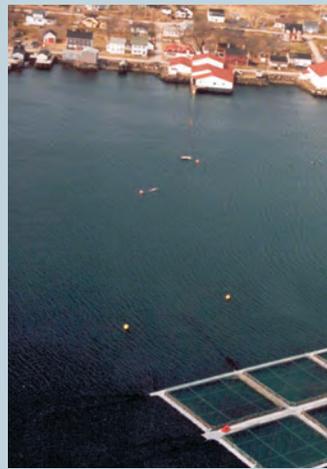
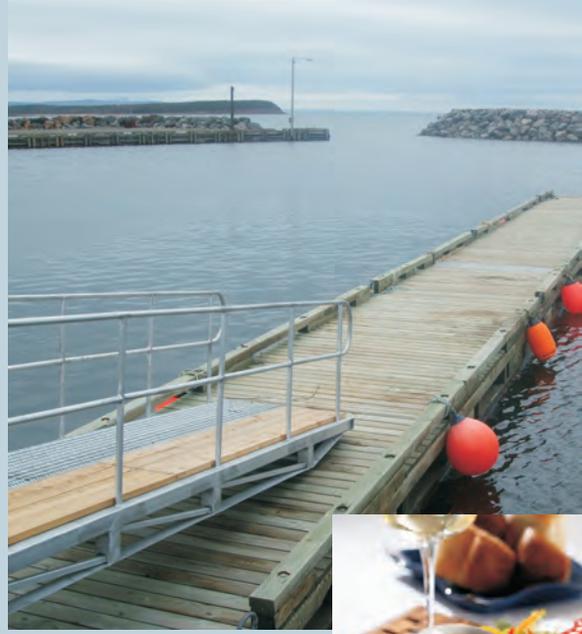




**NOVA SCOTIA**

Fisheries and Aquaculture

# Accountability Report



*for the fiscal year 2008–2009*

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## **Accountability Statement**

The accountability report of the Department of Fisheries and Aquaculture for the year ended March 31, 2009 is prepared pursuant to the *Provincial Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the department business plan information for the fiscal year 2008-2009. The reporting of department outcomes necessarily includes estimates, judgments and opinions by department 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 the department business plan for the year.

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Hon. Sterling Belliveau  
Minister

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Paul LaFleche  
Deputy Minister

## **Message from the Minister**

I am pleased to present the Department of Fisheries and Aquaculture accountability report for 2008-2009.

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 financial lending to help grow the industry, and released the Coastal Management Framework.

In the coming year, government will ensure the fisheries and aquaculture sectors contribute to the province's long-term growth to secure a bright future for all Nova Scotians. We want to support Nova Scotia families, create more jobs and fuel economic growth, and continue to build pride in our province.

## **Introduction**

This accountability report is based on the goals, priorities and performance measures set out in the 2008-2009 business plan. It is organized according to the department's three core business areas: sustainable resource management; industry growth and development; and responsible governance. It describes achievements towards the priorities identified by the department for 2008-2009; it is not a comprehensive account of the overall operations. Further information on the department can be found on the departments website, at: <http://gov.ns.ca/fish/>

## **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: Ensure the coastal management framework is implemented within two years.**

### **Achievements:**

- Continued to lead (as secretariat) the Provincial Oceans Network (PON), with participation from 15 departments and agencies with interests in various aspects of coastal management. PON developed the Coastal Management Framework in 2008-2009 defining the vision and strategic direction to coordinate and strengthen coastal management in the province. The framework, the first of its kind in Canada, was formally adopted and released publically in June 2008. It identifies six strategic activities to focus and accelerate action on priority coastal issues, the most significant of which will be the development of the State of Nova Scotia's Coast report to be released in Fall 2009, followed by the Sustainable Coastal Development Strategy in 2010.
- Raised awareness and understanding of Nova Scotia's priority coastal areas through public education and outreach. The PON secretariat developed and delivered 27 presentations on the Coastal Management Framework in 2009-2010 to public, private and government audiences. The secretariat also coordinated the 5<sup>th</sup> Annual World Oceans Day celebration on the Halifax waterfront, which has grown to become the largest Oceans Day event in Canada. Over 30 organizations from the public, private, academic and non-government sectors participated at the event, which was attended by more than 2000 visitors.

