



**HALIFAX, FRIDAY, MARCH 31, 2023**

**SUBCOMMITTEE OF THE WHOLE ON SUPPLY**

**11:37 A.M.**

**CHAIR**  
Lisa Lachance

THE CHAIR: Order. The Subcommittee of the Whole on Supply will come to order. It is now 11:37 a.m. The committee is meeting to discuss the allocation for the Department of Economic Development as noted in Resolution E5.

**Resolution E5 - Resolved, that a sum not exceeding \$95,126,000 be granted to the Lieutenant Governor to defray expenses in respect of the Department of Economic Development, pursuant to the Estimate.**

The minister will have up to one hour to provide opening remarks and to introduce her staff. A reminder that only two staff are allowed at the table and the minister must respond to all questions directly.

The honourable Minister of Economic Development.

HON. SUSAN CORKUM-GREEK: A comment was just made by my deputy minister that this, after all, is the sound of capital investment in our city, however annoying it may be.

Thank you for the opportunity to speak to the 2023-24 budget at the Department of Economic Development. I am pleased to be here today and to answer your questions.

To begin, I would like to introduce a few of the people who are with me. Joining me from the Department of Economic Development are Louise Comeau, Director, Financial Advisory Services at the Department of Finance and Treasury Board supporting the Department of Economic Development. To my left, Scott Farmer, Deputy Minister of the Department of Economic Development.

At my back and having my back as they always do, is a selection of dedicated staff people from both the department and our Crown corporations, Invest Nova Scotia and Events East Group.

Mx. Chair, I'd like to start by touching on our government's priorities for Budget 2023-24. Overall, this budget helps move our province forward investing in the things that Nova Scotians care about and have told us are important to them. Our top priority is health care and our government has a real plan to fix it.

This budget builds on our work so far and moves us forward. As a government, we have been very clear. We will do whatever it takes, and invest what it takes, to fix health care and deliver the care that Nova Scotia families and individuals need and deserve. We want real results for people and we are making progress, but it will take time.

Our government's focus on health is broad and recognizes the important role other areas of investment have on our health and well-being. Healthier people are the foundation of a strong economy, and that economy helps us pay for health care. We are moving on solutions that work.

I'd like to take some time now to outline the work of the Department of Economic Development and some of the progress we've made at our department to date. Economic development is about creating opportunity for everyone. Our work is broad and spans from developing programs that encourage entrepreneurship to helping grow entire sectors of our economy.

Our province has tremendous potential. Nova Scotia is growing because others are starting to recognize that potential, too. At the Department of Economic Development our task and determination are to leverage that potential.

Together with our Crown corporations, Invest Nova Scotia and Events East, our work focuses on creating the conditions for businesses to thrive and creating an economy in which all Nova Scotians can participate, contribute, and benefit.

A key part of our work is collaboration, whether it's with our colleagues across government, at post-secondary institutions, or the business community, we work together to find innovative solutions to our economic challenges and opportunities.

I'd like to take a few moments to touch on some of the areas I've been focusing on for the past year. This past July we announced the results of our review of 20 government agencies, boards, and Crown corporations. As I have emphasized at every point during this process, this was not a report card nor judgement on the work done in the past. It was and continues to be a forward-seeking process - a review focused on how we can do things better.

As we look ahead to the future of our province, we need to ensure all areas of government are working in lockstep to best serve Nova Scotians, our economic sectors, and our communities.

As a result of the review a new Crown corporation, Invest Nova Scotia, was created. The new Invest Nova Scotia was launched on December 1<sup>st</sup> and offers a range of programs and services to assist businesses from every corner of our province and at every stage of development. By streamlining the entry points, Invest Nova Scotia is making it easier for entrepreneurs and businesses to access the tools, resources, and advice that they need to thrive.

Earlier this week we announced that Peter MacAskill, who's seated behind me, will serve as the president and CEO of Invest Nova Scotia. Mr. MacAskill, who was Invest Nova Scotia's chief operating officer, and technically is until the end of today, was the successful candidate in a national competition for the position. Peter's been with the former NSBI for more than 20 years. I know his vast experience and the skills that I've witnessed in my months in government will serve him and this province very well in this new position.

Mx. Chair, the interests of businesses wanting to invest and grow in Nova Scotia continue to be top of mind in everything we do. We want to make it easier than ever for them to work with government.

The changes that came out of the Crown review are meaningful. It was not simply moving the deck chairs. They are helping us to accelerate our economic growth in Nova Scotia.

We know that innovation and sustainability are at the core of any strong economy. Whether a business is large or small, there is always the opportunity to become a more innovative and productive organization.

As a province, we need to invest more in ourselves. We have capable and talented people, world-class producers, and organizations right here in Nova Scotia. We know that when companies focus on new and better products or processes, they have more opportunities to succeed.

As government, we have a role in helping companies invest in themselves and their employees. The Innovation Rebate Program is helping us to do just that. The Innovation Rebate Program, which is delivered by Invest Nova Scotia, helps businesses become more productive, competitive, efficient, and sustainable.

[11:45 a.m.]

The fact is most companies already know what they need. They know their markets and competition, their costs, consumption, and waste. They know the areas where gaining an efficiency could make a huge difference to their sustainability, employment, or productivity and where it may enable them to tap a new market.

That's where the Innovation Rebate Program can help by enabling these companies to proceed with their projects by offsetting some of the financial risk. In turn, these businesses are then able to create more jobs and better jobs to stimulate local economies and drive innovation. The proof is in the data as well as in the real on-the-ground change that is happening at many businesses across this province.

As I said earlier, innovation and sustainability go hand in hand. A great example of this is Scotian Gold Cooperative and their journey with the Innovation Rebate Program. Scotian Gold signed its first IRP in 2019, allowing them to make a capital investment in dynamic climate adjustment - short-form controlled atmosphere storage rooms.

Dynamic CA is a storage method where oxygen levels are lowered to slow down the respiration rate of apples, increasing longevity. Today, CA is used around the world with the only difference being the introduction of computer systems; the process now referred to as dynamic CA.

As a result of that investment, Scotian Gold was able to offer firmer fresher apples over longer periods of time, giving the company a distinct marketing advantage in export markets while increasing pack yields and reducing waste.

In 2022, Scotian Gold signed its second IRP. This time it was for a new pre-sort system and additional storage bins, improving on its product defect detection. No one wants to bite into an apple and find a big brown spot in the middle. This investment has also increased production capacity from 300 bins to 600 bins per day, so a doubling of production capacity. As a result, they estimate this new system is saving the company more than four million litres of water per year.

Scotian Gold's story is just one of the many that truly illustrate how the Innovation Rebate Program is helping Nova Scotia companies make high-value investments to drive productivity and adopt cleaner, more sustainable approaches. It also proves, once again, that what is good for the environment is also good for business.

It's important to acknowledge that to date about 75 per cent of approved innovation rebates are for projects outside of the Halifax Regional Municipality. IRP has had exceptional uptake and success with current projects happening in nine different regions across the province. The program is a great example of government and the business sector working together to address some of our most complex challenges. It's that type of collaboration that will ultimately help drive Nova Scotia's economic growth and it is what gives me such optimism for our province.

As part of my mandate, I will continue to focus on supporting innovation-driven, green, and sustainable businesses - businesses that are already here, those we want to bring to our province, and the start-ups of tomorrow.

As we look to our economy, we know there is no better way to support sustainability at an individual level than to buy local. All Nova Scotians benefit when we use our collective purchasing power to buy products that are made here at home. It's important to note that Nova Scotia Loyal is both a call to action and a broad economic strategy that will contribute to provincial pride, lift up our Nova Scotian producers and manufacturers, and drive demand for locally made products.

For Nova Scotia Loyal to have a substantial impact, it needs to be designed with real insight, the kind of insight that can only be accessed by connecting directly with Nova Scotians - Nova Scotians as consumers, as retailers, as producers. That process takes a bit of time. I am pleased to report that work on Nova Scotia Loyal is well under way.

Last summer we launched an interim brand for Nova Scotia Loyal to facilitate that critical engagement and build awareness of the program. We also conducted a consumer survey which collected input from over 10,000 Nova Scotians and conducted more than 50 in-person market engagement sessions where we were able to gather direct feedback from consumers.

In addition to that work, we held 24 prototyping sessions across the province to test various reward options in diverse retail environments. More than 5,000 Nova Scotians were engaged in that research. We have been steadfast in developing the Nova Scotia Loyal rewards program and we are very excited with the progress that we've made to date. I do look forward to sharing more details on the program's official launch in the coming months.

Mr. Chair, Nova Scotia has many unique advantages, including our highly skilled workforce, post-secondary landscape, quality of life, innovation ecosystem, and commitments to the environment. These advantages enable Nova Scotia to attract new companies and more people to our province.

However, it's also important to look at new ideas that will help us accelerate our economic goals. That's why we are conducting a tools review to look at the mechanisms

we currently use to attract investment and business to our province and see if there are alternatives that can deliver even greater opportunities for Nova Scotians.

We also want to assure our business community that our toolbox is full of innovative solutions that will help them thrive and help accelerate our province's economy. This means looking at how we do things differently.

To date, we've held over 30 sessions with business organizations and associations as well as entrepreneurs, other departments and levels of government, and economic and community development entities to ensure that we gather feedback and ideas from all sectors across the province. We also launched a website where individuals were able to provide input via an online survey or through written responses emailed or mailed to the department.

I know that this review will help the development and delivery of new practices which will allow us to encourage more start-ups, attract new companies and importantly, grow the companies that are here already. The work of this review is well under way and I'm excited to see what comes forward.

The Department of Economic Development is the central agency that leads the economic growth policy for the province. Our partners at Invest Nova Scotia and Events East Group play an important role in delivering on this policy through their programs and services. I'd like to take an opportunity to briefly touch on the work of these two agencies.

As I mentioned earlier, Invest Nova Scotia offers a range of programs and services to assist businesses from every corner of our province and at every stage of development. Their team works to foster the start-up ecosystem to make venture capital investments, drive entrepreneurship, strengthen companies and grow their sales outside of Nova Scotia, attract investment to the province, and drive community economic development.

Through the weeks and months following the Crown review - I've never taken lightly the upheaval that is associated with such changes - the team at Invest Nova Scotia has ensured there has not been a moment lost.

Moreover, the former teams of NSBI and Innovacorp have pulled together in a way that was very much to their own credit. I would describe it as organic but also not without leadership from people like Peter MacAskill. I do look at the recent announcement of the \$300 million investment by Michelin North America as proof of their unwavering efforts for the prosperity of this province.

Events East is a partnership between the Province of Nova Scotia and the Halifax Regional Municipality to manage and operate the Halifax Convention Centre, the Scotiabank Centre, and Ticket Atlantic. Their team, led by Carrie, focuses on events of all size that drive economic growth and bring vibrancy to our province.

Of course, I would be remiss if I did not mention the stunning work that was done in and around the 2023 IIHF World Junior Championship event at Christmastime which many of us were able to access and enjoy in some way. That is one amongst many events that Carrie and her team bring together with aplomb and professionalism. As minister responsible for Invest Nova Scotia and Events East, I am very proud of their teams and the work that they do.

Mr. Chair, I'd like to conclude by acknowledging what a particular privilege it is to be the minister of this department. In my life I have had the great privilege of working with many fine people, none finer than those with whom I work right now. It is also a very special time in this province's history.

Not only is Nova Scotia growing in population and opportunity. There is also a newfound sense of confidence in this province, one born of the realization that not only do we live in one of the greatest places in the world, but we can be, and in fact are, global leaders creating and producing world class products, services, and innovations. We can do it right here at home.

THE CHAIR: According to practice that has developed in the Legislature, the Opposition caucuses take turns asking questions for approximately an hour each. During a caucus's turn, the members within the caucus may take turns examining the minister on the Estimate Resolution. Only the minister may answer the questions. Caucuses are also expected to share time fairly with the Independent member.

To begin the examination, I now recognize the Official Opposition.

The honourable member for Northside-Westmount.

