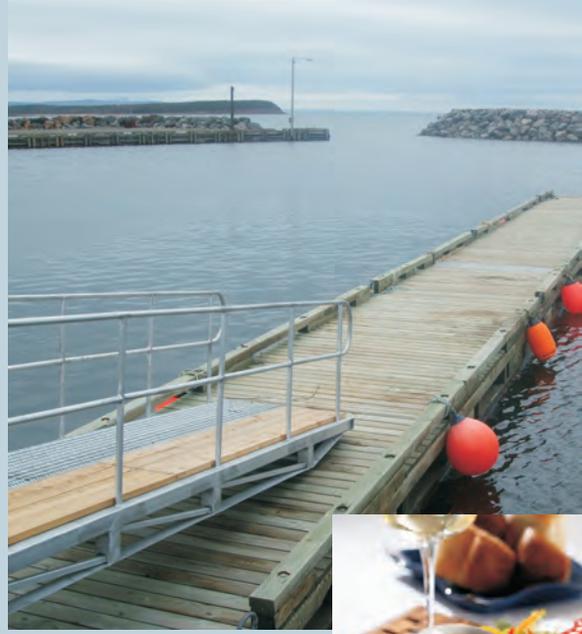




**NOVA SCOTIA**

**Fisheries and Aquaculture**

# Accountability Report



*for the fiscal year 2009–2010*

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## ACCOUNTABILITY STATEMENT

The Accountability Report of the Department of Fisheries & Aquaculture for the fiscal year ending March 31, 2010, 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 2009-2010. 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 fiscal 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 & Aquaculture Accountability Report for 2009-2010.

Sectors the Department supports contribute more than \$1 billion to our economy, including \$810 million from seafood product exports. These sectors are an important factor in our social and economic success, from jobs to rural, coastal community development.

This past year, the Department delivered programs and services in three core business areas: sustainable resource management, industry growth and development, and responsible governance. Within them, the Department focused on specific priorities like development of a coastal strategy to optimize use and protection of our coast and development of a plan to strategically grow the aquaculture sector. The Department also increased marketing of local fish and seafood products, promoted sportfishing and implemented a new and successful loans for licence program. Multiple indicators were used to monitor progress. Relationships with stakeholders were also developed and strengthened. The Department will expand and advance its current work to support the fisheries and aquaculture sectors which are so vital to our economy and livelihood in 2010-2011.

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Hon. Sterling Belliveau, *Minister*

## INTRODUCTION

This Accountability Report is based on the goals, priorities and performance measures set out in the Department of Fisheries & Aquaculture's 2009-2010 Business Plan. It is organized by the Department's three core business areas and internal human resource strategy:

1. Sustainable resource management
2. Industry growth and development
3. Responsible governance

This Accountability Report describes achievements towards the priorities identified by the Department for the 2009-2010 fiscal year. It is not a comprehensive account of the overall operations. Further information on the Department, services, operations and other related information can be found on the Department's website at <http://gov.ns.ca/fish/>

## DEPARTMENTAL PROGRESS AND ACCOMPLISHMENTS

The following section groups the Department's progress and accomplishments by priorities in the Department's three core business areas.

### Core Business One

#### **Sustainable Resource Management**

##### **Programs and Services**

- Aquaculture management
- Inland fisheries resource management
- Marine resource management

##### **Goal**

Environmentally and socially responsible development of the fisheries, aquaculture and food industries.

##### **What it means**

The Department is committed to balancing long-term growth and environmental and social responsibility. It provides leadership to help the commercial fisheries, aquaculture and sportfishing sectors realize the benefits of good environmental stewardship.

## **PRIORITY 1**

Work with government and non-government partners to sustainably manage Nova Scotia's sportfishery.

Nova Scotia's sportfishery is a \$94 million a year industry. It is enjoyed by over 55,000 licenced anglers, and thousands of others as part of other programs. Combined, it accounted for over 1.2 million days of fishing time annually. With over 6,000 lakes and countless number of streams and rivers, 78% of sportfishing takes place in fresh water. The remaining 22% takes place in salt water along the 7,400 km of coastline. Sportfishing is a provincial treasure that still has potential to grow, but must be properly managed to be sustainable for future generations to enjoy. Habitat protection and restoration, research and stocking of lakes and streams with native fish were among the actions taken to achieve development and management of sportfishing habitat in 2009-2010. Regulatory amendments and education on the damage from introduction of invasive species were also among issues tackled to manage Nova Scotia's sportfishery.

### **Achievements**

#### **Focused Sportfish Habitat Fund initiatives such as Adopt-a-Stream to increase coldwater habitat restoration.**

- Continued to collect funds from anglers to conserve and enhance sportfish habitat. This was done for the fifth straight year.
- Contributed funding to 19 community groups for fish habitat projects. Funding came from, both, angler funds and separate Departmental funds.
- Restored 106,000 square meters of in-stream habitat to conditions resembling their original states. This increased the area available for fish to spawn and rear their young.
- Recruited 6,800 hours of volunteer labour towards habitat restoration.
- Removed debris to make many kilometers of streams accessible to fish. Stream accessibility created areas for fish to spawn and rear their young. It also allowed fish to reach spawning and rearing grounds previously inaccessible to them.
- Protected 116,000 square meters of stream side habitat with livestock fencing, bank stabilization and the planting of 5,100 trees and shrubs, *etc.* Protection prevented further damage so habitats would not need to be restored later.
- Provided financial and technical support to the Nova Scotia Salmon Association's liming project on the West River Sheet Harbour. Liming counteracted the impact of acid rain on fresh water habitats that made them unsuitable for fish to live in, spawn and rear their young.

**Conserved and enhanced coldwater sportfisheries.**

- Created a new special management area in Grand River, Richmond County. Populations of brook trout were increased in the system. The brook trout is the designated provincial fish and is very popular with anglers.

**Expanded research partnerships with academia and non-government organizations to better manage fish habitats.**

- Funded five projects in 2009-2010 to assess and improve Nova Scotia's sportfishery. This was done with Dalhousie, Saint Mary's and Cape Breton universities, Habitat Unlimited, Fisheries & Oceans Canada, the Port Morien Wildlife Association, and the Nova Scotia Adopt-A-Stream and Salmon associations.

**Expanded salmon and trout stocking efforts in lakes and streams.**

- Stocked 400 lakes with brook, brown and rainbow trouts. These fish were native to Nova Scotia and favourites of anglers in the province. Atlantic salmon native to the Margaree River in Inverness County, St. Francis Harbour River in Guysborough County and Waugh's River in Colchester County, were also stocked there. Meanwhile, new salmon stocking programs were developed on the Middle and Baddeck Rivers in Victoria County.

**Made progress with federal and provincial partners to rewrite fisheries regulations in the Maritime Provinces on the introduction of aquatic invasive species.**

- Consulted with federal and provincial agencies on amending regulations to deal more effectively with illegal introductions of non-native fish species. Amendments proposed would be more enforceable, and act as a stronger deterrent to people introducing invasive species than current regulations.
- Developed plan to move regulation amendment forward at federal and provincial levels in 2010-2011. The amendments needed to be complementary for fresh and saltwater habitats, as invasive species occur in both.

**Continued to educate anglers and the general public on the negative impact of illegally introducing aquatic invasive species.**

- Educated on aquatic invasive species using information included in the Angler's Handbook and public consultations throughout the province. Aquatic invasive species were often introduced to remove the need to go elsewhere to catch certain types of fish, among other reasons. These seemingly harmless activities often had larger consequences on native fish populations. Reported incidents had decreased with education. However, previously introduced species continued to spread to connecting watersheds on their own, making their impact greater and harder to control or remove.

## Core Business Two

# Industry Growth and Development

### Programs and services

- Aquaculture development and extension services
- Commercial fisheries development
- Inland fish stocking
- Coastal community economic development
- Lending services
- Business development and economics
- Product and quality development
- Market services

### Goal

Competitive fisheries, aquaculture and food businesses that create economic growth and employment in coastal communities.

### What it means

The fisheries, aquaculture and sportfishing industries are the economic engines of many of Nova Scotia's coastal communities. The Department facilitates growth in established and emerging sectors.

### PRIORITY 2

Develop and implement a strategic plan to grow Nova Scotia's aquaculture industry.

In 2009, Nova Scotia's aquaculture industry was worth \$57.8 million in productions and sales. Salmon, trout, oysters, mussels, clams and scallops were among the major species caught and sold. The industry also accounted for 747 jobs. Aquaculture holds tremendous growth potential, arguably most challenged only by public confidence in it. The Department addressed this by studying the challenges of public confidence in aquaculture and has developed a plan to overcome them. The Department also continued to strategically grow the industry with a multi-pronged approach. Opportunities for leveraging investment and means of doing so were developed. Environmental impact monitoring capacity were increased. Regulations involving aquaculture among Atlantic provinces were investigated for harmonization and reduction opportunities. Together, a strategic plan will be released in 2010 to grow Nova Scotia's aquaculture industry in an efficient and responsible manner. These efforts will further increase Nova Scotia's reputation as a business friendly location for aquaculture investment.

