

Mr. Bruce Fitzner – Chief Engineer, Highway Programs

Mr. Alan Grant – Executive Director, Policy & Planning

Ms. Diane Saurette – Executive Director, Finance & Strategic Capital Planning

Ms. Martha Stevens – Director of Marketing (Tourism Nova Scotia)

MATTERS OF DISCUSSION

Nova Star Cruises and the Department of Transportation and Infrastructure Renewal (TIR) appeared before the committee to provide an overview and update on the Yarmouth-Portland Ferry. As two witnesses were scheduled to present, the meeting was broken into two time periods allowing for equal time between the witnesses.

Nova Star Cruises presented first to the committee and provided an update on the current state of the Yarmouth-Portland Ferry. The 2014 sailing season saw 56,000 passengers travel on the ferry. The 2015 sailing season has seen American passenger ridership increase 7% over last year, however, Canadian ridership has decreased 40%, creating a noticeable impact on overall passenger numbers. A contributing factor to the level of decrease seen in Canadian passengers is the rapid change in the currency exchange rate. Structural changes over the past number of years – alternate roads, gaming junkets and border security requirements – have also had an impact on the service.

The Yarmouth-Portland Ferry service has been receiving subsidies from the Nova Scotia government since its re-launch in 2009; receiving \$13 million in subsidies for the 2015 sailing season. Every ferry service in and out of Nova Scotia – Newfoundland, PEI and Digby – receive government subsidies, however, Nova Star Cruises believes that it is possible for the Yarmouth-Portland Ferry to be sustainable and commercially viable without a government subsidy. For the ferry to be sustainable within three years there are three thresholds that must be met; 1) target of 80,000 passengers is achieved, 2) predictable work is obtained for the vessel during the off season, and 3) a long-term solution to ensure fuel costs are not affected by the commodity price of oil.

Nova Star Cruises believes in the value of the service, however, acknowledges that it will take time to build the service up to a self-sustaining model. The Yarmouth-Portland ferry service was absent for a four-year period so travellers were forced to look for alternate travel methods. The extended absence of service has required Nova Star Cruises to promote the ferry service from the beginning stages. Nova Star Cruises estimates that 80% of their marketing efforts is focused on promoting Nova Scotia as a destination and 20% is on the ferry service, itself.

The Department of Transportation and Infrastructure Renewal presented to the committee following Nova Star Cruises.

It has been acknowledged by both the department and Tourism Nova Scotia that the four-year absence of a ferry service has had an impact on ridership and marketing Nova Scotia as a tourist destination. It will take some time to build up awareness of a ferry service for Canadians as a viable route to get to New England. However, the Department of Transportation and Infrastructure Renewal confirmed that the Nova Scotia government is committed to a long-term ferry service between Yarmouth and New England and acknowledges that the ferry is a service that will require some level of subsidization, similar to all other gateways into the province – roads, airports, ferry services, etc.

With the commitment to continue the ferry service the government has put out a request for service with four groups, including Nova Star Cruises, to determine if there is a better operator and a better vessel available for this particular service moving forward.

COMMITTEE BUSINESS

The committee agreed to extend the meeting by half an hour to allow sufficient time for presentations and committee business.

Once the allotted time for questioning to the Department of Transportation and Infrastructure Renewal was reached, questions were raised regarding why the committee had agreed to extend the meeting by thirty minutes if there was not extra time allowed for questions. A motion was introduced:

- That the meeting continue with the witnesses for an additional 20 to 25 minutes.
 - Moved by Hon. Maureen MacDonald, MLA
 - Motion carried

The following correspondence was received by the committee:

- Correspondence from the Irving Shipbuilding providing information requested at the June 4, 2015, meeting.
- Correspondence from the Department of Business regarding a response they had provided to a member of the public on economic development in Nova Scotia.

- Correspondence from the Department of Business providing information requested at the February 19, 2015, meeting.

The committee held an agenda-setting session and a motion was introduced:

- That the committee approve the following witnesses to be invited to appear before the committee at a future date in accordance with a schedule established by the clerk after consultation with the Chair: Jim Hanlon, CEO, Institute for Ocean Research Enterprise; Stephen Hartlen, Executive Director, and Martha Crago, VP Research, Dalhousie Office of Industry Liaison and Innovation; Colin MacLean, President and CEO, Waterfront Development Corporation; Rear Admiral John Newton, Commander Maritime Forces Atlantic and Commander Joint Task Force Atlantic, of Canadian Forces and Maritime Forces Atlantic; Don Bureaux, President of the Nova Scotia Community College; the suggested witness to be determined for the Centre for Ocean Model Development for Applicants; Bedford Institute of Oceanography; Paul Evans, CEO, and the management team of CarteNav Solutions; Paul Yeatman, Chairman, OTCNS, and Glen Copeland, President of ADIANS, Ocean Technology Council of Nova Scotia; Defence Research and Development Canada; Tony Goode, CFN Consultants Inc.; the Annapolis Valley Chamber of Commerce; Department of Business on Rural Internet Service; Department of Environment; Department of Transportation and Infrastructure Renewal, Ministers Rail Advisory; and NSBI, Nova Scotia Film Tax Credit
 - Moved by Mr. Derek Mombourquette, MLA
 - Motion carried

