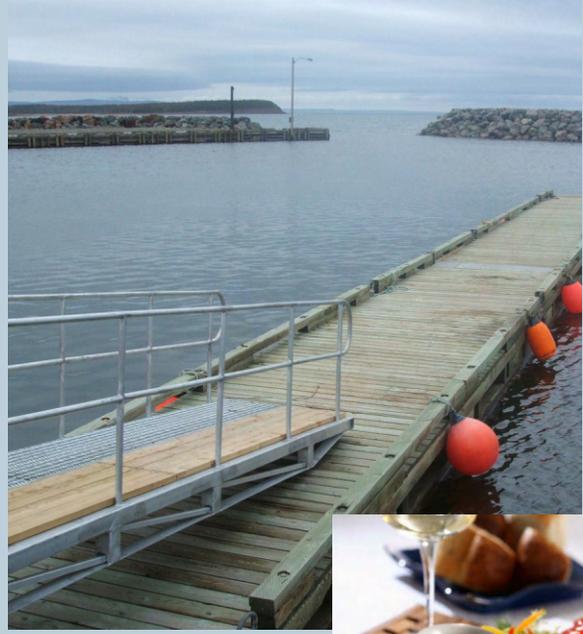




NOVA SCOTIA

Fisheries and Aquaculture

Accountability Report



for the fiscal year 2007–2008

**Department of Fisheries and Aquaculture
Annual Accountability Report for the Fiscal Year 2007-2008**

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Accountability Statement

The accountability report of the Department of Fisheries and Aquaculture for the year ended March 31, 2008 is prepared pursuant to the *Provincial Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against Department of Fisheries and Aquaculture business plan information for the fiscal year 2007-2008. The reporting of Department of Fisheries and Aquaculture outcomes necessarily includes estimates, judgments and opinions by Department of Fisheries and Aquaculture management.

We acknowledge that this accountability report is the responsibility of department 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 business plan for the year.

Hon. Ron Chisholm
Minister

Dr. Paul LaFleche
Deputy Minister

Message from the Minister

I am pleased to present the Department of Fisheries and Aquaculture accountability report for 2007-2008.

The department continued to offer programs and services throughout the year to support growth in the aquaculture sector, promote sportfishing, and strengthen Nova Scotia's marine fisheries and processing sectors. The department also continued to offer lending services to help grow the industry. The activities in this report support the government's corporate path and sustainable prosperity agenda, ensuring that the province's economic growth and environmental sustainability move forward together.

I encourage readers to learn more about Nova Scotia's fishing and aquaculture industries and the contribution they make to the province by visiting the department's website at:

www.gov.ns.ca/fish/.

Introduction

This report is based on the goals, priorities, and performance measures set out in the Department of Fisheries and Aquaculture business plan for 2007-2008. It is organized according to the department's three core business areas: Sustainable Resource Management, Industry Growth and Development, and Responsible Governance.

Department Progress and Accomplishments

Core Business 1: Sustainable Resource Management - Balances industry development with environmental and social responsibility through applied research, technology transfer, generally accepted management principles, and industry and public awareness.

Priority - Implement strategies and initiatives to address environmental issues in the fisheries and aquaculture industries.

Achievements:

Marine Fisheries

- Worked with industry and government partners to address environmental impacts in the marine fishery. The department co-funded phase two of a seabed-friendly scallop dragging project, involving the development of a prototype scallop dragger using new, more environmentally friendly technology. The department also worked with industry and government partners to revive the Maritime Fishermen's Union's *Ship to Shore* campaign, first launched more than a decade ago. The campaign includes a television commercial (which ran during CBC's Stanley Cup playoff coverage), new literature and a new poster reminding boaters and fishers about the importance of marine stewardship.

Inland Fisheries

- Conducted research on cold and warm water sportfish populations and habitats throughout the province, including temperature monitoring to assess suitable trout and salmon habitat. The department also sampled fish to assess the mercury and arsenic levels in abandoned gold mine sites in the province, as part of an interdepartmental committee addressing lingering environmental impacts in these sites.
- Provided funding to 20 community groups to improve freshwater fish habitats throughout the province. These groups improved a total of 50 watercourses, from main rivers to head water streams, for example planting trees, adding vegetation and rocks to stabilize stream banks, and installing in-stream stabilizing structures such as digger logs. Funding for these projects came from the Sportfish Habitat Fund, a \$5 dollar surcharge on angling licences, established in 2005 at the suggestion of non-governmental sportfishing

organizations. Funding was also provided through the Sportfish Habitat Fund to two barrier free sportfish projects and a liming project to elevate the ph to more desired levels in West River in Sheet Harbour.

- Stocked approximately 400 lakes throughout the spring and autumn months with landlocked Atlantic salmon and brook, brown and rainbow trout to enhance fish populations and ensure ongoing angling opportunities. The department also collected salmon brood stocks from River Philip, the Margaree River, St. Francis Harbour River, the Mabou River, and West River in Pictou for breeding at the province's three fish hatcheries. Together the three hatcheries - at Fraser's Mills, McGowan Lake and Margaree¹ - produce more than 1.2 million fish annually. These fish are released into appropriate lakes after maturing.
- Carried out several projects to manage, enhance and promote sportfishing in Nova Scotia. This included trout population studies in the Tangier Grand Wilderness area and a trout fecundity and sexual maturity study in lakes and streams throughout the province to better understand resource levels. Warm water sportfish projects included a study of smallmouth bass nesting success and an initiative to monitor the distribution of smallmouth bass and chain pickerel to better understand resource levels and to help identify angling opportunities.