FRED TILLEY: Thank you, Minister, and your staff for being here today. I think this is a very important part of the process of democracy where budgets are put forward and Opposition members have a chance to ask questions on those budgets just to provide that second set of eyes from a different perspective.

Thank you for coming today and thank you for the team at the back that have your back. That's great. It's wonderful to see when a team gels and works together.

I'm going to just start in a little bit slowly. We'll kind of just ease into things. When we looked at this budget, I noticed that with the Department of Economic Development it showed a \$1.5 million overall decrease in the budget. I've been told through some social channels that that was due to some rearranging and other adjustments.

We're not overall worried about the adjustment there, but there was no growth in the budget for the Department of Economic Development, even though in the previous Estimate we overspent in that area by \$869,000 or something like that. I'm just wondering

how you feel about your budget allocation for the Department of Economic Development this year giving no increase.

[12:00 p.m.]

HON. SUSAN CORKUM-GREEK: I suppose as minister, if I were selfish, I would always hope that my line item in the budget would go up. Also, as a member of the Treasury Board, I am especially privileged to have the insight into the very tough decisions that are necessary to be made as part of these processes.

We as government made a decision that health care is our priority and we've seen the extraordinary investments being made in that file. At the same time, I am very comfortable with the level of budget at this time, realizing that it includes a go-forward budget for Invest Nova Scotia as a new Crown corporation that was only officially stood up on December 1<sup>st</sup>. That budget is combined from the budgets of the prior NSBI and Innovacorp.

In terms of the overage of last year's budget, primarily that related more than anything to the supports for business after Hurricane Fiona. I remain grateful that our department among departments was able to respond to those so hard hit by that weather event.

Yes, as you've acknowledged, the little bit of change that you do see in the year over year does reflect Develop Nova Scotia no longer being under the Department of Economic Development but being under the realm of the Department of Public Works as well as the line item for Nova Scotia Loyal and some items relating to payroll rebates.

FRED TILLEY: In times that we're in right now where we're seeing high inflationary rates - higher than the national average here in Nova Scotia - a flat budget essentially is a reduction, given the times we're in. How do you plan to combat the increased pricing and increased inflationary items with regard to the Department of Economic Development's budget?

SUSAN CORKUM-GREEK: If we actually get into the math of it, with the movement of the Develop Nova Scotia budget of \$4.9 million but then we have \$3.1 million additional for payroll rebates and \$1.5 million for Nova Scotia Loyal. You could argue that there is a very small increase.

I think what this really comes down to is a commitment within our department to using our resources very wisely and maximizing the resources that we have. In many ways, I don't see that as being any different than the situation faced by our business clients. I also don't diminish the work that goes into making that happen by our staff.



FRED TILLEY: I'm just wondering if the minister could elaborate on what belt-tightening measures may have to be put in place on staff in order to meet the requirements of the department and meet the requirements of businesses in Nova Scotia. Has there been a specific mandate given to staff to cut by a certain per cent, reduce spending by a certain per cent, or in certain areas?

SUSAN CORKUM-GREEK: I want to begin by being very clear: There is no mandate for cuts within the department. I think, particularly as we fully get the legs under the new Invest Nova Scotia, I think that's very important to state. As well, the funding for our various programs to businesses is solid. Where the greatest emphasis would be placed will be allocating the resources that we do have to the areas, or in some cases the projects, where they will have the greatest impact.

Certainly, I highlighted in my remarks the success both in terms of uptake and results of the Innovation Rebate Program, but the same would be true of the payroll rebate. We receive applications, we look at what can be achieved through those applications, and decisions are made on that basis.

FRED TILLEY: Given the fact that there's a flat budget and given the fact that we're in inflationary times, which essentially indicates that overall there is less money to spend, we're going to allocate money to programs with priorities. Could you give us an idea of where that money will come from or what the programs are that have less priority than the ones that will have a priority budget?

SUSAN CORKUM-GREEK: Again, for clarity I want to say that there is no reallocation between funds. Were we to come to the end of a fiscal year and have unsubscribed monies in the IRP, we would actually have to go through a Treasury Board and cabinet process to make changes. It's really not with an eye to reallocation between programs, but it is about awarding those opportunities within those funds to those initiatives and projects that will have the greatest impact.

By way of an example, the payroll rebates - we recognize as a government that too many Nova Scotians find themselves on the lower end of the wage scale. When we are looking at companies that want to grow and come to Nova Scotia, we want to ensure that those are jobs that are not adding to that situation. We want to work to raise the paycheques of Nova Scotians. I expect that we'll have more questions down that line.

The other thing that this throws into consideration is the tools review which is ongoing. Through that process we will decide if there are, and it remains to be seen, tools that are no longer as effective or impactful. More to the point, if there are additional tools to be added, and there may be budgetary requests to cabinet related to that, but that all remains to be seen as we complete that review.

FRED TILLEY: I'm glad to hear the minister acknowledge that too many Nova Scotians are on the lower end of the wage scale and that you've known that for some time as we all have.

As a matter of fact, during the August 2021 election, there was the promise of the Better Pay Cheque Guarantee which was promised for Nova Scotians on Day 1. It's not Day 1 and it's not Day 600, but it's somewhere in the middle of that.

[12:15 p.m.]

We're almost two years into the mandate. There's nothing in this budget around the Better Pay Cheque Guarantee. There's nothing in this budget that would identify to us that you do acknowledge that Nova Scotians are on the lower end of the wage scale. We didn't do anything to raise income assistance. We didn't do anything for living wages. We didn't do anything.

Can the minister explain that thought process of acknowledging that Nova Scotians are on the lower end of the scale? We want to attract people, we promised a better paycheck, but we're not seeing it.

SUSAN CORKUM-GREEK: On the specific initiative titled the Better Pay Cheque Guarantee, I would defer questions on that to the honourable Minister of Finance and Treasury Board. I do know that it continues to be a priority of his department.

Not unlike Nova Scotia Loyal, there is the initiative and then there is a broader commitment as sort of a philosophical goal, if you like. The Department of Economic Development absolutely does play a role in a commitment to creating better-paying, high-quality jobs for Nova Scotians.

Through the Department of Economic Development, and specifically through Invest Nova Scotia, we have a number of programs and initiatives that support the creation of those better-paying jobs. Again, the great thing is that the data bears this out.

You have the Innovation Rebate Program supporting innovation and productivity within companies. Productivity, whether it's additional greater capacity to produce the product or to do so with less waste and lower cost, this supports the provision of sustainable and better-paying jobs.

The Export Development Program, which supports and encourages Nova Scotian companies to grow by seeking new markets. Its success leads to more and better jobs. As I've mentioned, the payroll rebate program attracting companies to invest in and expand in Nova Scotia wherein we discuss very specifically what the jobs that they are looking - we set targets of how many jobs and the salaries associated with those jobs.

As well, venture capital through Invest Nova Scotia that is the financial investments and programming supports for high potential start-ups. Another really great example, frankly, is our government's recent support of Michelin North America's expansion. I have had my own constituents largely, with a plant in Bridgewater, who work at Michelin. I've had the odd person say: Did you not know that there are only 70 new positions?

It's the securing of the 3,600 jobs that Michelin already employs. The 4,000 people who are retired and receive pensions from Michelin and that adds up to almost - when we did some math - it was 1 per cent of Nova Scotians who have a fairly direct impact from the employment through Michelin.

Importantly, securing those 3,600 - plus 70 - jobs for generations to come because if we are not building the tires of tomorrow, at some point we would be building the tires of yesterday and there would be no market for those.

FRED TILLEY: What I would argue to the minister is that the Better Pay Cheque Guarantee, like the Nova Scotia Loyal wasn't a philosophical thing. It was a guarantee that Nova Scotians needed better paycheques. It was a guarantee that this government was going to help businesses and help Nova Scotians.

While I think it's fantastic that Michelin has invested in and hired more individuals and those jobs are there for that 1 per cent of Nova Scotians, I know that the other 99 per cent of Nova Scotians are saying: What about us? Where's our Better Pay Cheque Guarantee?

The minister indicated earlier on that as part of Treasury Board, tough decisions have to be made. She acknowledged tough decisions.

We heard the minister say just a few minutes ago that the Better Paycheque Guarantee is a priority for the Department of Finance and Treasury Board and also for the Department of Economic Development. Could the minister tell us, during those tough decisions, was the Better Paycheque Guarantee one of those things that had to be cut? What other things in her department had to be cut from those tough decisions at Treasury Board?

SUSAN CORKUM-GREEK: I'm always grateful for having my deputy minister at my side to confirm my understanding that I am not authorized to speak to the decisions. In fact, I am prohibited from sharing the details of those. I can certainly say that there were no cuts to any of the economic development programs.

FRED TILLEY: We're hearing contradictory explanations. Maybe it's just a misunderstanding, but when asked about the static line of the budget, the minister indicated that as a minister, she would love to have more money to spend on programs and services for Nova Scotians and Nova Scotia businesses, but that as part of Treasury Board, tough decisions have to be made.

Clearly, while the budget may not have been cut, were there any new initiatives or additional money that you would have liked to have seen for your budget that didn't make it through the final cut?

SUSAN CORKUM-GREEK: No, there were none relevant to my department of which I am authorized to speak.

FRED TILLEY: Interesting. So you are satisfied with the way things are going. You are satisfied with the budget. There was nothing cut that you would have wanted to do more.

What do you think small businesses would think of this 2023-2024 budget?

SUSAN CORKUM-GREEK: What I'm really being asked would be conjecture, for me to say what I think small businesses think of this budget. I have been in the House most of the time since the budget has been brought down.

I will say that you would certainly be able to go to a group like the Canadian Federation of Independent Business. Our department has excellent relationships with these organizations. They have duties to their members, and they will come to us with their concerns. We will listen and we will work together to see how and where the government is able to assist. We've certainly heard through the pandemic period largely positive comments about the support that they received and similarly in the aftermath of Hurricane Fiona.

The only other thing I would add is that while the Department of Economic Development is the central agency with responsibility for economic development in this province, it is an across-government effort. I have in the room here today the Minister of Natural Resources and Renewables and the Minister of Agriculture. We will have after a time the Minister of Fisheries and Aquaculture and my colleague, the Minister of Labour, Skills and Immigration.

It is an across-government approach that supports our plan and our strategy for growing our economy. It is bigger than any one department. To look at my department's budget in a silo would be to ignore, for instance, the increases that were made to the Department of Agriculture budget.

Significant investments have been made, particularly in the immigration branch of the Department of Labour, Skills and Immigration, so that we can ensure that we can process the paperwork for immigrants and equally have the services to ensure their safe and happy settlement and attachment in our province.

It should not be interpreted at all as a lack of investment in economic development writ large.

FRED TILLEY: I recognize that we were in the House when the budget was dropped, but I'm sure given the length and the detail within the budget, it wasn't developed the day before we went into the House. There would be communications with stakeholders. I would hope as Minister of Economic Development you would be talking to small businesses. The associations are great; I have a lot of stuff here that I'm going to table in a little while from those associations.

I'm going to rephrase the question. I had asked what the minister thought but now I'm going to ask: What are small business owners telling you? What are they looking for? What are their concerns with the way the budgets are coming down from this government? What do they need to become successful?

SUSAN CORKUM-GREEK: I have had dozens and dozens of meetings with small-business people across this province. That is very reflective of the roots of my own past involvements. It's a space that I really quite enjoy.

Across small, medium, and what we would in Nova Scotia call a large business - although in another part of Canada it might still be considered medium-sized - there is one overarching concern and that is access to labour and talent.

That is one overarching area that we hear across the business community tip-to-tail of Nova Scotia. Again, it brings back that across-government work; working with our colleagues at the Departments of Labour, Skills and Immigration, and Advanced Education because of creating the workers, finding the workers. We've had a CEO refer to the economy of the future and the war on talent. I've never liked those really violent analogies that get used in every sportscast. That is the level of seriousness with which this particular issue is raised.

