

Service Nova Scotia and Municipal Relations

Accountability Report 2006-2007

December 2007

Service Nova Scotia and Municipal Relations
Annual Accountability Report For The Fiscal Year 2006-2007

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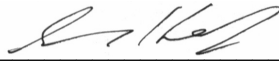
1. ACCOUNTABILITY STATEMENT

The accountability report of the Department of Service Nova Scotia and Municipal Relations for the year ended March 31, 2007, is prepared pursuant to the Provincial Finance Act and government policies and guidelines. These authorities require the reporting of outcomes against this Department's business plan information for the fiscal year 2006-2007. The reporting of Department's outcomes necessarily includes estimates, judgments and opinions by the Department's management.

We acknowledge that this accountability report is the responsibility of the Department's management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in Department's business plan for the year.



Hon. Jamie Muir
Minister



Greg Keefe
Deputy Minister

2. MESSAGE FROM THE MINISTER

It is my pleasure to present the 2006-07 Accountability Report for Service Nova Scotia and Municipal Relations. This document reports the department's achievements with respect to the priorities outlined in our 2006-07 business plan.

As the service arm of the province, Service Nova Scotia and Municipal Relations is government's link to Nova Scotians. In 2006-07, we updated systems to ensure that the high level of service delivery is continued.

In addition, Service Nova Scotia and Municipal Relations further developed its relationships with the business community, federal government and other provincial departments. Through these partnerships, we were able to work with municipalities to strengthen and promote local government across the province.

Activities in 2006-07 included, among other things,

- delivering \$17 million in federal funding to municipalities
- implementing "Your Energy Rebate Program"
- working with municipalities to develop a Life Cycle Costing tool, making it easier for municipalities to make sound infrastructure investment decisions
- improving protection for consumers in the areas of Payday Lenders, funeral homes and new residential housing
- guiding the transition of Assessment Services to an independent assessment agency giving municipalities more control over the process
- offering French language service at our Call Centre and several Access Centres across the province. Documents such as the Driver's Handbook and key areas of our website are now also offered in French

My staff and I look forward to continuing to focus our efforts where they will benefit Nova Scotians and municipalities, now and in the future.

3. INTRODUCTION

The Need for Accountability

It is important that a publicly funded organization be held accountable for the actions it states will be undertaken over a particular period of time. An accountability document informs taxpayers how their taxes are being spent, provides decision makers with updates about how well the organization's programs and services are operating and where adjustments may be required. It also offers a tool to judge whether the organization is headed in the direction that was intended. Accountability is also a powerful incentive to program managers to show progress in their respective program areas.

This Report provides an accounting of how well Service Nova Scotia and Municipal Relations (SNSMR) performed in fulfilling the strategic direction (mandate, mission and goals), as well as the specific initiatives (priorities) it identified for achievement in the 2006-2007 SNSMR Business Plan. While it is not intended that these priorities encompass the full breadth of the programs and services offered by this department on an ongoing basis, they do represent the major, new initiatives that SNSMR stated would be moved forward during the year. The department's Mission and Strategic Goals for 2006-2007 were as follows:

Mission

To provide Nova Scotians with seamless, easy access to numerous government services in a cost effective manner while maintaining the interests of the public and municipalities.

Strategic Goals

1. Partner with municipalities to promote effective local government and healthy and vibrant communities.
2. Improve accessibility and quality of government services in a cost-effective manner, while maintaining security, integrity and accuracy of records/data.
3. Modernize departmental programs and infrastructure to support citizen-centred service models and to address emerging issues.
4. Provide a motivating work environment and develop staff to meet current and future departmental needs.

This report is organized in the following manner: a summary of the major achievements of the department is presented in the context of the general mandate of the department e.g. to improve service and assist municipalities; and, a discussion of the specific achievements under each

priority item (highlighted in bold type), organized by goal as presented in the 2006-2007 SNSMR Business Plan.

The achievements are followed by a summary of the department's 2006-2007 budget allocation, its actual spending and the reasons for any variances. A summary of the funded staff employed by the department is also provided in this summary. This is followed by the Performance Measurement section in which the measures selected by the department to provide a quantitative representation of its progress are presented with the most recent data available (typically 2006-2007 data).

Summary of Accomplishments

Since its inception in 2000, the department has initiated many new services, program enhancements and technical advancements. These activities have resulted in very high client satisfaction levels that compare quite favourably with other service providers in the public sector.

Many of the department's priorities for 2006-2007 were strategic or high level initiatives. These initiatives will change the way the department deals with its customers and stakeholders. Some of the initiatives will take years to realize, some are continuing priorities from previous years, and others have been largely completed and implementation will begin in either pilot form or through a full roll-out across the department.

Integrated service delivery is a key mandate of SNSMR. In 2006-07, the department continued to implement its Integrated Service Delivery Plan with a focus on its Service Delivery division and consolidating its Registry programs (Motor Vehicles, Vital Statistics, Nova Scotia Business Registry, Joint Stock Companies, Land and Property) into one division. The objective of the plan is to deliver services to clients seamlessly, efficiently and in a manner that meets their needs and expectations.

As part of the department's mandate to provide easy access to high quality services offered by SNSMR on behalf of the government, in 2006-07 the department provided French-language training to its employees and hired bilingual staff in its Call Centre and in the Dartmouth and Yarmouth Access Centres. The department also translated its Driver's Handbook and written driver learner and motorcycle tests into French as well as adding French content to its web site. French language services provides Nova Scotians with a choice of language when conducting business with SNSMR.

An equally important part of the department's mandate is to promote the Province's common interests with its 55 municipalities. In 2006-07, SNSMR delivered \$17 million in federal funding to municipalities across the province. The department delivered funding for green municipal infrastructure projects through the Canada/Nova Scotia Infrastructure Program (\$4

million), the Municipal Rural Infrastructure Fund (\$7.5 million) and the Provincial Capital Assistance Program (\$4.25 million). In addition, the department supported municipal projects that improve accessibility for persons with disabilities, such as the removal barriers in public buildings and sustainable public transit, through the Community Accessibility and the Community Transportation Assistance programs.

The department continued to work with municipalities to implement a Life Cycle Costing tool. This tool provides municipalities with the ability to analyze full life-cycle costs of alternative solutions to municipal infrastructure projects in order to make sound asset investment decisions. In cooperation with the federal government, the department worked with municipalities to develop templates for Integrated Community Sustainability Plans. The Integrated Community Sustainability Plans will provide a consistent framework to guide municipalities with integrated and sustainable community planning. Through various venues SNSMR continued to support municipalities in addressing local government issues such as structure, governance, inter-municipal cooperation, and reviewing municipal indicators. The department also worked on the Union of Nova Scotia Municipalities' (UNSM) *Fair and Equitable Funding Report*.

The department guided the transition of Assessment Services to an independent assessment agency in 2006-07. The department successfully passed the Property Valuation Services Corporation (PVSC) Act through the legislature, which was set to take effect on April 1, 2007. The legislation established the PVSC Board and initiated negotiations that will transfer responsibility for the delivery of property assessment services from SNSMR to the PVSC. The creation of the PVSC will give municipalities more control over the agency and allow the PVSC to focus on providing property assessment rolls to its municipal stakeholders.

SNSMR undertook several initiatives that will improve protections for consumers. The department focused on protecting the payments of consumers who make pre-need cemetery or pre-arranged funeral plans as well as the deposits of purchasers of new residential housing. The department developed legislative amendments that will protect customers of Payday Lenders and set the rates and fees they can be charged for borrowing. The department also hired three new consumer protection officers to increase inspections. In addition, the department continued work to improve the Motor Vehicle Act and make it easier to understand.

The department has also achieved several accomplishments in the human resources area. The department began to develop a succession management strategy for itself by determining the best approach to developing employees and identifying key at-risk positions. In addition, the department created an action plan for ensuring diversity in the workplace. In 2006-07, SNSMR also responded to concerns raised through its last employee survey, which was conducted in 2005-06, and developed its next employee survey to be conducted in 2007-08. SNSMR continued on-going updates to its Occupational Health and Safety manual, including incorporating results from its November 2006 audit into the updates.

A more detailed discussion of the 2006-2007 achievements of the department is provided below. Priorities are grouped within strategic goals identified in the department's 2006-2007 Business Plan.

4. DEPARTMENT PROGRESS AND ACCOMPLISHMENTS

Goal 1: Partnering with Municipalities

Priority: Creating and Maintaining Sustainable Communities

- *Sustainable communities allow for the efficient use of resources, support long term growth while working to protect and enhance the environment. Service Nova Scotia and Municipal Relations is committed to the concept of sustainable communities. This is demonstrated through its responsibility in administering programs such as the Federal Gas Tax Transfer for Public Transit funding programs, Municipal Rural Infrastructure Fund, Provincial Capital Assistance, the Community Accessibility Programs and the Accessible Transportation Assistance program. During the 11 year period the Province will be responsible for delivery of these programs (2000 to 2011), this will amount to over \$463 million in federal/provincial funding (including the Provincial Capital Assistance Program).*

Nova Scotia was the first province/territory to submit the required reporting to the federal government and the first to receive the 2006-07 federal funding under the Federal Gas Tax Transfer. By the end of fiscal year 2006-07, 52 out of the 55 N.S. municipalities received their 2006-07 funding. SNSMR delivered approximately \$17.0 million of the total \$17.4 million to the municipalities. The department delivered Federal Gas Tax Transfers for Public Transit funding of \$11.4 million to eligible organizations. The Community Accessibility Program and the Community Transportation Assistance Program (CTAP) were fully committed in 2006-07 as were the Municipal Rural Infrastructure Fund (MRIF) (\$4.0M) and the Canada/Nova Scotia Infrastructure Program (C/NSIP) (\$7.5M) provincial program budgets for 2006-07 as well as the Provincial Capital Assistance Program (PCAP) (\$4.25M).

The majority (over 85%) of the CNSIP, MRIF, Federal Gas Tax Transfer for Public Transit, and PCAP funding was directed to green infrastructure projects, which provides environmentally sustainable improvements to water, wastewater and solid waste facilities in the province. The Federal Gas Tax Transfer for Public Transit, Community Accessibility Program and CTAP funding resulted in improved public transit services, which encourages greater access and use of public transit and public facilities in the province. This is expected to help reduce traffic congestion in urban areas and improve access for seniors and people with disabilities in rural areas.

- *Monitor and implement programs (2006-07 allocation \$51 million) to assist in the development of sustainable communities.*

Canada/Nova Scotia Infrastructure Secretariat staff within SNSMR provided project monitoring to ensure the approved projects met the terms and conditions for the appropriate federal/provincial agreements. Staff worked closely with municipalities to ensure projects

followed budgets and construction schedules as closely as possible. The assistance provided to municipalities to start projects (engineering and pre-design studies) and to monitor progress ensured that the funding provided by all levels of government was used in an efficient and appropriate manner and provided accountability for the funding.

- ***Implement a Life Cycle Management framework to assist municipalities with strategic asset investment decisions.***

SNSMR conducted a workshop with the Municipal Public Works Association of Nova Scotia to develop an approach for proceeding with the Life Cycle Management initiative for municipal assets. The workshop reviewed how this initiative interacts with the new tangible capital asset (TCA) requirements for municipal assets. SNSMR partnered with the Municipal Finance Corporation to hire a summer student to test and make required changes to the Life Cycle Costing Tool that was developed for municipal assets. This work will be an initial part of the process to bring municipalities in compliance with new TCA requirements under the Public Sector Accounting Board (PSAB) and will provide base information needed to make sound asset investment decisions for municipalities and the Province.

- ***Work with municipalities and the Federal government to develop models and a framework to prepare Integrated Community Sustainability Plans for use of funds resulting from the federal gas tax transfer agreement.***

SNSMR participated in two Infrastructure Canada workshops with provinces/territories to share ideas and best practices regarding Integrated Community Sustainability Plans (ICSPs). SNSMR developed a Nova Scotia model ICSP and field tested the model plan with several Nova Scotia municipalities. ICSPs will provide a consistent and reasonable reporting framework to satisfy requirements under the gas tax agreement.