Aquaculture

- Sampled 99 aquaculture stations at 39 sites in 2007 as part of the Aquaculture Environmental Monitoring program. The department sent information packages to each operator describing and explaining the results from their site, including underwater video footage showing any environmental impacts, site maps, and a letter summarizing the overall program. Operators were instructed to develop plans to address any environmental impacts. The program was expanded in 2007 with the use of current meters at certain locations to better assess baseline conditions and identify areas for new sites. The program continues to ensure Nova Scotia's aquaculture industry remains environmentally sustainable.
- Worked with the federal Department of Fisheries and Oceans (DFO), the Canadian Food Inspection Agency, other provinces and industry stakeholders to establish an Aquatic Animal Health committee to cooperate on the delivery of the National Aquatic Animal

¹The facilities at the Margaree hatchery site were transferred to the province in mid-May 2008 and the department officially took charge of the hatchery on June 14th.

Health program and address fish health issues nationally. The committee has identified several areas of regulatory and program duplication and is working with government partners to share resources and expertise. Nova Scotia played a lead role in fish health management and surveillance on aquaculture leases through this process in 2007.

- Introduced steps to control the spread of Malpeque disease, which was found in the Bras D'or Lakes in 2007, and msx, both of which can damage oyster beds. The department conducted extensive sampling and laboratory analysis to diagnose msx in particular, and worked with DFO to address findings. In addition to hiring an additional fish veterinarian two years ago, the department plans to delegate more fish health responsibilities to industry to keep up with increased testing demands while continuing to oversee the process. Neither malpeque disease nor msx pose health risks to humans.

Species at Risk

- Worked with industry and government partners to provide input into the federal *Species at Risk Act*. The department participated in policy discussions nationally and between provinces, co-chairing a Canadian Council of Fisheries and Aquaculture Ministers task group to design a strategy for the practical and consistent implementation of the Act across Canada as it relates to aquatic species. The department also contributed to regional species assessments for both marine and freshwater (commercial and recreational) fisheries in Nova Scotia, and contributed to recovery potential assessments and economic impact analyses.
- Worked with industry and government partners to implement the federal *Species at Risk Act*, researching and providing ongoing input in the identification of species at risk. The department continued biological and stock level research for Atlantic whitefish and a strain of salmon found on the inner Bay of Fundy, both of which are considered at risk. The department continued recovery activities for the salmon strain, including stocking efforts and ongoing studies. The department also helped develop a recovery plan which is currently being finalized for Atlantic whitefish, assessing what can be done to help the species recover. The department organized information sessions to inform industry about the Act and implications for individual sectors.

Priority - Provide provincial leadership on Coastal and Oceans Integrated Resource Management issues.

Achievements:

- Led the development of Nova Scotia's Coastal Management Framework, a collaborative effort involving 12 provincial government departments and agencies serving as the Provincial Oceans Network. The Coastal Management Framework defines the vision and strategic direction to coordinate and strengthen coastal management in Nova Scotia. It identifies six strategic activities focusing on priority areas, including a State of the Coast

report to be completed by 2009, and a Sustainable Coastal Development Strategy by early 2010.

- Signed a formal Letter of Agreement with DFO and leveraged federal funding to assist in the implementation of Nova Scotia's new Coastal Management Framework. The Letter of Agreement outlines the roles and responsibilities of each level of government with respect to implementing the Coastal Management Framework, and will serve as the basis for a Memorandum of Understanding expected to be signed by 2009.
- Worked with provincial, state and Canadian and American federal government partners on a number of integrated management initiatives to better manage and help integrate economic development with environmental and social responsibility throughout the region. Efforts such as the Eastern Scotian Shelf Integrated Management Initiative and the Gulf of Maine Council on the Marine Environment provide opportunities for governments to share information and resources, and for provinces and states to leverage federal funding from both countries. Strong involvement in the Gulf of Maine Council over the past year helped position the department to assume leadership of the council for 2008-2009, ensuring fisheries and aquaculture remain priorities at the regional level.

Core Business 2: Industry Growth and Development - Focuses on Nova Scotia's coastal and rural communities through strategic partnerships and investment in industry stability and new economic opportunities.

Priority - Undertake strategic initiatives to support development in the fisheries and aquaculture industries.

Achievements:

Marine Fisheries

- Worked with industry and government partners to develop new fisheries for traditionally underutilized species such as sea cucumbers and dogfish to help strengthen Nova Scotia's coastal and rural economies. The department worked with industry to obtain the appropriate licenses and permits from DFO, and provided cost-shared funding to help industry develop and adapt the necessary processing capacity.
- Worked with DFO and industry partners to begin incorporating seafood eco-labeling certification in Nova Scotia's fisheries, to protect market share by promoting environmental stewardship. The department participated on a task group through the Canadian Council of Fisheries and Aquaculture Ministers working to develop a strategy to help Canada's seafood industry - including government stakeholders, harvesters, processors and shippers - adopt sustainability certifications. The department continues to work with other jurisdictions and industry associations, participate in research to determine certification criteria, educate industry on the benefits and the process for

obtaining certification, and support specific applications to have fisheries sectors assessed and certified.

