

**Fisheries and Oceans Canada**

**Departmental Performance Report**

**For the period ending  
March 31, 2007**



# Table of Contents

<b>Section 1 — Overview.....</b>	<b>1</b>
A Message from Canada's Minister of Fisheries and Oceans .....	2
Management Representation Statement .....	5
DFO at a Glance.....	6
DFO's Program Activity Architecture.....	8
Financial and Human Resources for 2006-2007 .....	9
Summary of Performance by Departmental Priority .....	9
Alignment to Government of Canada Outcomes .....	11
<b>Section 2 — Analysis by Strategic Outcome .....</b>	<b>13</b>
Safe and Accessible Waterways.....	14
Sustainable Fisheries and Aquaculture .....	40
Healthy and Productive Aquatic Ecosystems .....	65
<b>Section 3 — Supplementary Information.....</b>	<b>87</b>
Overview.....	88
Trend Analysis .....	88
Financial Tables .....	88
Information on Other Reporting Requirements.....	97
<b>Section 4 — Other Items of Interest .....</b>	<b>105</b>
Organizational Information.....	106
Management Accountability Framework.....	108
Program Enablers.....	109
Awards and Recognition.....	116
Contacts for Further Information.....	118
<b>Annex 1 — Financial Statements.....</b>	<b>119</b>
<b>Annex 2 — List of Acronyms .....</b>	<b>140</b>
<b>Index.....</b>	<b>141</b>

## List of Tables

Table 1: Comparison of Planned to Actual Spending (millions of dollars) .....	89
Table 2: Resource Use by Program Activity, 2006-2007 (millions of dollars) .....	91
Table 3: Voted and Statutory Items, 2006-2007 (millions of dollars) .....	93
Table 4: Services Received without Charge, 2006-2007 (millions of dollars).....	94
Table 5: Respendable and Non-respendable Revenue by Program Activity, 2006-2007 (millions of dollars) .....	94
Table 6: Resource Use by Program Activity and Organization, 2006-2007 (millions of dollars) .....	96
Table 7: User Fees (thousands of dollars) .....	98
Table 8: Responses to Parliamentary Committees, 2006-2007 .....	100
Table 9: Responses to the Auditor General, 2006-2007 .....	101



## Section 1 — Overview

### ***In this section:***

- ◆ A Message from Canada's Minister of Fisheries and Oceans
- ◆ Management Representation Statement
- ◆ DFO at a Glance
- ◆ DFO's Program Activity Architecture
- ◆ Financial and Human Resources for 2006-2007
- ◆ Summary of Performance by Departmental Priority
- ◆ Alignment to Government of Canada Outcomes

## ***A Message from Canada's Minister of Fisheries and Oceans***



As Canada's Minister of Fisheries and Oceans, I am pleased to present our *Departmental Performance Report* for 2006-2007.

Our job at Fisheries and Oceans Canada (DFO) is to deliver the programs and services that support three strategic outcomes for Canadians:

- safe and accessible waterways;
- sustainable fisheries and aquaculture; and
- healthy and productive aquatic ecosystems.

I am very proud of our record this year. The talented and dedicated staff of DFO and the Canadian Coast Guard has delivered excellence in fisheries management, science, conservation, ocean and habitat protection and marine safety. Of special note, the Canadian Coast Guard's Leslie Palmer received the Cross of Valour, Canada's highest civilian honour for bravery, for his role in saving two lives on the shores of Greenville Channel, near Prince Rupert, British Columbia. He is the first member of the Coast Guard to receive this distinction and only the twentieth Canadian.

On the international front, the past year was successful. We helped improve international fisheries and oceans governance by leading efforts to reform the Northwest Atlantic Fisheries Organization (NAFO). This led to monitoring, control and surveillance measures, which NAFO adopted last December. Canada also played an important role in helping the international community agree on a new standard to protect vulnerable marine ecosystems from the impacts of fishing.

DFO and the Department of Foreign Affairs and International Trade worked closely with the newly appointed Canadian Ambassador for Fisheries Conservation, Mr. Loyola Sullivan. Ambassador Sullivan has moved quickly to demonstrate that Canada is committed to responsible management of high seas fisheries and the sustainability of marine ecosystems. The international agenda in areas such as these is moving fast, and we will ensure that Canada continues to show leadership on the world stage.

Sound scientific data is key to better management decisions. This year's federal budget included \$39 million over two years to strengthen and renew DFO's science program. Science renewal is a priority for DFO and we reached many milestones this year towards that goal. We successfully integrated a newly established science management board into our annual departmental planning cycle and we consulted with more than 140 representatives of other federal departments and academia to further our science renewal agenda. We also strategically realigned our science budget and functions to make sure our resources are best placed to address national and departmental priorities.

This year, we invested approximately \$100 million to help maintain Canada's network of small craft harbours so that fish harvesters can earn their living as safely and efficiently as possible. The rejuvenation of the Canadian Coast Guard continued in 2006-2007, buoyed by funding for eight new mid-shore patrol ships and preliminary approval of two new off-shore fishery science vessels. The 2007 federal budget also identified \$324 million for the procurement, operation and maintenance of six other new vessels for the Coast Guard fleet, including an additional off-shore fishery science vessel and an off-shore oceanographic science ship.



The Coast Guard continued to maintain one of the best records in the world for search and rescue, notwithstanding the size of our country and one of the harshest climates in the world. Key maritime programs such as icebreaking, aids to navigation, waterways management, and vessel traffic control facilitate the maritime traffic and commerce that is so critical to our economy.

There was significant progress on behalf of our oceans this year. We designated the Musquash Estuary in New Brunswick as Canada's sixth Marine Protected Area (MPA) and, in cooperation with the Haida Nation on the west coast, we are well on the way to designating the Bowie Seamount. In fact, through the 2007 federal budget, our government announced plans to designate nine new MPAs in the coming years. The \$19 million included in the budget for a health-of-the-oceans initiative will also support improved monitoring and prevention of marine pollution. We also completed scientific assessments in priority areas of each of our three oceans to better protect the environment and enhance the quality of life of Canadians who depend on these waters.

As part of DFO's Environmental Process Modernization Plan, we made many improvements to how we protect fish habitat in Canada. A new risk-management framework was implemented to better predict the effect of specific development activities on aquatic habitat and we worked with the provinces and territories to streamline assessment of low-risk development projects to better focus on those of higher risk to habitat. DFO also signed an agreement with nine major non-governmental conservation organizations to partner on public-education, monitoring and watershed planning initiatives.

Aquaculture holds enormous untapped potential for our coastal communities. This year, we worked with other federal departments, the provinces and territories, and the Canadian Food Inspection Agency to enhance this industry's current regulatory regime. We continued to promote increased public confidence in aquaculture, including the launch of a new aquaculture website.

We worked to renew key policies that enhance the value and competitiveness of Canada's fishing industry and improve internal processes that will help us better serve Canadians. For example, we tabled a modernized *Fisheries Act* in Parliament that would improve the way we manage Canada's fisheries through greater transparency, accountability and collaboration with resource users. The new Act would put into law principles of conservation to better protect marine ecosystems and ensure more sustainable commercial and recreational fisheries.

We adopted an "oceans-to-plate" management approach that put into place a number of initiatives to renew the viability and sustainability of key fisheries in Canada — and this work continues right across the country. We took steps to better preserve the independence of the in-shore fleet in Atlantic Canada, created new classes of vessels and adjusted vessel-replacement requirements, among other measures. These renewal measures have provided greater flexibility and choice to Canada's fishers in running their operations successfully.

Internally, DFO continued to improve its operations this year in several areas, including: management accountability; integrated planning, reporting and risk management; and modernizing our human resources functions. We made solid progress on our Information Technology (IT) Sustainability Project, which will improve how we manage our IT assets and serve Canadians, while saving \$10-\$12 million a year by 2009-2010.

Our achievements demonstrate our strong commitment to managing Canada's fisheries and oceans well so that Canadians can derive the maximum sustainable value from these public resources. I look forward to continuing our work with industry, government partners, environmental organizations, volunteer groups and stakeholders across Canada to build better fishery and a brighter future for our waters and marine ecosystems.

---

The Honourable Loyola Hearn, P.C., M.P.  
Minister of Fisheries and Oceans





## ***Management Representation Statement***

I submit, for tabling in Parliament, the 2006-2007 *Departmental Performance Report* for Fisheries and Oceans Canada.

This document has been prepared based on the reporting principles contained in the Treasury Board of Canada Secretariat's *Guide for the Preparation of Part III of the 2006-2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the TBS guidance;
- It is based on the department's approved Program Activity Architecture structure as reflected in the Management, Resources and Results Structure;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

---

Michelle d'Auray  
Deputy Minister

## ***DFO at a Glance***

### **Mandate**

On behalf of the Government of Canada, DFO is responsible for developing and implementing policies and programs in support of Canada's scientific, ecological, social and economic interests in oceans and fresh waters. As a department committed to sustainable development, DFO works to protect and conserve Canada's aquatic resources, while supporting the development and use of these resources.

The Department's guiding legislation includes the *Oceans Act* and the *Fisheries Act*. The Department is also one of the three departments responsible for the *Species at Risk Act*.

---

### **Vision**

Excellence in service to Canadians  
to ensure the sustainable development  
and safe use of Canadian waters.

---

In pursuit of the above mandate, DFO is committed to three strategic outcomes that provide enduring benefits that Canadians derive from the Department's vision and efforts. The following table describes these three strategic outcomes.

Strategic Outcome	Description
Safe and Accessible Waterways	Providing access to Canadian waterways, and ensuring the overall safety and integrity of Canada's marine infrastructure for the benefit of all Canadians.
Sustainable Fisheries and Aquaculture	Delivering an integrated fisheries and aquaculture program that is credible, science based, affordable and effective, and contributes to sustainable wealth for Canadians.
Healthy and Productive Aquatic Ecosystems	Ensuring the sustainable development and integrated management of resources in or around Canada's aquatic environment through oceans and fish habitat management. It also involves carrying out the critical science and fisheries management activities that support these two programs.

### **Operating Environment and Context**

The Department's operational environment is multifaceted, complex and challenging. On behalf of the Government of Canada, DFO is responsible for developing and implementing policies and programs in support of Canada's scientific, ecological, social and economic interests in oceans and fresh waters.