Priority: Effective Local Government

- ***SNSMR will continue to support effective municipal government in Nova Scotia. Initiatives will include entering into ongoing partnerships with municipalities in preparing studies and best practice guides that address local government issues such as structure and governance. The department will continue to focus on issues related to inter-municipal cooperation through its website and workshops, provide support to the Provincial Municipal Roundtable, review the municipal indicators and help to ensure a smooth transition to an independent assessment agency. The Division will also work with government in preparing a response to the Union of Nova Scotia Municipality's Fair and Equitable Funding Report.***

The department partnered with municipalities on studies, best practice guidelines and workshops to address local government structure and governance issues. The department completed a

number of studies in partnership with municipalities, including Shelburne and the Town of Pictou. The department also held workshops with Dalhousie University, the Association of Municipal Administrators of Nova Scotia, the Nova Scotia Planning Directors Association and the Women in Local Government project. These activities bring the latest information and best practices on municipal governance in areas of law, planning and administration to municipal units to improve municipal governance and ensure viable communities.

Inter-Municipal Cooperation

The department worked with the Kings County Partnership and Eastern Region standing groups to look at ways for the municipalities in each area to work more cooperatively and share information. The groups are comprised of councillors and municipal staff from each of the regions. The Eastern Region group is working on a joint study involving eight municipalities on the identification and protection of drinking water sources in the area. The Kings County Partnership group has reviewed their solid waste management strategy and are looking at fire and recreation services in the region. The groups have provided the opportunity for municipalities to get together and talk about issues of common concern, develop a common appreciation of these issues, and avoid misunderstandings. This work will continue into the next fiscal year. These partnerships will improve the effectiveness of local government, allow for service sharing, and reduce overlap and duplication of services among municipalities.

Provincial Municipal Roundtable

The department supported four Provincial Municipal Roundtable sessions in 2006-07. The Roundtable sessions provided opportunities for open discussion and understanding of provincial and municipal positions on issues such as the Fair and Equitable Funding Report, the Provincial budget and other matters of mutual concern to the Province of Nova Scotia and Nova Scotia's municipalities.

Municipal Internship Program

The department launched the Municipal Internship Program and two interns were hired in 2006-07. The program has been successful as more applications were received in 2006-07 than there were positions available. This program allows for trained individuals to fill upcoming vacancies in municipal government and assists municipal governments to manage succession planning among their staff.

Municipal Indicators

SNSMR established a provincial-municipal steering committee to review and evaluate municipal indicators used to assist municipal governments in their decision-making. The steering committee was mandated to determine whether new indicators should be developed and existing ones improved. A recommended list of revised indicators was scheduled to be completed by the summer of 2007.

Property Valuation Services Corporation

SNSMR passed the Property Valuation Services Corporation (PVSC) Act in November 2006 to establish the PVSC as a municipally controlled corporation. The Act will be effective April 1, 2007 and the PVSC will become responsible for the assessment service by April 2008. This includes all employees and assets migrating to the PVSC. Property assessment services have been provided by the Assessment Services division of SNSMR. Under the legislation the existing Transitional Board was replaced by the PVSC Board and the Deputy Minister of SNSMR was added to the Board. A Corporate Secretariat, including legal, financial and human resources employees, was established by the PVSC. The Act requires that the PVSC and the Minister of SNSMR enter into a memorandum of understanding (MOU) respecting the transfer of responsibility for the delivery of property assessment services from SNSMR to the PVSC, including the migration of all employees and assets. The department is negotiating this MOU, which will be completed during 2007-08. Responsibility for the legislation, tax policy, and oversight of the PVSC will remain with SNSMR.

Municipalities have been paying for assessment services on a cost recovery basis since 2001. The creation of a municipally controlled corporation to deliver assessment services in Nova Scotia will give municipalities much more control over the agency and how their funding is spent. This separation will allow the PVSC to focus on its core business of providing property assessment rolls to its municipal stakeholders.

Fair and Equitable Funding Report

The Province responded to the *Fair and Equitable Funding Report* prepared by the Union of Nova Scotia Municipalities (UNSM). The Government rejected the recommendation contained in the report that would see an additional \$250 million directed annually to municipalities by the Province. Instead, the Government committed to work with UNSM through the Provincial Municipal Roundtable to address some of the issues contained in the report.

Financial Reporting and Accounting Manual (FRAM)

The Canadian Institute of Chartered Accountants (CICA), through the Public Sector Accounting Board (PSAB), now requires that municipalities follow Public Sector Accounting Principles to obtain an unqualified opinion on their annual financial statements. Recognizing that municipalities may require additional supports in relation to these changes, SNSMR led a Provincial/Municipal team of senior finance officials to develop the Financial Reporting and Accounting Manual (FRAM), which has replaced the previous Municipal Accounting and Reporting Manual (MARM).

FRAM requires municipalities to follow PSAB accounting standards and, on an annual basis, to complete the Financial Information Return (FIR) and the Statement of Estimates (SOE). The Provincial Government passed a regulation in June, 2006 under the Municipal Government Act that saw FRAM replace MARM as the new system of accounting to be followed by Nova Scotia's municipalities.

The department held four regional workshops for municipal finance staff to assist municipalities with implementing the changes brought forward with the new FRAM reporting requirements. Compliance with PSAB reporting guidelines increases comparability with municipalities on a national basis and provides more complete and useful financial information to municipal stakeholders.

Wind Turbine Facilities Municipal Taxation Act

SNSMR passed the Wind Turbine Facilities Municipal Taxation Act during the Fall 2006 session of the legislature. Prior to this legislation, wind turbines were taxed like most other industries on the basis of market value assessment times the tax rate. Wind farms will now pay municipal taxes based on a 'hybrid' model:

1. Land and buildings will be taxed based on their market value assessment times the commercial tax rate
2. The wind turbine facility (WTF) will be taxed based on a legislated rate multiplied by the nameplate megawatt capacity of the WTF.

The concept was developed through consultations between industry, the Union of Nova Scotia Municipalities (UNSM), and provincial officials. The result is that wind farms in Nova Scotia will now be taxed on a much more competitive basis with the rest of Canada. Prior to the legislation, the property tax burden on wind farms in NS was nearly the highest in Canada. The legislation also supports the Province's policy on green energy.

Assessment Capping Program Review

In the fall of 2004, the Province introduced a Capped Assessment Program (CAP) to protect Nova Scotia property owners from sudden and dramatic increases in their property assessments. In 2006-07, the department completed a full program review on CAP as required by legislation. The review included a series of six discussion sessions in locations around the province to obtain municipal input on the CAP, literature and jurisdictional reviews, and data analysis. The report was tabled in the House of Assembly and all three parties agreed to extend the program with the Consumer Price Index (CPI) as the cap. Beginning with the January 2008 assessment roll, increases in residential property assessment will be capped at the Nova Scotia CPI.

Goal 2: Improving Government Services

Priority: Integrated Service Delivery Plan

- *In February 2005, the SNS Executive initiated a strategic planning process to establish a common understanding of the current situation and to develop a shared focus/strategic framework for the new Branch. This process included the development of a high-level profile of:*
 - *SNS clients, services, functions, assets and infrastructure;*

- *current and emerging practice in integrated service of other jurisdictions; and*
- *current perceptions with respect to the SNS corporate mandate and key opportunities and issues obtained through interviews with key stakeholders and roundtable discussions.*

The outcome of strategic planning sessions was the development of a new Branch mission, vision, guiding principles, critical success factors and strategic directions which is captured in a document entitled One Client - One Vision.

A set of strategic directions has been developed to guide efforts over the next several years. Specific goals have been developed for each of the strategic directions and initiatives/projects are being identified to realize the goals.

Planned Activities

- *primary focus on the operation of the division's registries and services provided to the public and other client departments*

SNSMR developed a divisional integration plan for its Service Delivery division and made progress in areas including the budget, coordination of equipment purchases, cross training, and facilities needs planning. The department implemented an integrated regional director structure for the division in January 2007 and appointed the Southern Regional Manager in March 2007. This represented the first implementation of an integrated Access Nova Scotia Regional Manager.

In 2006-07, the department also consolidated its Registry programs (Motor Vehicles, Vital Statistics, Nova Scotia Business Registry, Joint Stock Companies, Land and Property) within one division. The department reviewed and made recommendations on an organizational model for Corporate Registries to support effective program delivery and greater integration between programs. The consolidation was partially completed by the department in 2006-07. The department identified and defined roles and responsibilities for each division and other mechanisms (i.e Integrated Delivery Support Team, Service Level Agreements) required for effective program/service delivery in an integrated delivery model. The department also developed an operational delivery model to support integrated program/service delivery, which it will implement in 2007-08 and 2008-09.

The integrated plan is linked to the strategic goal of improving accessibility and quality of government information and services and is aligned with the *One Client, One Vision* integrated service delivery strategy and the transition to a new organizational design. The changes will provide more integrated service delivery to clients in a manner that better meets their needs and expectations. Other outcomes of the integrated plan include more effective program and service management and more efficient and client-centred services through the identification of future service integration opportunities and the development of better information and better tools for program and service delivery.

- ***system projects and initiatives to support program and service improvements and innovation such as the mainframe migration and point of sale projects***

The department completed the design of modernized Vital Statistics and Registry of Motor Vehicles systems and was well-advanced with their development. An implementation training plan for users was developed in 2006-07 and will be rolled out in 2007-08. Mainframe modernization will move Registry of Motor Vehicles and Vital Statistics data and functionality to technologies more conducive to sharing information. This will position the department to address new requirements, such as on-line submissions, with greater agility. The department also rolled-out the Point-of-Sale system, which consolidates financial functionality and data into one system. This provides improved financial controls for the department.

- ***alignment with One Client, One Vision integrated service delivery strategy and transition of the unit to a new organizational design.***

During 2006-07, the department continued to move towards an integrated service delivery organization. The department introduced a branding rejuvenation, which included a name change for the Service Nova Scotia branch to “Access Nova Scotia”. The new branding will help clients identify the many services and programs offered through all our channels as Access Nova Scotia and capitalize on the existing goodwill of our Access Centres. During the development of the 2006-07 business plan, the department used the six strategic directions from *One Client, One Vision* to align priorities and initiated the Five Year Integrated Service Delivery Strategic Plan. The plan is intended to define the desired state of the organization in five years and identify initiatives that will move the organization in that direction. It is expected to be completed in 2007-08. The department also began to develop a business case for a Flexible Operating Model that will suggest improvements to allow the department to respond more quickly to the addition of new programs or changing business requirements. The business case is expected to be completed in the fall of 2007.

The Integrated Service Delivery Plan will make Government of Nova Scotia services more easily accessible to clients in the way they want and provide services in bundles, such as by business or life event, depending on their needs. The plan will also allow the department to adapt and respond to the ever changing needs of clients, the addition of new programs, and changing business requirements by engaging clients about what makes sense to them and by having the right resources, service enhancements, channels and technology to respond.

Priority: French Language Services Plan

- ***French-language services enhance the delivery of government services to the public by providing Nova Scotians with a choice when conducting business with Service Nova Scotia and Municipal Relations. This is achieved by providing customers with the option of receiving information and services in either French or English. This goal will be achieved in the following ways:***

Continue provision of French-language Services:

- ***in the SNSMR Call Centre for both Registry of Motor Vehicles and Public Enquiries.***
- ***for clients accessing services in two of our Access NS Offices - Yarmouth and Dartmouth.***
- ***through the translation of documents, such as application forms and brochures.***
- ***through translated program content on the SNSMR website.***
- ***with on-line transactions.***

SNSMR offered French language training to its employees through the Office of Acadian Affairs. Courses were offered at Université Sainte Anne locations across the Province and a limited number of spots were accessed in the Federal Government's language forum within Nova Scotia. The department now has bilingual employees offering French language service in its Call Centre, Dartmouth Access Centre, Yarmouth Access Centre and Head Office in positions that include Customer Service Representative, Driver Enhancement Officer, Residential Tenancy Officer and Web Developer.