- Participated on the Board of Directors and on the science subcommittee of the Atlantic Veterinary College Lobster Science Centre. The department also provided funding and input on lobster science projects undertaken by industry groups and the Fishermen and Scientists' Research Society. These projects focused on lobster health, biology, quality, conservation management, stock recruitment and stock measurement. Much of this information will be used to help predict the future status of lobster stocks. Lobster continues to be Nova Scotia's top seafood export, valued at more than \$388.5 million in 2007.
- Worked with industry and government partners to revive coastal infrastructure throughout the province, including bait freezers, haul-outs, floating docks and winches. The department provides cost-shared funding for these and other infrastructure projects in partnership with industry and federal, provincial, and municipal governments.

Aquaculture

- Worked with DFO and other provincial governments to secure \$70 million in federal funding to help develop Canada's aquaculture industry. This new investment will support innovation, help streamline the siting process and ensure regulations are up to date. This investment will also help build public confidence in aquaculture, which has been one of the major impediments to growing the sector in Nova Scotia. The province's aquaculture industry generated almost \$53 million in 2007.
- Worked with industry and provincial government partners in New Brunswick towards the harmonization of the finfish aquaculture application process to facilitate investment in both provinces. A draft agreement has been prepared identifying the information regulators from both provinces require to assess applications in a timely manner. Finfish - salmon and trout - is Nova Scotia's largest aquaculture sector, generating more than \$40 million in 2007. A similar process will begin in the coming years to harmonize applications for shellfish aquaculture.
- Developed and signed an MOU with New Brunswick, Prince Edward Island and Newfoundland and Labrador to ensure greater regulatory harmonization to support aquaculture development throughout Atlantic Canada. Amongst other things, the MOU includes an agreement for veterinarians to test for the same set of disease and health issues across jurisdictions, facilitating easier transfer of species and gear across provincial lines. The draft document for use by veterinarians was prepared within three months of the MOU being signed.
- Approved leases and licences for two new shellfish aquaculture sites in Guysborough County in 2007-2008. The Guysborough County aquaculture project was designed to

help the department and industry identify areas for aquaculture development alongside other marine uses. The project is on hold indefinitely pending further interest from the Municipality of Guysborough.

Seafood Processing

- Worked with government partners to harmonize fish processing and buying policies in Nova Scotia, New Brunswick and Prince Edward Island to facilitate greater inter-provincial trade and investment throughout the region. A committee established with participation from all three governments continues to meet to identify potential areas for harmonization. One success has been achieved to date involving a licenced seafood business operating in both Nova Scotia and New Brunswick.
- Commissioned a study to profile and assess the competitiveness of Nova Scotia's seafood processing sector. The study included an examination of the sector's critical success factors, an analysis of its strengths and weaknesses, and recommendations to make the sector more competitive. Department staff participated on the project's steering committee along with representatives from industry and the federal government. A copy of the report has been mailed to all fish processors in the province, and is posted on the department's website.

Priority - Enhance the profile of and increase participation in the province's sportfishery.

Achievements:

- Expanded the Learn to Fish program in 2007-2008, holding 15 workshops for school groups throughout the province. The program focuses on youth between the ages of 8 and 12, teaching the skills necessary to enjoy responsible angling. Department staff also attended several outdoor trade and sport shows and worked with government and non-government partners on programs such as Becoming an Outdoor Woman to promote sportfishing in the province. Approximately 150 women participated in the Becoming an Outdoor Woman program in 2007.
- Began discussions with DFO to implement a new licence to develop fish angling opportunities in tidal waters. A new licence will help government better manage angling and stewardship opportunities in these areas, with more reliable data on fishing activities and stock levels. Discussions are currently focused on logistical issues, including the number of permits to be issued annually, the cost per permit, the species to be included, and the reporting structure. DFO will hold public consultations on the issue, likely in 2009.

Priority - Provide Nova Scotians with a better understanding of the province's aquaculture industry by highlighting the industry's economic potential, and its environmental management practices.

Achievements:

- Worked with the Aquaculture Association of Nova Scotia to develop an aquaculture outreach program, using interactive displays, brochures, handouts and other materials to inform the public about the industry. The program's centrepiece was a portable touch tank filled with locally farmed aquatic species. Staff attended 13 events throughout the province in 2007, including World Oceans Day in Halifax, and several county fairs and exhibitions, engaging approximately 8,500 people. The program was well received, and will be expanded in subsequent years with a greater focus on public awareness and engagement.

Priority - Develop policies and approaches to manage and support the fish buying and processing sector.

Achievements:

- Organized and hosted a meeting to communicate the results of the Nova Scotia Seafood Processing Sector Study to industry participants, and to begin a dialogue with industry on the consultant's recommendations. Approximately 40 industry members attended the meeting, along with 15 provincial and federal government representatives. Following a presentation on the paper's results and recommendations, participants took part in a facilitated discussion on the recommendations.
- Conducted a preliminary review of the Nova Scotia Fish Processors and Fish Buyers Licence policy. As a result, the department made minor procedural changes to streamline the application process for buying and processing fish, and will consult with industry in 2008-2009 to define additional policy areas to be addressed.
- Developed a policy and procedures document outlining a new show-cause process for fisheries violations² to make fisheries enforcement more effective. A document has been developed that describes the policies and procedures for suspended, amended or revoked licences and the responsibilities of the various parties involved in the hearing process. The document also includes the application form that needs to be submitted by a licence holder requesting a show-cause hearing.

²The Minister of Fisheries and Aquaculture has the authority to suspend, amend or terminate any fisheries licence if the holder is found to be in violation of relevant federal or provincial laws. The newly established show-cause process gives the licence holder the opportunity to meet with the Minister to show cause why the disciplinary action should not be taken.