DFO faces a number of challenges in meeting its mandate. Canada's fisheries and oceans have seen considerable change over the past decade — the collapse of historically key fish stocks, international tensions, an increasing need to strengthen relationships between federal, provincial and territorial governments and Aboriginal groups, the need to address issues in Canada's Arctic region and an



unprecedented expansion of the user base of the oceans. At the same time, there has been growing recognition of environmental challenges such as pollution, species at risk and climate change, along with the continued aging of the workforce and emigration from Atlantic Canada.

To begin addressing these challenges, DFO received a permanent increase of \$99 million in its annual budget. This new funding is focused on delivering the core programs and services of the Department. While challenges still remain, this increased budget allocation helps build an effective, financially stable organization whose work contributes to government priorities and better meets important needs of Canadians.

The federal budget for 2006 focused on the Government's five priorities — accountability, tax relief, families and communities, security, and federal-provincial fiscal balance. The budget announced two major income tax measures specifically for fishers, a one-time \$500,000 capital gains exemption and a tax deferral for "intergenerational rollover" of fishing property. Budget elements that were of indirect interest to DFO include tax cuts that could benefit aquaculture farms, fish harvesting corporations and fish processing corporations; increased RCMP funding that could also support joint CCG and RCMP activities; the Security and Prosperity Partnership initiatives; and increased funding for Defence and protection of Canada's Arctic sovereignty and security.

Sustainable development is central to DFO's vision and priorities and the Sustainable Development Strategy constitutes a core element in departmental planning. DFO published a new three-year Sustainable Development Strategy in 2007, which confirms DFO's continuing commitment to provide Canadians with sustainable fisheries and aquaculture, and healthy and productive aquatic ecosystems.

## Key Changes within the Department

The Department's work towards the modernization of the 138-year-old *Fisheries Act* will result in revitalizing the way DFO manages Canada's fisheries resources. A new Act would modernize the way fisheries are managed, and enshrine conservation measures to protect the aquatic ecosystems to ensure long-term sustainable fisheries for Canadian commercial, Aboriginal and recreational fishers. Bill C-45, tabled in December 2006, was developed from extensive cross-country consultations and discussions and included expanded roles for fishery participants in decision-making; the adoption of clear principles dedicated to sustainable development; and a new sanctions system aimed at promoting more responsible fishing behaviour.

From an organization and governance perspective, the transformation of the Canadian Coast Guard (CCG) into a Special Operating Agency (SOA) has been a major institutional change within DFO. The transition has improved CCG's ability to respond to its enhanced role under Canada's national security agenda, while improving traditional services through continuous renewal. Under its new SOA status, the CCG has improved its operational and management flexibility to realize benefits for its clients and stakeholders. Formal authorities that came into effect in 2005-2006 have continued to give the CCG more flexibility in how it manages its resources and responds to issues related to emergencies, capital expenditures and clean-up costs recovered from polluters.

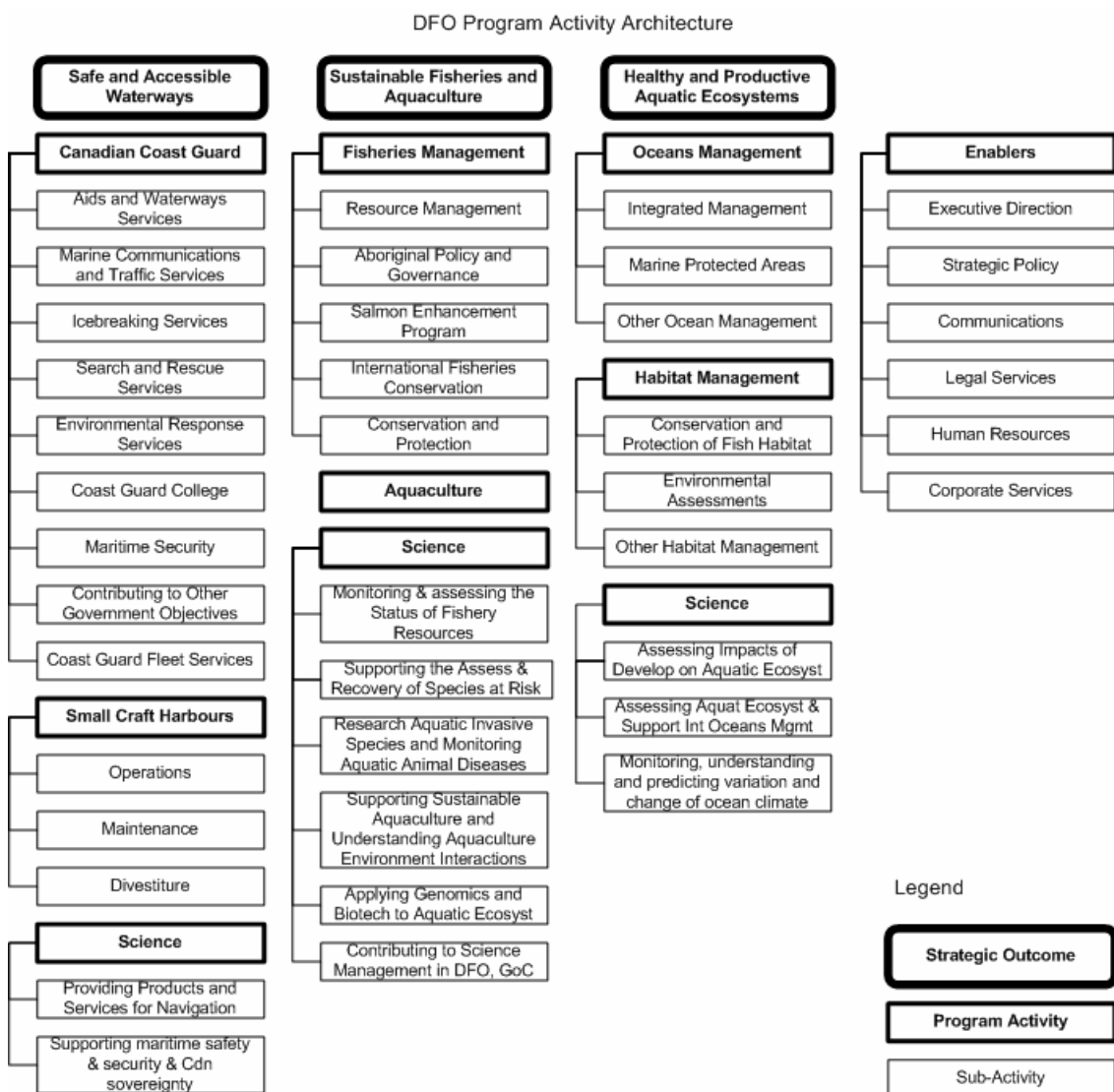
In addition to implementing the CCG Special Operating Agency, DFO undertook a review of how the rest of the Department has worked together. The Management Model Review looked at the relationship between managers in headquarters and the regions to ensure that their roles and responsibilities were clearly understood and implemented. Overall, the review concluded that the existing matrix model continues to be the most effective for the Department. DFO adopted an integrated management approach to daily operations to bring together regions, DFO sectors and communities to plan and manage human activities affecting portions of the freshwater and marine environments.

The management model review also studied the internal governance structure of the Department and made some changes to the committee and decision-making structure of DFO, such as the addition of the Policy Integration Committee and the new Human Resources and Finance sub-committees.

## DFO's Program Activity Architecture

DFO's basis for reporting to Parliament is its Program Activity Architecture (PAA). The PAA is an inventory of DFO's programs and activities and explains how the Department's program activities contribute to the three strategic outcomes described on page 6. Each program activity has one or more program sub-activities that contribute to the program activity. Additional information on the strategic outcomes, program activities, and sub-activities can be found in Section 2.

The PAA also includes the corporate functions that support the delivery of DFO's programs to Canadians. These functions are called Program Enablers. Additional information about the Program Enablers can be found in Section 4.



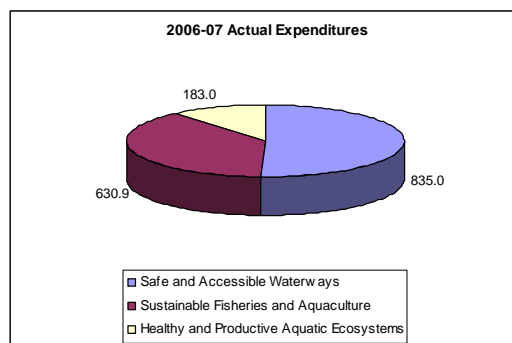


## Financial and Human Resources for 2006-2007

### Total Financial Resources for the Department, 2006-2007 (millions of dollars)

Planned Spending	Total Authorities	Actual Spending
1,675.8	1,737.2	1,648.9 <sup>1</sup>

<sup>1</sup> Explanation of variances can be found in Section 3, Table 1.



### Total Human Resources for the Department, 2006-2007 (number of full-time equivalents)

Planned	Actual	Difference
10,444	10,382	-62

## Summary of Performance by Departmental Priority

In its 2006-2007 *Report on Plans and Priorities*, DFO identified seven program priorities and five management priorities. Program priorities are priority areas that are critical to DFO's ability to deliver its programs and services and to position it to move forward with new responsibilities. Management priorities are focused on improving the management of the Department and on providing tools to managers to help them deliver their programs.



The table below presents the planned and actual spending for each priority. DFO's progress in delivering the program priorities is discussed in more detail in Section 2, under the appropriate Program Activity. The results of the management priorities have been consolidated into the Management Accountability Framework and are discussed in Section 4.