## Achievements

### Developed road map for increasing investment in Nova Scotia aquaculture.

- Completed a draft plan to increase investment in Nova Scotia aquaculture, planned for implementation starting in the third quarter of 2010. The plan will increase the amount of money available to aquaculture. This, in turn, will increase the industry's potential and ability to grow, creating wealth and jobs in rural areas in Nova Scotia.
- Identified shared-use criteria for environmental and infrastructure information, data sources and possible sites for fin/shell fish expansion. Shared-use criteria maximizes information that can be shared without giving or depriving any stakeholder of a competitive advantage. It also increases industry's efficiency as different organizations would not have to waste resources obtaining duplicate information. Shared information can include, but not be limited to, assembling and validating the most relevant bio-physical and socio-economic data. Examples of bio-physical data include temperature, wave energy, bottom type and water depth. Examples of socio-economic data include population density, marine infrastructure, fish processing capacity and competing interests. Together, the information shared highlights the areas with greatest potential for aquaculture site development to facilitate potential investors' work in choosing site locations.

### Improved access to aquaculture site funding.

- Completed aquaculture component set up of the Community Development Trust (CDT) funding program. 2009-2010 was the first fully operational year to financially assist potential investors with the costs of aquaculture site assessment. Funding reduced the financial barriers which had prevented many past potential investors from aquaculture site development.
- Funded applications for several new sites and expansion of existing sites. Funding leverage significant additional investments based on total project costs. The funding allowed growth not possible otherwise. Furthermore, some information gathered in site development processes met the shared-used criteria and will benefit more potential investors.
- Promoted the CDT program to many new companies and investors. With the program fully operational in 2009-2010, many companies and investors needed to be informed of the program and how it could benefit them. Promotional efforts done will attract greater numbers of companies and investors to the industry than those which benefited from the program in 2009-2010. These companies and investors will include many who would not otherwise be involved in the industry without assistance from the CDT to make their initial investment feasible. Their presence, investment and success will help the industry grow, with the CDT acting like an investment itself.

**Made progress to review and harmonize the Aquaculture Environmental Monitoring Program.**

- Reached the final phases of negotiations for a draft Terms of Reference with Fisheries & Oceans Canada. This will result in better services for clients to get or maintain an environmental monitoring program. It will also result in better protection of the environment from reduced risks. Monitoring will prevent most potential incidents or catch them in the early stages so as to minimize their impact on the environment.

**Outlined a review process of the province's regulatory framework for aquaculture.**

- Planned to identify possible areas of harmonization with other provinces, to cover all aquaculture Acts, regulations and policies in the Atlantic provinces. Harmonization will mean less complexity, greater efficiency, reduced costs, better relationships, among other benefits, for both business and government.
- Submitted a request for proposal to review all aquaculture regulatory frameworks in Atlantic Canada. An approach to the review was agreed upon by governments of the Atlantic provinces to manage expectations for methodology and results. A neutral third party will do the review.
- Agreed to review share costs and resources for the Atlantic Canada aquaculture regulatory framework review with other governments of the Atlantic provinces. This was in the spirit of cooperation from the Atlantic Canada Memorandum of Understanding (MOU) for Aquaculture.
- Prepared to start the joint review in June 2010.

**Developed strategy to review capacity at fish health labs and program delivery in 2010-2011.**

- Determined criteria for a review of fish health labs and program capacity. Criteria were based on requirements for growing the industry in the aquaculture strategy being finalized. However, a fish health veterinarian was clearly needed. One was hired to ensure good production and product quality outcomes for clients currently using fish health lab services to assess potential problems and solutions.

**Developed a plan of action to increase public confidence in aquaculture.**

- Began to execute a multi-year program to increase public confidence in aquaculture. A survey was first conducted to identify barriers to public acceptance of aquaculture. Information gathered led to identification of social marketing tools and other means to address these barriers. Tools increased public confidence and promoted the industry in a multi-year program which has been initiated. The program will facilitate gaining public acceptance for aquaculture to increase chances of political approval for aquaculture sites. Those sites will be important investments in rural coastal sustainability and a key factor to retaining high value processing jobs in the province.

**PRIORITY 3**

Foster renewal in the marine fisheries and seafood sectors.

Also known as the commercial fishing industry, the marine fisheries and seafood sectors are jointly managed by federal and provincial governments. The federal government oversaw ocean resources, marine fishing licences, quotas and related matters. Provincial government promoted the best use of marine and coastal resources, and supported the commercial fishing industry by administering programs to help it grow. The potential for the commercial fishing industry to grow exists. Ocean resources remain available to harvest and demand exists in new and current markets in which to sell products. However, economic barriers to entry and expansion deterred growth, more pronounced in the current economic recession than previous years. The Department addressed these obstacles with loan programs that fostered renewed interest in the industry. Programs covered licences and equipment to do commercial fishing, new projects that may open up or take advantage of new markets, and infrastructure shared among industry stakeholders to conduct commercial fishing. The strong interest in the programs and high ratio of investment to funding provided helps confirm the programs' value and effectiveness.

**Achievements****Financed loans toward purchase of fishing licences in implementing new Loans for Licences program.**

- Approved 85 of 113 financing applications (75%) to purchase commercial fishing licences for first time entrants or licence of new species for existing licence holders. Targets were not set for this initial year of funding because insufficient data existed to set reliable goals. Analysis had only indicated a need for such a program with potential for the industry to grow, limited only by substantial entry or expansion costs to those wanting to do so. However, the number of applications, and approved applications with solid business and loan repayment plans, was significant. This supports the conclusion there is a need for the program.
- Financed over \$23.8 million in loans towards purchase of commercial fishing licences. These licences cost in the hundreds of thousands of dollars or more because they came with either commercial sized catch quota or capacity. Quota limits the amount of fish a licence holder can catch. Capacity limits the amount or volume of equipment one can use to catch fish. Applicants also had the option to apply for loans for boats and equipment along with the licences, in complementary programs. Boats and equipment were substantial costs that may have prevented many from having the means to fish despite having the licence to do so. In 2008-2009, those costs made up half the loan amounts compared to the licences, but this changes by the year. However, the option to have the boats and equipment covered was an invaluable, practical piece to the Loans for Licences program.

**Implemented second year of three year, \$3.75 million cost-shared fund to help seafood producers improve productivity, enhance product quality and diversify product and market opportunities.**

- Approved 23 new projects for a total of \$1.7 million from the Seafood Sector Renewal Program (SSRP) component of the Community Development Trust (CDT).
- Leveraged over \$5.6 million of investments from other sources via the CDT program funding to 23 projects. The ratio of investment leveraged to CDT commitment was over 3.3 to 1, demonstrating the value and impact of the program to spur industry growth.
- Met with processors to promote the program, generate further awareness and interest, explain the program and discuss potential projects. Almost the entire program budget has been committed as the result of this work and generated a positive response from industry who provided viable projects.

**Supported infrastructure projects to improve facilities used in commercial fishing and aquaculture.**

- Approved \$147,250 in program expenditures towards 18 projects. These included six vessel haul-outs for \$64,400, two floating docks for \$30,000, eight wharf winches for \$35,350 and two other infrastructure projects for \$17,500.
- Leveraged \$835,000 of investments from funding for infrastructure projects. This was a funding to investment ratio of almost 1 to 5.6. In other words, the amount of additional investment attracted was almost six times the amount of funds put in by the Department.

#### **PRIORITY 4**

Increase participation in sportfishing.

Over 55,000 licenced anglers and thousands more who enjoy sportfishing each year. Yet, for an enjoyable activity with health and wellness benefits to all, far more than 6% of the Nova Scotian population could be sportfishing. This would dramatically boost the \$94 million per year industry. It would also provide for tremendous savings in health care from health and wellness benefits not captured in sportfishing economic indicators. Two channels through which participation in sportfishing could be increased are expansion of salt water angling opportunities under federal jurisdiction, and increased exposure to sportfishing. Despite an abundant 7,400 km of coastline, only 22% of sportfishing in Nova Scotia took place in salt water. Nova Scotia does not currently enjoy the same salt water angling opportunities as British Columbia, which has more species available for sportfishing. The Department is working with Fisheries & Oceans Canada to explore better access opportunities to the salt

water marine resource for all users. Salt water or fresh water, once people try sportfishing, they tend to do it again. Many people are not currently well aware of sportfishing, its benefits, or think of it as a leisure activity they might enjoy. Exposing more people to sportfishing is the way to increase participation. Successful methods include targeting demographics who may not have much chance to sportfish, and combining sportfishing as part of other programs so people realize they can add sportfishing to their other activities. The Department has programs doing both and continues to develop them.

## **Achievements**

### **Worked with Fisheries & Oceans Canada to expand salt water angling opportunities.**

- Presented business case to Fisheries & Oceans Canada to expand the federal saltwater sportfishing licence to include more species for sportfishing. The sportfishing industry has been estimated to be able to grow by at least 50% with better salt water angling opportunities, namely more species that can be caught, like as is available for British Columbia. The Department's proposal is under consideration.