The department translated the Driver's Handbook into French and made it available for purchase at Registry of Motor Vehicle/Access Nova Scotia offices, through the government's online bookstore and from SNSMR's website. The department translated and made written driver learner and motorcycle tests available at offices that offer written testing. SNSMR added new French content to its web site for Vital Statistics, Registry of Motor Vehicles, Gas Regulations and Pricing, Your Energy Rebate Program, Graduate Tax Rebate, Service to Business, Vital Statistics, Registry of Motor Vehicle, Registry of Joint Stock Companies and Cooperatives, and related permits and licences. The department translated the remaining pages of the Permits Directory for licences, permits, registrations and certifications that are housed by SNSMR. These pages are scheduled to be made available online in 2007-08.

SNSMR's French Language Services improve the accessibility and quality of government information and services. French language services provide Nova Scotians with a choice of language when conducting business with Service Nova Scotia and Municipal Relations.

Priority: Quality Assurance

- ***The Corporate Development unit of the Department will lead and facilitate the Quality Assurance process across the entire department by the end of fiscal 2008-09. This will require the training and development of Quality Assurance teams in all appropriate program areas over the next several years.***

Following a successful Quality Assurance (QA) pilot in 2005-06, progress on the QA initiative was slower than anticipated during 2006-07. The staff member responsible for leading this initiative left the department early in the fiscal year, thus no additional programs underwent the

evaluation process. To overcome this hurdle, a dedicated QA expert was hired in December, 2006 and the remainder of the year was spent identifying programs appropriate for a QA evaluation. A plan to deliver QA training to key program areas by the end of 2008-09 is now in place and approximately 40% of these programs should be completed in 2007-08 and the remainder in 2008-09.

Priority: Revenue Protection

- *Recent increases in the number of cigarettes sold in clear plastic bags points towards illegal manufacturing/distribution operations, likely sourced from illegal manufacturers located in central Canada. This activity will be investigated further. In addition, the Department will continue to monitor tobacco tax revenues against those forecasted by the Department of Finance as well as provide an estimate of tobacco revenues adjusted for normal, anticipated consumption decreases.*

Effective enforcement of the Revenue Act, especially tobacco compliance, relies on collaboration between SNSMR and law enforcement agencies. An MOU has been drafted to allow two Compliance Officers to work closely with law enforcement agencies in this area.

Once implemented in 2007-08, this arrangement will ensure resources are dedicated to illegal tobacco matters, promote the exchange of information, and make the department's tobacco expertise available to the RCMP. Although the MOU has not yet been signed, a closer working relationship has already been established between the Department and the RCMP Excise and other agencies. Increasing success has been experienced in both the number of seizures, and the quantities seized.

Department staff delivered an education program to RCMP detachments across Nova Scotia, which has increased awareness of tobacco compliance issues. Information kits and presentations provided through the program have helped RCMP members better understand tobacco offences, and who to contact for further assistance. Each of these efforts will create a level playing field for businesses that are compliant in the remittance of taxes and optimize provincial revenues.

Goal 3: Modernize Departmental Programs

Priority: Consumer Protection

- *The Department will continue to enhance protections for consumers in a number of areas. There will be changes to the regulations governing the administration of pre-need cemetery plans and pre-arranged funeral plans, as well as an increase in inspection activity of the sellers of these plans. The Department will also be considering a comprehensive review of all legislation covering the funeral, cremation and interment activity. The legislation currently in place is largely unchanged for over*

twenty years, despite evolving consumer preferences and demands for greater choice.

Amendments will also be considered to ensure protection of the deposits made by purchasers of residential housing units. In some cases, purchasers may not be aware that they are allowing their deposits to be put at risk when they allow them to be used by the builder during construction. The Department will also determine the most opportune time to proclaim changes in the prohibited collection agency practices that are part of a national harmonization initiative. Other areas where Nova Scotia will be working in conjunction with other jurisdictions to improve consumer protection include consumer reporting and travel services. Nova Scotia is also working with other jurisdictions to develop a regulatory framework specifically for those businesses offering small sum, short term loans, also known as pay day lenders.

Cemetery and Funeral Services

The department has drafted changes to the regulations that govern operators who sell pre-need cemetery and pre-arranged funeral plans. These changes were also reviewed by the funeral services sector. Consumers who make pre-need cemetery plans or pre-arranged funeral plans often pay for those services well in advance of needing them. The changes to the regulations that govern how operators manage and account for those revenues will ensure that purchasers know their payments have been placed in trust, and tighten the record keeping requirements of sellers.

Inspection of records and processes is another important way consumers of pre-need cemetery plans and pre-arranged funeral plans are protected. The department hired three new Consumer Protection Officers, which has resulted in increased inspection activity. A greater number of inspections increases voluntary compliance, and helps to identify non-compliance. The number of inspections has increased 67 percent over the previous year. Ultimately, these changes will protect the payments made by purchasers of pre-need services.

Collection Agencies

The department has drafted changes to how Nova Scotia regulates collection agencies, but these have not yet been submitted for approval. The changes would affect the actions a collection agency is allowed to take when collecting a debt. The activities of collection agencies are closely regulated at the provincial government level, but consumers and collection agencies would benefit by having key protections and requirements harmonized across Canada. Having a common regulatory regime across the country would make compliance simpler for collection agencies, reduce their cost of doing business, and make it easier for consumers to understand their rights and responsibilities. As well, consumer protection would increase through updated guidelines for collection activities and consumer education would be simplified once a unified approach is achieved across jurisdictions.

Payday Lenders

The department developed amendments to the Consumer Protection Act that protect customers of payday lenders. The amendments were passed by the legislature and are awaiting proclamation.

The amendments require that Payday Lenders obtain a permit to conduct business in Nova Scotia. They also impose a number of obligations and restrictions on the operations of payday lenders, including requirements for detailed loan disclosure, and the creation of a framework to set maximum allowable rates and fees for the cost of borrowing. When in place, these and other changes will help ensure clients of Payday Lenders have good information on which to base their borrowing decisions.

Purchasers of Residential Housing Units

The department held a public consultation on deposit protection for purchasers of new residential housing units. Purchasers of residential housing units are sometimes asked to put down a deposit on new residential housing units before construction is complete. Some purchasers are not aware that their deposit may be at risk when they allow them to be used by the builder during construction. Further consultations with stakeholders will help to define the measures that will be taken to protect purchasers and their deposits.

Consumer Reporting

SNSMR began work on a consultation paper seeking public input on the *Consumer Reporting Act*. The Act governs the type of information a consumer reporting agency can collect about an individual to share with other parties. The consultation will determine whether harmonization of certain requirements is needed across all provinces.

Priority: Legislative Review

- ***The Department is responsible for administering 47 Acts and their supporting regulations and in some cases, this is a shared responsibility with another department or agency. The Acts are assigned to various administrators within the Department who are accountable to ensure that the Acts are effective and efficient in meeting their mandates. Many Acts require updating to reflect the current environment or to accomplish government's strategy to reduce red tape.***

The department has made an ongoing effort to ensure that the Acts it administers remain effective and efficient in meeting their mandates. The department reviewed several key Acts in 2006-07, which are at various stages of review.

Companies Act

The Companies Act regulates the formation and maintenance of Nova Scotia companies and establishes certain rights and obligations of directors, officers and shareholders. Following comprehensive public consultation, the department prepared amendments to the Companies Act for introduction in the House of Assembly. These amendments are intended to modernize the current legislation and reduce the administrative burden on business by bringing greater efficiencies to certain regulated corporate activities.

Motor Vehicle Act

The Motor Vehicle Act governs the movement of people and goods on our highway system. The department has undertaken an initiative to make the Act easier to understand. The department drafted a Report and Recommendation, which was approved by Executive Council. As well, the department developed a project charter to guide this project. The final result is expected to be achieved in 2009. The improvements to the Act will respond to stakeholder concerns that the Act should be reorganized, updated and clarified.

Funeral Services

The Embalmers and Funeral Directors Act regulates funeral homes and crematoriums, and the people who work in them. The Cemetery and Funeral Services Act regulates the advance purchase of funeral and cemetery goods and services. Both Acts require attention and possible amendments. The department drafted a consultation paper on options for compensating purchasers who suffer losses on pre-paid contracts. The consultation paper is ready for circulation. Purchasers of pre-arranged or pre-need plans would benefit from amendments to both Acts through increased protections.

Priority: Systems Projects

- ***The Department provides Nova Scotians with seamless one-window access to citizen and business-related government services. One of the goals is to modernize the Departmental programs and infrastructure to support citizen-centered service models and to address emerging issues. Several projects are being undertaken in support of this goal.***

Mainframe Modernization: Three of SNSMR's core business applications, the Registry of Motor Vehicles (RMV), Vital Statistics, and Mass Appraisal (OASIS) systems are legacy mainframe-based systems that are impacted by the Nova Scotia Government decision not to renew the mainframe contract that expires in March, 2007. In 2005-06, SNSMR acquired the tool set and methodology necessary to transform RMV and Vital Statistics to new applications and database technologies, while the Mass Appraisal System will be migrated to a commercially available system.

SNSMR successfully migrated the Assessment Services Mass Appraisal system from the mainframe to a commercially available system in early 2007. The department encountered some delays in the Vital Statistics and Registry of Motor Vehicles modernization, which is now targeted for implementation in June 2007 and March 2008 respectively. SNSMR began testing and defining the required functionality on the new systems. The department established staff training plans and has been providing regular staff updates through newsletters and regional presentations. SNSMR also began the development of training material for the new systems. The department assigned application support staff to the project and established a knowledge transfer plan to address gaps in staff skills profiles.

Mainframe modernization will move Registry of Motor Vehicles and Vital Statistics data and functionality to technologies more conducive to sharing information than the old system. It also positions the department to address new requirements, such as on-line submissions, with greater ease and agility.

- ***Other Mainframe Issues: The Lands and Forests Accounts Receivables system and various rebates systems (Keep the Heat, Senior Property Tax Refund) are also mainframe-based, and will be migrated to modern technologies. A common general-purpose rebates/refunds system will be designed to meet the needs of multiple departmental programs.***

During 2006-07, the department continued to modernize mainframe applications to accommodate the strategic goal of retiring the mainframe system. One of the systems required to be modernized was the Lands and Forests Accounts Receivables system. This system is essential for the delivery of hunting and fishing license by SNSMR on behalf of the Department of Natural Resources. The current system is a mix of automated and manual process created over a number of years to fill the gaps not satisfied by the computer system. Components of the system include vendor management, accounts payable and inventory management. The department completed the majority of the development of the new system in 2006-07 and the system is anticipated to go live in early June 2007 followed by the completion of all reports in July 2007.

The modernization of the Lands and Forests Accounts Receivables system, now known as Fishing and Hunting Licensing System (FAHLS), significantly increases services to clients as well as staff processing efficiency. The system includes complete automation of processes, timely access to information and management and communication with hunting and fishing license vendors. The new technologies in FAHLS will make it easier to add required functionality in the future. The accomplishments around the various rebate systems are addressed on page 23 below.

- ***The Point-of-Sale (POS) initiative is an on-going project that successfully completed its initial deployment to selected locations in 2005-06. In 2006-07, deployments are targeted for the Nova Scotia Business Registry and remaining Access Nova Scotia Information Counters. In addition, SNSMR staff are working with the POS vendor to develop point-of-sale services to be integrated with the transformed RMV and Vital Statistics systems.***

The Point of Sale (POS) project continued to meet and exceed its objectives over 2006-07. The project successfully integrated and implemented the solution at all Access Nova Scotia Information Counters, and the Nova Scotia Business Registry. The project also developed a method for integration with the updated Registry of Motor Vehicle and Vital Statistics applications. The project also improved system reliability by incorporating back-up services, provided custom reports, completed work with the Service Delivery Audit special project to enhance traceability and audit ability, and added products and services to the Information Services counters across the province. The project created, submitted and received approval for the

implementation of POS into the Registry of Motor Vehicles and Vital Statistics environments during 2007-08. The actual implementation of POS into the Registry of Motor Vehicles and Vital Statistics environments will occur in 2008-09.