DOCUMENTATION

The following information was requested and received from the Department of Transportation and Infrastructure Renewal:

- Details of the agreement between the government and ST Marine regarding how ST Marine will provide a \$3 million contribution.

TRANSCRIPT

A transcript of this meeting can be found online at the following address:

http://nslegislature.ca/index.php/committees/committee_hansard/C9/ed2015sep03

WITNESSES

Waterfront Development Corporation

Mr. Colin MacLean – President & CEO

Innovacorp

Mr. Stephen Duff – President & CEO

MATTERS OF DISCUSSION

The Waterfront Development Corporation (WDC) is charged with re-developing and re-vitalizing properties that are on the waterfront around the Halifax and Lunenburg Harbours, with the goal to re-develop all properties in line with the economic goals of the province of Nova Scotia.

In 2011, the WDC identified the 8 acre Dartmouth Coast Guard site as a potential development property. The WDC recognized the site's size, waterfront access, two finger piers and wharves as an infrastructure opportunity for the local oceans industry. Prior to purchasing the space, a market study was conducted to determine the overall value of the site for the oceans industry. The result of this study, and response from industry stakeholders, was a uniform 'yes', that this type of space would be beneficial to the whole industry. Succeeding the market study, the WDC looked at the business case for the site and conducted an economic impact study; both resulting in a positive economic outcome.

Following the positive results of the studies, the WDC purchased the site from the federal government in March 2015 with the intention of creating an innovative and collaborative space for companies in the oceans industry to harness the ocean assets and strengths available in Nova Scotia. The main priorities in developing this space include, increasing the number of private-sector start-ups in ocean technology, grow exports and attract new investment to the industry. The physical space at this site will be a 2-level 'clean-&-dirty' incubator that could accommodate approximately 70 to 80 people. The second level will be the 'clean' area which will provide space for 10 'start-up pods' with 3 employees each, and 8 'grow-out pods' with 6 employees each, and meeting rooms. The ground floor will be the 'dirty' area which will provide open work areas, shared meeting rooms and shared fabrication and prototype equipment.

To ensure that this site reaches its full potential the WDC has partnered with crown corporation Innovacorp in its development and management. The WDC is responsible for the economic infrastructure of the site and ensuring the platform for business is there, while Innovacorp will market the available space to companies with a focus in the area of ocean technology. Innovacorp will target attention towards incubator and accelerator services so to enhance the number of start-up opportunities in ocean technology. In five years, Innovacorp hopes to see 50 companies formed, 250 jobs created, and for the space to be a place of employment for recent graduates as well as immigrants to the province.

The working name of the site is the acronym COVE - Centre for Ocean Ventures and Entrepreneurship.

COMMITTEE BUSINESS

The following correspondence was received by the committee:

- Correspondence from the Department of Transportation and Infrastructure Renewal providing information requested at the September 3, 2015, meeting.

The committee discussed the letter that was tabled at the September 2015 Assembly Matters Committee meeting which outlined a new agenda-setting procedure. An agenda-setting session was held at the September 2015 committee meeting, however, as it did not follow the new procedure, the committee discussed selecting new topics in order to fall in line with the new procedure. A motion was introduced:

- That the past agenda is null and void
 - Moved by Ms. Suzanne Lohnes-Croft, MLA
 - Motion carried

With the topics selected at the September 2015 meeting clear, new witness topics were presented. Motions were introduced to invite the following witnesses:

- NSBI and Screen Nova Scotia to appear jointly; Jobs Fund; CFN Consultants (Atlantic) Inc. - with Nova Scotia Business Inc. and Screen Nova Scotia to appear at the November 10th meeting.
 - Moved by Ms. Suzanne Lohnes-Croft, MLA
 - Motion carried
- The Annapolis Valley Chamber of Commerce on barriers to economic development in the Annapolis Valley; and secondly, the Department of Business, rural Internet service. Rural Internet service is the number-one topic.
 - Moved by Mr. John Lohr, MLA
 - Motion carried
- Department of Transportation and Infrastructure Renewal, the Minister's Rail Advisory Committee.
 - Moved by Hon. Sterling Belliveau, MLA
 - Motion carried

The committee approved the 2015 Annual Report.