### **Increased communication and outreach activities to better promote health and wellness benefits of sportfishing.**

- Promoted health and wellness benefits of sportfishing with press releases and the Anglers' Handbook. The Handbook was used to inform participants about recreational value, health and wellness benefits.
- Contributed articles to newspapers, magazines and newsletters to highlight the benefits of sportfishing to a wider audience. Specific media were chosen to cover as wide an audience demographic as possible.

### **Promoted urban angling opportunities alongside other urban sport, recreation and community programs.**

- Continued to actively promote and develop sportfishing in Nova Scotia through extension and stocking programs. These programs increased sportfishing resources and restored habitat, the latter of which also benefit wildlife and people using the area for reasons other than sportfishing. It was a natural fit to promote and develop sportfishing while carrying out these programs.
- Promoted free fishing weekends in spring and winter to allow new anglers to experience sportfishing without having to purchase a licence. Removing the barrier of purchasing a licence encouraged people to try sportfishing, who otherwise may not because of economic and convenience reasons. Creating social events around sportfishing achieved similar impacts.

- Worked with community and sportfish groups to actively promote sport-fishing derbies and fishing tournaments throughout the province. These derbies and tournaments allowed people to experience sportfishing in a fun and social environment. The derbies and tournaments also gave those new to sportfishing a chance to mix with other new and experienced sportfishers.

**Expanded delivery of demographic-specific angler recruitment programs to youth, women and seniors.**

- Trained over a thousand youths how to fish via the Learn to Fish program. Youths were educated on fish species, aquatic habitats and ethical angling to become responsible sportfishers.
- Hosted sportfishing events at the Fall-2009 and Winter-2010 Becoming an Outdoors Woman (BOW) programs. As an active partner in the BOW programs, the Department introduced participants not only to sportfishing, but also to a range of outdoor activities like camping, fishing and hunting. Sportfishing was promoted as a fun and healthy activity compatible with other outdoor activities and which could be combined with them.
- Held three fishing events specifically for senior anglers. These allowed seniors to sportfish among their peers in events specifically designed for them. Many were trying sportfishing for the first time.
- Donated free group fishing licences for 20 seniors/group homes holding angling events. This was also done in previous years. The free opportunity encouraged the homes' residents to try or experience sportfishing without having to incur costs.

## **PRIORITY 5**

Enhance the competitiveness of fisheries and aquaculture businesses.

Enhancing the competitiveness of businesses essentially came down to having an edge on the competition and being able to convince others that edge has value. For fisheries and aquaculture businesses, the edge often came in the form of value-added features and/or operating advantages. With value-added features, what might otherwise be a common product, like fish, could be made to stand out from other similar products. Examples of value-added fish products included those with more nutrients, processed in new ways, packaged for more convenience, among others. Examples of operating advantages ranged from greater internal production efficiency for one firm, to better market accessibility or services benefitting an entire industry. Operating advantages also often went hand-in-hand with value-adding when it came to services. However, none of these things would matter if those in the market, whether consumers or other buyers, could not be convinced of their value. This was where marketing and communications come in, whether more materials, using different channels, accessing specific demographics, or otherwise. A complex mix

of all these elements is required to enhance the competitiveness of businesses these days. Furthermore, success required these elements to occur in all three of the harvesting, processing and distribution areas of the sector. In addressing these requirements, the Department sought to deliver a diverse, well coordinated, suite of services and resources to enhance competitiveness of Nova Scotian fisheries and aquaculture businesses in 2009-2010.

## **Achievements**

### **Promoted value-adding and quality development of innovative products, services and technologies, including health and wellness products.**

- Developed and distributed value-adding information to seafood industry stakeholders. Topics covered included the benefits of product development, value-adding extension services available from the Department and other sources, and value-adding advantages of having a seafood business located in Nova Scotia. The material emphasized the significance of value-adding to stay competitive in today's business world, some means to achieve it and the advantages of doing so in Nova Scotia.
- Collected and shared recent Nova Scotia success stories and testimonials. Success stories and testimonials were used to illustrate communications and marketing efforts by the Department and other organizations who had use for them.
- Delivered presentations and outreach activities across the province. Activities ranged from skills and product development to best practices in value-adding and quality enhancement. These activities complemented the information distributed with hands-on and interactive sessions.
- Implemented initiatives to accelerate commercialization and support the capture of value-adding opportunities. Timeliness to commercialize products is an essential ingredient to success, whether to develop a product before someone else develops a similar product, or before a vendor turns elsewhere for supply. Timeliness is also key to capturing opportunities when they appear. Supporting the capture of these opportunities helps achieve success, whether through funding, advice on process, or introduction to potential partners or vendors. The Department supported acceleration of commercialization and capture of value-adding opportunities through initiatives which identified and targeted specific projects. Projects supported had high rates of additional investment leveraged, indicating investor confidence. More detail on results is provided elsewhere in this report.
- Enhanced industry access to technical commercialization and value-adding expertise with valuable resources from partnerships. Partners included the Canadian Institute of Fisheries Technology (CIFT) and National Research Council – Industrial Research Assistance Program (NRC-IRAP).

- Helped enterprises address immediate and critical challenges with direct support or intervention, often with partners like CIFT and NRC-IRAP provided.
- Enabled food science graduates to engage in solving challenges experienced by specific Nova Scotia food companies. These opportunities provided practical experience and potential employment for the graduates with Nova Scotia seafood firms, growing the industry with new local talent.
- Participated in over 50 value-adding and innovation-focused events for seafood and aquaculture industries. At these events, the Department shared ideas with agencies and industry stakeholders, encouraged value-adding and innovation, and increased awareness of Departmental supports and services.

**Provided funding support to the newly established Lobster Council of Canada and invested in lobster marketing.**

- Contributed \$100,000 in start-up funding to the Lobster Council of Canada. The Canadian lobster industry is facing greater challenges than ever before. Global economic and other forces have dropped market prices to the lowest in 20 years. A united effort involving everyone in the industry was needed to overcome them. The sector recognized this and united under the Council. The Department recognized the Council's value with funding and other supports, as a key stakeholder determined to see the sector succeed.
- Delivered over \$140,000 in combined funding and staff resources to lobster marketing, while leveraging over \$1 million in additional investments. One of the main challenges facing the sector was lack of a unified image worthy of the product quality produced. To overcome this, the Department contributed \$50,000 to the Lobster Roundtable, which became the Lobster Council of Canada. While the Council developed a long-term marketing strategy for Canadian lobster, the Department focused on market development projects to expand or penetrate markets in Asia, Europe, the United States and other parts of Canada. The Department provided funding, expertise and leadership that fostered relationships, identified markets and potential buyers. As well, strategic marketing positions were developed, in market tactics were initiated and additional investments were leveraged. An example of the Department's work was the Second Tier Cities in China mission with the Nova Scotia Fish Packers Association, local industry and a Chinese company. The mission paralleled a federal Agriculture and Agri-food Canada (AAFC) trade mission to China, marketing and promoting Nova Scotian lobsters in Chinese cities each of approximately ten million in population, starting with Qingdao.

**Developed tools and tactics to encourage entrepreneurship and business skills development.**

- Addressed over 650 outreach inquiries on value-adding, extension services, specific business/technical advice and counseling to agri-food and seafood stakeholders. Interaction from these inquiries ranged from phone calls to face-to-face meetings with groups or individuals. The assistance provided, both, general information and answers specific to each business' needs.

- Conducted a feasibility study of local food procurement opportunities in publicly funded institutions. Institutions included academic institutions, public schools, provincial correction facilities, hospitals and continuing care facilities. They represented a sizable local market easily within grasp, but not well understood due to the large number of entities governing and supplying them. Some opportunities existed for local food producers, but to what extent and how to best capitalize on them needed to be explored. The report will be published later in 2010.

**Enhanced investment attraction and immigration outreach activities with federal and provincial partners.**

- Completed a program/funding guide for Departmental programs/services. A major challenge faced by all governments is improperly completed paperwork. Whether forms or applications, for government officials or members of the general public, paperwork is often a struggle. Furthermore, the inefficiencies and frustrations caused do not benefit anyone. A program/ funding guide will alleviate many challenges of doing paperwork in applying for Departmental programs/funding. It will also make the process more pleasant and efficient for all involved. Finally, processing time will be faster due to fewer returns of improperly completed applications or time spent pursuing missing information.
- Partnered with private and government agencies to support new entrants in the ocean freight of live shellfish. Shipping by ocean freight is a challenge for many new entrants mostly because of volume and packing requirements. Containers are large so either a lot of volume or a shipping partner with whom to share space is needed. Everything from packing requirements and space would have to be suitable with each shipment. Additionally, documentation challenges existed for ports of origin and destination, from labeling to insurance. The Department partnered with other organizations to make this process easier and more feasible for new entrants. The revised process allowed for smaller volumes and special requirements for keeping shipped shellfish fresh upon arrival. Partners included Atlantic Gateway, the Halifax Port Authority, and other provincial and federal government agencies, all of whom had key requirements in the freight shipping process.
- Partnered with key public and private stakeholders to bring together Nova Scotian high-end, specialty seafood producers and processors and interested international buyers. The Department helped host events with potential buyers mostly from Germany and other European Union countries.
- Assisted government agencies with investment files in seafood processing. Investment files typically are complex projects, involving multiple organizations, investors, schedules and suitability criteria. On seafood processing investment files, the Department helped other government agencies to facilitate the process.