Certainly, the entire small-business community is concerned about inflation, input costs, supply chain issues. I wouldn't have the data to use the word most although my gut says that most, or certainly too many, small businesses are carrying more debt load than they would have normally carried because of the pandemic.

We have ongoing conversations with not only the business community but our partners in the federal government about ways that we may be able to assist them. In terms of that critical conversation and collaboration, that is something that this department, and I as minister, are wholly committed to. It goes right down to micro-businesses. This weekend I will be at an event with a lot of micro-business owners and we'll be talking to them.

FRED TILLEY: That's great that you're going to be at that event. Maybe you can have some conversations.

[12:30 p.m.]

What we're seeing is that 60 per cent of CFIB members are not confident that the provincial government understands how affordability is affecting their small businesses. When we think about affordability, they feel that there are not enough supports within this budget to help them with the current crisis we're in. Can you comment on that, Minister?

SUSAN CORKUM-GREEK: I have not been personally provided with a survey that has been done since the budget was brought down. CFIB has not provided us with that and I would be much happier to review it before commenting on it.

FRED TILLEY: This document is from February 2023. It's about a month old. We have it and the NDP has it. I'm surprised that you haven't seen that document. I can tell you that 60 per cent of CFIB members are not confident the provincial government understands affordability and how it's affecting their small businesses.

I'll rephrase it since you haven't seen the document. My question is: What supports are in this budget to help small businesses with the affordability crisis?

SUSAN CORKUM-GREEK: I may have misunderstood the member. I want to be clear that it sounded to me like you were saying it was a survey that had been done of members since the budget. No, I have certainly seen the earlier survey.

I would respond that government always has to probably do a bit better. I was a businessperson. You think that nobody in government has ever struggled to make payroll for Monday or lain awake at night. In a lot of cases, some of the folks who are sitting members of government have not had that most unpleasant experience that, frankly, I have had.

What I would note is that the government has a number of programs to support businesses in becoming more prosperous and growing and becoming more efficient. Not to always speak about the Innovation Rebate Program, but IRP is one of them. That range of programs that qualify under IRP was constructed specifically so that small businesses could be included in that program.

Export development programs, productivity and innovation voucher programs - these are all programs that are accessible to our small business community. The development of Nova Scotia Loyal is absolutely aimed at raising the level of success of the small business community.

There's a lot that we've done in that piece in terms of supports for small business in the last year. There was, as well, the Fiona program which was designed specifically in acknowledgement of businesses that were closed. The qualification was based on at least a minimum period of time when they were unable to operate.

FRED TILLEY: Given that you did see these documents prior to the budget preparation worries me even more than not seeing. Clearly, small businesses were crying out for help.

Do you think the cut to the motive fuel tax would help small businesses?

SUSAN CORKUM-GREEK: I do have to defer to my colleague, the Minister of Finance and Treasury Board on the decisions in and around adjusting or not adjusting the motive fuel tax. We do know that fuel and increases in the cost of fuel are some of those input pressures that small businesses are dealing with.

Again, a decision in or around changes to that motive fuel tax is larger than one department.

FRED TILLEY: With all due respect, I think that's a cop out. I'm okay with you saying that you defer the decision for making the motive fuel tax reduction to the Minister of Finance and Treasury Board. That's cool, but do you think small businesses would enjoy a reduction in the fuel consumption tax?

SUSAN CORKUM-GREEK: I deferred to the Minister of Finance and Treasury Board on the explanation for decisions regarding the motive fuel tax. I have acknowledged that fuel is, for many businesses - and probably most in some way or another because transportation of goods is impacted by fuel costs - one of the input costs. The decision-making around the fuel tax, I must defer to my colleague.

FRED TILLEY: Well, I'm glad to hear that. I do understand the decision rests with the Minister of Finance and Treasury Board, but hearing you say that a cut to fuel through the fuel tax would be good for business.

My next question I want to move in on is that 53 per cent of small businesses say that labour shortage is their top limitation on sales. That is really driven home for me in my community. Most recently in the news, we've seen a small mom-and-pop restaurant, Jane's, a wonderful restaurant in the community, unable to open seven days a week. This significantly decreases their ability to stay afloat and to find staff.

A lot of these other programs that you talked about, the IRP and some of these investment export programs, they don't work for small businesses that have markets focused mainly on their community. What is in this budget to help small businesses like Jane's?

SUSAN CORKUM-GREEK: I have to say, having sat at the table there, that the pounding seems a lot louder today - neither here nor there.

I can't speak to the specific business of which the member has referenced, but I'm empathetic. We do see - and the food service-restaurant industry in particular - has been struggling with the tight labour market. With an acknowledgement by that industry and its associations that over the course of the pandemic, they saw people leave that industry.

We have great relationships with both the provincial and the national restaurant associations and have talked on this a great deal. Because of that, I know how essential the investments that a part of this budget through the Department of Labour, Skills and Immigration are to those food service and restaurant businesses.

[12:45 p.m.]

Again, I can't speak to the specifics of Jane's. There is an acknowledgement, and I would argue that for that industry, again speaking broadly, that it is programs like the Innovation Rebate Program or programs that assist businesses in looking at where efficiencies can be gained or where a piece of technology or something in their process can assist them.

What that looks like is what the industry itself will start to shape, but they are acknowledging that labour shortages have caused restaurants in long standing to have shortened weeks or to have to close on certain days of the week. In fact technology, much in the same way that once upon a time, 60 ladies with little white paper hats stood on the line at Scotian Gold to personally inspect those apples, which is now done by technology and cameras and conveyor belts and scanners. The restaurant industry is also going to have to look at that.

That's a very hard lens for our smallest food service players to consider. They may find a way otherwise. Certainly, when we look at the big chains and so forth, they are looking right now at those opportunities.

FRED TILLEY: I haven't seen a camera or a conveyor or AI make a good clubhouse sandwich. I can tell you that they have a good one of those at Jane's.

I worry about the coming season. I worry about our tourism season and I worry about the fact that we're having troubles attracting labour now to the restaurant industry. I worry about my friend, the Minister of Communities, Culture, Tourism and Heritage.

Do you think that the Better Pay Cheque Guarantee would help these businesses attract more workers?

SUSAN CORKUM-GREEK: If we look across the entire country at the Canadian job vacancy rates, accommodations and food services are still the areas of greatest vacancy. Nationally, it's 8.5 per cent. We also know that in January, we had unemployment of 5 per cent and we have a larger workforce than we've ever had.



The key to these challenges is growing our workforce. We can do some of that internally. Certainly, the Nova Scotia Community College system has hospitality and food service courses. We can, and are, working with the Department of Labour, Skills and Immigration.

I know that, as a representative for the constituency of Lunenburg with some major tourist and visitor destinations in and around the towns of Lunenburg and Mahone Bay and the area, I do see a great number of restaurateurs who have looked to immigration.

Again, as government we are most successful when we work with the industry and the industry is working on those challenges. I can see that independently, operators who have thought innovatively and brought something new to the table. It's not that odd now anymore in the last couple of years for there to be signing bonuses and other incentives of that sort. There were no signing bonuses just a few years ago.

We certainly do look to continuing to work with that industry to incent people into that industry and to bring skilled workers for that industry into the province.

THE CHAIR: A reminder that the caucus has nine minutes remaining.

FRED TILLEY: It's great to hear that you're looking at signing bonuses and those types of incentives for small business to attract labour.

I had a conversation with a small greenhouse owner in Westmount. Like everyone, they're struggling with the costs of operation. They're struggling with power rates and all those types of things. Can you tell me what may be in this budget to help small businesses to become more efficient and green-up their operation?

HON. SUSAN CORKUM-GREEK: This is an area where our government is very involved, wanting to support the greening of businesses and assisting businesses in obtaining efficiencies that make them more sustainable.

Programs that would be available would include the Productivity and Innovation Voucher Program where businesses can basically access research and development assistance to look at your facilities and what efficiencies can be gained. IRP, again, is a program that directly relates to when there is an identified efficiency that involves an investment in equipment or a reconfiguration of a process that is available.

The government continues to, with the Credit Union Council, offer the small business loan guarantee to assist businesses in the financing of those kinds of investments.

FRED TILLEY: I would be remiss during my remaining time if I didn't ask a couple of questions about Nova Scotia Loyal.

In this budget we saw \$1.5 million for continued development for Nova Scotia Loyal. Can you give us an idea of what this continued development will be?

SUSAN CORKUM-GREEK: I've been waiting for questions about Nova Scotia Loyal. I remain very excited about Nova Scotia Loyal.

The program design must be preceded by research and data. Although in the theatre of the House where we try not to hold things against each other - I hope that goes both ways - I think there was a reference by one of the members to it not being rocket science.

Actually, the science of human behaviour is legitimate science. Changing the purchasing habits, no matter how much we know Nova Scotians are inclined towards wanting to help their neighbours - which is a truth, to be certain. What are the barriers, perceived and real? Looking at all the complexities of a population in terms of their income, in terms of how and where and when they buy, and therefore what incentives would be truly meaningful for them.

The \$1.5 million that is in the budget for this year is to conclude that research phase and continue to promote this coming program so as not to lose the momentum of interest. It is out there, and I will argue that with anyone that there is keen interest. It's especially from the producers and vendors themselves as well as the consumers.

The department has been steadfast on the development of this. We have in our department a person who is the ringleader of this work, Melissa. She is such an impressive person with her background in the agriculture industry to bring to bear. We are in the final stages of that incentive, the specific Nova Scotia Loyal incentive program. We'll be looking forward to using these funds to get it over the line and launch the program this year.

THE CHAIR: A reminder that the member has one minute and 10 seconds left.

FRED TILLEY: I'll try to speak up because this is loud. Thank you, minister, for taking my questions today. I was shuffled out of the Department of Economic Development, so I don't have as much of an opportunity to chat with you as we used to. I'm sure you've missed me, too. (Laughter) I'd like to take this opportunity to thank your staff for helping you to answer those questions and provide the information. It's been great to go back at that.

I'll just end with one quick thing. Will it be this calendar year or fiscal year that we'll see Nova Scotia Loyal rolled out?

HON. SUSAN CORKUM-GREEK: I hope the Chair will let me finish because I'm not sure what the clock says.

I do want to thank the member for the questions. In spite of temperatures and so forth, we've always been able to leave on the back steps with a smile.

THE CHAIR: Order. The time for the Liberal caucus has now elapsed. It will be time for the NDP.

The honourable member for Cape Breton Centre-Whitney Pier.

KENDRA COOMBES: I have lots of experience in economic development - none at all. You're going to have to forgive me for some of these questions. I'm filling in for my colleague who is right now at a flag-raising event. We'll see how this goes.

[1:00 p.m.]

I want to stay on the Nova Scotia Loyal program because I have often said, and I'm not ashamed to admit it or being facetious when I say this, I am being absolutely serious: I am not sure what the Nova Scotia Loyal program is. I've been trying to figure it out. I've been truly trying to understand because I understand what loyalty programs are, obviously. I've been really trying to figure this out. I have some questions on it and I hope that the minister will indulge me in those.

In the department's business plan, Nova Scotia Loyal's 2023-2024 key activities include consultation with realtors, industry, and people living in Nova Scotia, the development and launch of a brand design and marketing campaign, development and launch of consumer incentive reward programs, and identification and cooperation on horizontal government policy initiatives.

Nova Scotia Loyal undertook various pilot projects, is my understanding, last year. One of the questions I have is: Is there any program review available and how did you assess these programs?

THE CHAIR: Can I just ask when the banging is happening at times if we could speak a little louder?

HON. SUSAN CORKUM-GREEK: I feel like I've done something to the universe and this has cosmically come up in decibel level today.

There have been no pilots through my department. It's been prototyping work that we've been doing. Again, this goes back to the difference between the Nova Scotia Loyal incentive program that we're developing, and Nova Scotia Loyal as an across-government challenge.

If we're going to be launching a program asking Nova Scotians to emphasize and up their spend in local products and locally grown food, et cetera, then we want to also

hold ourselves to that same test. For instance, I know in the Department of Agriculture, there have been a number of pilots in a nursing home, in a couple of our justice facilities, and in schools to increase locally grown and locally produced foods but those are outside of my department.