DOCUMENTATION

No documents/information were requested.

TRANSCRIPT

A transcript of this meeting can be found online at the following address:

http://nslegislature.ca/index.php/committees/committee_hansard/C9/ed2015oct13

WITNESSES

Screen Nova Scotia

Mr. Scott Simpson – Vice Chair / Director and Producer, Playmaker Films

Ms. Jan Miller – International Consultant

Mr. Bill Niven – Producer, Northeast Films

Nova Scotia Business Inc.

Ms. Laurel Broten – President & CEO

Mr. Mike Queripel – Director, Business Financing

MATTERS OF DISCUSSION

Screen Nova Scotia and Nova Scotia Business Inc. (NSBI) appeared before the committee to discuss the Nova Scotia Film and Television Production Incentive Fund. As there were two witnesses scheduled for the meeting the meeting was broken into two time periods to allow for equal time between witnesses; Screen Nova Scotia spoke first.

There are approximately 2,500 full-time equivalent workers in the film and television industry in Nova Scotia, and 105 companies are registered in Nova Scotia that claim film and television as their principle business, with 84 of these being production companies. On average, 30 per cent of a film or television budget is spent on labour, with the remaining 70 per cent spent in the local community, making the film and television industry one with the most effective redistributors of wealth.

A film tax credit was first introduced to Nova Scotia in 1993. When the film tax credit was implemented the industry grew from \$6 million in 1993 to approximately \$135 million by 2014; 2 per cent of the total Canadian industry value. With the introduction of the film tax credit local production – projects owned by Nova Scotia producers –increased from less than 50 per cent of projects to 88 per cent. The second highest ratio of domestic to foreign projects in Canada.

Screen Nova Scotia notes that the Nova Scotia Film and Television Production Incentive Fund that replaced the tax credit, does not make Nova Scotia competitive on the international market. Screen Nova Scotia identified three significant issues with the new incentive fund; 1) the cap/budget allocation, 2) loss of the equity program, 3) level of the incentive fund. In order for Nova Scotia to be competitive in the film industry these three issues need to be addressed and the industry itself needs to be recognized as an economic driver and publically supported.

Nova Scotia Business Inc. (NSBI) presented following Screen Nova Scotia.

NSBI is a Crown Corporation that drives economic momentum in Nova Scotia through attracting and expanding investment and developing business. NSBI works with companies to explore new

markets, help companies sell goods and services abroad, identify business partnership opportunities and provide business advice, solutions and financing.

With the release of the provincial budget in April 2015, NSBI was given an expanded range of responsibilities, which included the Nova Scotia Film and Television Production Incentive Fund. As mandated by the province of Nova Scotia, NSBI is the administrator of the newly-created Nova Scotia Film and Television Production Incentive Fund. For the 2016/2017 fiscal year, the incentive fund has a budget envelope of \$10 million, which is the committed amount through 2020/2021.

On June 30, 2015, NSBI received the final guidelines for the new incentive fund and the fund was officially launched on July 2, 2015. To date, the fund has received 11 applications; five applications have been approved with the remaining six under review. The five approved productions have totaled \$1,103,177 of committed funding for two television series and three feature films. Together, the five productions have a total production value of \$6 million.

COMMITTEE BUSINESS

The committee agreed that they would not meet in December while the House is sitting.

DOCUMENTATION

No documents/information were requested

TRANSCRIPT

A transcript of this meeting can be found online at the following address:

http://nslegislature.ca/index.php/committees/committee_hansard/C9/ed2015nov10

WITNESSES

Department of Business

Ms. M.J. MacDonald – Acting Deputy Minister

Ms. Monique Arsenault – Business Alignment Strategist

MATTERS OF DISCUSSION

The Nova Scotia Government has been involved with rural Internet access for over a decade, launching a pilot project in Tidnish and Port Howe in 2006. The results of the pilot project provided the basis for the Broadband for Rural Nova Scotia (BRNS) program which was launched in 2007. At the beginning of the program, Nova Scotia – through self-identification – had more than 93,000 civic addresses without access to Internet.

The BRNS program had a goal of achieving 100 per cent coverage in Nova Scotia by the end of 2010. Through the program, companies were required to provide service at a speed of 1.5 megabits per second for a fixed monthly price of \$40.93.