The POS project allows new products and services to be easily added and provides common payment methods across programs, which allows the department to enhance client satisfaction. The POS solution also provides staff with a more efficient and user friendly experience. The enhanced traceability and audit ability in POS makes it easier to reconcile funds and investigate transactions that were once very difficult to investigate.

- ***The International Fuel Tax Agreement application is a legacy application which can no longer meet the needs of the departmental program it supports. A business case will be developed to support a decision whether to buy a commercially available system or design and develop a custom solution.***

The department's International Fuel Tax Project successfully completed a business case and analysis on replacement for this system. In cooperation with various stakeholders, this work was completed via vendor consultations and best practice marketplace analysis. The recommended replacement is to develop a custom built system using the base system that was partially developed in 2005. The new system is scheduled to be complete by April 2008.

The new system will provide a greater level of compliance with the International Fuel Tax Agreement (IFTA) program and provide the features and functions required now and in the future. The new system will also provide timely access to information, and efficient processing and enhanced calculation of IFTA fees.

- ***Nova Scotia Portal and Identity Management: SNSMR is a key stakeholder in two Government of Nova Scotia initiatives, the deployment of a Nova Scotia Portal, and an Identity Management System. The Portal will serve as a gateway for citizens and business to access government services online. SNSMR has partnered with Public Works and Government Services Canada to examine the technical and functional fit of their Secure Channel/E-Pass digital certificate service within our security architecture. In 2006-07, a Proof-of-Concept project will utilize E-Pass in one of its business services to determine the feasibility of deploying the service on a larger scale.***

The department continued to promote the use of the SAP Portal technology. In 2006-07, SNSMR used portal technology to increase collaboration with stakeholders and sharing of documents. This was done by establishing secure web sites (portals) where sharing and organization of data was accessible to specific users. Examples include using the portal to share working files with a project team organizing a national conference (including users external to government), sharing files with service providers of technology to improve communications and setting up remotely accessible divisional repositories.

In 2006-07, SNSMR also completed work with Public Works and Government Services Canada on the Epass Proof of Concept Project. The project investigated Epass/SAP portal integration requirements, provided development estimates and considered prototype development. Primarily for cost reasons, a decision was made not to proceed with the prototype development phase.

The department provides Nova Scotians with seamless one-window access to citizen and business- related government services. One of the goals is to modernize the departmental programs and infrastructure to support citizen-centered service models and to address emerging issues. The use of portal technology is an example of this.

- ***rebates/refunds : design of a common system for use by multiple departmental programs***

A rebate/refund application resided on the mainframe and as part of the mainframe retirement program a more modern application was required. In addition, in the 2006-07 budget the Province committed to refund provincial tax on essential energy needs. The department collected requirements from all stakeholders and successfully delivered a system that satisfied these requirements. The new system is a common rebate/refund system. A staggered deployment approach was agreed upon and the department launched the application with programs over several months. The new rebate/refund system allows the department to meet its commitments to citizens in both new and existing rebate/refund programs. The solution provides for enhanced traceability and audit functions and access to timely information and common reports. The system is expected to be completely deployed by July 2007, and will be used by all programs provided by the department that provide rebates/refunds.

Goal 4 - Human Resource Initiatives

- ***implementation of a phased succession management process involving:***
 - ***identification of key positions and upcoming retirements`***
 - ***identification of the skills required in those key positions***
 - ***identification of two possible successors with the competencies necessary for the position***
 - ***development of plans and strategies for knowledge transfer to the potential successors.***
- ***enter information into database that tracks development plans for all employees***
 - ***issue reports from the system beginning in July 2006***
- ***expand implementation of performance management process to all employees***

As succession management impacts an organization's culture, the stages of required activities vary depending on the organization's capacity to deliver, environmental factors and available internal resources. In 2006-07, SNSMR identified and established the requirements of a successful succession strategy, learned best practices, and developed tools to identify the key

positions at risk and methodologies for developing employees to meet both current and future needs. Based on this research SNSMR presented a succession management strategy to its Senior Management. Individual divisions within the department took the knowledge and tools that were produced to initiate the identification and development of employees with a focus on positions at risk.

In 2006-07, the department constructed a basic database to capture information on employee performance, training and/or development activity. The department also began issuing reports from the system in 2006-07 and reports will be produced on a yearly or an as needed basis.

The department made simplified versions of employee performance review documents available for use with Bargaining Unit employee reviews and conducted instructional workshops on the documents where required. The department also established an enhanced corporate performance review system in 2006-07 that will be available for the 2008-09 fiscal planning period.

With the adoption of a succession planning model and the implementation of the identified actions, a gradual shift in the organizational culture will position the department to sustain an effective workforce by attracting, developing and retaining qualified employees in a timely manner.

• develop employee survey to be conducted in 2007-08 and action plans resulting from the latest survey (2005-06)

In 2006-07, the department developed its next bi-annual employee survey, which will be conducted in Fall 2007. Surveying department employees on their job satisfaction, satisfaction with the department as an employer, satisfaction with the department's communication processes, and their assessment of the performance of department senior management allows the department to address any issues that may exist and ensure that its employees are satisfied with their jobs and with the department as an employer. In turn, satisfied employees result in an effective workforce and improved service delivery to clients.

While department management was generally satisfied that results of the 2005-06 employee survey showed improvement in most areas, each division developed action plans to respond to their respective areas of concern. The department undertook the following actions following the survey, which attempt to address some of the survey results:

- Actively promoting internal and external training and development opportunities, including sponsoring the attendance of staff at seminars, workshops and national and international conferences;
- Actively delivering and continuously developing departmental employee recognition initiatives and holding employee recognition events;
- Increased progress on developing career development plans and performance appraisals for both MCP and bargaining unit employees;

- Established an internal business planning committee to engage employees in the development and management of the department business plan;
- Increased distribution of both divisional and the department business plan, including providing a one-page brochure on the contents of the business plan to all staff.
- Reorganized one division to create a more rational approach to work loads and to enable internal support within divisions;
- Improved communications within divisions and across the department, including increasing the communications, visibility and presence from senior management. One division profiled its senior managers in its division business plan, considered the information needs of its staff in the development of the plan, and increased the accessibility of the plan's content.
- Promoted overall staff health and well-being by launching and coordinating a Wellness Club and its activities (see Unplanned Activities section for more details);

- *up-date OHS Departmental Program manual during 2006-07*
- *prepare Guidelines for Written Work Procedures and Employee Orientation for the Department as required under the OHS Act in 2006-07.*

In 2006-07, SNSMR continued its on-going updates to the Occupational Health and Safety (OHS) Departmental Program Manual. The department also underwent a Public Service Commission OHS Audit that was commissioned in November 2006. The department will incorporate the recommendations that resulted from the audit into in the updating of the OHS Program Manual. The recommendations included the development of a contracted work program to cover contractors and to ensure that this program is managed, monitored and controlled as required by the corporate OHS Policy. The audit also recommended that the department evaluate the effectiveness of its Joint Occupational Health and Safety (JOHS) committees using best practices. Updates to the manual are expected to be completed by end of 2007-08.

Included in the updates to the OHS Program Manual will be guidelines that the department prepared in 2006-07 for providing awareness of Written Work Procedures and OHS Employee Orientation. The revisions and updates to the OHS Program Manual will ensure conformity with the OHS Act and Regulations, improve the safety and well-being of staff and maintain the safety culture of Service Nova Scotia and Municipal Relations

- *Development of a web based information on Diversity and resources for employees;*
- *establishment of a target of 95% compliance, over fiscal period 2006-2009 for employee participation in diversity education;*
- *Appointment of a Diversity Coordinator to establish relationships with organizations representing designated groups and initiate a 2008-2009 employment systems review;*

In 2006-07, SNSMR created a 'Go Forward Action Plan' on diversity in the workplace, which will be implemented beginning in the the 2007-2008 fiscal period. Through education, corporate initiatives, practices and policies, SNSMR focused on sustaining a work ethic that values diversity in the workplace in 2006-07. A key focus was the enhancement of Diversity Communications

and Education as well as the identification and removal of employment barriers for designated groups. SNSMR developed an education program that has successfully reached 51% of its employees. The department also designed web-based diversity resources that will be released upon the completion of a current Human Resources Review. The department also appointed a Diversity Coordinator that will be in place for 2007-2008. Diversity education, communications, practices and policies that support equity of opportunity for staff and those interested in working for SNSMR has resulted in staff within the department who are closely representative of the diverse groups that are in the labour market.

5. UNPLANNED ACTIVITIES

In addition to the ongoing activities of the department and those special initiatives identified in its Business Plan, the department was assigned a host of significant, unplanned projects throughout the fiscal year. In some cases these projects were provided through the use of additional resources, but in many cases they were done with the current complement of staff and budget. The most significant of these items were:

Business Continuity Management

As part of the Emergency Management Office's Business Continuity Management (BCM) initiative, SNSMR began to develop and implement Business Continuity within the department. In 2006-07, the department developed and approved the project plan for its Business Continuity initiative and began a Hazard and Vulnerability Risk Assessment to identify potential threats to the organization. The department expects to have a Business Continuity Plan in place by the end of 2007-08 with implementation of the plan to follow. BCM is an integral part of SNSMR's commitment to providing essential services to Nova Scotians in a crisis situation. By taking the appropriate steps now, SNSMR can improve the resilience of its infrastructure and reduce the likelihood of disruption. Should a disruption occur, the operational and financial impact on the Department, the Government of Nova Scotia and all Nova Scotians would be reduced.

Petroleum Products Pricing Regulation

It was decided that Nova Scotia would also regulate product prices beginning on July 1, 2006. In Nova Scotia, the intent of regulation is threefold: more stable prices so that consumers know what they are paying and operators have a more reliable cash flow; guaranteed margins for rural operators to enhance their viability and thus rural infrastructure; and reduced differences in prices across the different regions of the province. These objectives were to be met with minimal price increase to consumers.

The department developed a regulatory regime that both met the objectives and the deadline. On July 1, 2006 gasoline and diesel oil product prices were set by the Regulator (the Minister of SNSMR) and then reset every two weeks thereafter.

In addition, the Government indicated that the Utility and Review Board (UARB) was to undertake a review of the regulatory framework developed by the department and to recommend any changes to better meet the stated objectives. Public hearings as part of this review were conducted in September, 2006 and a report was issued by the UARB in October. Generally the UARB felt the framework was well designed although it did recommend weekly pricing (rather than bi-weekly) and it felt more transparency should be built into the pricing formula.

Government also directed that a six month review of the regulatory regime be undertaken by an

independent consultant. This study was completed by the end of the fiscal year by Gardner Pinfold Consulting Economists Inc. and included four recommendations for possible improvement. These related once again to weekly pricing, removing the price cap on full service sales of gasoline, regular evaluations of the regulatory framework, and adopting a fixed and transparent formula for forward averaging and its application at each adjustment. The first three of the four recommendations were adopted by Government early in the new fiscal year. Further consideration of the fourth recommendation is required before it is implemented.

Your Energy Rebate Program

Effective December 1, 2006, SNSMR implemented the Household Energy Rebate Program, commonly known as 'Your Energy Rebate'. As a result, Nova Scotians who heat their homes with oil, firewood, wood pellets, propane, kerosene or coal became eligible for a rebate of eight per cent -- equivalent to the provincial portion of the harmonized sales tax (HST). The rebate for electricity and natural gas applied to bills dated on or after January 1, 2007.

Your Energy Rebate is a program designed to help Nova Scotians with the rising cost of home energy. For most, the rebate is automatically taken off the bill by the power company and fuel distributors (oil, propane (home-delivered), firewood (home-delivered) and natural gas. For other energy sources, such as kerosene or coal, cylinder propane and wood pellets, Nova Scotians can apply for the rebate.