I'd just like to clarify, as well, there is nothing in Nova Scotia Loyal at this point or on the horizon with realtors. It's retailers. The producers, the vendors of goods, and the consumers are the three key groups with whom we have been connecting to get their very valuable insights.

KENDRA COOMBES: I appreciate that. As I've said, I've been sitting in the House and hearing my colleagues ask questions about Nova Scotia Loyal. I've sat in committees and listened to my colleagues ask about Nova Scotia Loyal. I still don't understand it.

I'm probably one of those people living in Nova Scotia who hasn't been able to understand how it's going to be rolled out. Maybe that's where it's sticking for me. Is there going to be a points card? Is there going to be something that you swipe? I think that's where I'm trying to figure out what this type of thing is. Do you have to pay into something? How does one go about it?

I think that's where I'm at. I don't know what this is. I've seen everything, but I think there's still some of that kind of education or maybe even more explanation of how you see a rollout going. I'm wondering: Has that been part of this conversation? Do you know how this rollout is going to happen?

SUSAN CORKUM-GREEK: The very questions that you have are the questions that we've been talking to Nova Scotians about.

During the election campaign when we spoke about Nova Scotia Loyal and our now Premier did carry sort of a prototype card in his back pocket. You would have a card, go into your store, and buy a nice basket full of Nova Scotian grown, made, or produced items and you would get rewards points.

The people understood that there is a rewards program. People already have their AIR MILES cards and their various cards. We knew by research that Atlantic Canadians in particular, looking across the national landscape, are very fond of these mechanisms. Really, in being tasked along with my colleagues, the Ministers of Fisheries and Aquaculture and of Agriculture, to develop this program, then it became a matter of how to make it work.

Among the challenges - I don't back away from challenges, but the context is important - is that we have such a variety of vendors and of consumers who choose those vendors.

For instance, I am a great advocate for, and am passionate about going to farmers' markets. I regret that the farmers' market in Lunenburg is on Thursdays and it's rare now for me to be home on that day. If I know there's a farmers' market in a community that I'm heading to or through, I always find it so fascinating. Every stall in a farmers' market is run by small business people and that alone is an important contact for me to make.

Even in a farmers' market environment there can be a great deal of variation between how those businesses conduct themselves. We've all seen, and Square is one brand where you stick a widget in your iPhone and you can suddenly take a credit card.

There are those who deal only in cash. I have personally marvelled, particularly at the folks who work in the vegetable stands and they're weighing things and adding up and dealing with cash. The math alone that those folks are dealing with just boggles my mind. They're decidedly low-tech.

How then do you develop a program that you can use with that particular vendor and their fellows but also through other types of businesses like independent stores and the big box stores or large corporate stores? A lot of our research has been with that retail environment and then we have had to talk to the consumers because people shop in all sorts of different places. They also don't tend to shop in only one spot.

We'd fool ourselves if we think that there's a Walmart shopper who only shops at Walmart. We tend to, especially in a time of inflation - I have friends who are going back to paying attention to their flyers. I understand why - every savings can count.

The other piece that has been not inconsiderable either is our producers. I would acknowledge that in the earliest months for me in government, going out to producers and being at their sites and saying that we're doing this program and we're really going to emphasize purchasing local. You're a local producer so this is great for you.

I would say, across the board, they always responded that yes, they appreciate that. Then we might have found out that due to the limits of inspection services that this could only be truly meaningful if they were to have more access to heightened inspection services. There are other capacity issues at the producer level. Largely those concerns are then shared with my colleagues directly who are dealing in departments that have those direct relationships.

It's been taking all of that and then figuring out that this is where we're at right now and figuring out how this can work - from the mechanics to also being meaningful. Bearing in mind things like trade rules. We don't want to start a war with the United States over our incentive program.

If it sounds like excuses, it's really very complex. It's not excuses. It's just making sure we get it right. The other thing is that we want it to work. Nova Scotia Loyal, at the

end of the day, is designed to be something that is going to be able to address, through incentives, whatever hesitations and barriers a household may feel they have.

Price can be one of those. Although again, sometimes the reality versus the perception - this idea that you would pay a lot more for local. That's not entirely true. It doesn't necessarily bear out. Nova Scotians hate waste.

I found it amazing that grocery vendors were telling us that lettuce in a clamshell, which you generally are paying more for because it's X number of leaves but it's got a lot of production to it, tends to be preferred by consumers. The reason that they've got that is because they hate to waste. The idea that they could buy a whole head of - can't talk about romaine because that's in short supply - lettuce but you don't want to waste it, so you're buying less and paying more.

Human behaviour in and around purchasing, as human behaviour generally, is complex. We are seeking, without trying to become neuroscientists ourselves, the best possible information which includes connecting directly with Nova Scotians themselves.

KENDRA COOMBES: With regard to the consultation that you were talking about, I'm just wondering if the department has a list of the organizations and businesses that we have consulted with, the areas across Nova Scotia that we have been to and have had that consultation, and in what form are those consultations taking place?

THE CHAIR: The honourable Minister of Economic Development. I feel the need to apologize because I was saying "economics" earlier, but I'm sure that Hansard is only going to read "bang, bang, bang, bang, bang". (Laughs)

HON. SUSAN CORKUM-GREEK: In terms of the prototyping days, those engagements, we divided broadly in terms of the places where people shop, the vendors, into independent stores, farmers' markets, and large retail. For prototyping, this was going to those sites, speaking to their customers, and offering a variety of different incentives.

In terms of what was offered, there was a prize. You could have a chance at a draw and there was a monetary award. We wanted to try different things to find out what the most meaningful was.

Again, during the election campaign we talked about purchasing this much and it would result in so many points and those points could be used. We really wanted to get down to what the most meaningful would be to people. Is a chance in a draw for a bigger prize something that would more meaningful?

In terms of independent stores, we spent 10 days of prototyping. The locations included Masstown Market, Jamieson's General Store, and Port City Grocery. In farmers' markets, the ones at Lunenburg and at the Halifax Brewery were looked at. In large retail,

locations at Sobeys Bedford and Sobeys New Glasgow were visited. I know they were also at a large store in Amherst, but that might have been for one of the other programs. There has been both prototyping work and the branding engagements.

[1:15 p.m.]

We have connected with over 10,000 Nova Scotians who would be consumers. We wouldn't have a neat little list that I can just hand you right now - certainly all of the different associations such as the Farmers' Markets of Nova Scotia co-operative and other producer associations and a lot of individual businesses, seeking their input on this. Given the size of our province, we didn't want to miss out a perspective within this.

KENDRA COOMBES: I was just listening to your list. Maybe at some point it can be tabled or what have you with regard to the various zones of the province, Eastern, Western, Central, as well as maybe even areas regionally. Cape Breton has our own very different way of spending and love for rewards miles and Scene+ and all that stuff.

I want to stay on Nova Scotia Loyal because the minister mentioned talking to trades and talked about trading and possible issues with trades and procurement. I'm trying to remember our procurement policies here in Nova Scotia. If I remember correctly, there are some really strong procurement policies that we have. Would implementing Nova Scotia Loyal see any changes to our procurement policies?

SUSAN CORKUM-GREEK: Obviously I am not an expert in trade law. I will only say that we are always mindful with the development of both the incentive program and other avenues that we are looking at as a government to support our own businesses. We're always mindful of trade agreements. We look to those areas where we do have an ability to purchase or direct purchasing in a particular way.

A really good example is at Events East Group where they, through their properties, and particularly at the Halifax Convention Centre, highlight local in all of their menus. It's lovely to say that the dinner before you is local, but they go to the trouble and detail of having cards that will identify the producers of the food that is on the plate or being served in the case of a stand-up reception. They have the QR codes. At the launch of that local program, I remember trying some kind of finger food and I was able to use my camera and go right to the website of the farm where that particular item was produced.

They have a list of 70-plus local suppliers that they highlight as they are hosting these large national and international gatherings, conventions, and so forth. We know that the folks who come for these conventions have often built in additional time to travel the province. Also, many Nova Scotians attend events there. It is just another way to build awareness.

Briefly on that point about awareness, and with respect to the member's opening statements about trying to understand the goals here and realizing that this is something that I have not touched upon - a big thing about incenting people to purchase local is - now I've walked into my grocery store - it's about more than food, but groceries are a big area of potential.

About a year ago, the Atlantic Superstores invested in some wooden lighthouses, and they all had a local Nova Scotia display. They were very nice. It's a lovely effort, but it's a small slice of the Nova Scotian-made items that are in those stores. It becomes a question of how do you know, as a consumer? If you're my age and you have to wear glasses to read this fine print on anything - I now know how to find my cucumbers that are from den Haan Greenhouses and so forth.

It isn't always easy and it isn't always obvious. Part of Nova Scotia Loyal will be the launch of branding that we can share with our producers so they can get it on their products and we can, again, work with the stores so that they can flag things to make it easier for the consumer to also find those products. Otherwise, right now it's a bit of a treasure hunt and most people don't have the time at the grocery store to indulge in that treasure hunt, among other factors.

KENDRA COOMBES: You'll excuse me for this, but I may not have heard it over the jackhammering earlier. What is the budget for Nova Scotia Loyal this year?

SUSAN CORKUM-GREEK: The line item for Nova Scotia Loyal is \$1.5 million. That is to complete that research phase, developing the program, and bringing it to launch.

KENDRA COOMBES: This would be a decrease in that budget, would it? Or an increase?

SUSAN CORKUM-GREEK: Actually, there was no line item for Nova Scotia Loyal in the prior year's budget. We were able to use existing funds within the department.

KENDRA COOMBES: As my colleague settles in, I'm just going to ask one more question, and that was about the payroll rebate program.

The program criteria are unclear on how it's measured. How do you measure strong management or commitment to diverse and inclusive hiring practices for the Nova Scotia operations? My understanding for this rebate is that it includes performance targets on positions created with an average salary.

Can you update on the results of this? Are all companies meeting their targets?

SUSAN CORKUM-GREEK: The question was about, in essence, how payroll rebates work and whether they can be used to provide opportunities to groups within the



population which are underrepresented, and so forth. In fact, that is one of the strengths of the payroll rebate.

Not meaning to oversimplify some pretty complex equations and so forth that are used, at its core, these agreements see a company agree to create so many positions per year over a period of time. The expectation of the salary for those positions is laid out and calculations are carried out that speak to the return on investment. In other words, the provincial income tax that will be gained by the Province will always be more than what we will be providing in the rebates.

[1:30 p.m.]

The other great thing about it - because it is a rebate - is we are, as a government - or if we look at it as the taxpayer - the taxpayer is never on the hook for jobs that are not created. Not all, but many companies - I would say that every payroll rebate that's crossed my desk - there have been add-ons and there certainly can be add-ons to further incent the hiring of underrepresented groups. That may be African Nova Scotians or Indigenous Nova Scotians. It can be for bringing new Nova Scotians to our province through immigration or incentives for new graduates.

Increasingly we have been looking, even as we conduct the tools review, at how we can use the tools we have - this is very relevant to payroll rebates - to get the results that we want. A common discussion now is in and around payroll rebates and IT firms. These have been a very good tool to grow that sector. Do these folks, in this post-pandemic world, have to work at a physical location in HRM or are there work-from-home options? Increasingly, there are. Then you talk to the company about how far afield could they be in a province that has invested a great deal in our connectivity? How can we broaden the employment prospects for Nova Scotians? All of those pieces are considerations as rebates are negotiated.

LISA LACHANCE: Perhaps I'll start there. In terms of payroll rebates and folks within the province, what sort of guarantees are set out in the contracts for the payroll rebates so that the people being paid by the company will actually reside in the province? We are in a whole new world of remote work, the Better Paycheque Guarantee - when that was being discussed during the election - as you know, prior to being elected I owned and operated a small business. I never paid the sad minimum wage that we pay people in this province, not to anybody, not even youth. I think I also paid people a living wage.