**Planned and Actual Spending by Departmental Priority, 2006-2007 (millions of dollars)**

<i>Departmental Priority</i>	<i>Contributes To</i>	<i>Type<sup>1</sup></i>	<i>Performance Status<sup>2</sup></i>	<i>Planned Spending</i>	<i>Actual Spending</i>
<b>Safe and Accessible Waterways</b>					
Canadian Coast Guard Rejuvenation	Canadian Coast Guard	Ongoing	Partially Met	23.0	5.3 <sup>3</sup>
Departmental Renewal	Small Craft Harbours	Previous	Partially Met		
<b>Sustainable Fisheries and Aquaculture</b>					
International Governance	Fisheries Management	Previous	Exceeded	23.4	20.3
Fisheries Renewal	Fisheries Management	Previous	Met	*	*
Aquaculture Governance	Aquaculture	Previous	Met	3.9	*
<b>Healthy and Productive Aquatic Ecosystems</b>					
Oceans Action Plan	Oceans Management	Previous	Met	7.5	4.5 <sup>4</sup>
Environmental Process Modernization	Habitat Management	Previous	Met	*	*
<b>Contributing to All Strategic Outcomes</b>					
Science Renewal	Science	Previous	Met	*	*
<b>Management Priorities</b>					
Management Accountability Framework					
▪ Human Resources Modernization	Department	Ongoing	Met	0.6	0.6
▪ Management Accountability Framework	Department	Ongoing	Met	0.1	0.1
▪ Integrated Planning and Reporting	Department	Ongoing	Partially met	0.2	0.2
▪ Integrated Risk Management	Department	Ongoing	Met	3.6 <sup>5</sup>	0.7
▪ Departmental Renewal	Department	Previous	Partially met	11.6	6.9 <sup>6</sup>

\* This priority is managed within ongoing management responsibilities and commitments. Resources directed specifically to this priority cannot be identified.

<sup>1</sup> Type of priority is *new*, *ongoing* or *previous*. *New* means the priority was introduced during this performance period. *Ongoing* means the priority has no end date. *Previous* means the priority was reported in a prior *Report on Plans and Priorities* or *Departmental Performance Report*.

<sup>2</sup> Performance status:

All commitments were met	Met
Only some commitments were met	Partially met
Commitments achieved were above expectations	Exceeded
The priority has been cancelled	Cancelled
The priority has been completed	Completed
The priority has been changed and new commitments were set	Modified
Commitments were not met	Not met

<sup>3</sup> The large variance between planned and actual spending was caused by delays in the Coast Guards' Major Capital Plan for the acquisition of Coast Guard Fleet midshore and offshore vessels. This major capital was reprofiled to future fiscal years.

<sup>4</sup> \$3.98 million was carried forward to 2007-2008.

<sup>5</sup> This amount represents the entire Audit and Evaluation Directorate annual budget. Of that amount, Integrated Risk Management's Planned Spending was \$0.37 million.

<sup>6</sup> IT Sustainability Funding. The difference between planned and actual spending is due to the late receipt of funds from TBS. \$4.7M is carried forward to 2007-2008.



## Alignment to Government of Canada Outcomes

*Canada's Performance*, the annual report to Parliament on the federal government's contribution to Canada's performance as a nation, is structured around three policy areas:

- Economic Affairs, which demonstrates the increased importance given to the links between the Canadian economy and the natural environment;
- Social Affairs, which promotes core values, linguistic duality, ethnic diversity, art, culture, and active citizenship, while enhancing the health, safety, and standard of living of citizens;
- International Affairs, which demonstrates Canada's international leadership on global issues while promoting its culture and heritage abroad.

Each of these policy areas is associated with outcomes areas that the federal government is working to achieve. DFO contributes to four outcomes in two of the policy areas. The following table shows the relationship between these Government of Canada outcomes and DFO's outcomes.

<b><i>Government of Canada Outcome</i></b>	<b><i>Safe and Accessible Waterways</i></b>	<b><i>Sustainable Fisheries and Aquaculture</i></b>	<b><i>Healthy and Productive Aquatic Ecosystems</i></b>
<b>Economic Affairs</b>			
Strong economic growth	Small Craft Harbours	Fisheries Management Aquaculture	
An innovative and knowledge-based economy	Science	Science	Science
A clean and healthy environment			Oceans Management Habitat Management
<b>Social Affairs</b>			
Safe and secure communities	Canadian Coast Guard		








## Section 2 — Analysis by Strategic Outcome

### *In this section:*

- ◆ Safe and Accessible Waterways
- ◆ Sustainable Fisheries and Aquaculture
- ◆ Healthy and Productive Aquatic Ecosystems

### How to Read this Section

- **Results Chain:** Results chains are read starting from the bottom of the diagram. They start with the resources (dollars and people) used by each Program Activity to deliver the priorities and sub-activities shown in the box above. These priorities and sub-activities contribute to the expected results in the box above. The expected results come together to deliver the strategic outcome.
- **Web Links:** Links to additional information (background, context, documents) are identified throughout Section 2 by the following symbol:  

- **Data Sources:** Where available, data sources and reliability information are provided in footnotes.
- **Results Tables:** This section includes three levels of results tables. Program Activity and Sub-Activity tables demonstrate results achieved against the expected results presented in the 2006-2007 *Report on Plans and Priorities*. Where available, performance indicators are included. Work is ongoing on improving the expected results and performance indicators for future Departmental Performance Reports. The Program Priority results tables demonstrate the progress towards achieving the commitments made in Section 1 of the 2006-2007 *Report on Plans and Priorities*.
- **Note:** For the most part, explanations of financial variances can be found in Section 3, Tables 1 and 2.

## Safe and Accessible Waterways

The strategic outcome *Safe and Accessible Waterways* is about providing access to Canadian waterways and ensuring the overall safety and integrity of Canada's marine infrastructure for the benefit of all Canadians.

This strategic outcome is delivered through three program activities:

- Canadian Coast Guard;
- Small Craft Harbours; and
- Science.

Departmental activities and presence on Canadian waters help to ensure the safe movement of people and goods. As a sustainable development department, DFO integrates environmental, economic and social perspectives to ensure Canada's oceans and freshwater resources benefit this generation and those to come.

The Canadian Coast Guard (CCG) provides many maritime services that contribute to the strategic outcome *Safe and Accessible Waterways*. In doing so, CCG has a number of arrangements with other government departments, as well as other countries in contiguous waters, that help ensure that Canadian waterways are safe, secure and open to commercial and recreational use.

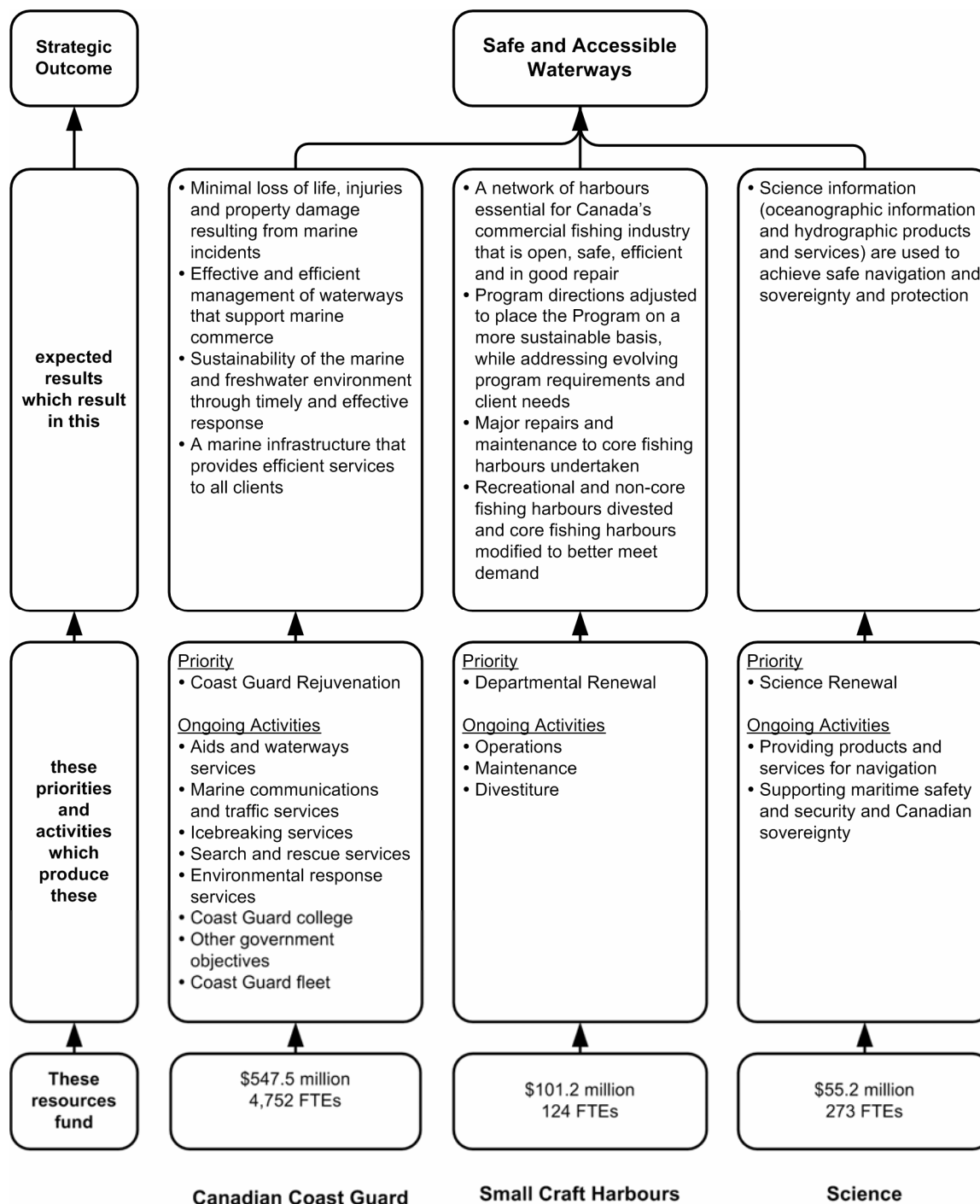
Working closely with CCG, the Department's Small Craft Harbours (SCH) Program and Canadian Hydrographic Service (CHS) also make a significant contribution to ensuring safe and accessible waterways.

Small Craft Harbours contributes to the *Safe and Accessible Waterways* strategic outcome by operating and maintaining a national system of harbours to provide commercial fishers and recreational boaters with safe and accessible facilities. SCH is mandated to keep harbours critical to the fishing industry open and in good repair. The three main strategies used to achieve this mandate are to maintain a network of core harbours; to promote the formation of volunteer Harbour Authorities to ensure local control over management of commercial fishing harbours; and to dispose of non-essential harbours by transferring all recreational harbours to local communities and reducing the number of derelict and low-activity fishing harbours.