Priority - Increase the competitiveness of the Nova Scotia fisheries, aquaculture and food sectors through targeted business development initiatives and sector strategy development.

Achievements:

Buy Local

- Launched the first year of Select Nova Scotia, a four-year buy local campaign to promote awareness, increase consumer knowledge and encourage consumers to buy local seafood and agri-food products. The campaign included print media, radio and billboard promotions, a website, business development events, and collateral materials such as t-shirts and aprons. More than 111 companies, including ten seafood companies, are registered with the program and have received direct mailings and collateral materials to distribute. More than 315 companies, including 13 seafood companies are profiled on the website³. The campaign's first year was successful, garnering considerable media attention and positive feedback from industry. Results from surveys indicate a six percent level of consumer awareness in the program⁴, and an increase in the number of consumers who make buying local a priority. The program will be expanded in subsequent years to include a greater focus on seafood.
- Organized a two-day *Growing Opportunities*⁵ conference to help create additional linkages between local food producers, processors and food service providers such as

³These figures are up to date as of November 28, 2008. The Select Nova Scotia website contains information for consumers interested in purchasing local seafood and agri-food products. The website identifies participating producers and retailers, and includes a listing of products available by season, events and attractions promoting buying local, and other resources. The url is: www.selectnovascotia.ca.

⁴The department invested approximately \$350,000 in the first year of this initiative. Achieving a six percent level of consumer awareness with this investment is considered a success by industry standards.

⁵The Growing Opportunities conference was organized by the Department of Agriculture's business development and economics branch, which delivers services to both the Department of Agriculture and the Department of Fisheries and Aquaculture.

farmers markets, grocery stores and restaurants. The conference was designed to educate participants on the challenges and logistical constraints of the local food chain and to raise awareness of the standards and other conditions that need to be met to sell locally. Speakers included entrepreneurs and other leaders from business, academia and government sharing insight and guidance on seizing new opportunities. The conference was attended by 150 people, including producers, service providers and other industry and government stakeholders.

- Partnered with the Council of Atlantic Premiers to complete the Atlantic Canada Direct Marketing study, looking at challenges and opportunities for farmers markets, smaller retailers, internet-based businesses and other direct marketers throughout the region. The report included case studies outlining best practices and a series of actionable projects to further develop the sector. Copies of the study were mailed to direct marketing associations and economic development authorities. The Council of Atlantic Premiers Atlantic Food Action Team has also begun development of a pilot project to develop an Atlantic Canada buy local brand and marketing campaign.

Business Development and Pathfinding Support

- Began planning the Nova Scotia Seafood Festival, scheduled for June, 2009 at the Cunard Centre in Halifax. The department began the process of defining the objectives of the event and other preliminary logistics. The department aims to make this annual event the premier seafood event for industry and seafood consumers in the province, showcasing Nova Scotia seafood products and industry trends, and creating unparalleled sales and education opportunities.
- Offered business development and pathfinding assistance to seafood and agri-food producers, producing statistical information and market intelligence, facilitating business linkages throughout the food chain, and advising entrepreneurs on a range of issues. Information is available through direct contact with department staff, through online resources, or through the business development library⁶.

Priority - Increase the value of Nova Scotia's fisheries, aquaculture and food sectors through development and diversification of market, product, service and technology opportunities.

Achievements:

Trade and Market Access

- Developed and began implementing the first year of a three-year trade plan for seafood

⁶The Department of Agriculture's business management library is located in Truro. A list of materials available and the borrowing policy are outlined at: <http://www.gov.ns.ca/agri/bde/lib/policy.shtml>.

and agri-food products to complement the provincial trade strategy. The department's trade plan focuses on six strategic directions, including market diversification, product branding, co-ordination in the delivery of provincial trade services, building and maintaining strategic alliances, maintaining presence in markets of importance, and strategic research. The department continued ongoing trade activities in 2007-2008 with a particular focus on the Northern and Eastern European markets, the Caribbean and the Northeastern United States. Priority products included lobster, snow crab and salt fish. The department's market development efforts directly contributed to \$18.74⁷ million in new seafood and agri-food export sales in 2007-2008.

- Undertook phase two of the Nova Scotia salt fish sector initiative examining new product and market diversification opportunities for the sector, with promotional activities in Mexico, Brazil and the Dominican Republic. Nova Scotia's salt fish industry has faced difficulty in recent years with declining resource levels, a loss of market share, competition from low-cost suppliers, shrinking profit margins and a decrease in the value of the American dollar. Salt fish exports declined more than 69 percent in volume between 1990 and 2006⁸.

Product Development

- Provided cost-shared funding to help seafood and agri-food industry partners develop new, value-added products and technologies to access new markets. The department provided funding for 13 new projects, one of which was initiated by a new business. Altogether, a total of 19 new products and two new technologies were produced through these projects.
- Helped seafood and agri-food producers and processors develop proactive measures to address evolving market demands. The department worked with industry partners to identify circumstances with the potential to strengthen or slow their competitiveness, and to develop strategies to adapt. For example, the department continued to participate in the Canadian Nutrition Labeling Project to educate, share new information and best practices, and guide industry participants on how to comply with food safety labeling regulations. Approximately 1,200 people attended nutrition labeling workshops and other presentations between 2005 and 2007.

⁷Projected sales.

⁸The report, "Market and Product Development Study for the Salt Fish Industry In Nova Scotia" can be viewed on the department's website, at: <http://www.gov.ns.ca/fish/marketing/ra/SaltfishMS.pdf>.