BRNS was a three way partnership between the federal government, provincial government and private sector companies – mainly Eastlink, Seaside Communications and Omniglobe. When the project ended in 2014 the total cost was approximately \$74 million, with coverage extended to approximately 99 per cent of the province. As of 2010 – once more through self-identification – there are roughly 1,000 homes and businesses without access to Internet, the majority of these addresses are in Southwest Nova Scotia. Even with extended coverage throughout the province there remains continued difficulties with reliable speed and consistent connection with rural broadband.

When the BRNS program launched in 2007, the technology being used was fixed wireless, however, as technologies advance the Department of Business is looking into newer technologies that will be the most efficient in the various areas. The Department of Business hired a consulting team from Ernst & Young with Concertia Technologies to recommend options to help define the appropriate role for provincial government in the area of rural broadband Internet. The consultants were hired to provide subject matter expertise on:

- Barrier assessment
- Jurisdictional scan
- Assessment of technologies
- Identification of vendors
- Identify potential partnerships
- Help define the appropriate role for government

As telecommunications is a federal jurisdiction, the Department is closely monitoring and working with the federal government on this portfolio. The federal government is actively working on a program to connect all Canadians, with the aim to connect 98 per cent of Canadians with access of five megabits per second by 2017. The federal government is currently assessing if Internet access should be deemed an essential service. Direction on this question is expected by late 2016, early 2017.

COMMITTEE BUSINESS

There was no committee business.

DOCUMENTATION

The following information was requested and received from the Department of Business:

- Details of the results from a survey sent to municipalities regarding rural Internet service.
- Information surrounding the definitions of broadband and high-speed Internet.
- The specifics to how many towers there are in Southwest Nova Scotia and what the distribution is.

TRANSCRIPT

A transcript of this meeting can be found online at the following address:

http://nslegislature.ca/index.php/committees/committee_hansard/C9/ed2016jan12

WITNESSES

CFN Consultants (Atlantic) Inc.

Mr. Tony Goode – Associate

Partner International

Mr. Mark Regular – Director, Business Development

MATTERS OF DISCUSSION

The oceans technology industry in Nova Scotia is highly diverse with over 200 companies active in the industry in the province. The industry is comprised of companies involved with ocean monitoring, aquaculture, marine security and defense and natural resources companies. The direct impact of Nova Scotia's oceans sector, which includes the oceans technology component, represents approximately 7 per cent of the provincial GDP. When indirect impacts are considered the industry represents approximately 12 per cent of provincial GDP. Oceans technology is an area that is export driven and innovation focused, with 75-80 per cent of revenues derived from exports alone.

CFN Consultants (Atlantic) Inc. and Partner International were engaged by the Department of Economic and Rural Development and Tourism in 2014 to develop a technology road map to identify research and development priorities and skill requirements for the oceans technology sector in Nova Scotia, as well as highlighting the opportunities for collaboration between academia and industry. A key finding of the report shows that government support for the sector is limited and that the sector requires a more stable and larger source of funding. A recommendation was made to create an ocean tech fund and strategy.

CFN submitted the final report to the Department of Economic and Rural Development and Tourism the day before the department was eliminated and the Department of Business was created. Following the re-organization of government departments there has been no official follow up to the recommendations made in the report. CFN and Partner International are continuing to socialize the report's findings with the Department of Business and Nova Scotia Business Inc. to help move forward with the recommendations.

COMMITTEE BUSINESS

As the scheduled witness for the March meeting was unable to attend on the regularly scheduled date of the second Tuesday of the month, it was agreed that the meeting would be moved to Tuesday, March 22, 2016.

- Move the meeting to Tuesday, March 22, from 1:00pm – 3:00pm.
 - Moved by Hon. Alfie MacLeod

- Motion carried

DOCUMENTATION

The following information was requested from CFN Consultants (Atlantic) Inc.:

- Names of companies who have been looking at the use of dispersants in the offshore oil industry.

TRANSCRIPT

A transcript of this meeting can be found online at the following address:

http://nslegislature.ca/index.php/committees/committee_hansard/C9/ed2016feb25

WITNESSES

Department of Transportation and Infrastructure Renewal

Mr. Paul LaFleche – Deputy Minister

Ms. Shannon Delbridge – Executive Director, Public Works and Strategic Initiatives

Ms. Bonnie Rankin – Manager, Legislative and Policy Services

Mr. Stephen Newson – Policy Advisor

Mr. David Oxner – Executive Director, Motor Carrier and Compliance

MATTERS OF DISCUSSION

The Department of Transportation and Infrastructure Renewal (TIR) appeared before the committee to discuss the events that led to the development of the Ministers' Rail Advisory Committee and an overview of the committee's operations.