**Priority: Transition fisheries and aquaculture industries to ensure balance between environmental protection and economic success.**

## **Achievements:**

- Partnered with the federal Department of Fisheries and Oceans (DFO) to monitor for invasive species, with the province focusing on commercial aquaculture sites and DFO responsible for ports of entry. The department and DFO produced materials emphasizing the importance of controlling the introduction of invasive species, and educating marine resource users on how to do so. Department staff spoke to audiences in Newfoundland and Labrador and Prince Edward Island on the subject, and continued to work with experts across Canada and internationally to develop and implement mitigation techniques. The department also helped fund an initiative to import and adapt equipment for use by a Nova Scotia aquaculture company to help mitigate against invasive tunicates.
- Served as chair of the Gulf of Maine Council on the Marine Environment, co-chair of the Maritimes Regional Committee on Oceans Management, and represented the province on several other regional coastal and ocean management initiatives. The department's leadership in this area helps ensure that Nova Scotia's interests in sustainable development remain a priority through the development of regional and national coastal and ocean management.
- Partnered with the Halifax Port Authority and private sector operators to design a service to consolidate shipments for low-volume exporters. Beginning in July 2009, this weekly service will increase opportunities for local exporters of dry goods to more efficiently and cost-effectively reach the European market.
- Worked with industry stakeholders to assess the effectiveness of shipping live shellfish to European markets using new, innovative transportation technologies. This will help producers, processors and shippers of live shellfish provide high-quality products to consumers worldwide.

**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: Review and begin implementing the recommendations of the Nova Scotia Seafood Processing Sector Study.**

## **Achievements:**

- Began implementing the recommendations of the Seafood Sector Processing competitiveness study, including rationalization of the sector. The department met with the advisory committee carrying out the recommendations to discuss policy changes such as non-renewal of licences for inactive plants, the licence fee structure, and relocation of licences within the province. The department also intends to meet with licensed

processors not represented by the committee.

- Began reviewing the current fish processors and buyers legislation and policy to better reflect the challenges facing the industry, such as the economy and the availability of the resource, along with issues such as harmonization and traceability. The department intends to consult with the broader industry along with other federal and provincial government stakeholders on these changes.
- Met with database developers to determine development costs of a processing industry information resource, including human resources information and statistical data. This information will support program development and regulatory compliance, as well as other initiatives such as industry rationalization, traceability, harmonization of fish trade within the Maritime provinces, and modernization of licence policy and legislation.

**Priority: Expand and develop the aquaculture industry in Nova Scotia.**

**Achievements:**

- Began development of a five-year strategic plan to grow Nova Scotia's aquaculture industry. Staff reviewed previous strategic efforts and worked with the Atlantic Canadian Opportunities Agency to produce three reports profiling the finfish, shellfish and land based aquaculture sectors to better understand the challenges facing the industry. Nova Scotia's aquaculture industry was valued at almost \$53 million in 2007, employing more than 741 people on a full time and part time basis.
- Engaged a consultant to develop a community engagement protocol to build public confidence in aquaculture, one of the greatest challenges to expanding the industry in Nova Scotia. The protocol will identify barriers to the public acceptance of aquaculture in order to shape future communications with Nova Scotians on important industry issues.
- Engaged a consultant to develop a road map for aquaculture investment, identifying optimal areas for growing various species in Nova Scotia.
- Participated in early discussions towards the federal / provincial / territorial Aquaculture Framework Agreement, later discontinued by the federal government. The department continues to participate on the Aquaculture Task Group under the Canadian Council of Fisheries and Aquaculture Ministers, which is leading an effort to promote social and environmentally sustainable aquaculture development across Canada. The task group has developed a discussion document to facilitate dialogue between industry, government and non-government stakeholders. This will eventually lead to the creation of a national aquaculture strategic action plan.