As a result of the use of a web based eligibility tool developed by the Department, fuel distributors were able to provide the rebate based on the eligibility status provided by the tool. In the case of electricity, suppliers provide the rebate to customers based solely on whether they are billed at the domestic service rate. As a result of the use of this criteria, most residential customers receive the rebate from their supplier at the time of purchase or billing. Suppliers are able to provide the rebate and receive reimbursement from the Province with a minimal amount of administrative burden through the use of electronic service delivery tools.

Federal Transit Transfer Program

In 2006-07, the federal government introduced a new program to supplement the Gas Tax Transfer Agreement. The department negotiated this agreement with Ottawa on behalf of Nova Scotia. The agreement will flow \$37.5 million to Nova Scotian communities over the next four years. Nova Scotia undertook management of this program, which provides support for transit services in Halifax Regional Municipality, Cape Breton Regional Municipality, Kings County and among eight rural community-based transportation systems in Nova Scotia. In 2006-07, the department negotiated separate agreements with recipient parties outlining the terms and conditions of funding. Over the course of the year, the department directed \$11.4 million to these transit operations. The program will improve transit services in Nova Scotia's urban and rural communities, support efforts to reduce greenhouse gas, and support the ability of citizens to travel

to and from work and recreational activities.

Employee Wellness Initiative

SNSMR launched its Wellness Club on October 16, 2006. The Wellness Club is an employee-driven initiative designed to encourage and facilitate healthy living by SNSMR employees and their families. The club focuses on four important areas: providing information for healthy living, providing opportunities to practice healthy living, creating incentives that motivate staff to live healthy lives, and recognizing the achievements of staff who strive to maintain or improve their health.

In delivering on its mandate, the Wellness Club organized Nutrition and Label Reading sessions, Health Screening (blood pressure, glucose and cholesterol) sessions, launched a "Stairway to Health" program, organized an Evening Skating event, organized a SNSMR Softball Team, provided Fitness Passes to the nearby exercise facilities, and provided Skate Passes to the Metro Centre among other activities. The Wellness Club motivates staff to maintain and/or improve their health and well-being. Healthy staff results in an effective workforce for the department and improved service delivery to clients.

6. YEAR END DEPARTMENTAL BUDGET SUMMARY

SNSMR - Estimated Budget Expenditures			
	2006/07 Estimate (Per 2006\07 Estimates Book)	2006/07 Actuals	2006-07 Variance
	\$ Thousands	\$ Thousands	\$ Thousands
Total Program Expenses - Gross Current	232,799	207,302	(25,497)
Net Program Expenses - Net of Recoveries	136,261	102,492	(33,769)
TCA Cash Flow	5,135	7,692	2,557
Salaries & Benefits	48,648	55,143	6,495
Funded Staff (FTEs) - Gross	961	939	(22)
Funded Staff (FTEs) - Net	784	770	(14)

Estimate to Actual Variance Explanations

Total Program Expenses - Gross Current (\$25,497)

HST rebates to vendors and individuals for Your Energy Rebate Program were moved from a budgeted operating expense to an offset against revenue (\$28.1M); lower than anticipated MRIF grants (\$4.0M); offset by salary increases resulting from the settling of the Collective Agreement and MCP pay for performance (\$6.5M).

Net Program Expenses - Net of Recoveries (\$33,769)

HST rebates to vendors and individuals for Your Energy Rebate Program were moved from a budgeted operating expense to an offset against revenue (\$28.1M); lower than anticipated MRIF grants (\$4.0M); additional salaries charged to capital projects (\$0.8M); and various departmental savings (\$0.87M).

TCA Cash Flow \$2,557

An accounting change in the Tangible Capital Asset (TCA) policy requiring all assets to be reported at gross cost (\$2.14M) and additional expenses on the Mainframe Migration, Point-of-Sale and R2000 projects to cover scope changes, delays with vendors and miscellaneous expenses.

Salaries & Benefits \$6,495

Salary increases resulting from the settling of the Collective Agreement and MCP pay for performance (\$6.5M).

Funded Staff Gross (22); Net (14)

Due to normal staff turnover.

7. DEPARTMENTAL PERFORMANCE MEASURES

2006-2007 represents the second year of a four-year planning cycle, which is to be completed by 2008-2009. The measures below represent the quantitative progress that the department has made towards its strategic goals.

As the department and its resources continue to evolve, so too do the performance measures that the department uses to quantify its progress toward each goal. These measures will continue to be refined until the right balance between resources and service delivery is achieved.

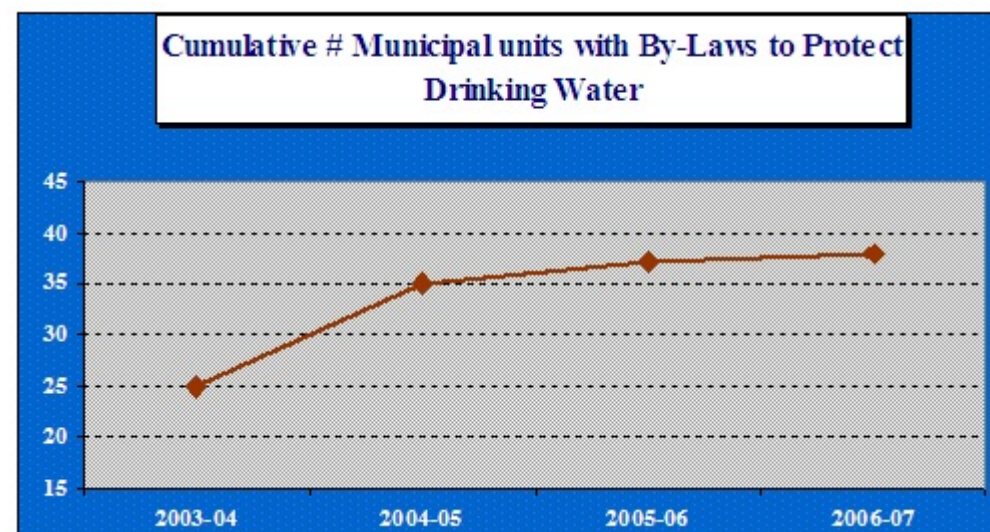
The performance measures that were identified in the 2005-2006 Business Plan, of necessity and through practical experience, changed somewhat for use in the 2006-2007 Business Plan and did so again for the 2007-08 Business Plan. The measures will likely be further refined in future years. It is anticipated that as the department's expertise in this area increases, the number of necessary revisions will continue to diminish.

The presentation that follows provides the performance measures identified in the 2006-2007 SNSMR Business Plan. It has been determined that it would be more useful to present data for these new measures rather than the 2005-2006 measures, some of which have been revised or discontinued. In addition, the Department developed a new format for presenting its performance measures. The department adopted the dashboard approach which provides the reader with a clear understanding of how it is progressing towards the target for each measure in a concise and logical manner.

The dashboard provides the measure, the formula used to calculate the measure, the target for the measure, the data source, the frequency with which the measure is tracked, the most recent status of progress toward achieving the target, the department initiative and strategic goal to which the measure is connected, and department progress towards the target in previous years. The dashboard also provides a visual representation of the measure through a graph and, where necessary, a brief analysis of the measure.

MEASURE: # municipalities with by-laws that protect drinking water supplies	Formula: Total number of Nova Scotia municipalities with by-laws in place specifically to protect drinking water supplies	Data Source: Municipal By-laws
	TARGET: Cumulative increase each year to all 55 municipalities by target year 2008/09	Frequency tracked: Annually
INITIATIVE: Develop long-term framework for municipal infrastructure development	STATUS: May not meet target	
GOAL A: Partner with municipalities to promote effective local government and healthy and vibrant communities.		

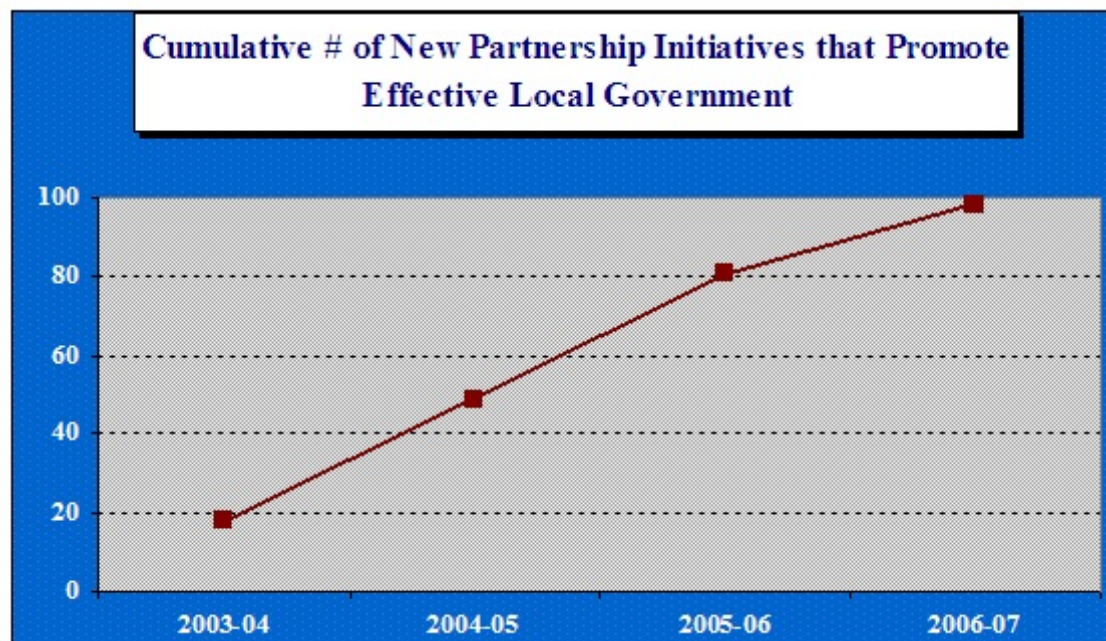
	2003-04	2004-05	2005-06	2006-07
# Municipal units with By-Laws to Protect Drinking Water (Cumulative)	25	35	37	38



Analysis: The number of municipalities that have planning documents (municipal planning strategies and land use by-laws) in place for the area surrounding their drinking water supply source [ie lake, river, or well (groundwater)] thereby assisting in the protection of raw water quality is increasing. SNSMR provides financial assistance under the Municipal Drinking Water Supply Planning Assistance (MDWSPAP) for technical background work that is necessary for the development of the by-laws. It can take some time once this background data is collected for a municipality to adopt municipal planning documents (municipal planning strategy & land use by-law). Also, municipal drinking water supplies are not located in every municipality in the province. The supplies for urban areas, such as towns, are often located in the adjacent county/district municipality and although the town has benefit of a municipal drinking water, the supply itself and consequently planning documents to protect it would be with respect to the rural municipality.

MEASURE: # new partnership initiatives that promote effective local government	Formula: Total number of new documented partnerships annually	Data Source: Department records
	TARGET: Cumulative increase each year to end of current planning cycle in 2008/09	Frequency tracked:
INITIATIVE: Develop long-term framework for municipal infrastructure development	STATUS: Meeting target	Annually
GOAL A: Partner with municipalities to promote effective local government and healthy and vibrant communities.		