I think as a Nova Scotian small business, I would have been eligible from what I kind of understood of the Better Paycheque Guarantee, except that I had folks working across the country. I could see really early on that this Better Paycheque Guarantee was very complicated and very difficult.

In a payroll rebate, you agree to fund for a certain amount of positions. What's the agreement for them to be in Nova Scotia and how do you monitor that?

HON. SUSAN CORKUM-GREEK: I was aware that they must reside in Nova Scotia. The question becomes, "How is that verified?" The parties to these payroll agreements must provide an audited report that verifies that that is the case. It's on their dime to do it, but they must provide it. All of this takes place before any rebate cheques - funds - would be released to provide the rebates to those companies.

LISA LACHANCE: I want to also follow up on the question that I heard my colleague from Cape Breton Centre-Whitney Pier asking about Nova Scotia Loyal. I know that there's \$1.5 million allocated for this year. Is that all for one contract? If not, what amount for the external contract if you're reengaging the firm that did some of the initial work? How many FTEs? Is there an increase in FTEs working on the program? If it's not consulting and it's not FTEs, what else is the money being spent on?

SUSAN CORKUM-GREEK: There are no FTEs associated with that \$1.5 million budget, but there will be the need for some outside services.

In terms of the final branding, realizing that the brand becomes the identifier that we hope to see eventually on the packaging and so forth to help our consumers identify local products, communication services, and some related professional services in terms of the technology choice that may be related to the final program.

LISA LACHANCE: Is there a contract in place for any of this work going forward in the next fiscal year? Can you talk about how much that contract is for?

SUSAN CORKUM-GREEK: There are no contracts in place at this time.

LISA LACHANCE: Earlier you talked about an ongoing tools review in the department. I'm wondering if you can talk a bit more about what questions are being asked about the current existing tools, what the timeline is, have you engaged an outside consultant, what the budget is, and if there are any new FTEs in this work.

SUSAN CORKUM-GREEK: For this process we did engage a consultant, Sandra McKenzie, who is a former deputy minister, to assist us in terms of any additional FTEs. We've been using our own staff as support for that process. Sandra does have an interview guide of the types of questions that she asks.

Basically, they relate to what we identify as our four pillars of economic development activity: growing strategic sectors, increasing productivity, planting the seeds for the economy we want to have, and applying a local focus. It more or less boils down to: Do we have the tools that we need today to meet those four pillars?

In terms of the wide swath of folks who are being interviewed, really the nature of economic development done successfully is about collaboration and partners and ensuring that voices are at tables and heard. It would range from some fairly localized economic development, like a local business association in a fairly rural area, to the leads on a venture capital fund like Sandpiper Ventures.

It is a review of the tools we have across the whole landscape of economic development. That's the focus, ultimately, of the questions: each person involved, being interviewed, bringing their particular perspective of where in the ecosystem their experience resides.

LISA LACHANCE: I'll ask a follow-up to that, which I think is a quick and easy one, and then I'll launch into my next question.

What's the timeline on that contract, and when do you expect a report from the consultant?

Earlier today, in response to some of the questions being asked by my Liberal colleagues, you talked about the course of economic development as being one piece of a whole ecosystem that needs to work together, and that we would also see budgetary commitments in other areas. You talked about immigration and agriculture.

I hadn't had time to go right back to all the books, but my understanding is that the Department of Labour, Skills and Immigration's budget is down about \$1 million. There's a little bump in the immigration division, as far as I understand, and the Department of Agriculture's budget is actually quite flat. There was increased spending based on crisis spending and additional appropriations, but it's budget-relative to what was estimated for 2022-2023. It's relatively the same.

With that being said, if the Department of Labour, Skills and Immigration has a role to play, and if other departments like the Department of Agriculture have a role to play, how are they going to play it if they are also seeing limited growth or no growth in their budgets?

SUSAN CORKUM-GREEK: It is my recollection - and I sit here with documentation from my own department - that there is a not-unsubstantial increase in the Department of Agriculture. I see my colleague shaking his head "yes."

I certainly know that in the Department of Labour, Skills and Immigration - frankly at the time, the discussion in and around a not-insignificant ask, and an ask that's tied to FTEs - to bolster the particular division within that department relating to immigration applications.

I know that to be true as to what the overall Department of Labour, Skills and Immigration budget, as a whole, whether it is up by a per cent or two or down, I would have to defer to Minister Balser on that. On the critical challenge of access to the labour market, realizing that we do have the essential interest of people to come to our province.

[1:45 p.m.]

It's also very important that we have the confidence of the federal government because ultimately, with immigration, they control what numbers we are permitted in any of our streams. Nova Scotia has performed well - not simply in terms of the people who want to come here, but in the federal government's estimation of how well the services bundled around those newcomers have been delivered - and there was a substantial increase in that division in FTEs and associated funding.

LISA LACHANCE: As you know, I've asked before about an economic development plan showing how it all fits together, recognizing that the pieces are across departments.

Perhaps you could walk me through a little bit of how you work with your interdepartmental colleagues and how the departments work together, if I'm looking at the 2023 targets and the recognition of high potential clusters.

If we take seafood and agrifood, for instance, how does that goal get relayed and translated and worked on together with the folks at the Department of Labour, Skills and Immigration - with the folks at Skills Development as well, in terms of thinking about increasing productivity, as well as with the Department of Agriculture? How do all the pieces get aligned? If the minister says agrifood is a target, how do all the other ministers know that agrifood is a target?

HON. SUSAN CORKUM-GREEK: It's a very thoughtful question. Sometimes you're doing things and you're asking how is that doing? I have to stop and think. I know that it's working, but exactly how is it working?

I would start with the premise that we are a small province and for a long time Nova Scotia has thought broadly that our size was to our disadvantage. I think among other shifts of mindset is a recognition now that being a small province is an advantage.

Similarly, in a small province's government, there is an ability for governments to integrate and work together really well. It's much more than the weekly or more frequent, as required, deputy ministers' meetings. Colleagues are working together.

If we look at something like agrifood with Minister Morrow's department, we as the Department of Economic Development are involved in a number of innovation hubs.

They tend to have a certain sector alignment, so we have hubs that are more geared toward ocean tech or others that are IT.

We have an innovation hub, for instance, that's focused on clean-tech and ag-tech connection between our departments so that as those, in that case, a start-up company, can be connected into the resources of the department. The department is aware, and that the producers and farmers are made aware of these new and often very, very exciting developments.

Similarly, as those endeavours grow, we have the connectivity into Crown corporations which could include Perennia as one of the key Crowns within the Department of Agriculture. Invest Nova Scotia, being under my portfolio, it would be the agency with which I am most familiar.

Somebody has an opportunity to look at an export market. It is largely at the staffing level, without question, where the most robust detail is shared. When my colleagues and I get together, it tends to be more at the levels of policy and where we can make improvements in process. I would say even with improvements in process, it is the very dedicated staff who most often are essential in highlighting those opportunities.

LISA LACHANCE: With that, how will success be measured? How will you know that the interdepartmental collaboration is happening?

Obviously, there is sort of an ex-ante approach for the end of it. Okay, good, you at the Department of Economic Development met our targets, and you have clear targets here that will be measurable, and then can be assured that other departments have met their targets. How will success be measured?

SUSAN CORKUM-GREEK: Every department sets out its individual objectives in their business plans. My observation would be that it would be very rare that they could meet all those targets alone. There is an inherent degree of collaboration that is required on any number of the targets that I may have for my department or that Minister Morrow may have for his department.

I do think that one of the check-ins would be reflected in mandate letters. As ministers, we all have mandate letters that identify certain initiatives or outcomes for which we are responsible. There are a number of shared mandate items across those letters.

The one that immediately comes to mind is Nova Scotia Loyal, wherein the Department of Economic Development is to take the lead on the development of that program, but working with the Department of Agriculture, and the Department of Fisheries and Oceans. Sorry - the Department of Fisheries and Aquaculture. I don't want to put Minister Craig in charge of that other agency, with all of its foibles.

I think that that is one of the primary check-ins is when we are accomplishing the joint mandate items that we have.

LISA LACHANCE: That's perhaps one of the missing pieces. We can access the mandate letters, but each mandate letter included the requirement to, within 90 days, develop a time-bound plan, but none of those were ever shared publicly. For those outside government, it's hard to see how things are progressing in tandem.

I worked in the federal government and the provincial government on lots of interdepartmental initiatives. They were all important, and some of them worked well and some of them didn't, and so if you didn't have shared policy frameworks or other tools to guide things along . . .

THE CHAIR: Order. That concludes this round for the NDP's line of questioning. We'll move to the Official Opposition.

The honourable member for Clayton Park West.

RAFAH DICOSTANZO: I'm just going to carry on with what my colleague for Northside-Westmount started, which is about small business, which is very important to me.

I was a small business owner myself, and 52 per cent of small businesses are still carrying pandemic debt at an average of \$102,000. Why is there no broad-based support for businesses? Since you started as a minister, what programs or money has any small business received - knowing that you started right after the pandemic, or in the middle of the pandemic? I don't know, when do we say that the pandemic ended?

HON. SUSAN CORKUM-GREEK: Coming into government in the Fall of 2021, I do remember the early hopes that we were through the worst. Yet that all becomes very arbitrary - what is the worst?

Certainly, COVID-19 did not go away. We saw later that Fall a significant surge in virus load, which led our department to offer the Small Business Impact Grant. That particular program was rolled out. I should provide, perhaps, a bit of detail: eligible businesses were able to access a one-time grant of up to \$7,500, based on gross revenue or gross payroll.

That was in November 2021. There were over 1,700 applications, and \$6.8 million was dispersed. Remember that that was prior to Christmas. The outbreak was particularly difficult in HRM in our food service and hospitality sector. All of those hopeful bookings for Christmas parties and so forth were terribly impacted.

In March of 2022, we also did roll out the Targeted Sector Impact Program. That program was stood up based on the feedback we were receiving from the cosmetology industry and practitioners who were directly impacted or affected by the mask mandates that were still in place at that time. That was a one-time grant of \$2,500.

[2:00 p.m.]

Although I'm very proud of the efforts of our department in standing up this program so quickly, I at the same time would say, regrettably, that we had to have another emergency program in October of last year: the Small Business Hurricane Relief Program that was launched to provide a one-time grant of \$2,500 to eligible small businesses. Again, the eligibility reflected the length of power outages and other conditions that made it impossible for businesses to operate.

Those are the slate of direct-to-business supports. The department offers a great number of programs that are designed to assist businesses in increasing their prosperity through the identification of efficiencies or new approaches to the way that they do business investments in their business, and so forth and so on.

I am very mindful of the debt. It is a somewhat historic debt that is being carried by the small business community. We believe the best way to help them is through helping them to do business better and in specific sectors like tourism, to ensure that our marketing campaigns are robust and that consumers are available to purchase their products and services.

RAFAH DICOSTANZO: For any business to flourish and get there, they have to get rid of the debt first. You know that more than 50 per cent of small businesses are below normal sales still. You had a year from October. March was really the last time you helped the businesses of 2022, besides Fiona, which was specific to food that they lost and whatever.

The minister did not increase the budget so they can help small business to get rid of their debts so that they can survive. They're still below normal sales, 50 per cent of them, and 52 per cent are still carrying \$100,000. We need to help them get out of that debt. Do you have any intention of helping them to get out of that debt?

HON. SUSAN CORKUM-GREEK: We do know that a great number of small businesses did access the Canada Emergency Business Account that was offered through the federal government.

We will continue to work with our federal partners so that they may be in a position to consider - well, I certainly couldn't speak for them, but the timelines on repayments for those particular debts there are a number of businesses that were able to get \$40,000. It was helpful.

Having been working with a business that did access that fund, the promise was if you could pay it off by a certain date, that \$10,000 would be forgiven. It really comes down to: Would you be in a position to pay it off? There were additional funds so that businesses were able to access \$60,000 particularly through that program.