- Helped Nova Scotia's aquaculture industry access federal funding for innovations and market access projects. The department encouraged aquaculture companies in Nova Scotia to apply for funding and represented their interests to federal program managers throughout the process. The department continues to work with federal counterparts to formally review applications from Nova Scotia at the regional level to provide feedback and guidance, with successful applications going forward for final consideration at the national level.

**Priority: Investigate, with industry partners, and communicate the process and benefits for obtaining eco-certification for certain NS fisheries.**

**Achievements:**

- Monitored worldwide trends in eco-labeling, promoted the importance of certification to Nova Scotia's seafood industry, and announced cost-shared funding under the Seafood Sector Renewal Program to offset certification costs. Major retailers such as Unilever, Walmart and Tesco increasingly demand certification from various eco-labeling organizations which examine the harvesting, processing and shipping chain of various fisheries to determine sustainability. Several Nova Scotia companies are now working towards certification, and are in the pre-assessment and assessment phase.

**Priority: Increase market share for local producers by encouraging Nova Scotians to buy local fish and seafood products.**

**Achievements:**

- Implemented the second year of the Select Nova Scotia buy local campaign in partnership with retailers, farmers' markets, farm markets and food service providers to promote awareness and consumption of Nova Scotia seafood and agri-food products. The campaign included a range of development activities including print, radio and television media, and a consumer-focused website. The first annual Incredible Picnic, held at 10 locations throughout the province produced encouraging results. To date, more than 320 companies are profiled on the website, including at least 13 seafood companies. Surveys show a satisfaction level (among company's surveyed) of 76 percent, with 66 percent of companies responding that consumers view the campaign as 'very good to excellent'. Website visits increased 41 percent in the second year of the campaign.
- Initiated research on food procurement opportunities in provincial post-secondary academic institutions, schools, and health care facilities. The department will continue to work with a steering committee and procurement personnel in publically funded institutions, food management companies, distributors, suppliers, and industry to review and better understand opportunities. A report identifying public sector procurement barriers and opportunities is expected in the winter of 2009-2010, and will include

recommendations to build on current business relationships with suppliers to improve market access.

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

**Priority: Minimize the administrative paperwork burden to business and improve regulatory service delivery to industry clients through the Better Regulation Initiative.**

**Achievements:**

- Encouraged department staff to use more effective policy tools, including incentives and public education instead of legislation (where applicable) to ensure minimal administrative burden to industry. The department also began implementing the corporate regulatory management policy, and continues to review legislation and regulations on an ongoing basis for possible improvements.
- Encouraged and provided assistance to department staff to use more effective communications, including a plain language approach to help clients better identify and understand regulations.

**Internal Management**

**Priority: Address the goals and objectives of the Government of Nova Scotia Human Resource plan.**

**Achievements:**

- Addressed aspects of the government's Human Resource Strategy through the department's Work Well committee. A subcommittee was formed to develop a three-year diversity strategy for the department and advise management on compliance. Department staff are required to attend diversity training through the Public Service Commission.
- Continued to promote staff health and wellness activities. The Work Well committee organized Lunch & Learn sessions focusing on a range of topics including back health and barbecue food safety. Staff in attendance were encouraged to donate to Feed Nova Scotia. During October's Healthy Workplace Month, the committee promoted staff health and wellness accomplishments and held a grand prize draw for staff who submitted healthy tips and suggestions. The committee also hosted a workshop on balanced lifestyles. The committee also began planning for a two-day staff conference that was held in May 2009.

- Organized and held a one-day orientation session for new staff. The session provided an opportunity for the Deputy Minister and senior managers to give a high-level overview of the work of the department and the various branches, and to meet new staff. Other presentations focused on employee benefits, government ethics, occupational health and safety and the GoverNext initiative.