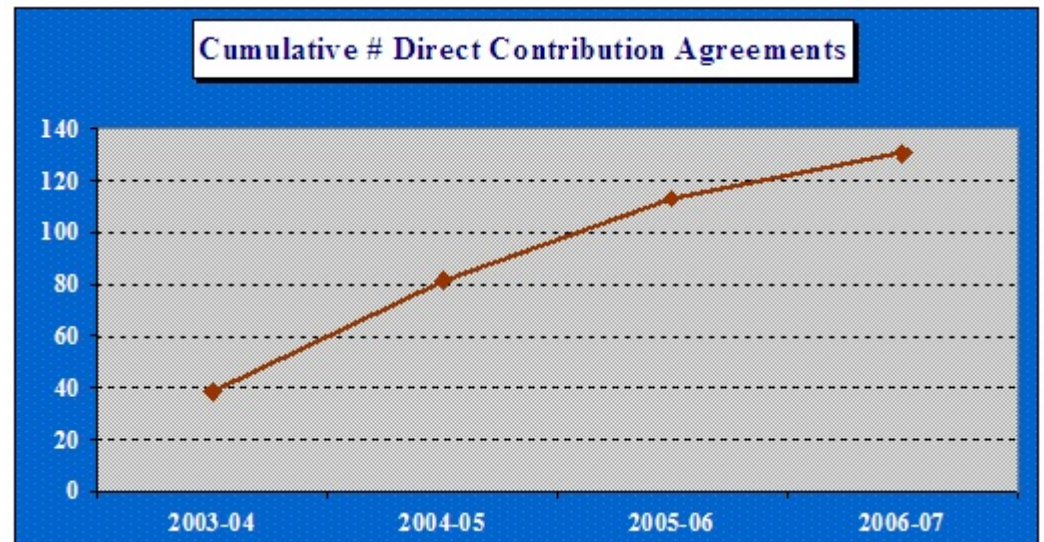
	2003-04	2004-05	2005-06	2006-07
# New Partnership Initiatives	18	31	32	18
Cumulative # New Partnership Initiatives	18	49	81	98



Analysis: Provides financial assistance to encourage local governments to undertake studies designed to facilitate improvements in the efficiency and effectiveness of local government service delivery and administration - governance, organization structure, etc - and to apply the findings as “best practices” to other local governments.

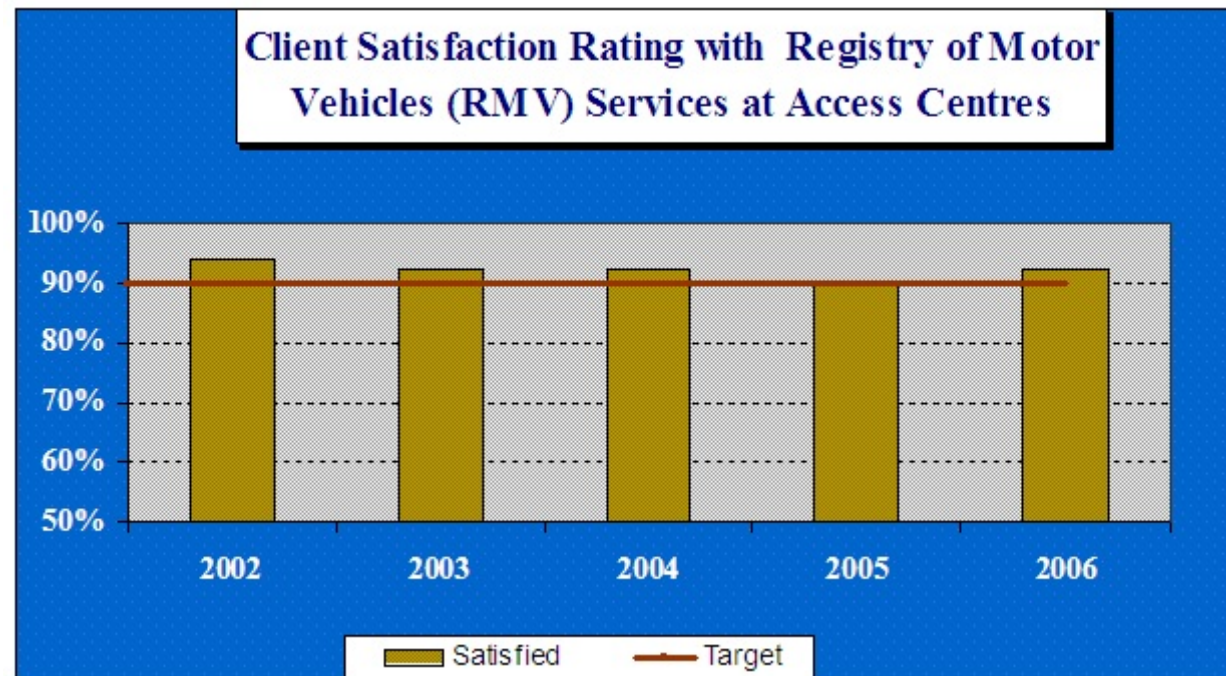
MEASURE: # direct contribution agreements that promote healthy & vibrant communities	Formula: Total # direct contribution agreements	Data Source: Department records
	TARGET: TARGET: Cumulative increase each year to end of current planning cycle in 2008/09	Frequency tracked:
INITIATIVE: Develop long-term framework for municipal infrastructure development	STATUS: Meeting target	Annually
GOAL A: Partner with municipalities to promote effective local government and healthy and vibrant communities.		

	2003-04	2004-05	2005-06	2006-07
# of Direct Contribution Agreements	38	44	31	18
Cumulative # Direct Contribution Agreements	38	82	113	131



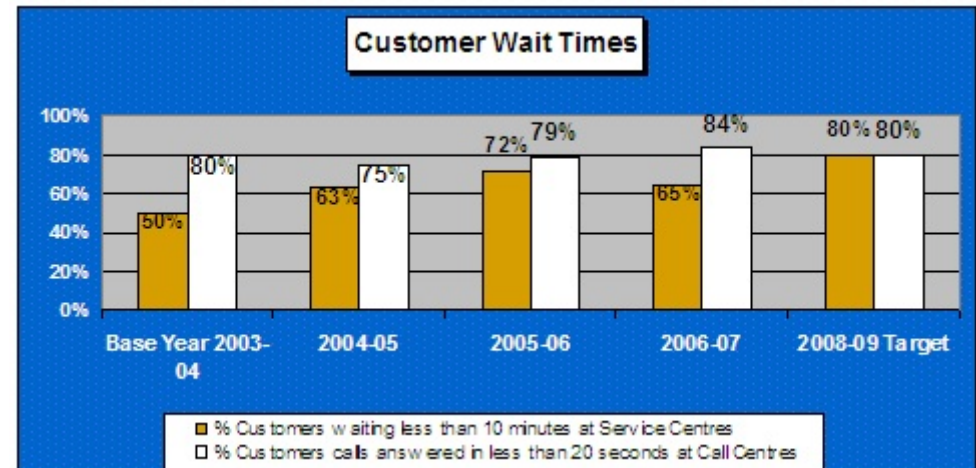
MEASURE: Client Satisfaction rating with Registry of Motor Vehicles (RMV) services at Access centres	Formula: # clients rating RMV service satisfactory or better / # clients responding to question	Data Source: RMV Client survey results
	TARGET: Maintain a minimum of 90% satisfaction to 2008-09	
Priority: Develop a plan for Integrated Service Delivery	STATUS: Meeting target	Frequency tracked: Annually
GOAL: B: Improve accessibility and quality of government services in a cost-effective manner, while maintaining security, integrity and accuracy of records/data		

		2002-03	2003-04	2004-05	2005-06	2006-07
Client Satisfaction Rating with Registry of Motor Vehicles Services at Access Centres	Target	90%	90%	90%	90%	90%
	% Satisfied	94%	92%	92%	90	92%



MEASURE: % Customers waiting less than 10 minutes at Service Centres and % customers having phone calls answered in less than 20 sec. At Call Centres	Formula: Time from check in or phone ringing to start of service or phone answered	Data Source: Departmental Wait Time Statistics
	TARGET: Targets to be met 80% of the time (2008-09)	
Priority: Develop a plan for Integrated Service Delivery	STATUS: Call Centre meeting target/Service Centres on course to meet target	Frequency tracked: Annually
GOAL: B: Improve accessibility and quality of government services in a cost-effective manner, while maintaining security, integrity and accuracy of records/data		

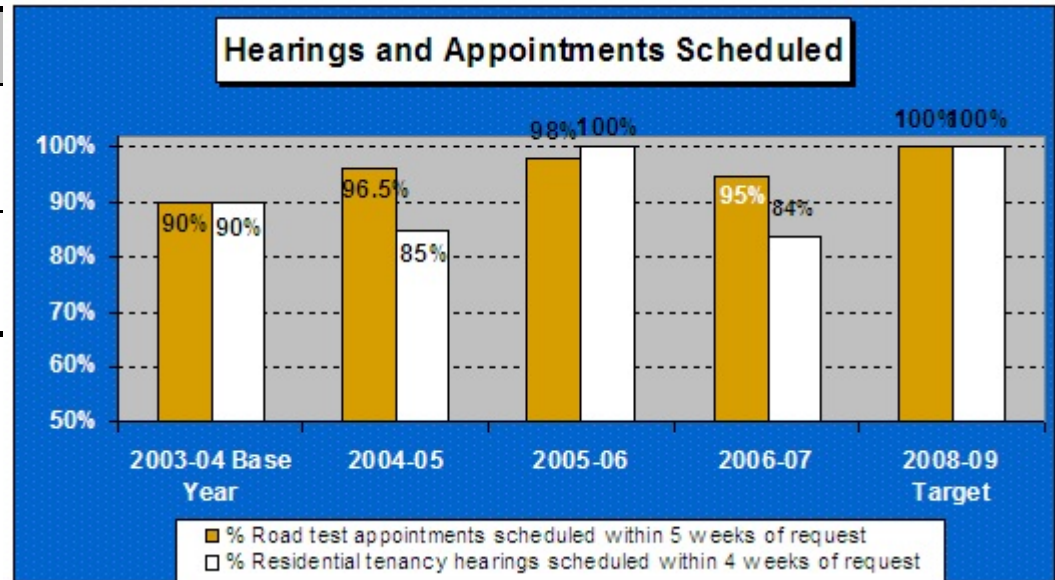
Measure	Base Year 2003-04	2004-05	2005-06	2006-07	2008-09 Target
% Customers waiting less than 10 minutes at Service Centres	50%	63%	72%	65%	80%
% Customers calls answered in less than 20 seconds at Call Centres	80%	75%	79%	84%	80%



Note: Delays in some staff hiring in 2006-07 placed pressure on staffing levels, which resulted in an increased number of clients at Service Centres waiting longer than 10 minutes. Attention is being placed on improving staff replacement cycles at the Service Centres.

MEASURE: % Driver Road Tests scheduled within 5 weeks of request and % Residential Tenancy Hearings scheduled within 4 weeks of request	Formula: Time from request for appointment/hearing to next available appointment/hearing time	Data Source: Departmental Scheduling Systems
	TARGET: 100% of appointments/hearings scheduled within target time-frames by 2008-09	
Priority: Develop a plan for Integrated Service Delivery	STATUS: On course to meet target	Frequency tracked: Annually
GOAL: B: Improve accessibility and quality of government services in a cost-effective manner, while maintaining security, integrity and accuracy of records/data		

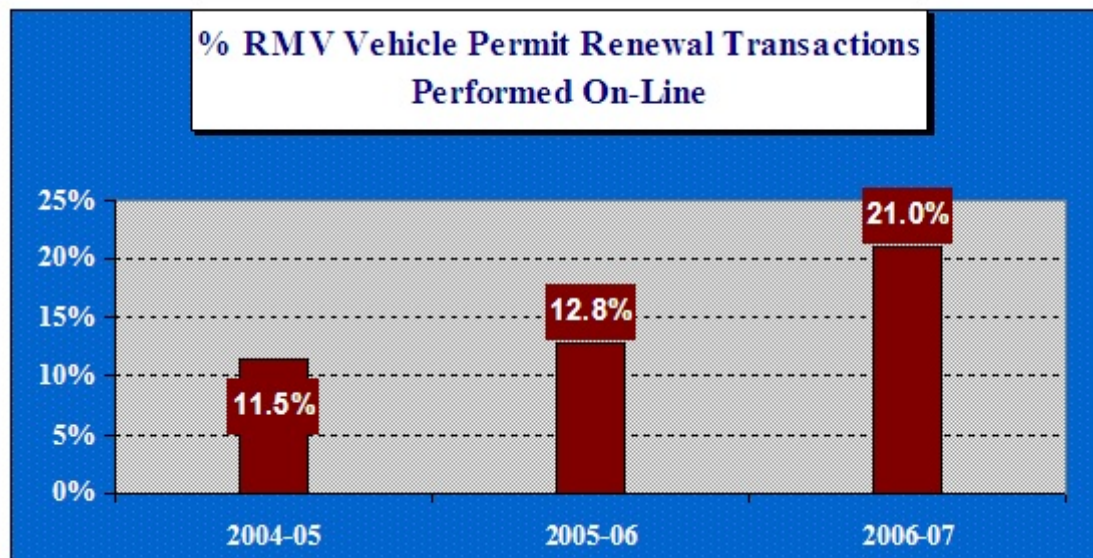
Measure	2003-04 Base Year	2004-05	2005-06	2006-07	2008-09 Target
% Road test appointments scheduled within 5 weeks of request	90%	96.50%	98%	95%	100%
% Residential tenancy hearings scheduled within 4 weeks of request	90%	85%	100%	84%	100%



Note: Delays in some staff hiring that placed pressure on staffing levels, which resulted is a decrease in the number of Residential Tenancies hearing being scheduled within 4 weeks of request by Service Centre staff. Attention is being placed on improving staff replacement cycles at the Service Centres.