- Helped establish a demonstration portable and modular micro-factory at AgriTECH Park to provide greater value-adding opportunities for seafood and agri-food products, and to develop new products, packaging and brands. The department is also working with industry and government partners at the micro-factory to investigate value-added uses for underutilized aquatic species such as seastars and dogfish.

Product Branding

- Provided funding support to Taste of Nova Scotia and continued to participate on the board of directors, promoting restaurants and local food throughout the province, and working to make Nova Scotia the destination and supplier of choice for a quality food experience. The department also helped initiate a five-year strategic planning process and work plan for the organization that includes ongoing promotional activities, market intelligence, and a new brand logo to bolster market presence for members. Taste of Nova Scotia also assumed the management contract for the Winery Association of Nova Scotia to strengthen partnerships, integrate communications and open up more opportunities for both organizations. Taste of Nova Scotia has 108 members, including seafood and agri-food producers and elite restaurants dedicated to the Nova Scotia experience.

Priority - Expand and develop Nova Scotia's fisheries, aquaculture and food sectors investment and lending initiatives and partnerships to capture growth opportunities.

Achievements:

- Provided fish harvesters and aquaculturalists with long-term, stable and cost-effective financing through the Fisheries and Aquaculture Loan Board. The loan board had a total portfolio of \$90.1 million as of March 31, 2008, representing 761 loans to approximately 715 clients. The board approves approximately 115 new loans annually. Eighty percent of loans in 2007-2008 were issued to the traditional fisheries, while 20 percent went to aquaculture.

Core Business 3: Responsible Governance - Focuses on the orderly development of the industry through supportive legislative and regulatory frameworks.

Priority - Address and revise departmental and intergovernmental laws and policies.

Achievements:

- Began using the AMANDA database in 2007 to help streamline applications for aquaculture leases and licenses, reducing the processing time for applications by about 30 to 45 days. AMANDA also provides a higher degree of security for aquaculture leases and license data streams.

- Participated in 12 Recreational Fishery Advisory Council meetings with government and non-government partners in 2007-2008. These meetings are an opportunity for department staff to speak directly with the general public and fishing groups to discuss issues and share information on programs and other initiatives. The department also participated in two Inland Fisheries Advisory Committee meetings focusing on issues impacting the sportfishery province-wide.

Priority - As part of the Better Regulations Initiative, seek to minimize the unnecessary paperwork and administrative burden on industry.

Achievements:

- Established a strategic policy analysis approach to guide the department's regulatory development and amendment process, encouraging regulatory staff to consider a range of options when developing a policy or procedure, to help ensure the most effective choice is implemented with minimal burden to industry. Regulatory staff have also been encouraged to develop more proactive approaches to informing and assisting clients in complying with regulatory requirements. A formal review of permit and licence applications processes is also being promoted to maximize the ability of clients to comply and to minimize errors and repetition for the client. The Better Regulation Initiative has also helped identify the regulatory areas of greatest burden to industry to help focus burden reduction efforts by the department.

Internal Management

Priority - Advance the goals and objectives of the Government of Nova Scotia Human Resource Plan.

Achievements:

Healthy Workplace

- Hosted four performance management/career development sessions in 2007 to encourage and help department staff build the necessary tools to develop personalized career management plans. These facilitated sessions were designed to help staff establish career goals and identify relevant training opportunities. A total of 158 employees - management and staff - from the Department of Fisheries and Aquaculture and the Department of Agriculture attended.

- Hosted health and wellness clinics for staff in Halifax and Truro in May, 2007. Health care professionals provided blood sugar, blood pressure, cholesterol and body-mass indicator testing, and delivered a lunchtime presentation to educate staff on healthy food options and eating habits. The department's health and wellness committee also conducted a needs assessment and staff survey to help identify issues for future healthy workplace initiatives. The department hosted three 'Lunch and Learn' events throughout the year for staff in Halifax and Truro, focusing on laughter yoga, nutrition label reading, and back health and chiropractics. Employees were also encouraged to nominate colleagues for a 'considerate co-worker' award during healthy workplace week in October.

Health and Safety

- Implemented most of the 17 recommendations from the Public Service Commission's health and safety audit, excluding those that no longer apply due to ongoing program review and other circumstances. The department continues to address health and safety issues through the department's health and safety committee.

***Priority** - Continue to implement the French-language Services Plan, in accordance with the French Language Services Act.*

Achievements:

- Participated in an interdepartmental working group to co-ordinate French-language services across government. The department also provided input into the development of a new Acadian Awareness training course.
- Provided opportunities for four additional staff to participate in French-language training through Université Sainte Anne, paid for by the Office of Acadian Affairs. In total, nine Fisheries and Aquaculture staff attended training between February, 2006 and September, 2008. A list of French-speaking employees is now displayed at the reception desk of the Fisheries and Aquaculture head office in Halifax to improve service delivery to French-speaking clients.
- Produced brochures in French and English describing innovations program funding options, and information on developing new opportunities for seafood harvesters and processors. The fishery continues to play a prominent role in many of Nova Scotia's traditionally French-speaking communities, and the department cooperates with community resources to help ensure the delivery of French-language services to the fishing industry.