## Financial Results

<b>Fisheries and Aquaculture</b>				
	<b>2007-2008 Estimate</b>	<b>2007-2008 Forecast</b>	<b>2008-2009 Estimate</b>	<b>2008-2009 Actual</b>
Program & Service Area	(\$thousands)	(\$thousands)	(\$thousands)	(\$thousands)
<b>Total Department Expenses:</b>				
Administration	579	649	626	483
Aquaculture	1,695	1,655	1,684	1,776
Fisheries & Aquaculture Loan Board	689	686	821	739
Inland Fisheries	1,896	2,131	1,978	1,932
Marine Fisheries & Field Services	1,841	1,970	2,354	2,381
<b>Total Departmental Expenses</b>	6,700	7,091	7,463	7,311
<b>TCA Purchase Requirements</b>		106	95	74
<b>Provincial Funded Staff (FTEs)</b>	72	69	77	72

### *Rounding*

#### Estimates/Forecasts: Departments/PSV's

- All estimates/forecasts should be rounded to the nearest thousand.

Note the variance for **Inland Fisheries** is mainly due to the Enhancement Fund which has expenses of approx \$300K with revenues showing up in the revenue cost centers. The net is \$0 when revenues are included.

#### 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 Performance

**Measure: Percentage of 'higher risk' marine aquaculture sites monitored under the Aquaculture Environmental Monitoring Program (EMP)**

**Measure: Percentage of 'lower risk' marine aquaculture sites monitored under EMP**

**Outcome description:** The Aquaculture EMP uses a 'risk-based' approach. Higher risk sites are typically larger and more productive, using cages and lines, and are usually finfish and mussel sites. Lower risk sites are those that are inactive or use low-density production methods, such as bottom culture and oysters.

**What does this measure tell us?** This measure refers to the number of 'higher risk' and 'lower risk' marine aquaculture sites monitored under the EMP.

**Where are we now?** The department has achieved its targets of sampling 100 percent of higher risk sites, and has conducted baseline sampling on 45 percent of lower risk sites.

**Where do we want to be?** The department aims to increase the number of low risk sites monitored under the program, and maintain ongoing monitoring of all active sites on a rotation basis.

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

**Outcome description:** 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 surcharge on angling licenses. This investment re-leverages itself, as enhanced fish habitats draw more people to the sport. The economic model for Adopt-a-Stream estimates that each square meter of restored habitat is valued at over \$13.

**What does this measure tell us?** This measure refers to the number of square meters of fish habitat restored in Nova Scotia.

**Where are we now?** The department worked with community groups and volunteer organizations to restore and protect 158,000 square metres of fish habit in 2008-2009, up from 110,000 square metres the previous year.

**Where do we want to be?** The department aims to protect 115,000 square metres of fish habitat annually.

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

**Outcome description:** The department's PQD program provides cost-shared funding to Nova Scotia's seafood and agri-food industries to develop new and innovative products and technologies. Funding through this program leverages contributions from private, public and non-government sources. A downward trend in the ratio invested by the department indicates an increased willingness by other organizations to invest, and is a sign of investor confidence. It also attests to the department's success in building relationships with industry and public stakeholders.

**What does this measure tell us?** This measure refers to the funding invested by the department (through the PQD program) as a percentage of the overall investment from all sources.

**Where are we now?** The department contributed 11 percent of the overall funding for projects in 2008-2009, down from 17 percent the year before.

**Where do we want to be?** The department aims to continue to increase funding partnerships with government and non-government sources.

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

**Outcome description:** The department promotes increased new investment in Nova Scotia's seafood and agri-food industries from outside of the province.

**What does this measure tell us?** This measure refers to the overall value of new investment in Nova Scotia's seafood and agri-food industries that can be directly attributed to the department's investment recruitment efforts.

**Where are we now?** The department's investment recruitment activities led to approximately \$1.1 million in new investment in 2008-2009 according to preliminary estimates, down from \$1.5 million the previous year, due primarily to the economic slowdown.

**Where do we want to be?** The department aims to increase the value of new investment in Nova Scotia's agri-food and seafood industries.

**Measure: Percent of loan principle in arrears**

**Outcome description:** The Fisheries and Aquaculture Loan Board provides stable, long-term financial assistance to promote the growth and development of Nova Scotia's fishery and aquaculture industries. The board works with clients to establish repayment schedules, and staff follow-up with loan holders who have not repaid their loans according to the agreed-upon schedule.