There are two railways under provincial jurisdiction in Nova Scotia – Cape Breton and Central Nova Scotia Railway (CBNS) and the Windsor and Hantsport Railway Company (WHRC). Both railways operate freight trains and do not provide passenger service. The railways own their land and infrastructure.

The American short-line railroad holding company, Genesee & Wyoming (G&W) own and operate two short-line rail segments that comprise the CBNS railway; Hopewell subdivision (between Truro and St. Peter's Junction) and Sydney subdivision (between St. Peter's Junction and Sydney). In the spring of 2014, G&W showed intention to file with the Nova Scotia Utility and Review Board (UARB) for discontinuance and abandonment of the Sydney subdivision portion of the CBNS railway. Discontinuance of a rail line service occurs when a railway stops train service to shippers but the infrastructure remains intact. A step beyond discontinuance is abandonment of a rail line which is the physical removal/dismantling of all infrastructure and physical assets. When a rail line is abandoned and dismantled there is a very low chance it will return.

In response to significant concern from the public and shippers around the discontinuance of the railroad in Cape Breton the Ministers of TIR and Economic and Rural Development & Tourism (ERDT) established the Ministers' Rail Advisory Committee (MRAC) in August 2014. The mandate of the MRAC is to work to ensure Cape Breton continues to have the necessary transportation links – port, tracks, highways - to ensure that freight can continue to move on and off the Island cost-effectively. The committee advises the ministers on issues, concerns and strategic directions related to Cape Breton Rail. Through the work of the MRAC, legislative changes were made related to how companies can file for discontinuance and abandonment; these changes to the legislation were passed in November 2014. Under the updated legislation, the UARB continues to oversee discontinuance of service, however, the Minister of TIR is now responsible for determining whether abandonment is approved, based on a set of newly-created criteria established in regulation. Through the new legislation, a rail operator cannot notify the minister

of intention to abandon or start the process until six months after the UARB period of discontinuance has expired.

As G&W received approval to discontinue service of the Sydney subdivision portion of the CBNS railway in October 2015, they are eligible to provide notice of intent to abandon to the minister in April 2016. The application process to abandon will be based on new regulatory requirements to ensure the province has adequate information and that public interest is protected prior to a decision on abandonment. Some of the new information a company will be required to provide under the new regulations will be net salvage value, details of infrastructure and property, environmental reports and studies, crossing agreements and a detailed abandonment plan.

To determine viability of the rail lines the MRAC compiled three major reports:

- Assessment of rail/truck shipping between Cape Breton and mainland Nova Scotia
- Assessment of the upcoming economic opportunities in Cape Breton in relation to rail service
- Evaluation of level of investment required to upgrade Sydney subdivision.

Results from the three studies show challenges to achieve viability on the Sydney subdivision. The condition of the line, the speed which a train can travel on the line, and the turnaround time between Truro and Sydney are major deterrents to attracting business to the rail. Even if the challenges are addressed and deficiencies rectified there is not enough traffic to make the line viable without a container terminal.

The MRAC supported new legislation, assisted in the development of new regulatory framework and compiled major research studies into the potential viability of the Sydney subdivision rail line. The MRAC will continue to monitor the Cape Breton lines to ensure the interest of Nova Scotians are protected.

COMMITTEE BUSINESS

The following correspondence was received and accepted by the committee:

- Correspondence from the Department of Business regarding information requested at the January 12, 2016, meeting.

DOCUMENTATION

No documents/information were requested.

TRANSCRIPT

A transcript of this meeting can be found online at the following address:

http://nslegislature.ca/index.php/committees/committee_hansard/C9/ed2016mar22

WITNESSES

Department of Business

Mr. Murray Coolican – Deputy Minister

Nova Scotia Business Inc.

Mr. Mike Queripel – Director, Business Financing

MATTERS OF DISCUSSION

Representatives from the Department of Business and Nova Scotia Business Inc. (NSBI) appeared before the committee to provide an overview of the department and an update on the Nova Scotia Jobs fund.

The Department of Business has a mandate to lead and align all government efforts to expand business and social enterprise growth in Nova Scotia. The department provides strategic direction and leadership to all provincial government departments and economic development Crowns and Agencies to achieve alignment on strategy and operations for business and social enterprise growth. Nova Scotia Business Inc., Innovacorp, Waterfront Development Corporation, Trade Centre Limited and Tourism Nova Scotia are all Crown Corporations who have specific mandates that the Department of Business oversees.

The Department of Business does not offer direct to business loans, grants or incentives. The department does not provide programs or services nor does it oversee trade policy and negotiation. It is the goal of the department to work with private and social enterprise sectors to improve the overall business environment in Nova Scotia by developing plans and policies to grow business and key sectors in the province. The department's aim is to align government behind one common economic agenda.