The Canadian Hydrographic Service is responsible for charting Canada's 243,792 kilometres of coastline, 6.55 million square kilometres of continental shelf and territorial waters and an extensive system of inland waterways. To ensure safe and efficient navigation in Canadian waters, CHS maintains an extensive portfolio of navigational products and services, including charts, sailing directions, tide tables and current atlases.



## Results Chain



## What Did DFO Spend?

Approximately 51% of the Department's total expenditures for 2006-2007 — or \$835 million — was used to ensure safe and accessible waterways.

### Financial and Human Resources, Safe and Accessible Waterways, 2006-2007

<i>Financial Resources (millions of dollars)</i>	<i>Planned Spending</i>	<i>Total Authorities</i>	<i>Actual Spending</i>
Canadian Coast Guard	565.5	565.2	547.5
Small Craft Harbours	95.6	99.0	101.2
Science in support of Safe and Accessible Waterways	35.5	38.9	55.2
Program Enablers <sup>1</sup>	141.1	142.8	131.1
<b>Total</b>	<b>837.7</b>	<b>845.9</b>	<b>835.0</b>

<i>Human Resources (number of full-time equivalents (FTEs))</i>	<i>Planned</i>	<i>Actual</i>	<i>Difference</i>
Canadian Coast Guard	4,604	4,752	148 <sup>2</sup>
Small Craft Harbours	125	124	-1
Science in support of Safe and Accessible Waterways	298	273	-25
Program Enablers <sup>1</sup>	869	839	-30
<b>Total</b>	<b>5,896</b>	<b>5,988</b>	<b>92</b>

**Note:** Because of rounding, figures may not add to the totals shown.

<sup>1</sup> Financial and human resources for Program Enablers have been prorated across program activities. Section 4 provides further information on Program Enablers.

<sup>2</sup> FTE overutilization under the Canadian Coast Guard program activity can be explained as follows:

- Major Crown projects for which no FTEs were included in the planned figure were started.
- FTEs for dredging were not included in the planned figure, as the program is fully cost recovered.
- Northwest Atlantic Fisheries Organization (NAFO) FTEs were not included in the planned figure.
- New Search and Rescue (SAR) stations for which no FTEs were included in the planned figure came on-line.



### Program Activity: Canadian Coast Guard

The Canadian Coast Guard (CCG) delivers civilian marine services (vessels, aircraft, expertise, personnel and infrastructure) on behalf of other federal government departments or in support of federal agencies and organizations in the achievement of their own specific Government of Canada maritime priorities. CCG provides support to other parts of Fisheries and Oceans Canada (Science and Conservation and Protection), the Department of National Defence (DND), Environment Canada, the Royal Canadian Mounted Police (RCMP), the Department of Foreign Affairs, and Transport Canada, among others.

The Canadian Coast Guard program activity has one of the departmental program priorities — Coast Guard Rejuvenation — and is delivered via nine program sub-activities: Aids and Waterways Services; Marine Communications and Traffic Services; Icebreaking Services; Search and Rescue Services; Environmental Response Services; Coast Guard College; Maritime Security; Contributing to Other Government Objectives; and Coast Guard Fleet Services.



## Financial and Human Resources, Canadian Coast Guard, 2006-2007

<i>Financial Resources (millions of dollars)</i>	<i>Planned Spending</i>	<i>Total Authorities</i>	<i>Actual Spending</i>
Aids and Waterways Services	117.9	121.8	86.5
Marine Communications and Traffic Services	90.9	94.1	99.4
Icebreaking Services	45.0	47.0	43.8
Search and Rescue Services	100.9	104.5	106.1
Environmental Response Services	10.4	10.8	14.6
Coast Guard College	7.5	7.8	13.3
Maritime Security	0.0	0.0	14.5
Contribution to Other Government Objectives	0.0	0.0	17.5
Coast Guard Fleet	192.8	179.1	151.6
Sub-total	565.5	565.2	547.5
Program Enablers	112.2	113.2	104.5
<b>Total</b>	<b>677.7</b>	<b>678.4</b>	<b>652.0</b>

<i>Human Resources (number of FTEs)</i>	<i>Planned</i>	<i>Actual</i>	<i>Difference</i>
Aids and Waterways Services		937	
Marine Communications and Traffic Services		696	
Icebreaking Services		380	
Search and Rescue Services		1151	
Environmental Response Services		101	
Coast Guard College		101	
Maritime Security		10	
Contribution to Other Government Objectives		772 <sup>1</sup>	
Coast Guard Fleet		606	
Sub-total	4,604	4,752	148 <sup>2</sup>
Program Enablers	699	675	-24
<b>Total</b>	<b>5,303</b>	<b>5,427</b>	<b>124</b>

**Note:** Planned FTEs by sub-activity are not available for 2006-2007.

Because of rounding, figures may not add to the totals shown.

<sup>1</sup> The cost of operating the Coast Guard Fleet (including FTEs) has been allocated to the various CCG activities that the Fleet supports. The costs of supporting the Department's enforcement and science activities are captured under Contributing to Other Government Objectives.

<sup>2</sup> The planned FTE total is understated because of several increases that were omitted or unknown at the time the plan was developed. These items include ships' officers and ships' crews related to the work for the Northwest Atlantic Fisheries Organization (NAFO) Patrol and the FTE related to new funding received after the planned number was developed for the Great Lakes Marine Security Operations.

Notes on Variances:

- Excluding Program Enablers (whose costs are attributed to the CCG program based on the CCG as a % of the total DFO authorities and spending), CCG expended 97% of its total authorities in 2006-2007. Of the 3% not expended, over half is related to the planned carry-forward of funds from 2006-2007 to 2007-2008 to complete a variety of activities and projects.
- Within the CCG program activities, the large positive variance for Aids and Waterways Services is offset in large part by expenditures beyond total authorities in Marine Communication and Traffic Services, Search and Rescue Services, Environmental Response Services, and Icebreaking Services reflecting both the initial allocation of contract settlement funding to Aids and Waterways that was subsequently allocated and spent in other CCG program activities, as well as the shift of major capital between program activities as a result of adjustments to and approvals for planned major capital projects. In addition, for Icebreaking Services, spending was lower than total authorities, reflecting an unusually light ice year, which resulted in lower fuel and other operating expenditures.
- The reported spending in Maritime Security and Contribution to Other Government Objectives without reported total authorities reflects, in large part, activities undertaken by the Coast Guard Fleet and Marine Communications and Traffic Services (MCTS) in these sub-activities that are not predetermined before the commencement of the fiscal year and for which financial authorities are incorporated in either CCG fleet or MCTS.
- Spending in the Coast Guard College sub-activity was higher than the authority, largely reflecting a large increase in the intake of cadets as part of the Coast Guard's succession planning.

<b>Expected Results — Canadian Coast Guard</b>	<b>Results Achieved</b>
Minimal loss of life, injuries and property damage resulting from marine incidents	<ul style="list-style-type: none"> <li>▪ Saved 96.7% of lives at risk</li> <li>▪ There were 190 vessel collisions, strikings and groundings in 2006-2007, representing a 9.5% decrease in the average number (208) during the period 2001-2005</li> </ul>
Effective and efficient management of waterways that support marine commerce	<ul style="list-style-type: none"> <li>▪ Monitored and maintained waterways, provided information on navigation conditions, and regulated vessel traffic</li> </ul>
Sustainability of the marine and freshwater environment through timely and effective response to marine pollution incidents	<ul style="list-style-type: none"> <li>▪ Responded to 1,295 marine pollution incidents, which is close to the average number of incidents for the past three to four years</li> </ul>
A marine infrastructure that provides efficient services to all clients	<ul style="list-style-type: none"> <li>▪ Maintained, and where possible improved, ship- and shore-based infrastructure within existing resources to provide marine programs to Canadians</li> </ul>

In 2006-2007, the Coast Guard received \$39 million in additional funding, \$12 million of which was for capital expenditures. The balance of the resources was to offset cost increases related to vessel fuel and shortfalls in Marine Communications and Traffic Services. The Coast Guard's capacity to deliver was further advanced through an additional \$6 million for vessel support for DFO's Science and Conservation and Protection programs. Overall, a total of \$45 million in additional funding kept the Coast Guard operational and ready to serve. Furthermore, the March 2007 budget provided \$324 million for procurement, operation and maintenance of four new mid-shore patrol vessels, one additional off-shore fishery science vessel and one off-shore oceanographic science vessel.

The Coast Guard completed an internal A-Base Review of all of its programs and activities. The review mirrored many of the findings of the Auditor General in a report issued in early 2007, which indicated that the Coast Guard was still not functioning effectively as a single national Agency. It also indicated that the Coast Guard had not yet found the right balance between national consistency for planning, administration and reporting and regional flexibility for operations. In many areas the policies, frameworks and systems necessary to transform the Coast Guard into a true national institution had not been fully developed. The report further noted a number of weaknesses in maintenance and asset management, implementation of new technologies and management of its human resources. In addition, Coast Guard employees identified several areas for improvement through the Public Service Employee Survey.


The Coast Guard's 2007-2010 Business Plan outlines the Agency's measured and incremental approach to responding to the challenges identified by the A-Base Review, the Auditor General, and the Public Service Employee Survey.

The Coast Guard met expectations on performance against its varied international commitments. Coast Guard has a comprehensive and productive working partnership with the United States Coast Guard through joint exercises, planning, operations and service delivery to mutual clients. In 2006, Coast Guard hosted the annual Canada-United States Coast Guard Summit in Halifax, Nova Scotia. The Agency fully participated in annual Canada-U.S. Contingency Plan, Search and Rescue (SAR) joint exercises and international SAR skills competitions. Coast Guard successfully led, on behalf of the Government of Canada, multi-departmental teams to the North Pacific Coast Guard Forum March 2006 Experts Meeting and the October 2006 Summit Meeting hosted by China.

Coast Guard also worked with multiple international organizations to pave the way for the global implementation of the Long Range Identification and Tracking of ships. In support of the International Polar Year, CCG received funding to provide Coast Guard Fleet icebreaker support for marine research



projects. CCGS *Louis S. St-Laurent* carried scientists conducting the first field season of the ship-based seismic/bathymetric survey of the Beaufort Sea and southern Arctic Ocean.