MEASURE: % Registry of Motor Vehicles (RMV) vehicle permit renewal transactions performed on-line	Formula: # RMV vehicle renewal Transactions on-line/total # RMV vehicle permit transactions all channels	Data Source: Department records
	TARGET: increase from baseline data	Frequency tracked: Annually
INITIATIVE: Develop a plan for Integrated Service Delivery	STATUS: Meeting target	
GOAL: B: Improve accessibility and quality of government services in a cost-effective manner, while maintaining security, integrity and accuracy of records/data		

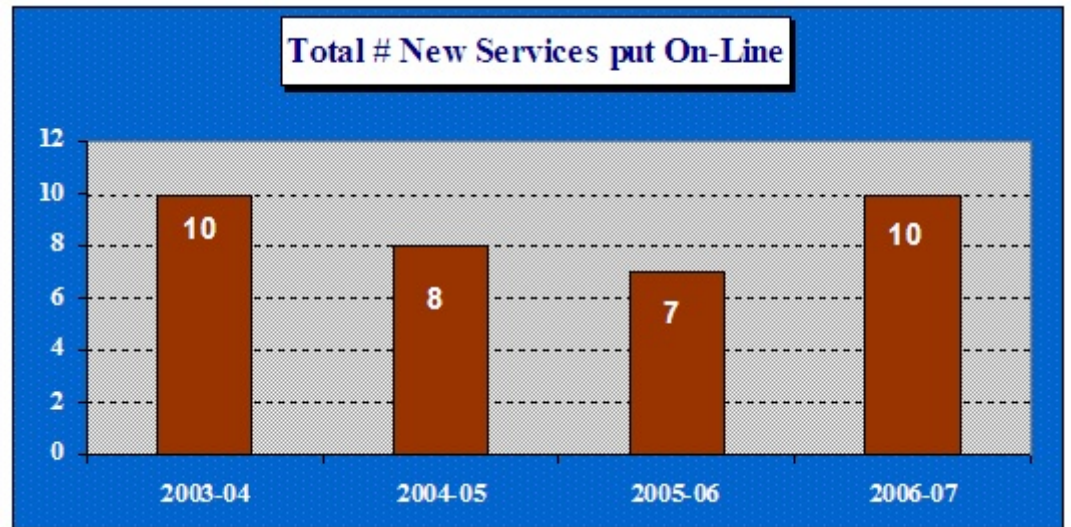
	2004-05	2005-06	2006-07
Total Transactions	235,372	337,074	327,052
Total Transactions On-Line	26,990	43,272	68,597
% Transactions On-Line	11.5%	12.8%	21.0%
Increase in % Transactions Performed On-Line	N/A	60.3%	58.5%



Note: Data are comprised of total number of vehicle permit renewal transactions performed online during the fiscal year, compared to the total number of vehicle permit transactions performed through all channels that were eligible to be performed online.

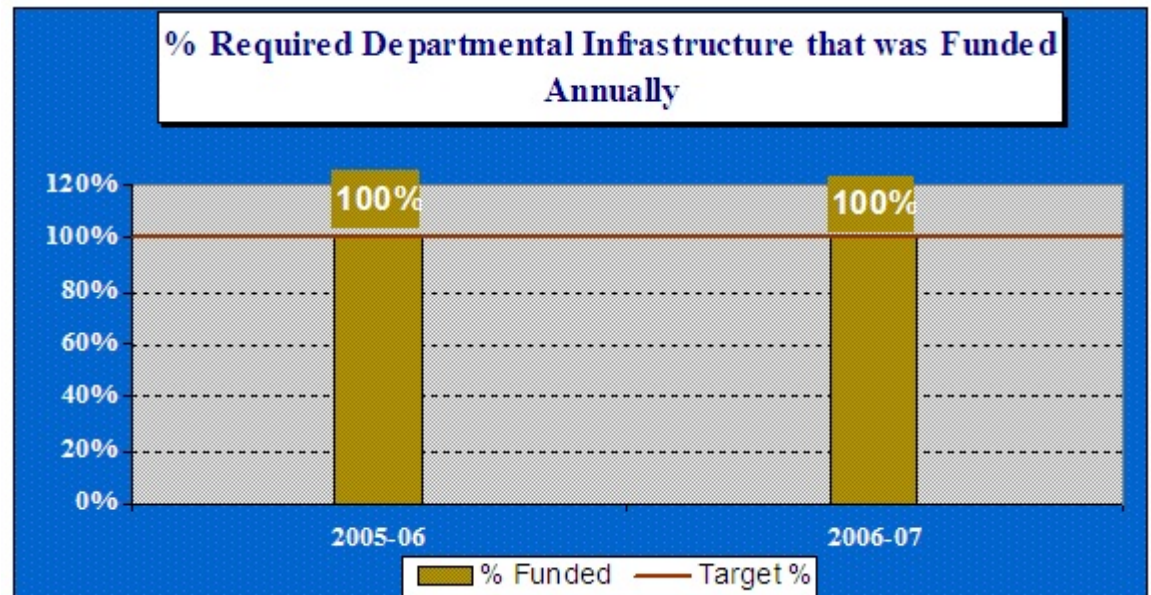
MEASURE: # new services put on-line each year	Formula: Total of all new services put on line annually	Data Source: Department records
	TARGET: 4 per year	Frequency tracked:
INITIATIVE: Develop a plan for Integrated Service Delivery	STATUS: Meeting target	Annually
GOAL: B: Improve accessibility and quality of government services in a cost-effective manner, while maintaining security, integrity and accuracy of records/data		

	2003-04	2004-05	2005-06	2006-07
Total # New Application put On-Line	10	8	7	10



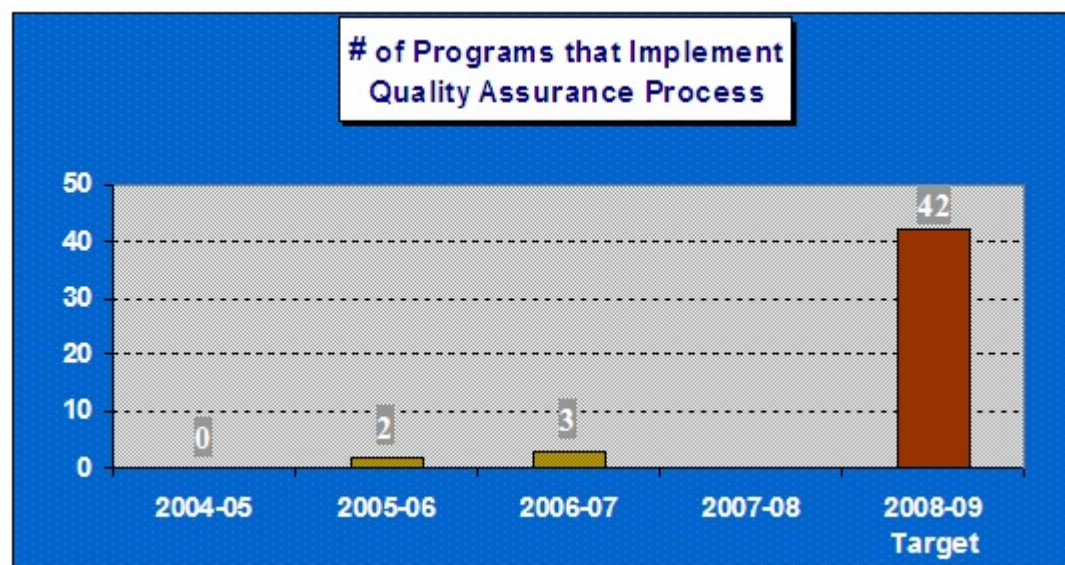
MEASURE: % required departmental infrastructure that was funded each year	Formula: Total infrastructure expenditure/Total investment required	Data Source: Architecture Road Map
	TARGET: Based on 2005-06 Architecture Road Map - 100%	Frequency tracked:
INITIATIVE: Develop a plan for Integrated Service Delivery	STATUS: 2005-06 Most recent data	Annually
GOAL: B: Improve accessibility and quality of government services in a cost-effective manner, while maintaining security, integrity and accuracy of records/data		

	2005-06	2006-07
Total Infrastructure Investment Required	\$760,000	\$310,000
Total Infrastructure Investment Expenditure	\$760,000	\$310,000
% Funded	100%	100%



MEASURE: # Programs that implement Quality Assurance Process	Formula: Total number of programs that have implemented Quality Assurance	Data Source: Department records
	TARGET: 2008-09 Process rolled out to 42 departmental programs	
Priority: Pilot quality assurance process in two programs, evaluate and then roll out to remainder of programs.	STATUS: May not meet target	Frequency tracked: Annually
GOAL B: Improve accessibility and quality of government services in a cost-effective manner, while maintaining security, integrity and accuracy of records/data.		

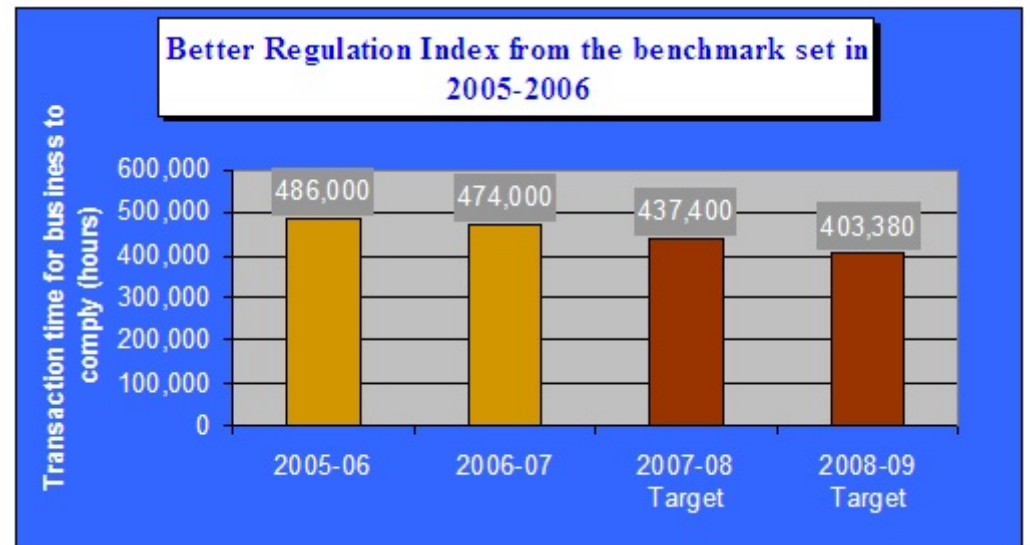
	2004-05	2005-06	2006-07	2008-09 Target
# Programs with Quality Assurance Process	0	2	3	42



Strategies to Achieve Target: In 2007-08 QA is expected to be rolled out to several program areas. A full-time staff member has been seconded to the department to facilitate the Quality Assurance Process across the department after the program did not have a dedicated resource for much of 2006-07. A review of the departmental program inventory has identified 42 programs for which the QA process is appropriate and viable.