The Nova Scotia Jobs Fund Act was proclaimed in December 2011. The Jobs Fund was closed to new transactions in April 2014. Through the Nova Scotia Jobs Fund, 80 clients received funding, with original authorizations totaling \$892 million. The complete funding is comprised of:

- 5 guarantees - \$88,000,000
- 6 equity investments - \$40,500,000
- 92 loans, forgivable loans and non-repayable incentives - \$761,000,000
- Other - \$750,000

Of the 80 clients who received funding there were 11 companies who received over \$10 million from the Jobs Fund, with Irving Shipbuilding being the largest recipient of \$336.5 million.

Initial responsibility for the Nova Scotia Jobs Fund fell within the mandate of the Department of Economic and Rural Development and Tourism (ERDT). Responsibility was transferred to the Department of Business when the Department replaced ERDT on April 9, 2015. As the Jobs Fund portfolio was closed to new transactions for over a year when the Department of Business inherited the portfolio, options were considered concerning who the administrator of the remaining funds would be. It was decided that due to Nova Scotia Business Inc's. (NSBI) direct-to-business mandate and expertise in portfolio management that the Jobs Fund portfolio would be transferred to NSBI. As of September 2015, NSBI has direct responsibility and management of the portfolio while the Minister of Business maintains oversight and budgetary responsibility, amendments and disbursements. As there have been no new authorizations under the fund since April 2014, NSBI will oversee the current budget of the portfolio; approximately \$159 million over five years. This total includes write offs, incentive payouts and forgivable loans under the portfolio. The longest lasting agreement under the Jobs Fund is until 2030-2034, with the majority of the funds expiring well before that.

COMMITTEE BUSINESS

The committee agreed that they would not meet while the House is in session.

It was agreed that an agenda-setting session would be held at the next meeting.

DOCUMENTATION

The following information was requested and received from the Department of Business:

- Details on the increase in fishing exports over the last year.
- Regarding DSME Trenton: A breakdown of what the employees from the Province of Nova Scotia made compared to the employees that were over working at the plant from South Korea.

TRANSCRIPT

A transcript of this meeting can be found online at the following address:

http://nslegislature.ca/index.php/committees/committee_hansard/C9/ed2016apr12

WITNESSES

Annapolis Valley Chamber of Commerce

Mr. Paul DesBarres – President

Ms. Judy Rafuse – Executive Director

Valley Regional Enterprise Network

Ms. Kelly Ells – Chief Executive Officer

MATTERS OF DISCUSSION

Members of the Annapolis Valley Chamber of Commerce (AVCC) and the Valley Regional Enterprise Network (VREN) appeared before the committee to discuss economic development in the Annapolis Valley and the barriers it faces.

Approximately 400 business across the Valley are represented by the AVCC – 96 per cent businesses in the AVCC have under 50 employees, 90 per cent have under 25 employees and 74 percent have under 10 employees. The Annapolis Valley is an economic region that encompasses Annapolis County, Kings County and Hants County, with an approximate population of 123,000, representing approximately 11 per cent of the Nova Scotia population. From 2004 to 2014, the Annapolis Valley saw 72 per cent growth in employment in the information, culture and recreation sectors; 67 per cent growth in finance, insurance and real estate; and 22 per cent growth in agriculture. The Valley is responsible for 35 per cent of Nova Scotia’s farmed land.

The AVCC views agriculture, tourism, fisheries and aquaculture, manufacturing, education and communications technology as the region’s main industry sectors. Along with strong industry sectors, the AVCC has identified an innovative agriculture sector, strategic tourism marketing, volunteerism and business that want to learn and grow as strong assets and opportunities for the area.

Alternatively, the chamber has acknowledged a lack of consistency and coordination in vision, strategy and planning for the region as a major challenge to the area’s growth. The lack of long-term funding models pose another challenge as there are missed opportunities to leverage long-term efforts in strategic planning and execution. To combat challenges facing economic development in the area, the AVCC works with the communities to develop a strategic vision focused on all communities working together to create a prosperous region. Further solutions to these challenges include the study of more optimal forms of municipal governance that will better serve and attract business, leveraging partnership with local organizations to plan and deliver initiatives, and attracting the necessary resources to sustainable programs and planning on a long-term basis.

With the main challenges identified by the AVCC and the area's declining and aging population, from May 2014 to May 2015 the region has seen an increase in the labour force, participation rate and in the employment rate, and a decrease in the unemployment rate. Reflecting figures similar to those of the Halifax Regional Municipality for the same time period.