***Priority** - Develop and implement communications strategies that support the activities and initiatives of the department.*

Achievements:

- Developed, implemented and evaluated communications strategies to support the department's activities and overall objectives. Communications plans were submitted with each of the department's 13 cabinet submissions to inform stakeholders about decisions in a timely manner. The department also prepared a total of 14 media releases to describe various activities and promote events and festivals. Two op-ed pieces were also written in 2007-2008 to articulate the department's commitment to sustainable aquaculture in Nova Scotia. Each was picked up by provincial media and other sources around the world.
- Worked with Communications Nova Scotia and other central agencies to incorporate government priorities and messages, for example Nova Scotia *Come to life* and the sustainable prosperity agenda into departmental communications. Issues related to Nova Scotia's fisheries and aquaculture industries were included in government communications, helping the department reach a broader audience. The Learn to Fish program and the CBC fishcake breakfast were each featured on the government's homepage for several days.
- Facilitated information exchange during sessions of the legislature, ensuring the Minister was briefed on issues affecting the fisheries and aquaculture industries, including departmental policy positions, ongoing activities and emerging priorities. Staff prepared speeches and material to inform debate in the legislature, and organized media briefings for the introduction of departmental bills. The department also drafted and coordinated the reading of resolutions pertaining to fisheries and aquaculture in the legislature.
- Publicized department programs and services, posting information online and sharing information with media, industry stakeholders and the general public. Staff monitored media networks to address issues affecting the fisheries and aquaculture industries. The department also began re-designing the website to better align with the look and feel of the government website.
- Fostered strategic relationships among government stakeholders, aquaculture businesses and coastal communities to increase understanding and further develop the province's aquaculture industry.
- Launched an Intranet site in May, 2007 to better facilitate internal communication and for use as a central hub for commonly used forms and templates, internet links and contact information.

Financial Results

Fisheries and Aquaculture				
	2006-2007 Estimate	2006-2007 Forecast	2007-2008 Estimate	2007-2008 Actual
Program & Service Area	(\$thousands)	(\$thousands)	(\$thousands)	(\$thousands)
Ordinary Revenues	595	599	595	640
TCA Purchase Requirements	0	0	0	106
Net Program Expenses				
Administration	295	399	579	634
Aquaculture	1,485	1,473	1,554	1,396
Fisheries & Aquaculture Loan Board	532	508	575	553
Inland Fisheries	1,337	1,337	1,585	1,560
Marine Fisheries & Field Services	1,382	1,278	1,480	1,467
Total Net Program Expenses	5,031	4,995	5,773	5,610
Provincially Funded Staff (FTEs)	65	64	72	69

Rounding

Estimates/Forecasts:
Departments/PSV's

TCA variance is the result of the following:

The Department of Fisheries was approved for a new vehicle and was also approved for the replacement of a stolen truck totaling \$106,000.

FTE's:

FTE's for Departments

-Rounding should follow what appears in 1.17 of the Estimates book.

FTE's for Public Service Entities (PSV's)

- In accordance with what appears in the Nova Scotia estimates supplementary detail all FTE information should be rounded to the nearest tenth.

Measuring Our Performance⁹

The following performance measures chart the department's progress in two core business areas: sustainable resource management, and industry growth and development.

Sustainable Resource Management

- **Measure: Percentage of "higher risk" marine aquaculture sites monitored under the Aquaculture Environmental Monitoring program (EMP)¹⁰**
- **Measure: Percentage of "lower risk" marine aquaculture sites monitored under the EMP**

What do these measures tell us? Increasing the number of sites monitored under the Aquaculture Environmental Monitoring program serves to improve the overall environmental performance in Nova Scotia's aquaculture industry, and to raise public awareness of the department and the industry's commitment to sustainable aquaculture.

Where are we now? The department sampled 100 percent of higher risk sites and 45 percent of lower risk sites as of March 31, 2008.

Where do we want to be? The department aims to ensure continued monitoring on 100 percent of higher risk sites, and hopes to have 50 percent of lower risk sites monitored in 2008-2009.

- **Measure: Fish habitat restoration projects (square meters of fish habitat restored)**

What does this measure tell us? The department continues to administer the Adopt-a-Stream program, supporting community groups working to restore and rehabilitate fish habitat throughout the province. Funding for this program comes from a \$5 dollar surcharge on angling licenses. This investment re-leverages itself, as enhanced fish habitats draw more people to the

⁹Several of the performance measures in this report are for activities in support of both the seafood and agri-food industries. These measures are identified with an asterix (*).

¹⁰The EMP uses a risk-based approach. "Higher risk" sites are typically larger and more productive sites that use cages and lines, such as finfish and mussel sites. "Lower risk" sites are those that are inactive or use low-density production methods, such as bottom culture of oysters.

sport. The economic model for Adopt-a-Stream estimates that each square meter of restored habitat is valued at over \$13.

Where are we now? The department provided funding to 20 community groups in 2007 to restore 110,000 square meters of fish habitat. This is lower than the previous year's total of 160,000 square meters, as the department also focused resources in 2007 towards two barrier free sportfish projects, and a project to correct ph levels in West River in Sheet Harbour.

Where do we want to be? The department aims to help restore at least 115,000 square meters of fish habitat on an annual basis through new and ongoing partnerships with community groups.

Industry Growth and Development

- **Measure: Value of sales resulting from market development projects and tactics***

What does this measure tell us? The department works to strengthen and further develop domestic and international markets for Nova Scotia's seafood and agri-food producers through involvement in trade missions, shows, incoming buyer activities and international promotional events. This measure refers to the value of sales directly attributable to the activities of the department's marketing division, with staff attending trade shows and missions, and participating in incoming and outgoing buyer activities.

Where are we now? The department's marketing activities helped industry generate \$18.74¹¹ million in new seafood and agri-food sales in 2007-2008, exceeding the target of \$6 million for the year, and up from \$10 million the previous year due to a greater emphasis on product and market diversification.