**Continued to implement the Nova Scotia saltfish sector development initiative.**

- Focused branding, promotions, market and product development efforts in Mexico. After market research and intelligence gathering indicated there was a viable market in Mexico, efforts were concentrated on marketing there. Collateral materials were developed in Spanish for trade shows there, which the Department attended with industry. Other markets examined were not as promising as Mexico so further research continues to identify more potential new North American markets. The lack of worthy new markets identified slowed development of this initiative in 2009-2010. However, other markets await to be identified and marketed.

**Built the department's statistical, analytical and information capacity to support industry development.**

- Completed the Seafood Management Directory of Nova Scotia seafood products and distributors. The Directory was put online and is searchable by products and/or suppliers. One thousand copies were also printed for distribution to buyers around the world. The online Directory is updated monthly and over 100 buyer inquiries have been addressed since publication. This Directory will increase awareness for Nova Scotia's seafood businesses and open up additional markets for their products.
- Initiated a Nova Scotia Food Consumer research project focused on local food purchasing knowledge attitudes and awareness. Results of this research will be valuable to not only better fulfill local market demand, but also strategize marketing efforts. In some instances, industry will change to meet market demands of which industry had not been aware. In other instances, consumers may benefit from being more aware of certain products. There, marketing will have a role to change attitudes and/or perceptions.
- Completed numerous internal research studies for future marketing efforts. A haddock production and exports study was completed to identify the latest trends. A market profile of Germany was done because Nova Scotia seafood exports there have been increasing, with signs for further growth. Finally, the survey section of the 2008 European Seafood Symposium report was analyzed for potential market leads.
- Developed and maintained statistical databases on seafood statistics and reports. Having the latest, most accurate information is vital to marketing.

**Continued to provide business development supports, through investment and assistance to leverage additional investments, to encourage innovation and value adding.**

- Supported development and commercialization of specialty, high-end, value-added products, new processing capabilities/capacities and unique business models across a broad range of sectors. Examples included bio-active marine products, value-adding of by-products, among others.

- Accelerated commercialization of at least five new/improved products and technologies in the provincial seafood industry. More products and technologies may have benefited, but results are not yet available from longer term projects. This was accomplished from an investment of \$62,000, along with technical and business support from staff.
- Leveraged over \$1.35 million of investments to develop new products and technologies. This was about \$22 for every dollar the Department invested through the Product and Quality Development Division. The high ratio of outside investment to government investment reflected the importance industry ascribed to the products and technologies supported.
- Secured over \$325,000 of investment for clients in the Seafood Sector Renewal Program (SSRP). This was cost shared funding to support projects that improved the competitiveness and sustainability of Nova Scotia's seafood industry. Funds from the SSRP went towards enhancing value at all steps of the seafood chain, developing markets and products, increasing productivity, and carrying out eco-labeling/certification assessments of seafood.
- Leveraged \$1.2 million of investment for the SSRP funding. This was almost a 4:1 ratio of additional investment to funding.
- Achieved all-time highs per staff in direct and leveraged investment supporting value-added fisheries products. On average, almost \$100,000 in business investments from applicants, and over \$650,000 in leveraged investments, was leveraged per business development staff.

**Enhanced entrepreneurial and business development support for the sectors.**

- Developed a plan to improve extension support services provided in value-adding, product development and quality improvement. The Department assessed its services in these areas and identified areas it would improve.
- Began a review of existing services to improve Departmental ability to support development of new seafood products, or enhancement of existing ones. This will be a systematic effort to improve such services.

**Developed a series of business development fact sheets to address knowledge and information gaps for new entrants.**

- Gathered and distributed tools and resources on entrepreneurship and business management to industry stakeholders. Departmental resources were also enhanced for starting a new business, business planning, assessing new business feasibility and dealing with regulatory issues. All tools and resources were specific to industry, where applicable, as opposed to general information on the topics already widely available.
- Provided additional support to industry through direct professional business development advice for entrepreneurs and organizations. This case-specific assistance complemented print and Internet resources, tools and information, some of which are for business, in general, not individual businesses.

## PRIORITY 6

Increase the international marketing and trade of Nova Scotia's fisheries and aquaculture products.

Nova Scotia's fisheries and aquaculture products are the best in the world and good value for the money. However, much of the world is still unaware of what Nova Scotia offers in fisheries and aquaculture products. Unfortunately, changing this is not as simple as just showing the products to potential clients. Everything from feasible and financially affordable transportation of products, to language barriers, international regulations, and competition with products in other markets, have to be resolved before market penetration can take place. A lot of strategic marketing, research and promotion have to be done to make the world aware of Nova Scotian seafood to successfully gain access to new markets. Recognizing these factors, the Department worked to maximize the marketing and trade of Nova Scotian fisheries and aquaculture products.

### Achievements

**Implemented year two of a three-year trade plan focusing on market development and diversification, product branding, strategic alliances, maintaining core markets, and targeted market research and information.**

- Continued to implement a plan focusing on diversified markets in Germany, Japan and China, for lobster, snow crab, shrimp, scallops and haddock. Market research had shown opportunities for Nova Scotia seafood to significantly expand into or carve out a greater presence in these markets.
- Co-operated with industry, other Atlantic provinces, and other organizations to participate in international trade development events. Trade events were strategically chosen to target new markets and have the greatest impact since some were far away. The Department participated in events in China, Spain, Germany, Japan, the United States and across Canada. Other organizations which participated with the Department included Taste of Nova Scotia and the Atlantic Canada Food Export Partnership.
- Set up meetings between local industry and many international buyers. It can be challenging to match potential buyers and suppliers located far apart. Aside from costs involved, whether to travel to meet or ship products for examination, there is also the lack of awareness factor that either party exist which could be beneficial to the other. Setting up meetings between buyers and suppliers is a very efficient and effective way to facilitate business. Many parties from both sides are in one place, have real interactions, examine products or services, ask questions and develop relationships from a good first contact. With international buyers at meetings set up by the Department, some relationships developed which would have been unlikely given the distant origins of the buyers. Their origins also gave local industry access to markets not easily accessible by them otherwise.

- Briefed and met with trade officers and commissioners from several countries. In some countries, Department presence created credibility and access for those in the industry seeking to penetrate markets there. Meetings with trade officers and commissioners highlights the Nova Scotian seafood industry seeking to do business in these countries. A credible reputation is essential to gaining trust of potential business partners to build relationships.
- Pursued sales leads on behalf of the Nova Scotia seafood industry, leading to almost \$19 million in sales for Nova Scotia companies. While present in a variety of markets, the Department identified many potential opportunities for sales that would benefit local industry.
- Coordinated and sponsored pavilions or groups of booths at international expositions and trade shows with or on behalf of Nova Scotian industry. Making an impact at these events required substantial costs and presence, which was challenging for many individual firms without much experience in such settings. As a leader in the efforts, the Department shared costs and experience, as well as increased the Nova Scotia presence with a larger contingent than any one organization had alone. This increased industry's impact and image. Where industry was not present, the Department distributed many firms' collateral materials and also voiced industry's concerns to relevant stakeholders.
- Acquired free media exposure through three sources for Nova Scotian firms. This saved Nova Scotian firms money and gave them needed exposure to help their marketing efforts.

**Partnered with the Atlantic BioVenture Centre to explore new opportunities for business development through science and innovation.**

- Facilitated access to a variety of research and lab services for small and medium enterprises (SMEs). Research and lab services required by SMEs were generally from the early idea incubation stage of product development, to see if the ideas would be feasible. The services tended to require highly specialized equipment the SMEs may not be able to afford for small run trials. Services also required well-trained scientists and technicians with expertise to operate and interpret results properly, which the SMEs may not be able to hire on a short time basis. Having access to the services and people who performed research and lab services opened the possibility to many product development trials, by many clients, in ways affordable to them.

**Identified additional market diversification tools/strategies, especially for the German market.**

- Led the Germany/European International Market Development Project to determine how to best represent and market the Nova Scotia seafood industry at the Anuga Trade Show in Germany. The Anuga Trade Show is one of the world's most important food and beverage trade fair, and

is actually 10 food fairs under one event. It is also held in Germany where Nova Scotia seafood had a sizable presence, in part from the Department's first appearance at the Trade Show in 2003. Market research showed there was still plenty of room for Nova Scotia seafood in the German and much of the European markets, and the Anuga Trade Show was where to make the greatest impact towards opening those markets. The Department played a key role in expanding markets for Nova Scotia seafood in Germany and Europe by leading the provincial presence at the Anuga Trade Show.