 Canadian Coast Guard –  
[http://www.ccg-gcc.gc.ca/main\\_e.htm](http://www.ccg-gcc.gc.ca/main_e.htm)  
Auditor General Report –  
<http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20070204ce.html>  
CCG 2007-2010 Business Plan –  
[http://www.ccg-gcc.gc.ca/busplan-planactivite/main\\_e.htm](http://www.ccg-gcc.gc.ca/busplan-planactivite/main_e.htm)

### **Program Priority: Canadian Coast Guard Rejuvenation**

Overall result achieved in 2006-2007: **Partially met**

Five priorities guide the continuing evolution of the Coast Guard Agency and support its rejuvenation agenda. These priorities, organized within three themes — Focus on client service, Focus on efficiency and effectiveness, and Focus on people — are:

- Full implementation of Special Operating Agency status;
- CCG support for the Government of Canada's Maritime Security Agenda;
- Fleet renewal;
- Continued implementation of modernization initiatives; and
- Effective management of people.

<i>Commitments in the 2006-2007 RPP</i>	<i>Progress</i>
<b>CCG Priority 1 – Full Implementation of Special Operating Agency Status</b>	
Establish a new governance structure within the federal government for relations with the various departments and agencies that receive support or services from the Coast Guard	<ul style="list-style-type: none"><li>▪ Established a new Strategic Advisory Council at the Deputy Minister level with federal government departments that use Coast Guard services</li></ul>
Establish advisory bodies with external clients and stakeholders, such as the commercial shipping industry and ports, recreational boaters and the fishing industry, at both the national and regional levels	<ul style="list-style-type: none"><li>▪ Established national and regional marine advisory bodies with the commercial shipping industry to provide input on business plans and priorities to the Agency</li><li>▪ Coast Guard has been considering ways to re-engage the National and Regional Canadian Marine Advisory Councils and Recreational Boating Advisory Councils led by Transport Canada to more fully interact with fishers and recreational boaters</li></ul>
Establish a permanent memorial at the Coast Guard College to honour those who lost their lives carrying out Coast Guard duties	<ul style="list-style-type: none"><li>▪ Completed the design and planning of a memorial to employees who lost their lives in service to the Coast Guard and Canada; the memorial will be unveiled at the Canadian Coast Guard College in 2007</li></ul>
Review the Coast Guard uniform policy.	<ul style="list-style-type: none"><li>▪ Established a new CCG Management Board Uniform Sub-Committee to develop guidelines for wearing the CCG uniform</li></ul>

Commitments in the 2006-2007 RPP	Progress
<b>CCG Priority 2 – CCG Support for the Government of Canada's Maritime Security Agenda</b>	
Implement the Great Lakes and the St. Lawrence Seaway system Marine Security Enforcement Team initiative with the Royal Canadian Mounted Police	<ul style="list-style-type: none"> <li>2006-2007 marked the third year of joint CCG/RCMP delivery of the interim measures portion of the Marine Security Enforcement Teams (MSET) initiative; three dedicated program vessels operate from April to December; the MSET initiative provides the RCMP with a reliable platform from which to conduct on-water enforcement and response activities</li> <li>Delivered training to CCG ships' officers and crews participating in the RCMP and CCG Great Lakes/St. Lawrence Seaway MSET initiative to increase security awareness and response capability</li> </ul>
<b>CCG Priority 3 – Fleet Renewal</b>	
Proceed with Fleet Renewal to acquire two new off-shore fisheries science vessels and eight new mid-shore patrol vessels	<ul style="list-style-type: none"> <li>Secured approval for the procurement strategy of eight new mid-shore patrol vessels and preliminary project approval for two new off-shore science vessels</li> </ul>
Implement the Integrated Technical Services Strategy for more effective life-cycle management of the Fleet	<ul style="list-style-type: none"> <li>Developed the Integrated Technical Services Organizational Vision for an efficient, nationally consistent organizational structure to deliver life-cycle management</li> <li>Finalized regional organizational structures and wrote 20% of the required national model work descriptions</li> <li>Developed, approved and implemented four of five national processes to ensure efficient and consistent delivery of life-cycle management and supporting systems</li> <li>Developed approximately 20% of the guidance manuals, operating procedures and standards that define the application of life-cycle management at the working level; the remaining maintenance documents will be developed over the next four years</li> </ul>
<b>CCG Priority 4 – Continued Implementation of Modernization Initiatives</b>	
Address levels of service, service standards, costs of services and fees in an open and transparent fashion with all internal and external clients and stakeholders	<ul style="list-style-type: none"> <li>CCG established a dedicated team to lead a comprehensive Levels of Service Review in consultation with clients and stakeholders</li> <li>Established a Marine Services Fees industry/CCG Working Group to develop options for the future of Marine Services Fees to present to the federal government</li> </ul>
Seek new authorities to facilitate the multi-year management of capital funds for the Fleet and to better align refits with operational requirements	<ul style="list-style-type: none"> <li>Undertook considerable work on new authorities for the Fleet vessel refit that will be considered in 2007</li> </ul>
Implement the Marine Aids Modernization initiative to reduce the cost of providing aids to navigation without reducing the levels of service.	<ul style="list-style-type: none"> <li>Continued the Marine Aids Modernization initiative. The following results were achieved: <ul style="list-style-type: none"> <li>Updated 4 of 17 of Aids to Navigation Operational Directives</li> <li>Eliminated 126 large steel buoys (8% reduction)</li> <li>Converted 222 lighted buoys to Light Emitting Diode (LED) technology (81% of buoys have now been converted)</li> <li>Replaced seasonal lighted buoys on the St. Lawrence Seaway with 72 year-round lighted spar buoys</li> </ul> </li> </ul>
<b>Note:</b> In 2006-2007, Coast Guard replaced the Marine Aids Modernization initiative with Aids to Navigation of the 21st Century (AtoN21), which adds a move towards innovation and new technologies	
<b>CCG Priority 5 – Effective Management of People</b>	
Implement collective staffing by increasing the use of a pre-qualified pool, developing a Ships Crew Recruitment strategy, and working with unions to establish permanent relief pools	<ul style="list-style-type: none"> <li>Established a Workforce Development Unit and an HR Sub-Committee to assess and monitor human resource issues.</li> </ul>





Commitments in the 2006-2007 RPP	Progress
 AtoN21 - <a href="http://www.ccg-gcc.gc.ca/atn-aln/aton_21/main_e.htm">http://www.ccg-gcc.gc.ca/atn-aln/aton_21/main_e.htm</a>	

### Program Sub-activity: Aids and Waterways Services

The Aids to Navigation program involves the provision of short-range marine aids numbering more than 17,000, including visual aids (lighthouses and buoys), sound aids (fog horns), as well as radar aids (reflectors and beacons) and long-range marine aids including electronic aids such as the Differential Global Positioning System. The benefit to mariners is safe, accessible and effective vessel transit in Canadian waters. The Waterways Management program provides waterways management to ensure the accessibility of waterways. Through this program, Canadian Coast Guard manages channel maintenance and dredging of the Great Lakes connecting channels and the St. Lawrence River, monitors channel bathymetry, and controls water level fluctuations in the St. Lawrence River. The program also enables CCG to provide marine safety information to users, including water depth forecasts. Waterways Management sustains navigable channels, reduces marine navigation risks and supports environmental protection. This program is delivered with the support of CCG's operationally capable and ready fleet.

Plans		
<ul style="list-style-type: none"> <li>Rejuvenation Agenda — Proceed with the Marine Aids Modernization project to ensure that DFO provides an effective and efficient service responding to users' changing needs</li> <li>Reinvest in strategic assets to address compliance with <i>Canada Shipping Act</i> standards</li> </ul>		
Expected Results	Performance Indicators	Results Achieved
Safe and effective vessel transits and movements and access to ports	Number of incidents attributed to aids to navigation and waterway conditions	<ul style="list-style-type: none"> <li>There are no statistics available for 2006-2007 since the Transportation Safety Board no longer attributes incidents on Canadian waters to specific causes; no incidents were reported between 1999 and 2003</li> </ul>
Public/stakeholder confidence in aids and waterways services	Level of public confidence <sup>1</sup>	<ul style="list-style-type: none"> <li>Public assessment (Navigation Services) — 7.6 out of 10</li> <li>Public assessment (Waterways Development) — 7 out of 10</li> </ul>

### Program Sub-activity: Marine Communications and Traffic Services

The Marine Communications and Traffic Services (MCTS) program provides marine distress and safety communications, conducts vessel screenings, regulates vessel traffic movement and provides information systems and public correspondence on a 24/7 basis. Through the MCTS program, search and rescue responders have increased knowledge of persons or vessels in distress, mariners at risk have greater opportunity to be detected, and the Canadian Coast Guard has enhanced information on vessel transit for maritime security domain awareness. MCTS improves the safety of life at sea, the efficient movement of shipping in waterways, and the provision of essential information to mariners.

<sup>1</sup> Data source: 2006 Baseline Public Opinion Survey of Coastal, Freshwater and Inland Residents ([http://www.dfo-mpo.gc.ca/misc/por\\_318-05/por20060608\\_e.htm](http://www.dfo-mpo.gc.ca/misc/por_318-05/por20060608_e.htm)). Results demonstrate confidence in CCG's ability to deliver its services using a scale of 1 to 10, where 0 is not at all confident and 10 is very confident.