I would add that our capabilities would not permit the Province of Nova Scotia to underwrite the debt for our small business community. Our best route to helping them is to help them in that recovery as their sales return, as their customers return. That is the space in which we can best help them.

RAFAH DICOSTANZO: There are many ways that we can help them, especially now. On top of the debt, gas prices have gone up. Housing has gone up. For staffing, they have to help their staff by paying them more so that they can be able to pay their rent. Everything has gone up for them, and they're literally still below their normal sales before the pandemic.

Help should have been there in this budget for them. We really missed helping small business, and that's why 65 per cent of CFIB members do not believe that business is even a priority for the government. Why does the department have no small business plan? Do we have a small business plan that I can talk about?

SUSAN CORKUM-GREEK: Nova Scotia is growing. Our population is growing. Our economy is growing. In that way, we are delivering more customers to those businesses.

One of the other things that business talks about with concern, and reasonably so, is whether we are heading into a recession and whether it will be a soft landing or whether it could be worse. Governments at all levels have been advised that putting too much public money into the system is a trigger for that potential.

It is a complicated space. I say this as someone who's worked in small business and who's laid awake at night on occasions, wondering how I can pay my people, and then managing the calls from vendors who are also small businesses whom I was not in a position to pay. I recognize how tough it is with inflation, with coming out of the pandemic. There are a lot of pressures.

I would note that we do have sectors and businesses that are bucking that trend and returning robustly. I was involved particularly in the wooden boat-building sector at a time when pretty much everybody was saying that their competition had become their own boats, because of world economic and North American economic pressures. A lot of people were selling these recreational pleasure craft - now you're competing against your own really good boat that was two or three years old.



I would sit at a table with a lot of folks who had a lot more experience in that industry than I did. You could look at it a couple of ways. One way was to say, well, we're all in the same situation. Everybody's seeing these lackluster sales and sharing common concerns.

I sat there waiting to see who would be the first to buck the trend. I wanted to know that in seeing that, I had hope that there was a way to come out of it. In fact, that is what I watched as players in that particular industry, through their own innovation and their own smarts, found ways out. That's part of what we're going to be watching here.

RAFAH DICOSTANZO: If you don't mind, I would love to see you table your plan for small businesses. What do we have as a short-term and a long-term? A 5-year and a 10-year. Do we have a plan for small business and how we can help them get out of their debt, and reach to the point for the 50 per cent that haven't been able?

Some sectors have done well, and hopefully tourism will get better. Many other businesses - I know a lot of businesses downtown - have suffered because people are working from home. How would you behave? It's never going to be the same. How do we help those businesses survive?

SUSAN CORKUM-GREEK: I'm just so delighted that there's no pounding at the moment. I hope I'm not jinxing things.

I would respond to the honourable member to say that the document that you are requesting just simply doesn't exist in the form in which you are seeking. We continue to work closely with the business community and any number of sector organizations. That is the nature of economic development.

We are collaborative and we are responsive. I will look back to that cosmetology program that we stood up. We had some pretty angry hairdressers. I started to wonder if I was going to have to just keep growing my hair out after we had done the prior sector and they had been excluded from that. We had meetings with them and we listened to them and we did our best to be responsive to them.

We will continue to work with the business community, including the small business community. I would say that we would definitely be open to their ideas that they may have on how to address those pressures.

RAFAH DICOSTANZO: I think the minister danced around my question again. I'm a business owner. If any business owner asks for money from the bank, the first thing that they ask you is what your short-term and long-term business plan is.

As a department, we need some guidelines. In two years, what does the department want to do for small businesses? Where are our targets to help small businesses to grow?

There has to be a plan. I can't imagine a department without a plan for every little section that you're working on. We need a 2-year and a 5-year plan so that we can measure our success.

[2:15 p.m.]

Do we want that 50 per cent to come down to 25 per cent? Do we know? Do we have an idea of where we're heading in the next two years until the next election? Then maybe the next five years after that. Can we identify those businesses that are suffering? We know which ones have debt. How are we going to help them to get out of the debt?

If you're not going to give them financial help and ask for that in the budget if it wasn't asked this year, it will be asked next year. I'm just surprised that there is no such document for a plan.

SUSAN CORKUM-GREEK: There is a plan for the department, I would point out to the honourable member.

Perhaps I should ask you: You want one for small businesses - how would you define small businesses?

RAFAH DICOSTANZO: If your revenue is that much, then you're a small, medium, or large. They've been identified over the years. I was called a small business for a reason. I don't have the exact figure, but the department comes up with those figures. I don't.

SUSAN CORKUM-GREEK: With respect, there would be those who would reference Nova Scotia not even having a large business and that everything in our province could be considered a medium, small, or smaller business.

What I can offer to the member is that we have a business plan that offers a number of programs designed to help our businesses thrive. They are not exclusive in any way that they exclude the small business sector.

We do know and we are always open to working with the business community and with communities. We have our regional enterprise networks or RENs which work very specifically in the space of assisting small businesses. They assist small businesses with labour and training needs and they connect them to these programs to help them thrive.

There is a plan for helping businesses, including small businesses. The specific debt relief issue is where we do not have the capacity as a province in this post-pandemic business environment to send out cheques to knock down that debt, regrettably.

RAFAH DICOSTANZO: I thought there was no issue with money with this government. They will do everything for health. They can do everything for a small business, maybe, as well.

I'll move on to the next item which is buy local. I remember that my colleague, the former Minister of Agriculture and Fisheries, had a similar program. If you can maybe explain the Nova Scotia Loyal program, compared to the old program that we had. I remember it being in the stores, and they identified the items - anything that was produced or cultivated in Nova Scotia - with a special thing. Is that program still on? How are you educating people as to what local products are?

SUSAN CORKUM-GREEK: Our Nova Scotia Loyal program embraces that very issue because education of what is out there in our grocery stores and marketplaces of various types in terms of local product is an essential piece of this.

What distinguishes Nova Scotia Loyal is moving beyond what in the past has largely been an advertising and promotion spend, whether that was signage at the seafood counter, commercials across various media, and so forth and so on. Without question there has been value that has been obtained through those programs.

There's a clear ceiling beyond which we bump that ceiling, particularly when we move away from those campaigns - when the x number of weeks of the television commercials - we sometimes see the receding of that purchasing power.

The biggest single difference with Nova Scotia Loyal is the development of the incentive program. It's something extra to assist people to invest in buying local and getting past whatever barriers, real or perceived, that they have to upping their basket full of Nova Scotia grown or produced goods.

Part of that is a branding process, absolutely, because to the credit of our province and notably its farmers, fishers, manufacturers, and producers, we have a lot more in stores than ever before.

As I had mentioned in response to an earlier question, I give full credit and thanks to some of the major retailers that have put out an Atlantic Canadian display with a number of goodies on it. That's only a fraction of the number of products in that particular environment that actually are made here. We have to make it easier.

We can't ask the grocery stores - it's not practical for them - to put all the Nova Scotia products over there in that corner. There would be such a mishmash of produce and processed foods and things that would need refrigeration and different kinds of shelving. After all, if you're heading down the juice aisle, it's because you want juice. We do want the consumer to be able to easily, when walking up the juice aisle, know that vendors like Terra Beata provide Nova Scotia products.

There will be branding. We're also very acknowledging. If we were in a position - and we're not there quite yet but soon - to reveal a new brand and logo that will become the identifier that will educate Nova Scotians to look for that star. We can't say to our producers that starting tomorrow, we need you to put that star on your products. There will be a transition. In talking to one of the juice makers it just so happens we talked about putting something over the neck of the bottle. Again, they might have 10,000 or 20,000 labels already in stock.

That is the direction that we're moving, that you can easily find and identify and make a choice. If I want to buy snacks for my child's lunchbox or my own lunchbox, my husband's lunchbox, I am looking across a very colourful and busy produce section in the grocery store. How do I find what's from Nova Scotia?

There are choices inherent there. We need to disrupt some of the current buying habits, which might be the thing that's on sale. We've all done that: "Ooh, that looks good." We end up buying wooden strawberries from California because they're on for \$2.99. That is the big difference.

It is not saying those programs that supported and encourage Buy Local in the past were not valuable. We are seeking to go beyond that, and we have set a goal of a 10 per cent shift.

RAFAH DICOSTANZO: The old program did not move things in a different location whatsoever. The Nova Scotia apples had a purple sign - I believe it looked like a turnip at the time. Whatever products are Nova Scotian, it was just signage that allowed people to say: "Oh, if this is Nova Scotian, and is almost the same price as this, I will go for the Nova Scotian." People loved that, and it was there.

We're going to spend more money to come up with another logo when we already trained people to recognize that that was Nova Scotian. I don't see it in the stores, and I'm quite sad that we've spent a lot of money - government money, taxpayer money - to train people that this is Nova Scotian, and now that's taken. Let's bring some new idea of a different logo to train people again.

I'm just surprised because I just thought that was going quite far. Constituents kept telling me about it. It was at Sobeys, it was on different products. Just literally signage, and it was lovely, very well accepted, and a lot of people knew this is a Nova Scotia product. Many people make it conscious to pay a little extra to buy a Nova Scotia product.

Has that program been scrapped? Or has that logo been scrapped? Is that what I'm hearing? I don't see it in the stores.

SUSAN CORKUM-GREEK: Again, this is not about "scrapped." I would say the fact that, so you think it was a turnip . . . (interruption).

Among jobs, number one, we want to have an identifier that is lasting and recognizable, so that we could describe it and certainly identify it. In terms of the signage, there will be some good-old-fashioned signage to help people in the transition of this program.

Getting back to that overarching, number-one concern of the business community, which is access to labour. Again, it speaks to the volume of Nova Scotia-made products that are in our stores that there are limitations in the marketplace. None of our retail partners are saying, "Don't give me signs," but they are saying, "We may not be able to do as much with them as you think." That was specific feedback that we got during this process.

If we are going to invest in those kinds of items in particular, we had some insight into the materials we would use. For example, if you have something made of cardboard and it gets wrecked - that was part of the feedback that we specifically received.

Again, I would point to the incentive program, which is what makes a difference. You have indicated that there are those who, even if they feel they're purchasing a Nova Scotian-made or grown item at a premium, that they're willing to do it. We all make choices as consumers.

The incentive is designed to drive more people to make that choice, because price isn't the only barrier that we have in the marketplace. This is another tangible way to incent Nova Scotians.

In a program that is also designed to make the consumers, the producers, and the vendors feel good. A vendor likes when they can highlight a local product. A local producer likes it when they're appreciated. All of this is part of this program.

THE CHAIR: Before I recognize the member, I would like to remind them to wait for the Chair to acknowledge you before you answer the minister's questions.

The honourable member for Clayton Park West.

RAFAH DICOSTANZO: I've been in that chair many times and I know how hard it is. I apologize.

I'm going to step back. My colleague has a couple more questions as well.

HON. KELLY REGAN: Even though I chair Public Accounts, I have a hard time too and start talking. We all do it.

In terms of Nova Scotia Loyal - I apologize if someone else has asked these questions and I wasn't here when they were asked - what metrics are you using to define "local?"

[2:30 p.m.]

HON. SUSAN CORKUM-GREEK: As part of the research phase for this program, we did extensive reviews of other loyalty programs across Canada and internationally to identify the best practices for defining what is “local.”

Our starting point is products grown or substantially produced in Nova Scotia. However, where there are other departments that have definitions for certifying local products, we will adopt those. Whether it is internal of government or we have producer associations with definitions, this is a collaborative joint process to raise all our boats.

For example, the Department of Agriculture has definitions around local for agrifood and beverage products to be eligible for their various initiatives. NSLC is in the process of defining local for its Proudly Nova Scotian program. Again, not to duplicate efforts, but to strengthen and knit together, in the most effective way, these various initiatives.

At the same time, critically, we can’t have this become an overly complicated consideration where a consumer or, gosh forbid, the cashier is wondering: “Is this or isn’t this?” We have to make it as straightforward as possible.