**Worked with industry and government partners to improve transportation and distribution efficiencies.**

- Worked with Halifax Port Authority and Keune & Nagel on a consolidated container service to Germany. Shipping has very challenging logistics, like labeling, customs, insurance, and possibly coordinating space sharing of large containers. Consolidated container services make things simpler, saving time and money. Shipping services to Germany was targeted because high volumes of seafood were being shipped there, with much more anticipated. Improved consolidated services were in place for nine months during the 2009-2010 fiscal year. The model should be replicable to some degree for shipping to other countries as Nova Scotia seafood gains access to new markets.

**Promoted organizational development for the Nova Scotia lobster sector.**

- Encouraged stakeholders of the generally independent Nova Scotia lobster sector to unite itself and align with others in the Canadian lobster sector. The Department also contributed \$50,000 to the Lobster Roundtable, where stakeholders came together to build and implement joint action plans for lobster industry success over the medium to long term. From this, the sector created the Lobster Council of Canada in the fall of 2009, for which the Department has contributed \$100,000 towards start-up costs for the initial two years.

**Began consulting how to implement recommendations of the *Nova Scotia Seafood Processing Sector Study*.**

- Began consultations with industry on the most effective ways to implement recommendations from the Study. All stakeholders' detailed input is needed before implementation can start.

**PRIORITY 7**

Increase the value of Nova Scotia's fisheries and aquaculture sectors.

The more something is appreciated, the more it will be valued. Nova Scotia's fisheries and aquaculture sectors have much to offer, from the best seafood to related services, all at competitive prices. In Nova Scotia, where seafood is abundant, the sectors and its products still have opportunities for growth. Abroad, buyers and consumers need to be more aware of what Nova Scotia can offer for, both quality and price. This lack of awareness makes it more difficult to get sales, or sales at valued prices, because potential buyers do not realize the full value of what they would be getting. The Department worked to change attitudes and perceptions of Nova Scotia fisheries and aquaculture sectors and products with an array of initiatives to raise the profile of Nova Scotia fisheries and aquaculture products and services. This was done in Nova Scotia and abroad. Strategic branding campaigns, high profile events dedicated to profiling the value of Nova Scotia seafood and related services, and year round buy local campaigns, were among initiatives undertaken. Marketing research and analysis supported all initiatives to help them succeed, and to identify new value promoting opportunities.

**Achievements****Participated on the Council of Atlantic Premier's Agri-Food Action Team to address distribution and retail challenges facing small and medium sized food businesses.**

- Developed a proposal for an Atlantic Brand concept with the agri-food industry. Agri-food is processed food of all sorts, not just farm crops as the name suggests, and food can be processed anywhere. Differentiation among processed food brands is done by means other than geographic source. This is in contrast to primary foods like Nova Scotia lobster, where geographic source is often associated with quality. For processed foods from Atlantic Canada, an Atlantic Brand works because processing plants often process primary food from multiple provinces for efficiency. There is insufficient volume to have one plant per province for most processed foods. The united Atlantic Brand concept would apply to more volume of food, to enable a stronger market presence, compared to four provincial brands for the same volume of food. It would also allow combined support from four provinces for a stronger, single marketing effort than four smaller efforts. The effort would also work to solve common challenges faced by small and medium sized food businesses in all four provinces.
- Organized forums to discuss issues and opportunities in the Atlantic food sector with Ministers, Deputy Ministers, and senior officials from regional retailers, primary and processing industries. These forums included all stakeholders in the agri-food chain, each of whom had a part to play to effectively establish the Atlantic Brand in being part of the production chain.

- Explored an Atlantic Canadian food promotion campaign with the Canadian Council of Grocery Distributors, the Atlantic Federations of Agriculture and the Atlantic Food and Beverage Processors Association. This would promote any food from Atlantic Canada not under the Atlantic Brand, to complement the Atlantic Brand. The Atlantic Canadian food campaign is more focused on point-of-sale marketing, where consumers purchase food in grocery stores, than the Atlantic Brand campaign which uses other media.

**Organized Meet Your Match events to bring together food sellers, food buyers and chefs to create value-chain linkages in Nova Scotia's food chain.**

- Offered 14 Nova Scotia chefs a special day explore how Nova Scotia products can sustainably complement and add value to their menus. Chefs were also able to build relationships with local producers, processors and harvesters in attendance. Most of the day in 2009 was focused on agricultural products because the agricultural sector shared the same challenges of being under valued. However, more focus will be given to fisheries and aquaculture products in future years.
- Launched *Local and Direct – A Chef's Guide to Buying Local* guide. This year's edition was focused mostly on agricultural products. However, fisheries and aquacultural products will be included more in future editions.

**Continued to work with Taste of Nova Scotia to expand culinary and agri-tourism opportunities in the province and in the export arena.**

- Promoted Live Nova Scotia Lobster and Nova Scotia Seafood at the Brier National Curling Championships in Halifax. This was a high profile local event with national interest that was televised on The Sports Network (TSN). The Brier's local proximity and national audience made it the ideal marketing opportunity. It minimized costs and reached a wide audience across Canada. Among promotional methods used were cooking demonstrations with local chefs, 45 second TV promos on TSN, staffed displays and collateral.
- Coordinated Sip n' Shuck, an oyster, mussel and wine tasting evening. Sip n' Shuck is an event focused on both consumers and industry, promoting Nova Scotia aquaculture and wine products and industries. It gave those attending a chance to experience those products in standard and not so standard ways. Attendees also got to ask questions of experts who prepared the products. This exposes potential buyers to a variety of ways of serving the products to expand market opportunities.
- Served as a member of the Taste of Nova Scotia Board of Directors. The Department offered its marketing expertise to this unique provincial marketing of Nova Scotian culinary experience.

**Continued to implement the Select Nova Scotia Buy Local campaign to increase awareness and purchases of Nova Scotia agri-food products in the province.**

- Promoted domestic consumption of Nova Scotia produce, meat, seafood and value added products. Promotion was done continuously throughout the year. It employed media campaigns and special events to promote domestic consumption of local food.
- Assisted consumers in identifying local products, identifying local venues where they can be purchased and encouraged seasonal eating. Efforts demonstrated how eating local foods could be practically incorporated into any lifestyle and benefit anyone. Websites, print material, and direct interaction at festivals, community and other events, were among the means used.
- Planned, sponsored and/or hosted the *IncrEDIBLE Picnic, February* and *Community Suppers* across Nova Scotia to promote eating local year round. These *IncrEDIBLE* province-wide events promoted what was available at any time during the year. It also showed that complete, delicious and nutritious meals could be had from just locally grown and produced food all year round.
- Discounted booths for clients in the *Source Local Marketplace* pavilion at the *CATCH* Seafood Festival and APEX 2009 Food and Beverage Trade Show. Local food producers tend to be small and medium enterprises rather than large corporations. Having a sizable presence at festivals and trade shows is not financially feasible for many of them. The discounts allowed not only individual clients to have booths, but groups of them. That way, local foods had a greater presence at these shows than just a few individual producers here and there.
- Funded and provided other resources for many community events, market promotions and festivals. These small and local events were very interactive by nature, and represented the local spirit of local foods. Support for the presence of local foods at these events went a long way towards making a positive impact on people about the value of local food.
- Supported communications campaigns with the full breadth of media, from print to social media. Examples of media used included the Select Nova Scotia website, a seasonal eating brochure, *Art of Cooking Local* recipe calendars, *Fall Feast* TV, newspaper and radio ads, and Facebook/ Twitter contests. All media support were strategically coordinated to have maximum impact.
- Awarded the second annual Spirit Nova Scotia Local Hero Award to Chef Dennis Johnston. The award recognized an individual who, in the past year, had made a significant contribution to the local food movement in Nova Scotia. The recipient must also have raised the profile of locally grown food in demonstrating its high value. The award was given by Select Nova Scotia at the *IncrEDIBLE Picnic* event in August.

**Created a Nova Scotia Seafood Festival with sustainable industry and consumer health themes.**

- Held *CATCH*, the Nova Scotia Seafood Festival, in June 2009, attracting over 3,000 visitors and 42 exhibitors. *CATCH* is a showcase of the freshest local seafood and the hottest culinary trends. With many exhibitors in one place, it increased clients' capacity/capability to market, sell and form partnerships. The concentration of exhibitors and activities attracted people to learn about seafood and the industry when they might not have otherwise have devoted the time or effort. This enhanced consumer awareness and appreciation of the NS seafood industry, its products and the seafood culinary experience. The festival was such a success a bigger version was planned for 2010.