COMMITTEE BUSINESS

An agenda-setting session was held. A motion was introduced to invite the following witnesses:

- Ferry service and contract; Witness, Bay Ferries.
- Barriers and opportunities for economic development in Cape Breton; Witness, Business Cape Breton and the Cape Breton REN.
- The role of early learning and child care in Economic Development; Witness, Shelley Thompson, Director, Early Childhood Development Services & Tammy Findlay, Associate Professor, MSVU
- Aquaculture; Witness, Deputy Minister, Department of Fisheries & Aquaculture
- Wine Industry; Witness, Deputy Minister of Business and the Wine Association of Nova Scotia.
- Red Tape Reduction; Witness, CFIB, Department of Business & Fred Crooks (Deputy Minister of Red Tape Reduction)
 - Moved by Ms. Suzanne Lohnes-Croft, MLA
 - Motion carried

The following correspondence was received and accepted by the committee:

- Correspondence from the Department of Business regarding information requested at the April 12, 2016, meeting.

DOCUMENTATION

No documents/information were requested.

TRANSCRIPT

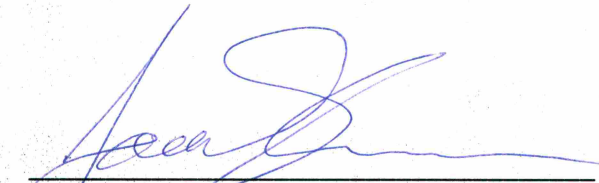
A transcript of this meeting can be found online at the following address:

http://nslegislature.ca/index.php/committees/committee_hansard/C9/ed2016jun21

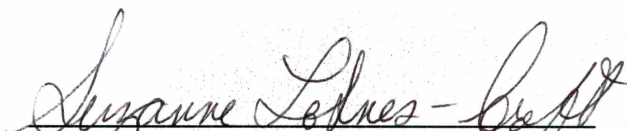
STATEMENT OF SUBMISSION

STATEMENT OF SUBMISSION

All of which is respectfully submitted to the
House of Assembly this 11th day of October, 2016



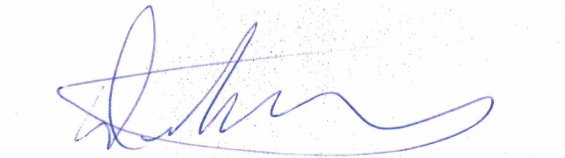
Mr. Joachim Stroink, MLA – Chair
Halifax Chebucto




Ms. Suzanne Lohnes-Croft, MLA – Vice Chair
Lunenburg



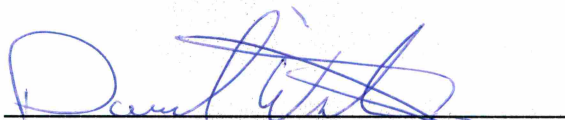
Hon. Pat Dunn, MLA
Pictou Centre




Mr. Derek Mombourquette, MLA
Sydney-Whitney Pier




Mr. John Lohr, MLA
Kings North



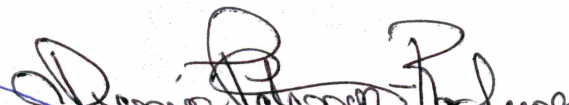
Mr. David Wilton, MLA
Cape Breton Centre



Hon. Sterling Belliveau, MLA
Queens-Shelburne



Mr. Chuck Porter, MLA
Hants West



Hon. Denise Peterson-Rafuse, MLA
Chester-St. Margaret's

APPENDICES

APPENDIX A – MOTIONS

The following is a list of motions introduced by the Standing Committee on Economic Development:

September 3, 2015

Once the allotted time for questioning to the Department of Transportation and Infrastructure Renewal was reached, questions were raised regarding why the committee had agreed to extend the meeting by thirty minutes if there was not extra time allowed for questions. A motion was introduced:

- That the meeting continue with the witnesses for an additional 20 to 25 minutes.
 - Moved by Hon. Maureen MacDonald, MLA
 - Motion carried

The committee held an agenda-setting session and a motion was introduced:

- That the committee approve the following witnesses to be invited to appear before the committee at a future date in accordance with a schedule established by the clerk after consultation with the Chair: Jim Hanlon, CEO, Institute for Ocean Research Enterprise; Stephen Hartlen, Executive Director, and Martha Crago, VP Research, Dalhousie Office of Industry Liaison and Innovation; Colin MacLean, President and CEO, Waterfront Development Corporation; Rear Admiral John Newton, Commander Maritime Forces Atlantic and Commander Joint Task Force Atlantic, of Canadian Forces and Maritime Forces Atlantic; Don Bureaux, President of the Nova Scotia Community College; the suggested witness to be determined for the Centre for Ocean Model Development for Applicants; Bedford Institute of Oceanography; Paul Evans, CEO, and the management team of CarteNav Solutions; Paul Yeatman, Chairman, OTCNS, and Glen Copeland, President of ADIANS, Ocean Technology Council of Nova Scotia; Defence Research and Development Canada; Tony Goode, CFN Consultants Inc.; the Annapolis Valley Chamber of Commerce; Department of Business on Rural Internet Service; Department of Environment; Department of Transportation and Infrastructure Renewal, Ministers Rail Advisory; and NSBI, Nova Scotia Film Tax Credit
 - Moved by Mr. Derek Mombourquette, MLA
 - Motion carried

October 13, 2015

The committee discussed the letter that was tabled at the September 2015 Assembly Matters Committee meeting which outlined a new agenda-setting procedure. An agenda-setting session was held at the September 2015 committee meeting, however, as it did not follow the new procedure, the committee discussed selecting new topics in order to fall in line with the new procedure. A motion was introduced:

APPENDIX A – MOTIONS (cont'd)

- That the past agenda is null and void
 - Moved by Ms. Suzanne Lohnes-Croft, MLA
 - Motion carried

With the topics selected at the September 2015 meeting clear, new witness topics were presented. Motions were introduced to invite the following witnesses:

- NSBI and Screen Nova Scotia to appear jointly; Jobs Fund; CFN Consultants (Atlantic) Inc. - with Nova Scotia Business Inc. and Screen Nova Scotia to appear at the November 10th meeting.
 - Moved by Ms. Suzanne Lohnes-Croft, MLA
 - Motion carried
- The Annapolis Valley Chamber of Commerce on barriers to economic development in the Annapolis Valley; and secondly, the Department of Business, rural Internet service. Rural Internet service is the number-one topic.
 - Moved by Mr. John Lohr, MLA
 - Motion carried
- Department of Transportation and Infrastructure Renewal, the Minister's Rail Advisory Committee.
 - Moved by Hon. Sterling Belliveau, MLA
 - Motion carried

February 25, 2016

As the scheduled witness for the March meeting was unable to attend on the regularly scheduled date of the second Tuesday of the month, it was agreed that the meeting would be moved to Tuesday, March 22, 2016.

- Move the meeting to Tuesday, March 22, from 1:00pm – 3:00pm.
 - Moved by Hon. Alfie MacLeod
 - Motion carried

June 21, 2016

An agenda-setting session was held. A motion was introduced to invite the following witnesses:

- Ferry service and contract; Witness, Bay Ferries.
- Barriers and opportunities for economic development in Cape Breton; Witness, Business Cape Breton and the Cape Breton REN.

- The role of early learning and child care in Economic Development; Witness, Shelley Thompson, Director, Early Childhood Development Services & Tammy Findlay, Associate Professor, MSVU
- Aquaculture; Witness, Deputy Minister, Department of Fisheries & Aquaculture
- Wine Industry; Witness, Deputy Minister of Business and the Wine Association of Nova Scotia.
- Red Tape Reduction; Witness, CFIB, Department of Business & Fred Crooks (Deputy Minister of Red Tape Reduction)
 - Moved by Ms. Suzanne Lohnes-Croft, MLA
 - Motion carried

APPENDIX B - DOCUMENTATION

The following is a list of documents and information requested and received by the Standing Committee on Economic Development:

September 3, 2015

Department of Transportation and Infrastructure Renewal

The following information was requested and received from the Department of Transportation and Infrastructure Renewal:

- Details of the agreement between the government and ST Marine regarding how ST Marine will provide a \$3 million contribution.

January 12, 2016

Department of Business

The following information was requested and received from the Department of Business:

- Details of the results from a survey sent to municipalities regarding rural Internet service.
- Information surrounding the definitions of broadband and high-speed Internet.
- The specifics to how many towers there are in Southwest Nova Scotia and what the distribution is.

February 25, 2016

CFN Consultants (Atlantic) Inc.

The following information was requested from CFN Consultants (Atlantic) Inc.:

- Names of companies who have been looking at the use of dispersants in the offshore oil industry.

April 12, 2016

The following information was requested and received from the Department of Business:

- Details on the increase in fishing exports over the last year.
- Regarding DSME Trenton: A breakdown of what the employees from the Province of Nova Scotia made compared to the employees that were over working at the plant from South Korea.

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http://nslegislature.ca/index.php/committees/standing_committees/economic_development