#### Plans

- Rejuvenation Agenda — Install an Automatic Identification System at 80 remote sites, interfacing the system at MCTS centres and implementing a Long-Range Vessel Identification and Tracking (LRIT) capability; replace the Communication Control System at 22 MCTS centres and provide training at the Coast Guard College; implement the Global Marine Distress and Safety System via Very High Frequency Digital Selective Calling at selected sites, including the St. Lawrence River and Great Lakes Basin; continue to migrate to a single national Vessel Traffic Management Information System to link and filter all data to government agencies and the marine industry

Expected Results	Performance Indicators	Results Achieved
Reduced number and severity of maritime incidents with human, property and environmental consequences	Number of incidents <sup>2</sup> and shipping accidents — collisions, groundings and strikings	<ul style="list-style-type: none"> <li>Of 1,683 incidents, 190 were shipping accidents; this represents a 9.5% decrease from the 2001-2005 average due, in part, to improved vessel traffic management and advances in navigation technology</li> </ul>
Efficient movement of shipping	Vessel movement per incident	<ul style="list-style-type: none"> <li>Data not available</li> </ul>
Public/stakeholder confidence in marine communications and traffic services	Level of public confidence <sup>3</sup>	<ul style="list-style-type: none"> <li>Public assessment — 7.6 out of 10</li> </ul>



2001 SAR Report –

[http://ccg-gcc.nrc.dfo-mpo.gc.ca/sar/pubs/annrep/2001\\_Report/2001\\_Report\(E\)\(F\)/Annual\\_reports\\_e.htm](http://ccg-gcc.nrc.dfo-mpo.gc.ca/sar/pubs/annrep/2001_Report/2001_Report(E)(F)/Annual_reports_e.htm)

#### Program Sub-activity: Icebreaking Services

The Icebreaking program of the Canadian Coast Guard provides icebreaking and related services to facilitate the informed, safe and timely movement of maritime traffic through and around ice-covered Canadian waters for the benefit of industry and communities. This program activity includes escorting ships through ice-covered waters, freeing beset vessels in ice, conducting harbour breakouts, providing advice and ice information and reducing the risk of flooding on the St. Lawrence River through monitoring, prevention and breaking up of ice jams. The Icebreaking program contributes to Arctic sovereignty through the re-supply of Northern communities, providing support to other government agencies and organizations in ice-infested waters, and a visible federal government marine presence in the Canadian North. This program is delivered with the support of CCG's operationally capable and ready fleet.

#### Plans

- Ongoing operations

Expected Results	Performance Indicators	Results Achieved
Safe, timely and efficient vessel transits and movements through ice-infested waters	Number of vessels damaged by ice	<ul style="list-style-type: none"> <li>2 vessels damaged by ice, a decrease from 2005-2006</li> </ul>
	Number of route assistance and ice information requests	<ul style="list-style-type: none"> <li>Responded to 704 requests for route assistance, an increase from 2005-2006</li> <li>Responded to 109 ice reconnaissance requests, an increase from 2005-2006</li> </ul>

<sup>2</sup> An incident is defined as any occurrence requiring a response from the Search and Rescue System, and could include both accidents and engine breakdowns.

<sup>3</sup> Data source: 2006 Baseline Public Opinion Survey of Coastal, Freshwater and Inland Residents ([http://www.dfo-mpo.gc.ca/misc/por\\_318-05/por20060608\\_e.htm](http://www.dfo-mpo.gc.ca/misc/por_318-05/por20060608_e.htm)). Results demonstrate confidence in CCG's ability to deliver its services using a scale of 1 to 10, where 0 is not at all confident and 10 is very confident.



Plans		
<ul style="list-style-type: none"> <li>Ongoing operations</li> </ul>		
Expected Results	Performance Indicators	Results Achieved
	Icebreaker availability	<ul style="list-style-type: none"> <li>Deployed 6 icebreakers from all regions, including Pacific, in the Arctic between June and November 2006</li> <li>Deployed 20 icebreakers across Canada, except for the Pacific Region, in the winter ice season</li> </ul>
Reduced flooding caused by ice jams (further resulting in less property damage and shore erosion)	Number of flood control taskings	<ul style="list-style-type: none"> <li>332 flood control taskings, an increase from 254 in 2005-2006</li> </ul>
Enhanced Arctic sovereignty	Northern re-supply cargo delivered in metric tonnes	<ul style="list-style-type: none"> <li>Carried and delivered 1,489 tonnes of bulk and dry cargo to Eureka and to Kugaaruk, Nunavut; this represents an increase in cargo carried from 2005-2006; conducted the first field season of the ship-based seismic bathymetric survey of the Beaufort Sea and the southern Arctic Ocean onboard CCGS <i>Louis St. Laurent</i>.</li> </ul>
Public/stakeholder confidence in icebreaking services	Level of public confidence <sup>4</sup>	<ul style="list-style-type: none"> <li>Public assessment — 7.6 out of 10</li> </ul>

## CANADIAN COAST GUARD ON THE JOB

### Ice Things to Do

As climate change reduces the amount of sea ice in northern waters, it is expected that commercial shipping will increase in the Northwest Passage and the longer ice-free seasons will allow access to undeveloped oil and gas reserves in the High Arctic. However the reduction of seasonal first-year ice, which keeps in place the dangerous multi-year ice, means that this thicker, harder multi-year ice will drift through the Arctic Archipelago, becoming a significant hazard to navigation.

In 2004-2005, the Climate Change Technology and Innovation Initiative funded a study involving commercial and Canadian Coast Guard icebreaker commanding officers to identify key research areas that would improve year-round transportation in the Arctic. They unanimously picked the detection of multi-year ice as an essential research area.

A comprehensive research project was developed by the Canadian Hydraulics Centre (National Research Council), Canadian Ice Service (Environment Canada), Transport Canada, DFO Science and the Canadian Coast Guard Icebreaking Program. For Coast Guard, the objective is to develop an 'ice hazard detection radar' for Arctic navigation. The first phase of the Ice Radar project was trialed on board the icebreaker CCGS *Henry Larsen* in August 2006 in Nares Strait.

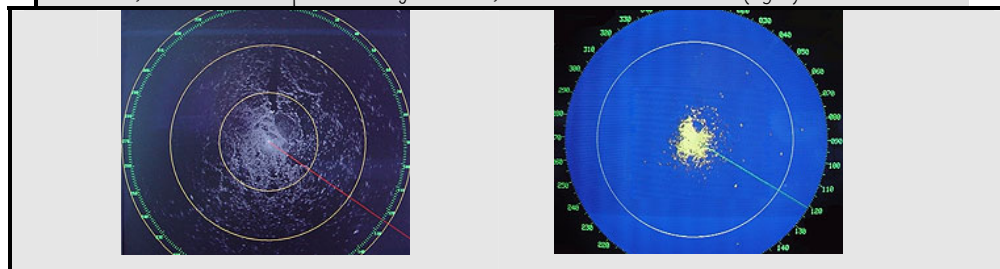
The system converts the radar signal into a high-resolution image similar to a satellite image, which allows the user to identify ice patterns and small icebergs that are nearly impossible to see



**CCGS *Henry Larsen* off Greenland, August 14, 2006**

<sup>4</sup> Data source: 2006 Baseline Public Opinion Survey of Coastal, Freshwater and Inland Residents ([http://www.dfo-mpo.gc.ca/misc/por\\_318-05/por20060608\\_e.htm](http://www.dfo-mpo.gc.ca/misc/por_318-05/por20060608_e.htm)). Results demonstrate confidence in CCG's ability to deliver its services using a scale of 1 to 10, where 0 is not at all confident and 10 is very confident.

with conventional radar. In the photos below, the ice radar (left) provides more clarity of ice features, such as the shape of multi-year floes, than the standard radar (right).



So what does multi-year ice look like close up? Have a look at the photo below, and you can judge the thickness of the ice by comparing it with the heads of observers peering down over the side of CCGS Henry Larsen. No wonder that particular type of sea ice drifting in the Arctic is a navigation hazard!

The Coast Guard Icebreaking Program has two other ice projects on the go, in support of improved ice information for ships. CCGS Terry Fox is evaluating the IceNav Virtual Marine Radar System, which incorporates satellite imagery and enhanced shipboard radar images in an electronic navigation system. The third project, ICEggs, was developed by Quebec Region to prepare ice observation charts on a georeferenced laptop computer, producing high-quality, accurate ice charts much quicker than the traditional method. It is now used nationally on CCG icebreakers, helicopters, and ice reconnaissance aircraft and in Ice Operations Centres.



**The heads of observers on the Henry Larsen can be seen (bottom left) against the impressive backdrop of multi-year ice.**

### Program Sub-activity: Search and Rescue Services

The federal Search and Rescue (SAR) program, led by the Minister of National Defence, is a co-operative effort by federal, provincial, and municipal governments. The CCG SAR program leads, delivers, and maintains preparedness for the 5.3 million square kilometre maritime component of the federal SAR system, in conjunction with its partner the Canadian Coast Guard Auxiliary. This program is delivered with the support of CCG's operationally capable and ready fleet.

Approximately one-quarter of SAR coverage is provided by the Canadian Coast Guard Auxiliary, which consists of about 4,500 volunteer members using 1,300 vessels.

#### Plans

- Rejuvenation Agenda — Update the search and rescue program needs analysis to identify demand and determine an equitable approach to deliver search and rescue services across Canada; renew the service delivery partnering arrangements with the CCG Auxiliary

Expected Results	Performance Indicators	Results Achieved
Minimized loss of life and injuries to people at risk in marine incidents	Percentage of lives saved relative to lives at risk	<ul style="list-style-type: none"> <li>96.7% — one of the best records in the world</li> </ul>
Reduced number and severity of search and rescue incidents	Indicator under development	<ul style="list-style-type: none"> <li>In 2004, CCG co-ordinated and responded to approximately 6,000 maritime incidents and saved approximately 2,900 lives<sup>5</sup></li> </ul>

<sup>5</sup> The 2004 SAR figures are the most recent available, as DND and the Coast Guard are modernizing database tracking.



## Plans

- Rejuvenation Agenda — Update the search and rescue program needs analysis to identify demand and determine an equitable approach to deliver search and rescue services across Canada; renew the service delivery partnering arrangements with the CCG Auxiliary

Expected Results	Performance Indicators	Results Achieved
Public/stakeholder confidence in search and rescue services	Level of public confidence <sup>6</sup>	<ul style="list-style-type: none"> <li>Public assessment — 7.8 out of 10</li> </ul>

## CANADIAN COAST GUARD ON THE JOB

### *One of Pacific Region's Own Receives the Cross of Valour*

First Officer Leslie Palmer received the Cross of Valour, Canada's highest civilian honour for bravery, from the Governor General on October 13, 2006, for his role in saving the lives of two fishermen off the shores of Greenville Channel, near Prince Rupert, British Columbia. The Cross of Valour is awarded for acts of the most conspicuous courage in circumstances of extreme peril and Mr. Palmer is only the 20th Canadian to receive this award since its inception in 1972 and the first from the Canadian Coast Guard.

In January 2004, the two fishermen were stranded after their shrimp boat, the *Larissa*, was struck by severe 100-knot winds, heeling the vessel to the point where she began to take on water, forcing the men to abandon their craft. Fortunately, the crew managed to grab their survival suits before washing ashore in their life raft.