**Increased trade related research and analysis, and industry led international business development initiatives.**

- Joined the Export Market Analysis Consortium (EMAC). EMAC is a collaborative effort between provincial departments and the federal Agriculture and Agri-food Canada (AAFC). EMAC's purpose is to invest in collecting market research data and intelligence. This and similar efforts helped the Department increase export/import data intelligence.
- Identified competitive international products and their edge to share with industry for improving its products to better compete. This edge could be the obvious, like packaging, or analytical conclusions, like market shares impact.
- Reinvested in Euromonitor, Datamonitor and Canadian Agricultural Trade Statistics (CATS) to deliver research results to industry. These data sources can be technically challenging to access, with some costs. In reinvesting, the Department obtained research useful for its own use, provided industry with valuable information, saved industry direct costs in fees and saved it indirect costs of time and staff compiling information.
- Shared completed research reports done by other provinces with partners. From relationships with other provincial governments, the Department was notified of each's newly completed research reports and acted as a monitor for them.
- Collected daily market information to produce weekly market reports with accurate provincial and external prices/volumes. The Department eliminated duplicate work among stakeholders wanting the same market information by being the authoritative source for market reports and data.
- Maintained custom market information to distribute via email and website. Custom market information gave clients what they wanted to know more precisely than common market information.
- Maintained and distributed a resource directory of Nova Scotia's agri-food companies. This was valuable to potential buyers at trade shows, missions and other events. It increased awareness for the industry as a whole, for some specific companies, and opened new markets for their products.

## Core Business Three Responsible Governance

### Programs and services

- Aquaculture licensing and leasing
- Fish health
- Fish processor and buyer licensing
- Fish plant inspections and enforcement
- Coastal resource management

### Goal

Orderly development of the fisheries, aquaculture and food industries.

### What it means

Nova Scotia's regulatory framework for the commercial fishing, aquaculture and sportfishing sectors helps maintain a level playing field and support a competitive business climate.

### PRIORITY 8

Implement Nova Scotia's *Coastal Management Framework*.

Nova Scotia's coastal areas and resources play an essential role to make the province what it is today. It is vital to the character and way of life valued by Nova Scotians. To ensure this remains for future generations, the Government of Nova Scotia had committed to developing a coordinated and strategic approach to coastal ocean management. The approach chosen to do this was identified in the *Coastal Management Framework*. Its mission is to address coastal issues in Nova Scotia through effective leadership, coordination and collaboration, to ensure a healthy, safe and vibrant coast that sustains the highest quality of life for current and future generations. This involved a combination of scientific and public information gathering to determine what is present and what is desired before figuring out how to get there. The recently released *State of Nova Scotia's Coast Report* outlined what was present from a variety of data collection means. This information is being shared through newly created research networks, web portals and public information sessions. An extensive series of public consultations has also been planned to find out what the public wanted to get out of coastal resources, and ideas on how to get it. Finally, partners have been identified to share in coastal management initiatives. These ranged from academia like Dalhousie University for the research and technical expertise to the Government of Canada because many ocean resources fall under federal jurisdiction. Together, a highly coordinated and substantial effort is under way to implement strategic activities identified in the *Coastal Management Framework*.

## Achievements

### Released the *State of Nova Scotia's Coast Report* outlining government's current understanding of priority coastal management issues.

- Released the Report, the first of its kind in Canada, in December 2009. The Report was released on paper and posted online. Several versions were also created, differing in amount of detail to suit different levels and points of interest. There was a Summary Report, six Fact Sheets each summarizing a select topic, an Executive Summary, individual chapters each on a topic and the full Report.

### Started planning development of a *Sustainable Coastal Development Strategy* for Nova Scotia.

- Developed a public consultation plan for a *Sustainable Coastal Development Strategy* for Nova Scotia. Factors influencing this plan came from information gathered in developing the *State of Nova Scotia's Coast Report*, and there were many. Among the factors were issues identified in the Report, regions in the province which the issues affected or may affect, and the demographics and infrastructure of those regions. The complexity of how these factors also influenced each other, on top of their individual impact, required the Department to expand on public consultation plans originally developed just for the winter of 2010. This delayed the Strategy's development, but ensured it would obtain all the public and industry feedback that would be required.

### Created a coastal research network to better communicate government's coastal management research needs.

- Established a Secretariat for the Coastal Research Network (CRN). Funding was provided to Dalhousie University's Marine Affairs program to host and implement objectives of the network in the role of Secretariat.
- Assisted the CRN Secretariat in compiling a comprehensive database of coastal researchers, publications and organizations in Atlantic Canada. This was the first objective of the Secretariat because it identified all potential stakeholders who should be in the network. Their presence in the network would make the network as far reaching and robust as possible, maximizing the network's potential and allowing it to fulfill its objective more effectively.

### Improved information and data exchange on coastal and ocean management issues.

- Worked with federal, non-government organization and industry partners on the Atlantic Coastal Zone Information Steering Committee (ACZISC). ACZISC has existed since 1992 to foster cooperation in Atlantic Canada on integrated coastal and ocean management, coastal mapping and geomatics. ACZISC is the authoritative body in Atlantic Canada for such work.

- Advanced the [Coastal and Information Network \(COIN\) Atlantic](#) web-based information tool from concept to application. COIN Atlantic is a user-friendly online application which provides geographic-based coastal mapping and information for selected oceanic areas of interest off of Atlantic Canada. As partners in the Atlantic Coastal Zone Information Steering Committee (ACZISC), the Department contributed \$20,000 in funding and leadership to turn this concept into reality. The project's value was realized with over \$160,000 in additional investment leveraged from external sources to make the project a reality.
- Remained active participants in many local, provincial, regional, national, and international initiatives, as well as coastal governance and management bodies. The ocean is a resource shared by many. They are organized by groups of differing interests, such as by geography, business or governance. Being active in these initiatives and bodies allowed the Department to be in contact with all stakeholders and continuously work towards common objectives.

**Coordinated and accelerated coastal mapping.**

- Coordinated and accelerated high-resolution mappings of coastal areas as an active participant in the GeoNOVA LiDAR Working Group. Coastal mapping efforts were integrated into government's other mapping related programs for maximum coverage and minimum duplication. This ensured the best and most efficient use of resources. Initial results have been posted on the [GeoNova website](#).

**Approved a finalized draft Memorandum of Understanding (MOU) with the Government of Canada to strengthen collaboration on Nova Scotia's coastal management issues of priority.**

- Negotiated and approved a draft MOU among a complex network of stakeholders. The Department played an active role to shape a draft MOU among 15 departments in the Provincial Oceans Network (PON), and federal Regional Director Generals at Environment, Natural Resources and Fisheries & Oceans Canada. The draft is currently with the Minister of Fisheries & Oceans Canada awaiting signature.

**Increased public education and awareness on the state of Nova Scotia's coast.**

- Participated in the Oceans Day event on the Halifax waterfront on June 5 2009. This was the largest ever Oceans Day event on the east coast of North America. It had 31 exhibitors and attracted over 1,000 visitors.
- Developed the *State of Nova Scotia's Coast Report*, a summary version and six supporting fact sheets on specific topics. These are now the authoritative source of information on Nova Scotia's coastal areas and resources.

- Engaged the public to inform on the state of Nova Scotia's coast and consult towards developing the *Sustainable Coastal Development Strategy* for Nova Scotia. The public was engaged in a variety of means, from online to in person. The *State of Nova Scotia's Coast Report* was posted online with the opportunity for the public to provide feedback. Over 100 print copies of the Report, over 800 copies of the summary and over 600 copies of each fact sheet were distributed to libraries, universities and the general public across the province between December 2009 and March 2010. Some print materials were also distributed at the 26 presentations made on Nova Scotia's coastal management efforts to various community, industry academic, and government organizations. These were more interactive in nature than online or print material dissemination, and complemented them. The Department also presented similar information at a variety of targeted and collaborative outreach initiatives where information was shared within an appropriate, but broader agenda set by other parties.

## **PRIORITY 9**

Review and improve fisheries legislation, regulations and policies.

The relationship among fisheries legislation, regulations and policies are complex, especially given shared jurisdiction with other governments or levels of government. Jurisdictional issues arise because of federal jurisdiction for oceans, and shared geographic boundaries with neighbouring provinces for matters not solely related to ocean resources, (such as loans and licences). Circumstances also change over time that may date legislation, regulations and policies, or render them less effective. A review of fisheries legislation, regulations and policies would increase their efficiency and effectiveness while resolving current issues.

### **Achievements**

**Continued to work with licencing authorities from other Maritime provinces to achieve harmonization of respective fisheries licencing policies and legislation.**

- Worked with licencing authorities in other Maritime provinces to identify specific areas of fisheries policies and legislation which could be harmonized. Although fisheries licence policies and legislation among Maritime provinces have similar purposes, requirements differ slightly. However, these small differences require cumbersome changes to be made by licence holders to conduct business in neighbouring provinces. These changes cost business time and money. Harmonization of licencing policies and legislation would remove these barriers and allow business to be more competitive.

**Initiated process to update fish processor and fish buyer licence policies and regulations.**

- Identified sections of respective policies and regulations to update, and how, and initiated update process with legislative and policy draft persons. Most of the updates will be to harmonize fish processor and fish buyer licence policies and regulations in the Maritime provinces. Where negotiations have yielded agreement, work to update has begun. Consultation with industry is ongoing and will be throughout the process so the most effective outcome can be attained.

**Developed and advanced a position to industry on specific issues identified in the *Seafood Processing Sector Study*, including rationalization of the seafood processing industry.**

- Continued consultation with industry on positions proposed for specific issues identified in the Study. The Study identified issues and recommended solutions, but did not address implementation issues. Industry is being consulted to find the best implementation steps. For some issues, the Department identified potential solutions and forwarded it to industry for feedback. Industry's feedback will then be factored into the final solutions.