**What does this measure tell us?** This measure refers to the percentage of arrears (loans that have yet to be repaid according to schedule) of all loans through the Fisheries and Aquaculture Loan Board.

**Where are we now?** The loan arrears rate was 3.74 percent as of March 31, 2009, up from 2.02 percent the previous year due primarily to the slow economy and low prices for products such as lobster.

**Where do we want to be?** The loan board aims to keep arrears to three percent or less. This requires monthly collection visits to ensure that loan balances are reducing as per repayment schedules.

### **Measure: Value of aquaculture output**

**Outcome description:** The department conducts an annual survey of aquaculture lease and licence holders to determine the overall value of Nova Scotia's aquaculture industry.

**What does this measure tell us?** This measure refers to the farm gate value of all aquaculture production in Nova Scotia.

**Where are we now?** Nova Scotia's aquaculture industry was valued at \$53 million in 2007. This is up from \$42 million in 2006, and is an increase of 249 percent from 1997. A strong market for aquaculture products, in particular for Atlantic salmon has led to increased stocking and expansion of sites in Nova Scotia.

**Where do we want to be?** The department continues to promote the development of aquaculture in Nova Scotia and aims to grow the industry.

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

**Outcome description:** Sportfishing is one of Nova Scotia's most popular outdoor activities. The department conducts a survey every five years to determine direct and indirect expenditure data per angler in order to better understand the sector's economic contribution to the province.

**What does this measure tell us?** This measure refers to the direct and indirect value of the sector through licence sales, angling-related purchases and tourism.

**Where are we now?** Nova Scotia's sportfishing sector was valued at \$92 million in 2006, up from \$82 million in 2000.

**Where do we want to be?** The department aims to grow Nova Scotia's sportfishing sector by expanding sportfishing opportunities and delivering ongoing education and promotional programs.

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

**Outcome description:** Approximately 40 commercial boat building companies operate in Nova Scotia, directly employing approximately 450 people. Boats sold outside the province are categorized as exports.

**What do these measure tell us?** These measures refer to domestic and export sales of fishing, service and pleasure boats constructed in Nova Scotia.

**Where are we now?** Overall sales for the boat building sector in 2008 were \$50 million (\$29 million in domestic sales and \$21 million in export sales), down almost a third from the previous year. This is due to a number of factors, including the economic slowdown in the United States, low lobster prices, high fuel costs and an uncertain fishery. On the other hand, the slowdown in new boat sales was cushioned somewhat by an increase in refit, restoration and conversion work.

**Where do we want to be?** The department aims to increase both domestic and export boat building sales, and plans to invest \$1 million in Nova Scotia's boat building industry over two years to help the industry diversify into new markets.

**Measure: Fisheries and fish product exports**

**Outcome description:** Fisheries and fish products are Nova Scotia's second leading category of exports, trailing only non-metallic minerals and fuels. The department continues to promote seafood exports through ongoing trade initiatives such as participation in major international trade shows and income and outgoing buyer missions. Lobster is Nova Scotia's leading fish export, comprising upwards of 40 percent of all seafood exports.

**What does this measure tell us?** This measure refers to the export value of raw and processed fish and fish products from Nova Scotia.

**Where are we now?** Fish and fish product exports were valued at \$950.8 million in 2007, down from \$983.6 million in 2006. This is due to a number of factors, including the high Canadian dollar (making Canadian products more expensive in export markets) and the high cost of fuel (making transportation of goods more expensive). The low price of Maine lobster also impacted Nova Scotia's seafood exports, as American buyers increased their purchase of Maine lobster.

**Where do we want to be?** The department aims to increase the value of fish and fish product exports from Nova Scotia.

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

**Outcome description:** Capital investment patterns can be seen as a direct reflection of the level of industry confidence.

**What does this measure tell us?** This measure refers to the total value of capital expenditures in Nova Scotia's fishing industry in a given year.

**Where are we now?** Capital expenditures in Nova Scotia's fisheries, aquaculture and seafood industries were \$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 total capital expenditures.