The Canadian Coast Guard cutter, *CCGC Point Henry*, and the Canadian Coast Guard ships, *CCGS John P. Tully* and *CCGS Sir Wilfred Laurier*, responded to the distress call. The *Point Henry* was first on the scene and was met with extreme weather conditions, with heavy snow, freezing spray and winds gusting to 90 knots.

The *Point Henry* launched its small rigid-hull inflatable, with First Officer Palmer on board. Severe winds and breaking surf on the beach forced First Officer Palmer to land half a kilometre away from the survivors.

In a brutal winter storm, through winds of up to 185 kilometres an hour and 30-below temperature, eyes freezing shut and the heavy shore spray icing the outer shell of his suit, First Officer Palmer braved hip-deep snow and sheer ice footing on a rocky shoreline and hiked half a kilometre for an hour in total darkness to administer medical care to the survivors.

First Officer Palmer's heroic courage and determination in the rescue of the two survivors, despite a very real threat to his own well-being, is a testament to all the men and women of the Canadian Coast Guard.



## Program Sub-activity: Environmental Response Services

The Canadian Coast Guard is the lead federal agency for ship-source oil-spill response that mitigates marine pollution and oil spills in Canadian waters and other countries under international agreement. Following the notification of a spill, CCG will monitor the effectiveness of the private-sector response, assume control of the incident if necessary or directly use CCG resources such as vessels and other specialized pollution countermeasures equipment when the polluter is unknown, unwilling or unable to respond. Environmental Response Services, through preparedness and response, contribute to decreased environmental, economic and public safety impacts of marine spills, increase awareness, and demonstrate due diligence by the Canadian and global marine community to prevent pollution. This program is delivered with the support of CCG's operationally capable and ready fleet.

<sup>6</sup> Data source: 2006 Baseline Public Opinion Survey of Coastal, Freshwater and Inland Residents ([http://www.dfo-mpo.gc.ca/misc/por\\_318-05/por20060608\\_e.htm](http://www.dfo-mpo.gc.ca/misc/por_318-05/por20060608_e.htm)). Results demonstrate confidence in CCG's ability to deliver its services using a scale of 1 to 10, where 0 is not at all confident and 10 is very confident.



Plans		
<ul style="list-style-type: none"> <li>Rejuvenation Agenda — Renew CCG's role as a response organization to ensure that CCG enhances its efficacy as the lead federal agency for managing responses to marine pollution incidents; invest in a rejuvenated training and exercise program plan as well as a national environmental response strategy</li> </ul>		
Expected Results	Performance Indicators	Results Achieved
Minimized adverse impacts of marine pollution incidents	Effectiveness of response to number of spills	<ul style="list-style-type: none"> <li>Responded to 1,295 pollution incidents, which is stable in comparison to 2005-2006</li> </ul>
Public/stakeholder confidence in environmental response services	Level of public confidence <sup>7</sup>	<ul style="list-style-type: none"> <li>Public assessment — 7.2 out of 10</li> </ul>

## CANADIAN COAST GUARD ON THE JOB

### *Pollution? Coast Guard Verifies and Responds... Fast*

The Canadian Coast Guard Regional Operations Centre (ROC), in Central and Arctic, performs many tasks. One of them is the monitoring of an emergency line for reporting pollution. Calls concerning such reports are daily occurrences. Because ROC staff needs to authenticate pollution, it must ask verification from a local authority (marina personnel, local police, or CCG vessels and their certified crew). Sometimes there is not any sheen or trace of a pollutant to be found or very little or nothing recoverable. Sometimes there is!

So what did the Captain (Brian Riddell) and crew of CCGS Cape Dundas recently find? On the night of May 7, Cape Dundas was tasked to verify the report of an oily, tar-like substance on the water about 2 nautical miles from the CCG Base Amherstburg, near the General Chemical plant outfalls. A reservoir was discovered filled with thick oil that escaped into a 100-foot-long bay. CCG Emergency Response and the Spills Action Centre were advised and the clean-up operations were undertaken.

That very same day, the ROC had another report concerning a gallon of paint spilled off a scaffold of a commercial vessel in Goderich harbour. The water was cold and the wind and wave conditions were favourable for recovery operations. The paint blew in against the wharf alongside the CCG Search and Rescue base. The Captain (Erin Vincent) and crew of the Cape Discovery used their ingenuity to recover the solidifying, coagulated globs of blue paint. They improvised, inventing a makeshift recovery device, fastening a sifter to a boathook with electrical tape. The majority of the paint was recovered.



**Makeshift recovery device scooping up the paint**



**Oily, tar-like substance found in the bay**



**A section of boomed-off area, near Amherstburg**


Thanks to all CCG staff who helped live on that day – as on many others –our motto of safe, healthy productive waters and aquatic ecosystems.

<sup>7</sup> Data source: 2006 Baseline Public Opinion Survey of Coastal, Freshwater and Inland Residents ([http://www.dfo-mpo.gc.ca/misc/por\\_318-05/por20060608\\_e.htm](http://www.dfo-mpo.gc.ca/misc/por_318-05/por20060608_e.htm)). Results demonstrate confidence in CCG's ability to deliver its services using a scale of 1 to 10, where 0 is not at all confident and 10 is very confident.



### Program Sub-activity: Coast Guard College

Operating as the Canadian Coast Guard's national, bilingual, degree conferring training institution, the Canadian Coast Guard College (CCGC) educates the world-class marine professionals necessary to deliver the mandated programs of CCG in support of its mission and mandate in marine safety, security and environmental protection. Located in Sydney, Nova Scotia, CCGC was also responsible for strategic human resource planning for CCG in 2006-2007.

Plans		
<ul style="list-style-type: none"> <li>Rejuvenation Agenda — Develop a more focused and businesslike institution with a renewed mandate to supply officers and technical experts to the CCG fleet; attain financial sustainability through a resource review and the adoption of appropriate management frameworks</li> </ul>		
Expected Results	Performance Indicators	Results Achieved
Highly qualified Canadian Coast Guard personnel providing safe and effective delivery of the Canadian Coast Guard programs and services	Indicator under development	<ul style="list-style-type: none"> <li>Graduated 50 officers in navigation and marine engineering</li> <li>Graduated 23 professional marine communications and traffic services officers</li> <li>Provided courses to 231 Coast Guard personnel</li> <li>Accepted 40 new Canadian Officer Cadets into the four-year degree program; this is almost double the number of new Cadets in 2005-2006</li> </ul>
A Canadian Coast Guard ready to face current and future demographic changes	Indicator under development	<ul style="list-style-type: none"> <li>Began work on human resource and succession planning</li> </ul>
National and international recognition for excellence in delivery of specialized marine training and expertise to Canadian and international partners and clients	Indicator under development	<ul style="list-style-type: none"> <li>15 foreign nationals out of a class of 50 graduated from the Coast Guard Officer Training Program; graduates came from Kuwait, Norway, and Bermuda</li> </ul>
 Coast Guard College – <a href="http://www.cgc.gc.ca/CGC.php">http://www.cgc.gc.ca/CGC.php</a>		

### Program Sub-activity: Maritime Security

The Canadian Coast Guard supports the Government of Canada's maritime security priorities and contributes to addressing gaps in Canada's maritime security. CCG provides on-water platform support and maritime expertise to national security and law enforcement agencies, and a wealth of maritime traffic information. In conjunction with interdepartmental partners, CCG contributes to the analysis and creation of information in support of enhanced maritime and national security. The Coast Guard Maritime Security program leverages safety-related CCG programs and services to provide collateral benefit to the Canadian and international maritime security community. This program is delivered with the support of CCG's operationally capable and ready fleet.

Plans		
■ Ongoing operations		
Expected Results	Performance Indicators	Results Achieved
Recognition of CCG/DFO as a value-added and proactive partner in the delivery of multi-agency solutions for enhanced maritime security	Number of public security and anti-terrorism initiatives DFO/CCG is involved in	<ul style="list-style-type: none"> <li>Involved in 17 initiatives, including project development of maritime security initiatives such as the construction of shore infrastructure for the Automatic Identification System and the development of both a domestic and international Long Range Vessel Identification and Tracking System.</li> </ul>
	Level of confidence of federal security community	<ul style="list-style-type: none"> <li>CCG/DFO continued to be a value-added contributor to the federal maritime security community</li> </ul>

**Program Sub-activity: Contributing to Other Government Objectives**

The Canadian Coast Guard delivers civilian marine services (expertise, personnel and infrastructure (vessels and aircraft)) on behalf of other government departments or in support of agencies and organizations in the achievement of the Government of Canada's maritime priorities.

Plans		
■ Ongoing operations		
Expected Results	Performance Indicators	Results Achieved
Client service requirements met in a safe and efficient manner	Indicator under development	<ul style="list-style-type: none"> <li>Provided services to internal and external clients; see the Coast Guard Fleet Services program sub-activity for details</li> </ul>

**CANADIAN COAST GUARD ON THE JOB**

**Operation Lancaster**

The Canadian Coast Guard provided essential support to the Department of Defence during Operation Lancaster, a military exercise in the Western Arctic. This exercise was to enhance military capabilities and the working relationships between other government departments.

Over the course of the 12-day exercise, soldiers landed on surf-pounded beaches and practised boarding techniques. DND's HMCS Montreal, HMCS Goose Bay and HMCS Moncton were involved in the operation while CCG provided assistance by deploying CCGS Terry Fox and CCGS Henry Larsen. This multi-faceted exercise, which was led by DND, also featured co-operation from the Canadian Ice Service, Parks Canada, Fisheries and Oceans, and the Royal Canadian Mounted Police.

CCG provided support by fuelling the Navy vessels taking part in the operation and by providing a platform for interception and boarding exercises. CCG also assisted with ship-to-shore transportation for DND personnel during the operation. The Coast Guard also hosted a formal dinner for 35 dignitaries and special guests aboard CCGS Henry Larsen.



**CCGS Terry Fox fuelling a Navy vessel taking part in Operation Lancaster**



The Coast Guard was also involved in another DND-led exercise in the Beaufort Sea. Both missions accomplished their goals and proved to be valuable learning experiences.



### Program Sub-activity: Coast Guard Fleet Services

The Canadian Coast Guard co-ordinates and manages the Coast Guard Fleet, on shore and at sea, to ensure the delivery of at-sea services to support Canada's core marine services.