**Worked with the newly formed Nova Scotia Seafood Processors Advisory Committee to develop government policy and management strategies to better prepare the seafood processing sector for the future.**

- Identified and advanced specific issues to members of the Seafood Processors Advisory Committee. The Committee was formed to delve more deeply into select processing issues. Consultation and dialogue continues with industry.

**Expanded existing licence statistical data by implementing a system of weekly mandatory reporting for licenced buyers of lobster.**

- Implemented the On-Line Reporting System (OLRS) for weekly reporting of lobster, snow crab and eel purchases. The reporting is a condition of the buyer licence, with the OLRs making it easier to report. However, many reports are still being faxed in as not all buyers had access to high speed Internet. Work is being done to determine the percentage of licenced buyers using the system versus faxing in the information. This will rate the effectiveness of the OLRs and the entire reporting system. Pending results, further changes may be required.

**Began developing a regulatory framework to address specific goals related to health and food safety, economic viability and environmental sustainability.**

- Initiated a comprehensive review of legislation which supported and directed the broad and specific roles of the Department's mandate. One example involved food safety.

- Started a comprehensive strategy development for coastal zone management. The first step is the current *Sustainable Coastal Development Strategy* for Nova Scotia consultation process. Pending what comes out of that, a regulatory framework amendment process will be developed to address the issues.

**Began reviewing the *Fisheries Organizations Support Act* and the *Fisheries and Coastal Resources Act* for improvements.**

- Began a comprehensive review of the *Fisheries Organizations Support* and *Fisheries and Coastal Resources* Acts. Detailed regulatory reviews related to specific program-focused parts of the *Fisheries and Coastal Resources Act* are well under way. Review of both Acts may improve their functionality and effectiveness as they were created when circumstances they addressed were much different than those existing today.
- An aquaculture development strategy to support an effective regulatory review has been drafted. Once finalized and approved, the strategy will guide development of the aquaculture industry for years to come. However, development would be hindered by current legislation for the industry that was developed 14 years ago, when the industry was smaller and simpler. A legislative review will be needed to progress efficiently and effectively.

## CORPORATE SERVICES

### Programs and services

- Business planning and accountability
- Legislative and policy services
- Communications
- Employee safety, wellness and health
- Information management
- Human resources
- Information technology

### Goal

To ensure the effective delivery of a suite of corporate and administrative services for the benefit of the executive offices, operational units and the Government of Nova Scotia.

### What it means

Corporate services are delivered through the offices of the Minister, Deputy Minister and Associate Deputy Minister, Policy & Planning and Communications divisions, and Resources Corporate Service Units.

**PRIORITY 10**

Address priority areas identified in the Corporate Human Resource Strategy.

The Corporate Human Resource Strategy identified new staff orientation, work/life balance and managerial guidance on career development as areas human resources support which all of provincial government needed to improve. While the Department already had good services in some of these areas, it still worked to improve them to be effective corporate role models. Improvements were done in conjunction with the Department of Agriculture, with whom the Department of Fisheries & Aquaculture shared many resources and processes.

**Achievements****Organized and hosted an Orientation Day to welcome staff new to the Department.**

- Developed and hosted an Orientation Day for the second consecutive year. The day included presentations on employee services, GoverNEXT, Occupational Health and Safety, ethics and government. Thirty-five new staff from the departments of Agriculture and Fisheries & Aquaculture gave very positive feedback on activities, value and effectiveness of the day. As a result, Orientation Day has been made an annual event.

**Organized and hosted a two-day staff conference on work and lifestyle issues.**

- Provided training to over 350 staff in the departments of Agriculture and Fisheries & Aquaculture. The conference was held on the campus of the Nova Scotia Agricultural College. Among presentations given were work/life balance, stress in the workplace, career development, personal financial management in difficult times and intergenerational diversity. Staff attended gave very positive feedback on the value and effectiveness of the conference.

**Provided career coaching training to help managers guide employees interested in making decisions about their work/life future.**

- Provided career coaching training to 12 managers in the departments of Agriculture and Fisheries & Aquaculture. Career coaching as things happen or questions arise has its own benefits, like timely case-specific interaction with supervisors who understand one's situation well.

## FINANCIAL RESULTS

<b>Total Expenses of Programs and Service Areas</b>	<b>2009-2010 Estimate</b> (\$ thousands)	<b>2009-2010 Actual</b> (\$ thousands)	<b>2010-2011 Estimate</b> (\$ thousands)
Ordinary Revenues	624	715	624
TCA Purchase Requirements	96	92	39
Administration	579	453	570
Aquaculture	2,885	2,020	3,607
Fisheries & Aquaculture Loan Board	890	727	802
Inland Fisheries	1,991	2,046	1,981
Marine Fisheries and Field Services	5,005	3,409	6,271
<b>Total Net Program Expenses</b>	<b>11,350</b>	<b>8,654</b>	<b>13,231</b>

<b>Provincially Funded Staff (FTEs)</b>	<b>79</b>	<b>70</b>	<b>85</b>
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### ESTIMATES / FORECAST ROUNDING

#### Departments/PSVs

The Department of Fisheries and Aquaculture spent \$2.7 million or 23.8 per cent less than budget primarily due to the carryover of \$2.3 million from the 2009/2010 budget year to the 2010/2011 budget year for the Community Development Trust, with a similar reduction in revenue. There was \$0.2 million reduced spending for the Fish Loan Board and \$0.2 million reduced spending for the Salmon Restoration Program.

#### FTEs

##### FTEs for Departments

Rounding should follow what appears in 1.17 of the Estimates Book.

##### FTEs for Public Service Entities (PSVs)

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

Square metres of fish/stream habitat restored.

#### Outcome description

The Department continues to administer the Adopt-a-Stream program, supporting community groups working to restore and rehabilitate fish habitat in the province. Funding for this program comes from \$5.44 on each angling license. 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 metre of restored habitat is valued at about \$13.

#### What does this measure tell us?

Square metres of fish (stream) habitat tells us the number of square metres of fish habitat restored in Nova Scotia. It is an indicator of new habitat available for fish and fishing.

#### Where are we now?

The Department worked with community groups and volunteer organizations to restore and protect approximately 106,000 square metres of fish habitat. This was below the annual target of 115,000 square metres. However, the area restored per year has alternated annually between just under the target, to significantly over the target (approximately 160,000 square metres), during the four year history of the Adopt-a-Stream program. The 2009-2010 fiscal year was just below the annual target. Overall, the average area restored per year is well over the 115,000 square metre annual target, sitting at approximately 130,000 square metres per year.

#### Where do we want to be?

The Department will continue to aim to protect 115,000 square metres of fish habitat per year, with help from volunteer organizations. The Department has already started actively recruiting user groups to be more actively involved as they are the ones who benefit the most from these habitats.

**MEASURE**

Dollar 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. Values are for the calendar year, though, not fiscal year like many other Departmental financial measures. This was due to past data that having been collected that way so keeping it that way allow for consistent performance comparisons over time.

**What does this measure tell us?**

Dollar value of aquaculture output tells us the farm gate value of all aquaculture production in Nova Scotia. It is an indicator of the industry's health and economic impact.

**Where are we now?**

Nova Scotia's aquaculture industry output was \$57.8 million in 2009, exceeding the Department's \$50 million target. This was a recovery from the setback of 2008 which saw a fall to \$36 million in output, probably a result of the general economic downturn of the time, compared to \$53 million in the previous year.

**Where do we want to be?**

The Department will strive for continued growth in the aquaculture sector each year. To achieve this, the Department has commenced development of a five-year aquaculture growth strategy, starting with a study to restore public confidence in aquaculture. The Department will continue to promote the development of aquaculture in Nova Scotia to grow the industry in many diverse ways, like funding, marketing, connecting buyers to producers, among others.

**MEASURE**

Percentage of 'lower risk' marine aquaculture sites monitored under the Aquaculture Environmental Monitoring Program (AEMP).

**Outcomes description**

The AEMP 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. All 'higher risk' sites are currently monitored by the AEMP. Only additional 'lower risk' sites need to be set up for monitoring by the AEMP.

**What does this measure tell us?**

Percentage of 'lower risk' marine aquaculture sites monitored tells us the portion of 'lower risk' marine aquaculture sites monitored under the AEMP. This is combined with results of the 'higher risk' sites, all of which are monitored, to create a more complete indicator of overall risk posed by all aquaculture sites.

**Where are we now?**

The percentage of 'lower risk' marine aquaculture sites monitored was 61% as of March 31, 2010. This was up from 58% as of March 31, 2009, which met the Department's goal to increase the percentage of sites monitored each year. The percentage increase was the latest in a series of steady increases from 38% in 2006.

**Where do we want to be?**

The Department will aim to increase the percentage of 'lower risk' marine aquaculture sites monitored each year, staying ahead of the industry's rate of expansion. The Department also aims to monitor all new 'higher risk' sites immediately. Ultimately, the Department aims to monitor all Nova Scotian aquaculture sites under the AEMP.