Where do we want to be? The department aims to see an annual growth of at least five percent in this category.

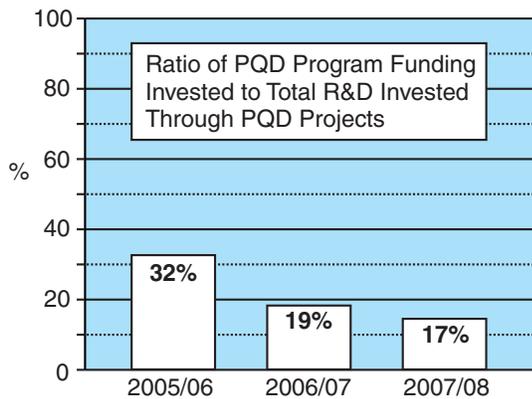
- **Measure: Ratio of Product and Quality Development (PQD) program funding invested to total R&D invested through PQD projects^{12*}**

What does this measure tell us? Funding through the Product and Quality Development program helps businesses and organizations develop new products and market opportunities. The department participates in these projects on a cost-shared basis with industry, as well as government and non-government partners. A decreasing ratio invested by the department over time indicates an increasing level of interest and willingness for industry and government

¹¹Projected sales.

¹²This measure refers only to projects invested in through the department's Product and Quality Development program.

partners to participate, which signifies a strong business climate and overall investor confidence.



Where are we now? The department's overall contribution to PQD projects in 2007-2008 came to 17 percent of total costs, improving from 19 percent the year before. This is also an improvement from the target of 25 percent. The department participated in a number of industry-wide initiatives in 2007-2008, leveraging funding from a wider variety of sources.

Where do we want to be? The department aims to invest a decreasing ratio in these projects over time.

- **Measure: Support to industry for sector renewal***

What does this measure tell us? The department provides targeted information and guidance to seafood and agri-food industry participants exploring new business opportunities. This is in addition to the business reports, statistical documents and other materials the department provides to stakeholders on a regular basis.

Where are we now? The department provided logistical support and advice towards 29 new business opportunities in 2007-2008. This is below the department's target of supporting 60 new business opportunities due to staff vacancies.

Where do we want to be? The department aims to provide development support to at least 60 new businesses each year.

- **Measure: Value of new investment in the agri-food and seafood sectors***

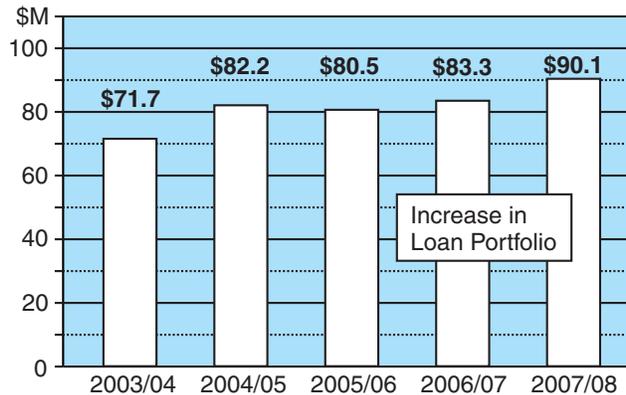
What does this measure tell us? Attracting investment in Nova Scotia's seafood and agri-food industries from out of province leads to new wealth and opportunities in the province, and serves to rejuvenate the province's food industries with new ideas and products. This measure refers to the sum value of new investment in Nova Scotia's seafood and agri-food industries each year attributable to activities carried out by the department's marketing division.

Where are we now? The department helped attract \$1.5 million in investment in 2007-2008, up from \$1 million the previous year, due to ongoing industry development and marketing initiatives that have enhanced Nova Scotia's profile.

Where do we want to be? The department aims to see an annual growth of ten percent in this category.

- **Measure: Increase in loan portfolio**

What does this measure tell us? The Fisheries and Aquaculture Loan Board's loan portfolio is measured by its total loan principal receivable - in other words the amount owed on outstanding loans to industry. A growing loan portfolio indicates an increase in investor confidence and overall economic activity in the industry. It also indicates the board's continued success offering loan options that suit client needs.



Where are we now? The loan board's total loan portfolio as of March 31, 2008 was \$90.1 million, up from \$83.3 million the previous year.

Where do we want to be? The department's goal is to see an increase in the loan portfolio over time.

- **Measure: Number of market research and information products developed***

What does this measure tell us? The department continues to produce market research studies, reports, profiles and industry listings to better understand market conditions and help capture new opportunities. This measure identifies the number of market and information products developed and/or funded through the Department of Agriculture's marketing services division.

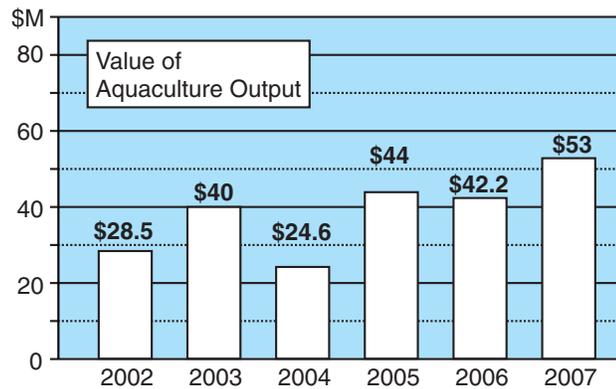
Where are we now? The department produced and/or funded five studies in 2007-2008, four of which addressed the seafood industry: a salt fish market review, a seafood processing study, an Atlantic Canadian direct marketing study, and a review of lobster landings in Southwest Nova Scotia. The department also updated a number of statistical profiles including the Nova Scotia Seafood Directory, a review of fish and seafood landings in Nova Scotia, and an export market review, an analysis, and a readiness listing.