MEASURE: Decrease in transaction time for businesses to comply with administrative requirements (Better Regulation Index) from the benchmark set in 2005-2006	Formula: Total of the total transaction time for businesses to comply with each administrative requirement (AR). BRI = Sum of (# of businesses * # of transactions/business/year *time/transaction) for each AR	Data Source: Transaction data collected by program areas
	2007-2008 TARGET: 10% reduction in paperwork burden from base year	Frequency tracked: Annually
	2008-2009 TARGET: 17% reduction in paperwork burden from base year	
Related Activity: Better Regulation Initiative	STATUS: Expect to meet targets	
GOAL C: Modernize departmental programs and infrastructure to support citizen-centered models and to address emerging issues.		

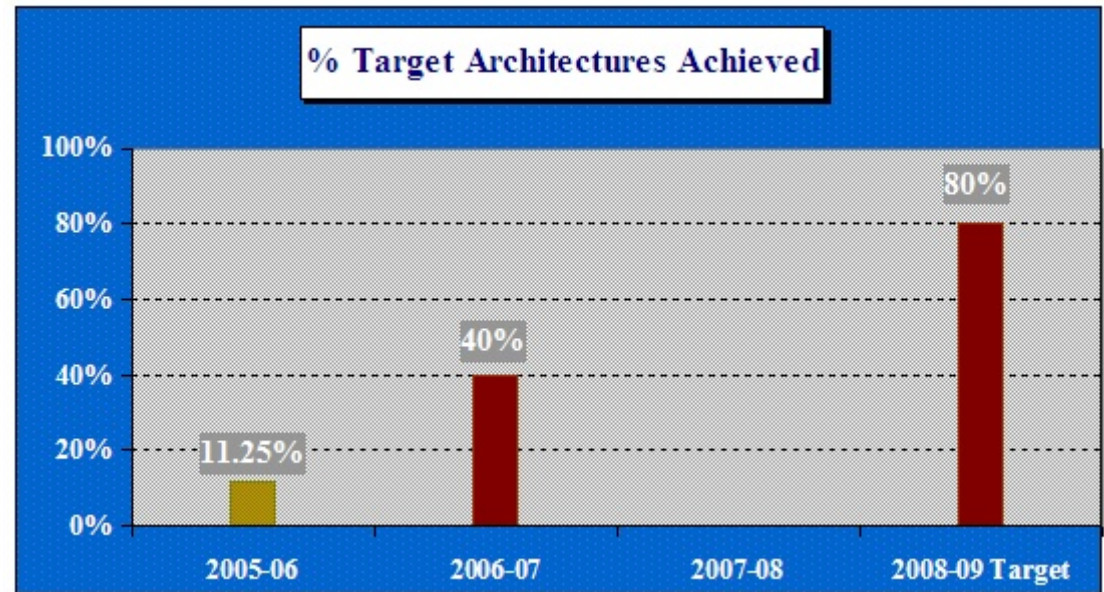
	2005-06 Base Year	2006-07	2007-2008 Target	2008-2009 Target
Decrease in transaction time for business to comply with administrative requirements (Better Regulation Index) from the benchmark set in 2005-2006	486,000 hours	474,000	437,400 hours	403,380 hours
% reduction paperwork burden from base year	NA	2%		



Note: This measure replaces previous measures from the Red Tape Reduction Initiative.

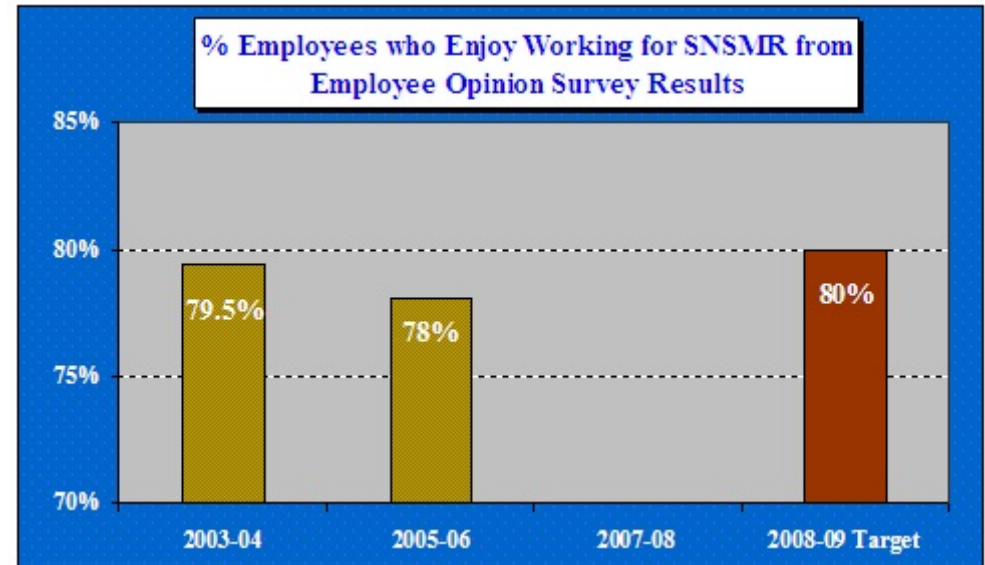
MEASURE: % Target Architectures achieved (that remove impediments to citizen-centred service delivery)	Formula: Impediments removed during the year/total identified impediments list	Data Source: Information Management Services (IMS)
	TARGET: cumulative increase based on 2005-06 baseline data - 80% by 2008-09	Frequency tracked:
INITIATIVE: Architecture Road Map	STATUS: On course to meet target	Annually
GOAL C: Modernize departmental programs and infrastructure to support citizen-centred models and to address emerging issues.		

	2005-06	2006-07	2007-08	2008-09 Target
% Target Architectures achieved	11.25%	40.00%		80.00%



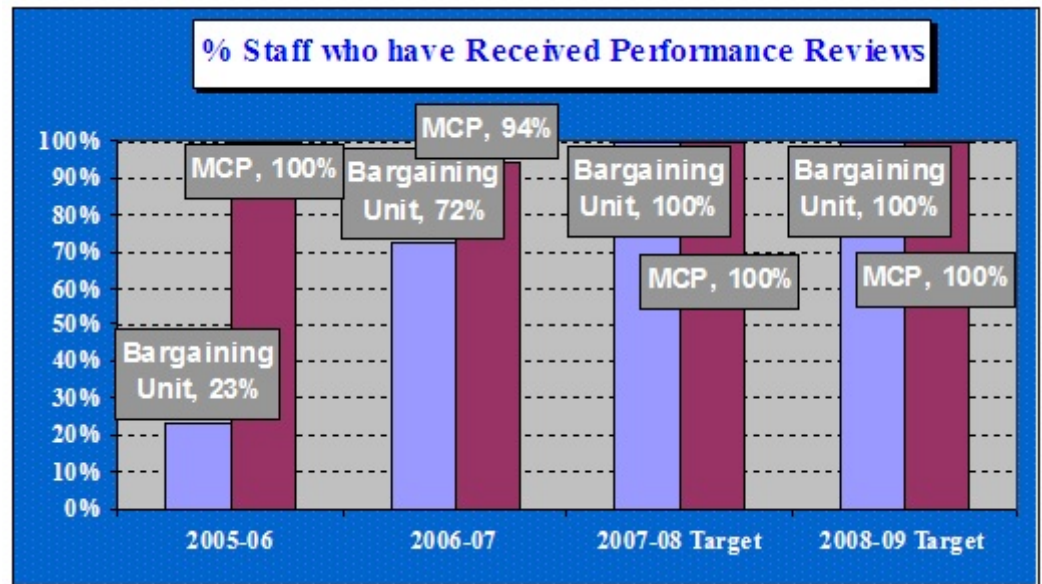
MEASURE: % Employees who enjoy working for SNSMR from Employee Opinion Survey results	Formula: % of employees who answered agree or strongly agree to the question “I enjoy working for SNSMR” on the Employee Opinion Survey	Data Source: Employee Opinion Survey results
	TARGET: 80%	Frequency tracked: Bi-annually
INITIATIVE: Undertake employee survey, analyze results by division and develop action plans	STATUS: 2005-06 Most recent data Next survey to be completed in 2007-08	
GOAL D: Provide a motivating work environment and develop staff to meet current and future department needs.		

	2003-04	2005-06	2008-09 Target
Employee Opinion Survey - Those who enjoy working for SNSMR	79.50%	78%	80%



MEASURE: % of staff who have annual performance reviews on file (for MCP classification and Bargaining Unit (BU) employees respectively)	Formula: All staff who have annual performance reviews/all eligible staff	Data Source: Human Resource Corporate Services Unit (HR CSU) records
	TARGET: 100% by 2008-09	Frequency tracked: Annually
INITIATIVE: Expand implementation of performance management process in MCPs and bargaining units	STATUS: Expected to Meet Target	
GOAL D: Provide a motivating work environment and develop staff to meet current and future department needs.		

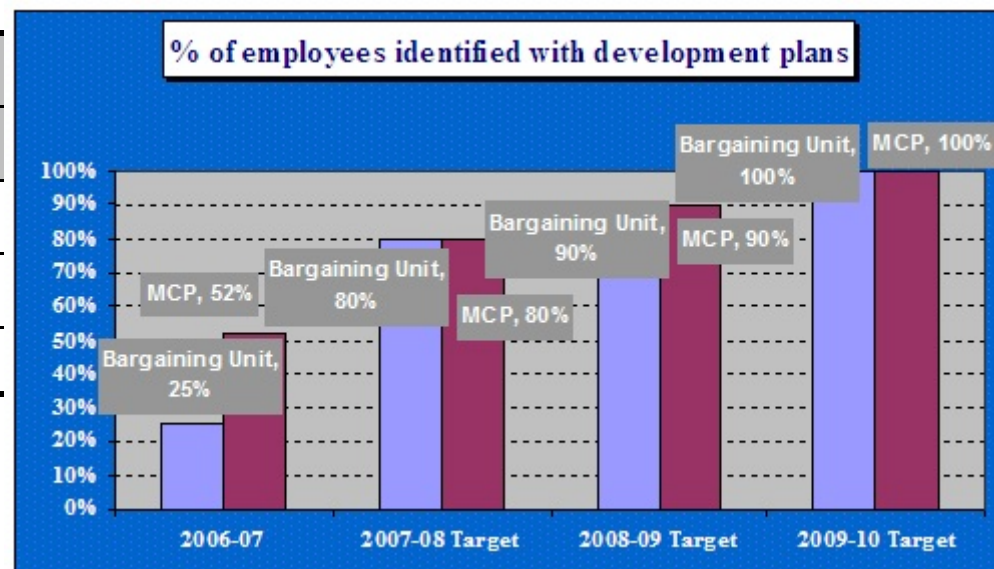
	2005-2006 Base Year		2006-2007		2007-08 Target		2008-09 Target	
	MCP	BU	MCP	BU	MCP	BU	MCP	BU
# of Staff who meet the measure criteria	84	727	98	697				
Total # Staff Receiving Performance Reviews	84	167	92	501				
% Staff who have Received Performance Reviews	100%	23%	94%	72%	100%	100%	100%	100%



Note: The wording of this measure has been revised to more accurately describes the required data necessary to support the priority.

MEASURE: % of employees, who have been with SNSMR for at least one year, identified with development plans that meet Public Service Commission guidelines (for MCP classification and Bargaining Unit (BU) employees respectively)	Formula: Total number of employees with succession plans /those identified as needing succession plans	Data Source: HR records
	TARGET: MCP = 90%, BU = 90% for 2008-09	Frequency tracked: Annually
INITIATIVE: Implement succession management plan for identified key positions in the department.	STATUS: Expected to Meet Target	
GOAL D: Provide a motivating work environment and develop staff to meet current and future department needs.		

	2006-07		2007-08 Target		2008-09 Target		2009-10 Target	
	MCP	BU	MCP	BU	MCP	BU	MCP	BU
# Staff with Development Plans	51	176						
# Staff who meet the measure criteria	98	697						
% Staff with a Development Plan	52%	25%	80%	80%	90%	90%	100%	100%



Note: The wording of this measure has been revised to more accurately describes the required data necessary to support the priority.