KELLY REGAN: Last summer, I think we saw trucks going in parades and we saw young people going along. I heard something the other day about e-mails being collected. Can you clarify for me whether, in those activities or the activities where people are going into grocery stores, they are in fact collecting e-mails from people about this program?

SUSAN CORKUM-GREEK: We have sought to collect people’s input, but there has not been data collection. In fact, the only instance that I could think of would be if someone specifically said they are a producer who would like more information sent to them - that kind of scenario.

We did engage a contract that saw Nova Scotia Loyal at a number of our mid-Winter events and celebrations. They had a 360-degree - if folks wanted their videos, they weren’t retained, but they would have provided either a text number or an e-mail to have the video sent.

There was no retention of that kind of information. What we wanted was people’s feedback on their purchasing habits and their thoughts on what could influence them.

KELLY REGAN: Thank you very much for clarifying that. The young people who worked last summer with the trucks and going in parades, how were they hired?

SUSAN CORKUM-GREEK: There were a couple of vendors that were involved. One of them, Davis Pier, which was the company that oversaw the collection of

behavioural data, in many cases did hire folks I would describe as young people, certainly compared to me, who would have been at sites like farmer's markets and various retail outlets.

Then there was a contract with a communications firm, and those would have been more of the events focused on the promotion of the program. There would have been young people associated with those endeavours, as well.

KELLY REGAN: What was the name of the communications firm?

SUSAN CORKUM-GREEK: I have a clarification as well as an answer to the honourable member's question.

The communications event contract was with Maverick Communications. On those occasions where you specifically referenced parades, those would have been occasions where the truck may have been hosted by a local MLA or minister.

The communications contract did not include paying anyone to walk in parades. Vis-à-vis any specific interest in young people that might have accompanied any of the trucks, they certainly weren't paid by the department. They were likely volunteers in some connection to the area's MLA.

KELLY REGAN: I might have missed it. Were the trucks offered to all MLAs for use or only certain MLAs?

SUSAN CORKUM-GREEK: The trucks were available upon request. That is why they appeared in quite a number of summer parades. I don't actually know how many parades they were in, honestly, but certainly at a number of events, from the minister's agriculture conference. We had the truck there.

I will say that I had one of the trucks in Lunenburg for the International Dory Races, but they were available upon request. To my knowledge, I don't think any requests that were made were declined.

KELLY REGAN: When you say, "upon request," you can't know what you don't know, and if MLAs don't know that these are available for request - never heard it, never saw an email; I am not aware of any - so there are a number of MLAs who did not know that these were available upon request. I am just wondering, will they be available again upon request this summer, and could the minister provide us with a list of which parades and events they appeared at and with whom they appeared?

SUSAN CORKUM-GREEK: I would say, while I have not today given a finite date by which the program will be rolled out, I will be happy as a clam to have Nova Scotia

Loyal. I believe in this program, and we want this program to be known and recognized, and critically, to be embraced by Nova Scotians.

The trucks at present have the early branding, which is reflective of a program that is still under development and in discussion. Presuming trucks figure in the future of the rollout plan, I will be happy to work with the entirety of the House to take in as many community events as possible. That will be very much in keeping with the goals of the program.

KELLY REGAN: Which would be lovely, thank you very much, but I would like to have a list of where those trucks appeared, and which MLAs were with them when they did appear. I think maybe I will move on.

My colleague was talking about a number of businesses that are struggling post-COVID. We know that restaurants are having to reduce their hours because they can't find labour. A lot of restaurants are actually shortening their hours, but their rent payments still remain the same, et cetera. On average, they're running at only 80 per cent capacity. Is there anything in this budget to help them?

SUSAN CORKUM-GREEK: I would reiterate that there remain a lot of programs to assist businesses with identifying efficiencies in their operations with potentially funding investments in their operations to make them more sustainable. There are certainly investments in my colleague the Minister of Labour, Skills and Immigration's budget to assure that that department is well-resourced in terms of being able to look after the applications and the opportunities to connect those looking to immigrate to Canada, and specifically to come to Nova Scotia, to do so and to connect them with employers.

There is nothing specific for the food service industry to deal with. Certainly nothing specific for that sector.

KELLY REGAN: In recent months, 19 restaurants have closed. We know that 50 per cent of independent restaurants are running at a loss or breaking even. They can't continue for long on that - 25 per cent of independent restaurants believe that they will never recover from the pandemic. The restaurant industry is a large employer for people under the age of 25.

Given all of those different factors, I would urge the minister to consider this particular industry and what they're going through right now, unless it's not a priority. Maybe it isn't.

I think we've seen a rebounding of tourism, which is great. Try to book a cottage. It's brutal. My concern is come the summer, these restaurants may not exist anymore. We actually saw some of that last summer where we had tourists in Cape Breton and they



couldn't find any place to eat. They were on the Cabot Trail and they couldn't find any place to eat if they weren't in there before 6 o'clock or 5 o'clock or whatever time.

[2:45 p.m.]

Is the department looking at that particular issue at all in terms of finding ways to help support them financially? I recognize fully that the labour piece belongs elsewhere, but I think restaurants are a challenge. The more that they're challenged, the more that are going to shut down. That is going to make it more and more difficult for us to actually keep expanding our tourism industry.

If the minister could speak to that.

SUSAN CORKUM-GREEK: My husband is a chef and he has worked with the Canadian Coast Guard for the last number of years. He certainly did his time in restaurants. It used to be a real drag when we were first dating and I would be given the nitty gritty of what it costs to put a meal on a plate. Once I landed him, I've eaten well. It's very clear.

I know that the margins in that industry are slim. They really are. At the Department of Economic Development, we have a really strong relationship with both Restaurants Canada and the Restaurant Association of Nova Scotia. The president of the Restaurant Association of Nova Scotia actually is a constituent and I talk to him a great deal. They recognize that their industry in this post-pandemic world is facing significant changes in the go-forward of what the business model will need to change into to succeed.

I am always saddened when I hear of any business closing because I know that behind every business is a person or people, whether employees or owners, and how much that they put in.

I am also very mindful of Nova Scotia's tourism product. We encourage people to get out and explore this whole province. If you find yourself as a traveller but can't find an open restaurant at which to grab a meal, that has the potential to diminish the otherwise great quality product that we have.

Therein, we are speaking to demand. As we head back into what promises to be another very robust Summer, it does fundamentally come back to a labour problem. It is correct that for a long time the labour that was available, particularly during the height of the Summer tourism season here, was greatly increased by young people.

Again, in this post-pandemic world we are seeing young people making other choices and we are seeing some restaurants trying out bringing people from a very different stage of their life, from retirement or semi-retirement. That is them being creative, and we will continue to work with that industry as they seek to be innovative and creative, but it is our position that the best place we can help them is in that labour area.

THE CHAIR: A reminder to the member that you have seven and a half minutes left.

The honourable member for Bedford Basin.

HON. KELLY REGAN: I'm going to take that as a no. I do think that I should give some time to my colleague from the NDP. I think she's got . . . (interruption).

THE CHAIR: Our hard stop is at 3:37 p.m. If you want to share the time, that's up to you two.

HON. KELLY REGAN: I wanted to make sure she had some time.

Two in five businesses are saying they find it difficult to obtain permits and licenses. The government could ease this process by reviewing and publishing expected timelines so that people will know how long it's going to take to get their licenses. Is there any money in this budget to do that kind of thing? Is that anything you're even entertaining?

HON. SUSAN CORKUM-GREEK: The Office of Regulatory Affairs and Service Effectiveness, as the honourable member would be familiar with, that is the area of their work and their mission, and they do great work. I see things coming through Treasury routinely. We saw something included in the Financial Measures Act.

It sounds like a pretty simple thing to take away - and in some ways I viewed it that way when I saw it come across the table - that when a business, for instance, does not renew on time their business registry, and we were requiring businesses that came later to renew to pay off the last bill and then pay to re-register. It was sort of a duplication of payment, even if they were only a number of months late. At a time when businesses are under these series of extraordinary pressures, that seemed like a very simple thing we could do to reduce that particular financial burden.

It's certainly my experience that government departments are very invested in working with RAs, and we will continue to do that.

KELLY REGAN: I do have a small business. A very, very small business. Every year I do my annual registration online, and it's been glitchy. Sometimes it says it's gone through but it doesn't, or it does go through and it says it hasn't, and I've had to call. What's the status of that website? I was waiting on tenterhooks. Did it happen? Did it not? I would typically do it on a Friday afternoon or on a weekend.

Can you update us on the situation with that business registration website?

SUSAN CORKUM-GREEK: I've been there and done that too. If it says something must be renewed by March 31<sup>st</sup>, I might leave it until the 31<sup>st</sup>, but I'm not leaving it until

April 1<sup>st</sup>. I made sure. It was double circled in my notebook, and I have sadly encountered that same experience.

I will note that that is under the responsibility and purview of the Department of Service Nova Scotia and Internal Services, but I have spoken with my colleague there many times about this. Again, time is money. Business owners don't have extra time to sit there and wonder and redo. We need those things to be better.

The head of Digital Nova Scotia, for whom I have the utmost respect - almost a fangirl reaction - would love to see, as government, a major undertaking of so many of these systems, because she is so talented and so well tapped-in. She knows where the highest bar is being set, and also the results that can be achieved for that.

I do know that the minister for that department is very interested in getting to that point. Too often, he is coming forward with situations in and around software systems that are expiring, and the member will know from her own cabinet experience that it's very hard to get ahead of that.

I do think on a personal level and as minister for this department, those investments are necessary and that the rationale for them is presenting this province as the up-and-coming, growing, and vibrant place that it is.

KELLY REGAN: So what time did you say we're doing?

THE CHAIR: You have one minute.

HON. KELLY REGAN: Okay, so I'll just do this very quickly. The Lunenburg Foundation Shipyard, how much was spent on analysis and legal fees? How much money did it cost to pull out of the deal? You don't have to answer me right now if you don't have the information, but we would like that sent back to us in a timely fashion.

I'm not saying that this happened with your department. I want to be really clear; I know some of my colleagues have had difficulty. A full year of not getting answers back. If you could provide that to us, I'd be most appreciative.

HON. SUSAN CORKUM-GREEK: I would only say that that should be doable.

LISA LACHANCE: If you have the answers to my colleague's questions about the Lunenburg Shipyard at your fingertips, you could offer them now.

SUSAN CORKUM-GREEK: I would just say that we do not have that at our fingertips.

LISA LACHANCE: I guess I would echo the call. I mean, I'm surprised. To be honest, I was surprised that the minister would not have come ready with this information, given that it's been a topic of discussion within her portfolio.

Last Fall, this government introduced legislation that amended the Capital Investment Tax Credit, increasing it from 15 per cent to 25 per cent, extending the budget maximum from \$30 million to \$100 million, and made it retroactive to a month before the bill was introduced.

[3:00 p.m.]

As a Legislature, this sort of second go at the FMA within a single fiscal year feels like a major tax change. That a major initiative was buried in a second FMA was concerning. I'm confused about why it couldn't wait another six months. In legislative planning, often it takes a long time to get things ready. Was it just very late for last year? What was the urgency for this year?

We understood better with the announcement of the Michelin expansion and retrofit this past month. Was the program expansion designed specifically for Michelin? When did conversations with Michelin begin about this particular investment credit and the work that they wanted to do?

HON. SUSAN CORKUM-GREEK: I do want to briefly reach back as regards the request for the information about the Lunenburg Shipyard project. On December 1<sup>st</sup>, Build Nova Scotia, which was the Crown corporation that made that bid, moved over to the Department of Public Works. There have been questions fired at me in the House, that is true. The fact that I don't have that information on me is because I am no longer the minister responsible for Build Nova Scotia.

Nonetheless, moving on to the question about the tax credit. To be very clear, this measure was not done for Michelin. It is reflective of the incredible opportunities available and the interest being shown in this province by a succession of entities looking at opportunities in this province. It really is reflective of the scale of the investments that are under consideration that made clear that it was needed to look at that.