Where do we want to be? The department will continue to produce market research and information products.

- **Measure: Value of aquaculture output**

What does this measure tell us? Nova Scotia's aquaculture industry creates important economic development opportunities, generating new wealth and new job opportunities in coastal areas. This measure refers to the overall value of all fish produced by Nova Scotia's aquaculture industry.

Where are we now? Nova Scotia's aquaculture industry reported almost \$53 million in farm gate sales in 2007, up 25 percent from 2006. The industry has grown 250 percent in the last ten years. Atlantic salmon and rainbow trout represent 68 percent of total sales.



Where do we want to be? The department continues to work with industry and government partners to grow the aquaculture industry with the introduction of new sites, ongoing marketing initiatives, and a continued focus on outreach and environmental monitoring.

- **Measure: Dollar value of sportfishing activities to the province**

What does this measure tell us? Sportfishing remains one of Nova Scotia's most popular outdoor activities. This measure refers to the direct and indirect value of the industry through licence sales, angling-related purchases and tourism.

Where are we now? Nova Scotia's sportfishing industry was valued at \$92¹³ million in 2007.

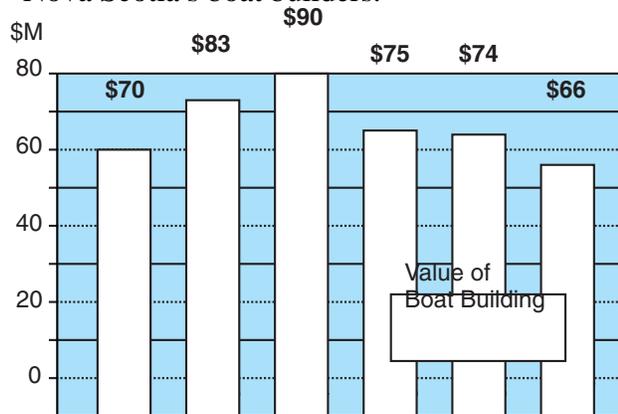
Where do we want to be? The department aims to help expand the provincial sportfishery.

- **Measure: Domestic value of boat-building**
- **Measure: Export value of boat-building¹⁴**

¹³The department conducts a survey every five years to determine direct and indirect expenditure data per angler.

¹⁴'Export' sales in this case includes all boats sold outside the province.

What do these measures tell us? Nova Scotia's boat building industry brings new wealth and jobs to coastal and rural communities. Overall, these two measures refer to all new boats sold by Nova Scotia's boat builders.



Where are we now? Domestic sales from Nova Scotia's boat building industry went from \$32 million in 2006 down to \$30 million in 2007, with this decline somewhat offset by increases in repairs and re-furbishment on existing boats. Export sales also declined, going from \$42 million in 2006 down to \$36 million in 2007, due mainly to high fuel costs and the high value of the Canadian dollar in recent years versus the American dollar, both of which have slowed export demand.

Where do we want to be? The department aims to see continued growth in domestic and export boat-building sales.

- **Measure: Fisheries and fish product exports**

What does this measure tell us? Fisheries and fish product exports play an important role in Nova Scotia's economy, and are the province's second leading category of exports, trailing only non-metallic minerals and mineral fuels. Nova Scotia is Canada's leading province for fish exports.

Where are we now? Nova Scotia exported more than \$954 million worth of seafood in 2007, down from \$983 million in 2006, due mainly to the high value of the Canadian dollar in recent years versus the American dollar. Lobster remains Nova Scotia's top fisheries export, valued at more than \$388.5 million in 2007. The United States remains the destination for more than half of the province's fish exports.

Where do we want to be? The department aims to see an increase in the value of Nova Scotia's fisheries exports.

- **Measure: Food manufacturing industry revenue from goods manufactured**
- **Measure: Value-added as a percentage of food manufacturing revenue**

What do these measures tell us? Adding value to primary fish products through processing helps create additional revenue and wealth for the province. The first measure refers to revenues generated by Nova Scotia's seafood manufacturing industry as a result of value-adding processes such as product preparation and packaging. The second measure refers to the overall percentage

of revenue created as a result of value-adding processes.

Where are we now? Nova Scotia's seafood industry generated \$899 million as a result of value-adding processes in 2006, down from \$925 million in 2005. The rise in value of the Canadian dollar against the American dollar in recent years has led to a major reduction in the competitiveness of Nova Scotia exports. In total, 26.2 percent of industry revenues were generated from value-adding processes, also down slightly from 26.8 percent the year before.

Where do we want to be? The department aims to help increase the value of Nova Scotia's seafood industry, and encourages greater value-adding.

- **Measure: Dollar value of total capital expenditures in fisheries**

What does this measure tell us? This measure refers to the total value of capital expenditures in Nova Scotia's fisheries, aquaculture and seafood industries, and is a direct reflection of the level of investor confidence in the industries.

Where are we now? Capital expenditures in Nova Scotia's fisheries, aquaculture and seafood industries reached \$61 million in 2006, up from \$59.3 million the year before.

Where do we want to be? The department aims to see an increase in capital expenditures in the fisheries, aquaculture and seafood industries.