**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 surveys 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?**

Dollar value of sportfishing activities to Nova Scotia tells us the direct and indirect value of the sector through licence sales, angling related purchases and tourism. It is an indicator of the industry's health and economic impact.

**Where are we now?**

The dollar value of sportfishing to Nova Scotia in 2009-2010 remained constant at \$94 million from 2008-2009, after steady annual increases from \$84 million in 2000. This met the Department's goal to prevent decrease in the dollar value of sportfishing to Nova Scotia in these times of economic down turn.

**Where do we want to be?**

In these times of economic down turn, the Department will aim to prevent any decreases in the value of sportfishing to Nova Scotia and keep the industry value at \$94 million for 2010-2011. Ultimately, the Department will continue efforts to grow Nova Scotia's sportfishing sector by expanding sportfishing opportunities and delivering ongoing education and promotional programs.

**MEASURE**

Ratio of Product and Quality Development (PQD) funding invested to total research and development (R&D) invested through PQD projects.

**Outcome Description**

The Department's Product and Quality Development Division provides cost-shared funding to Nova Scotia's seafood and agri-food industries to develop new and innovative products/technologies. Funding from this initiative leverages contributions from private, public and non-government sources.

**What does this measure tell us?**

Ratio of PQD funding tells us the funding invested by the Department (through the PQD initiative) as a percentage of investment from all sources towards all projects in the initiative. The Department contributes funding on a project basis, but the annual total is near constant. More dollars of investment injected by other funders, per dollar of Department investment, lowers the ratio or proportion of Departmental PQD funds to other funds, and increases leverage. These are signs of increasing investor confidence in Nova Scotia's seafood and agri-food industries. A lower PQD funding ratio also attests to the Department's success in building relationships with industry and public stakeholders if they were to invest more in Nova Scotia's industries. Finally, a lower PQD funding ratio could be an indicator of increasing recognition of value-adding as a viable industry strategy.

**Where are we now?**

The Department's contribution in 2009-2010 made up a mere 5% of overall funding for projects. This was down from 11% the previous fiscal year, meeting the Department's target to increase funding from other sources, thus decreasing PQD ratio. The decrease in 2009-2010 was also the latest in a series of decreases starting with a PQD ratio of 43% in 2004-2005. The significant annual decreases, on average, attest to the Department's increasing ability to build investor confidence to leverage investment increases annually.

**Where do we want to be?**

The Department will aim to achieve a PQD ratio of 15% in 2010-2011. The 5% performance result in 2009-2010 was that of an exceptional year beyond the norm. Historical performance data indicates 15% to be a realistically ambitious target. The Department will attempt to attain or surpass its target from using successful processes employed in the past.

**MEASURE**

Dollar value of new investments from outside Nova Scotia into the province's seafood and agri-food sectors that could be directly attributed to the Department's recruitment efforts.

**Outcome Description**

The Department recruits new investment in Nova Scotia's seafood and agri-food industries from outside the province, and measures its success in dollar value of investment directly attributable to its efforts.

**What does this measure tell us?**

Dollar value of new investments tells us the overall value of new investment from outside Nova Scotia into the province's seafood and agri-food industries that can be directly attributed to the Department's recruitment efforts. New investment from outside the province is an indicator of economic growth. It is new investment to the province rather than investment from internal growth. It magnifies the investment level from organic internal growth.

**Where are we now?**

The dollar value of new investment from outside Nova Scotia into the province's seafood and agri-food sectors that could be directly attributed to the Department's recruitment efforts in 2009-2010 was \$1.5 million. This was up from \$1.1 million in 2008-2009, meeting the Department objective to increase funding each year.

**Where do we want to be?**

The Department will aim to increase the value of new investment from outside Nova Scotia into the province's seafood and agri-food industries to \$1.8 million in 2010-2011. The Department hopes to achieve this by operationalizing the investment plan recently developed.

**MEASURE**

Percent of Fisheries & Aquaculture Loan Board principal in arrears.

**Outcome description**

The Fisheries & 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. Loans in arrears, meaning the loans have yet to be repaid according to schedule through the Fisheries & Aquaculture Loan Board. This is neither good for client nor the Loan Board. Ultimately, it is also not good for the Department, which is responsible for the Loan Board.

**What does this measure tell us?**

Percent of Loan Board principal in arrears tells us the portion of all loans which are behind payment schedule. It is an indicator of the Loan Board's ability to determine suitability of clients and business plans for loans and to help clients with loan payments should trouble with repayment arise. Indirectly, it is an indicator of economic performance in the fishery and aquaculture industries and the overall economy that may have some impact on the industries and the financial well being of those in the industries.

**Where are we now?**

The loan in arrears rate was 5.5% as of March 31, 2010. This was up from 3.7% at the same time in 2009 despite Department goals to keep the loan in arrears rate to a maximum of 3%. The slow down in the economy over the past several years, and other factors in the industries supported by the Fisheries & Aquaculture Loan Board, have made it difficult for clients to repay loans on time. However, the Loan Board's policy is to be a patient lender for clients and sectors facing cyclical or other temporary downturns. Arrear rates, therefore, are not kept to an absolute minimum.

**Where do we want to be?**

The Loan Board aims to keep loans in arrears to 3% or less. This was a target set and achieved in normal economic times, and was typical for financial institutions. Rate of loans in arrears ranged from 1.3% to 2.0% between 2003 through 2008, before the economy took a down turn. The Loan Board will continue to work hard to help clients get back on their loan payment schedule, but will be patient as required by the Loan Board policy to see them through temporary downturns rather than focus primarily on reducing the percentage rate of loan in arrears just for the sake of a performance target.

## MEASURES

Dollar value of total capital expenditures in fisheries.

### **Outcome description**

Capital expenditures are money spent on tangible assets, or assets with value over a long period of time, like boats, fishing equipment, among other items in the fisheries industry.

### **What does this measure tell us?**

Dollar value of total capital expenditures in fisheries tells us the total value of capital expenditures in Nova Scotia's fishing industry in a given year. Capital expenditures can be a direct reflection of the level of industry confidence because people would not buy new equipment if they did not believe the industry to be one with a good economic future.

### **Where are we now?**

Capital expenditures in Nova Scotia's fisheries, aquaculture and seafood industries for 2009-2010 were \$51.5 million. This was down from \$53.6 million in 2008-2009, which did not meet the Department's goal to increase capital expenditures. However, the downward turn in capital expenditures was common for most industries during the current period of economic down turn.

### **Where do we want to be?**

The Department will aim to increase total capital expenditures in fisheries. This goal will have to be mostly achieved indirectly, though, since the Department does not generate capital expenditures in fisheries. The Department works to grow the industry by providing support to increase sales and profits, which supports capital investment.

**MEASURE**

Dollar value of domestic and export boat building sales.

**Outcome description**

The commercial boat building sector in Nova Scotia comprises approximately 40 companies and directly employs approximately 450 people. Their main source of revenue generated is from fishing boats, service vessels and pleasure boats they build and sell.

**What does this measure tell us?**

Dollar value of domestic and export boat building sales tells us the extent of economic success of the commercial boat building sector in Nova Scotia since it is their main source of revenue generated. Domestic and export sales give indications on how well the firms are generally doing in domestic and international markets.

**Where are we now?**

Boat sales totaled \$49 million in 2009, a marginal decrease from the \$50 million total of 2008. The change was largely due to decline in international boat sales due to a weak US dollar against the Canadian dollar. International boat sales decreased from \$21 million in 2008 to \$16 million in 2009. On the positive side, domestic boat sales increased for the first time since 2004, and close to the international boat sales decline. Domestic boat sales rose from \$29 million in 2008 to \$33 million, showing signs the local market is on the rebound.

**Where are we going?**

The Department made available \$500,000 to the Nova Scotia boat building sector in funding support for through the Boat Builder's Marketing Assistance Program (BBMAP). This cost shared program supports international marketing efforts by export ready boat builders. The program created in response to the impact of the economic down turn and other impacts on the sector. Industry has indicated this investment had significant impact to its performance in 2009. The Department will continue the program in 2010-11.

**MEASURE**

Dollar value of 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% of all seafood exports.

**What does this measure tell us?**

Dollar value of fisheries and fish product exports tell us the export dollar value of raw and processed fish and fish products from Nova Scotia. The export value indicates the value of international markets to which the Nova Scotian seafood industry can ship its products. International markets are valuable because the domestic market will not change greatly from year to year, and is not sufficient to usurp all the fisheries and fish products produced by the local industry. New international markets also represent the fastest source of growth for the sector because they represent significant, instantaneous increases in potential sales rather than incremental increases from growth of existing markets.

**Where are we now?**

Fish and fish product exports were valued at \$810 million in 2009, down from \$830 million in 2008. The downward trend is similar to that seen in many industries during the current economic downturn, though not nearly as pronounced as most industries.

**Where do we want to be?**

The Department aims to increase the value of fish and fish product exports from Nova Scotia, even in these challenging economic times.