As far as the timing of Michelin, I can easily say that I've been personally involved in some manner of discussion in and around potential opportunities at Michelin. Since the election in the Fall of 2021, we've had the honour of having the head of Michelin global in Nova Scotia as part of their anniversary celebrations. On that date we were talking about some expansion work that has been announced some months ago. I was aware through CEO Andrew Mutch that there was a much larger opportunity that existed for our province.

I do want to highlight that we have, through Invest Nova Scotia particularly - but the department and most especially Rhonda MacDougall, Director of Strategic

Partnerships - we have a lockstep relationship with Michelin as such a significant employer, partner, and advocate for our province on that world stage.

As we are talking with these other global players interested in investing and bringing opportunities to this province, Mr. Mutch is very happy to speak favourably to all that Nova Scotia brings in terms of opportunities, noting highly its labour force. This is really forward looking to the opportunities that are before us at this time.

LISA LACHANCE: Michelin has been such an important part of our province for a long time. I definitely recognize that. At the same time, I guess it's a quickly changing world that we can't anticipate in terms of what will rock the economy and what innovations will come forward.

Michelin, while I'll take it at face value, this idea of a partner - they are, in fact, a company. They're going to make decisions based on the market and that are in the best interest of their shareholders. That's what they're going to do. They're not a government so they don't have to have other goals or targets or motives.

The idea that this investment is saving 3,600 current jobs for generations to come - how do we know that? What's written down? The money that we provide over five years, is that to keep 3,600 jobs here for the next five years?

Has Michelin signed something that I can't imagine any company in the world signing that says: "We're going to keep these 3,600 jobs just as they are. There won't be any technology changes, there won't be any market changes. We won't go somewhere else in the world for generations, so, 70 years."

How can we actually say that it's 3,600 jobs for generations to come?

THE CHAIR: While the minister is deliberating, we will stop at 3:31 p.m., which will give the minister a little over 5-minutes for her closing speech.

The honourable Minister of Economic Development.

HON. SUSAN CORKUM-GREEK: We know that Michelin is a business without question. As a global business, it can go anywhere in the world.

This was competitive. This was not a slam dunk. Honestly, here is both the answer to your question in terms of what will insure those generations to come, but equally what the table stakes were. The way that the tax credit is designed, they have to make the investment first. There's no money up front.

Michelin is a company which, as corporations go, has a very committed mandate to people, planet, profit. Profit is in there, for sure, but they have shown a great commitment

in terms of investments they've been making at their plants all over the globe in terms of greening their operations.

Equally, they made the commitment that they will be, as part of that "people, planet, profit" commitment, the purveyor of tires for electric vehicles - the purveyor of quality tires. They are going to be making this massive investment in our province, and having made it here, they're going to want that plant to work.

This is where the table stakes come in. As happy as I was to be at the event - certainly to have the Prime Minister come down on a really fantastic day for the workers of the Bridgewater plant and that community to celebrate - what I knew was that, had we not found the way to seize this opportunity, it would have also signalled a slow diminishment of Michelin in this province.

As we see the targets that have been set here in our own province, in our country, and around the world, of the movement that we need to make - we all agree that all of these movements aren't fast enough for the environmental imperatives that are upon us - the tires being made at our plants in Nova Scotia today will be irrelevant.

In landing this opportunity, that is why we can say that we have ensured that employment. We already have families that have three generations already in the 50 years that that company has been here in Nova Scotia. With the commitment to this investment, we fully believe that will continue in the generations to come.

LISA LACHANCE: My question was really about what's written down. I guess we've got a five-year agreement, so Michelin will presumably make their investments over the next five years. That's the agreement that the Government of Nova Scotia currently has with Michelin.

I understand they're making a large investment, but I also think that it's just a little bit disingenuous to suggest that there will be 3,600 jobs for generations to come, because that's not the way it was sold and branded. Hopefully it does result in long-term stability.

They're receiving \$61.3 million over five years, and the estimate from the Fall is that there will be \$35 million annually through this measure. The \$61.3 million, is that anticipated to be equal over the five years? Probably not. There's probably a major ramp-up and a ramp-down.

This year, what's being done to solicit new contracts and new folks who want to take advantage of this Capital Investment Tax Credit?

I can clarify the question. The estimate is that there will be \$35 million annually spent by the Government of Nova Scotia through this corporate investment tax credit. Michelin has \$61.3 million over five years.

Let's say that Michelin will file for \$8 million as a tax credit for the tax year, assuming they're in ramp-up mode or whatever. What's happening with the other money that's estimated as part of the tax credit?

[3:15 p.m.]

SUSAN CORKUM-GREEK: Thank you for the clarification. It helped me to understand the nature of the question.

When you see an amount like that budgeted, it's informed by a few things. We have projects that have come together qualifying for that tax credit in the past that are multi-year projects. Those have to be considered. There's also a certain amount of projection, because we want to know that we have the capacity, should things come together.

That said, these large-scale opportunities take years to come together. In some ways, it is only because Michelin has been here for so long, and the extraordinary relationship. When I came in as minister, that's when I first heard about it, but in many other cases there would be years.

This is something the details of which would be available through the Department of Finance and Treasury Board, but I do understand there's a disclosure list that would provide some of that information of how they would come up with that figure from other companies that have accessed that credit.

LISA LACHANCE: Just to clarify, my question was also: How are the Department of Economic Development and Invest Nova Scotia working to make sure that we spend the money that we've allocated? We've allocated \$35 million for good purposes, so how are those seeds being sown? Is there another large contract anticipated?

Just to stay on Michelin as well, I also noted the 70 new positions. I also know that Michelin has been really struggling to fill their current, and so I think it speaks to our current crisis in the labour force and labour market.

Michelin's been really struggling to fill positions. You must know this. They've been all over the province with job fairs, trying to make clear offers to people and that sort of thing. I'm curious about how we anticipate we're going to get 70 new positions filled.

Likewise, the other thing I hear - my stepfather lives in Liverpool, so that whole swath of the coast, people are talking about so-and-so's son is on full-time at Michelin, but they can't afford housing. "Can you believe it? They've got a job at Michelin, and they can't afford housing. They're still living with their parents."

What's the plan for housing to also support that? If we can't fill what's there now, and we want 70 more positions, and nobody can find housing or, frankly, afford it on the

current Michelin salary? It's reported as a surprise to folks in the area. Certainly a few years ago it was a sufficient salary. How is the department working around these twin crises of labour force and housing?

SUSAN CORKUM-GREEK: I didn't want to lose any parts of the questions being asked. I know that there were some questions still about the investment attraction and what work takes place to ensure the uptake of that particular financial incentive.

The work under this department, while the tax credit resides with the Department of Finance and Treasury Board, largely does reside with Invest Nova Scotia, and it can take a couple of routes. If it comes through our existing businesses through the regions, it's often coming through our regional business development advisors who are, in some cases, talking with a company about the potential of an innovation rebate, but then realize that it's a much larger project and, in fact, would qualify for the Capital Investment Tax Credit.

The other feed into that pipeline - and I'm always impressed by how full that pipeline is - comes through Invest Nova Scotia's work in investment attraction. That's work on the international stage highlighting all that Nova Scotia has to offer, particularly in sectors where we can point to a lot of activity and advantages.

It's ongoing. When it's identified that it is a project of that scale, then there's a walk down the street to the Department of Finance and Treasury Board - figuratively - to connect them into that.

On your other questions in and around Michelin, you're absolutely right. As an MLA from the South Shore, on local radio from January of last year through 'til June, every day - several times a day - there were commercials that Michelin was hiring 100 people. The fact that that campaign was on the radio January through June spoke to how tight the labour market is.

That they were advertising a starting wage of \$23-something an hour - which, to me in Lunenburg County, knowing what I know about what a lot of people make for a living - it was quite surprising that they had such a time filling those specific 100 positions that they had signalled.

I do know that, because they are a company that is very active themselves in terms of solving these issues, they have recently seen a growth in inter-provincial migration. In particular, just the day of the announcement, I was talking to a young woman who had recently moved from Newfoundland for a position.

In terms of housing, again you are correct that at this moment in time and particularly through last summer, it was very common to see on social media channels: "I have a job." They sometimes would even say: "I have a job at Michelin. I am a good person, I have no pets." All those signals trying desperately to get a lead on an apartment.



All that said - and this is not disconnected from Michelin because activity breeds activity - the growth in housing starts and multi-unit housing developments in the Town of Bridgewater and in the neighbouring municipality of the District of Lunenburg has been really outstanding. There are a lot of units.

I've said to people that it's not just in Halifax that we see cranes in the sky. That is largely private sector investment. As government, too, we remain very interested. There were a couple of small PIDs that were put out for consideration of non-profits, private, or what have you in the Cookville area, which is literally 10 minutes from Michelin's site.

We know that those new houses and new apartments can't come onstream quickly enough, but I am very pleased to say that they are well underway. We're well past the ground-breaking.

THE CHAIR: A reminder that the member has three minutes left.

The honourable member for Halifax Citadel-Sable Island.

LISA LACHANCE: I know in the business plan it talks about having a focus on working with businesses that are 51 per cent owned, managed, or controlled by Aboriginal or Indigenous people, persons with disabilities, 2SLGBTQ+, et cetera, but there aren't targets. It's a focus without targets.

For instance, the 70 new jobs at Michelin. How are we going to make sure that there's gender diversity in the folks that get those jobs? How are we going to make sure that there's racial diversity? How does this work really tangibly happening other than telling people that you're focussing on it?

THE CHAIR: Order. It is now time for the minister's closing statements.

The honourable Minister of Economic Development.

HON. SUSAN CORKUM-GREEK: I don't have a lot to say in my closing statement, so I would be happy to answer the member's question if they wish to stay, or I can connect with them otherwise. That is entirely at your discretion, because I am mindful that questions were asked of me in the Estimates process last year. I do take seriously these commitments.

When it comes to a company like Michelin, though they have internal targets, we don't have any particular stick within the Capital Investment Tax Credit. In our payroll rebates, we routinely do write in the added incentives for underrepresented groups. The department also makes targeted investments in funds that are oriented toward, for instance, women-owned companies and so forth and so on.

As I was prepping for Estimates and asking questions about this, one of the things that I didn't know about that I was actually quite excited about was a program through Invest Nova Scotia. Businesses that are 51 per cent owned, managed, or controlled by Aboriginal or Indigenous peoples, persons with disabilities, 2SLGBTQ+, visible minorities, and women can actually certify, if they wish, to be connected to actual trade opportunities like trade fairs that are held, involving companies that have said: "We will commit this much of our procurement to companies that are led by these groups." We have 371 companies that have identified broadly under this.

[3:30 p.m.]

What I immediately thought is: Do enough people know about this? I thought immediately of my friends with OK Sea Salt over in Petite Rivière and what opportunities may reside there. I know we can do better, and I am open to those conversations, but I did want to answer that for you.

THE CHAIR: Three minutes.

SUSAN CORKUM-GREEK: It doesn't take very long to give the final much-needed statement, so I will definitely take an opportunity to thank the wrecking balls outside for stopping. I felt like my brain was scrambled on the first end of this, and my apologies if my answers reflected that in any way.

What I really want to do is thank the broad team that participates in the purview of economic development and the team at the department, which is one of - if not the - smallest, at 28.5 people. I have not yet met, this many months in, the half-person that works with us. All I see are people who are super engaged and give their all. They don't understand a day off even when I say this isn't for today, feel free to answer when you're next back, and they do answer.

Then we have our team at the new Invest Nova Scotia and all the great work they do. With Events East and the fabulous team that Carrie has put together there, I truly am very blessed to work with all these people.

THE CHAIR: Shall Resolution E5 carry?

The resolution is carried.

The time is now 3:36 p.m. That concludes the Subcommittee's consideration of Estimates for today. The Subcommittee will resume consideration when the House again resolves into a Committee of the Whole on Supply.

Please return to your seats in the legislative Chamber. The Committee of the Whole must rise and report before the House concludes its business for the day.

We are adjourned.

[The subcommittee adjourned at 3:37 p.m.]