#### Plans

- Rejuvenation Agenda — Continue the Fleet replacement strategy, including the acquisition of 8 mid-shore patrol vessels and 2 off-shore fisheries science vessels; implement vessel life extension projects to return vessels to a baseline condition; bring Fleet Renewal Plan of 2011-2015 forward for approval in 2006-2007 to replace various types of vessels; develop a human resource plan for seagoing personnel; introduce a plan for rotational crewing system for discussion; improve fleet information management, as well as fleet financial planning, pricing and costing

Expected Results	Performance Indicators	Results Achieved
Client service requirements met in a safe and efficient manner	Safe delivery (in accordance with the International Safety Management (ISM) Code) Number, type and level of risk of hazardous occurrences <sup>8</sup>	<ul style="list-style-type: none"> <li>In delivering 32,000 operational days, CCG had 289 hazardous occurrences, of which 99 were disabling injuries<sup>9</sup>; total hazardous occurrences have been slowly decreasing over time</li> </ul>
	Number and nature of non-conformities on CCG platforms	<ul style="list-style-type: none"> <li>Of 852 non-conformities to the Fleet Safety and Security Management System, 638 were minor, 4 major, and 210 observations<sup>10</sup>; overall, non-conformities have been increasing, which is to be expected as vessels are added to the system and Fleet personnel grow more accepting and effective in reporting non-conformities</li> </ul>
	<b>Efficient delivery — vessel utilization</b>	
	Actual availability versus planned availability	<ul style="list-style-type: none"> <li>95% vessel availability — increasing trend over three years</li> </ul>
	Percentage, vessel non-assignment (vessel available but not assigned to a program)	<ul style="list-style-type: none"> <li>1% vessel non-assignment — stable over three years</li> </ul>
	Percentage, actual maintenance (vessel time spent in maintenance as a percentage of total vessel time)	<ul style="list-style-type: none"> <li>11% actual maintenance — stable over three years</li> </ul>
	Percentage, actual multi-tasking (vessel time performing more than two programs simultaneously)	<ul style="list-style-type: none"> <li>14% actual multi-tasking — slightly increasing trend over three years</li> </ul>

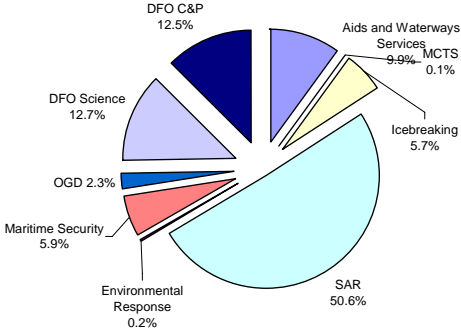
<sup>8</sup> A hazardous occurrence is a marine accident resulting directly from the operation of a CCG vessel or helicopter.

<sup>9</sup> A disabling injury is generally defined as an injury or illness that prevents an employee from performing normal duties.

<sup>10</sup> A major non-conformity means an identifiable deviation that poses a serious threat to personnel or safety of the ship or a serious risk to the environment. A minor non-conformity is an isolated incident of non-conformance without direct consequences for safety. An observation refers to comments or observations for continuous improvement.

Plans

- Rejuvenation Agenda — Continue the Fleet replacement strategy, including the acquisition of 8 mid-shore patrol vessels and 2 off-shore fisheries science vessels; implement vessel life extension projects to return vessels to a baseline condition; bring Fleet Renewal Plan of 2011-2015 forward for approval in 2006-2007 to replace various types of vessels; develop a human resource plan for seagoing personnel; introduce a plan for rotational crewing system for discussion; improve fleet information management, as well as fleet financial planning, pricing and costing

Expected Results	Performance Indicators	Results Achieved																		
	Effective delivery																			
	Actual service delivery percentage (actual versus planned)	<ul style="list-style-type: none"><li>97% service delivery (31,719 operational days delivered out of 32,700 planned)</li></ul>																		
	Actual CCG delays	<ul style="list-style-type: none"><li>54 days due to ship and equipment breakdown, weather conditions, tides, etc.</li></ul>																		
	Actual client delays	<ul style="list-style-type: none"><li>168 days of client delays</li></ul>																		
	<p>Distribution of Fleet Clients in 2006-07 (%)</p>  <table><caption>Distribution of Fleet Clients in 2006-07 (%)</caption><tr><th>Client</th><th>Percentage (%)</th></tr><tr><td>SAR</td><td>50.6%</td></tr><tr><td>DFO C&amp;P</td><td>12.5%</td></tr><tr><td>DFO Science</td><td>12.7%</td></tr><tr><td>Aids and Waterways Services</td><td>9.9%</td></tr><tr><td>Maritime Security</td><td>5.9%</td></tr><tr><td>Icebreaking</td><td>5.7%</td></tr><tr><td>OGD</td><td>2.3%</td></tr><tr><td>Environmental Response</td><td>0.2%</td></tr></table>		Client	Percentage (%)	SAR	50.6%	DFO C&P	12.5%	DFO Science	12.7%	Aids and Waterways Services	9.9%	Maritime Security	5.9%	Icebreaking	5.7%	OGD	2.3%	Environmental Response	0.2%
Client	Percentage (%)																			
SAR	50.6%																			
DFO C&P	12.5%																			
DFO Science	12.7%																			
Aids and Waterways Services	9.9%																			
Maritime Security	5.9%																			
Icebreaking	5.7%																			
OGD	2.3%																			
Environmental Response	0.2%																			
	<ul style="list-style-type: none"><li>The Coast Guard's programs used the largest portion of fleet services, with 72.5% of the total annual operational days; of these programs, Search and Rescue was the biggest user of fleet services at 50.6%; departmentally, Science and Conservation and Protection used the CCG Fleet at 12.7% and 12.5%; other government departments used 2.3% of Fleet services</li><li>Over the past three fiscal years, there were changes in fleet utilization service trends; Search and Rescue (SAR), Environmental Response, and Maritime Security Fleet utilization increased by 3%, 28%, and 41% respectively, with a corresponding decrease in Fleet services provided to Aids and Waterways (28%), other government departments (17%), Icebreaking (5%), and Science (4%); utilization by other clients remained stable</li><li>Client demand was one of the major drivers that determined the changes in Fleet Service utilization trends; for example, the introduction of new technologies in Aids and Waterways resulted in fewer requests for traditional Fleet service; lighter ice seasons have lately reduced the demand for icebreaking, while the evolution of the Maritime Security program within CCG necessitated higher Fleet support; in addition, unforeseen events resulted in the increase of ad hoc requests for Fleet services, in particular from the SAR and Environmental Response programs</li></ul>																			



## Program Activity: Small Craft Harbours

The Small Craft Harbours Program directly, or indirectly through Harbour Authorities, operates and maintains a network of harbours, critical to the fishing and aquaculture industries, open, safe and in good repair. These harbours are necessary for the effective operation of the commercial fisheries that contribute to the Canadian economy, directly support employment and indirectly create tens of thousands of jobs, many in rural and isolated parts of Canada.

The Small Craft Harbours program activity has one of the departmental management priorities — Departmental Renewal — and is delivered via three program sub-activities: Operations, Maintenance, and Divestiture.

### Financial and Human Resources, Small Craft Harbours, 2006-2007

<i>Financial Resources (millions of dollars)</i>	<i>Planned Spending</i>	<i>Total Authorities</i>	<i>Actual Spending</i>
Operations	3.7	3.8	7.5
Maintenance	89.8	93.1	91.6
Divestiture	2.1	2.1	2.2
Sub-total	95.6	99.0	101.2
Program Enablers	17.6	17.9	16.3
<b>Total</b>	<b>113.2</b>	<b>116.9</b>	<b>117.5</b>
<i>Human Resources (number of FTEs)</i>	<i>Planned</i>	<i>Actual</i>	<i>Difference</i>
Operations		0	
Maintenance		124	
Divestiture		0	
Sub-total	125	124	-1
Program Enablers	107	103	-4
<b>Total</b>	<b>232</b>	<b>227</b>	<b>-5</b>

**Note:** Planned FTEs by sub-activity are not available for 2006-2007.

Because of rounding, figures may not add to the totals shown.

<i>Expected Results – Small Craft Harbours</i>	<i>Results Achieved</i>
A network of harbours essential for Canada's commercial fishing industry that is open, safe, efficient and in good repair	<ul style="list-style-type: none"> <li>▪ Maintained a network of approximately 750 core fishing harbours</li> </ul>
Program directions adjusted to place the Program on a more sustainable basis, while addressing evolving program requirements and client needs	<ul style="list-style-type: none"> <li>▪ The Department actively considered all available means to ensure the sustainability of the SCH program, including making the \$20M/year Infrastructure Repair Program funding permanent and developing a comprehensive SCH Sustainability Plan to address evolving program requirements and client needs</li> </ul>
Major repairs and maintenance to core fishing harbours undertaken	<ul style="list-style-type: none"> <li>▪ Undertook 1,410 maintenance projects and 171 dredging projects for a total of \$82.6 million; funding was based on an allocation formula designed to provide a fair and equitable distribution of funds that takes regional priorities and safety considerations into account</li> </ul>
Recreational and non-core fishing harbours divested and core fishing harbours modified to better meet demand	<ul style="list-style-type: none"> <li>▪ Divested a total of 14 recreational harbours and 5 non-active fishing harbours</li> </ul>

<b>Expected Results – Small Craft Harbours</b>	<b>Results Achieved</b>
Strong, professional and independent Harbour Authorities operating and managing core fishing harbours	<ul style="list-style-type: none"> <li>Harbour Authorities, client-run volunteer, not-for-profit corporations operating at arm's length from DFO, manage and operate 92% of core fishing harbours</li> </ul>

As of March 31, 2006, SCH was responsible for maintaining 996 fishing harbours and 193 recreational harbours. Together, these harbours included 6,000 structures valued at approximately \$3 billion. All recreational harbours (193) are targeted for divestiture, as are 196 low-activity and derelict fishing harbours. To date, 652 recreational harbours and 299 fishing harbours have been divested.

Small Craft Harbours faces a number of challenges in delivering its program:

- An insufficient base budget to maintain the overall condition of all SCH harbours, including core commercial fishing harbours;
- Congestion at some harbours due to the increasing need to accommodate new commercial fishers and aquaculturists, coupled with changing fishing patterns, more transient fishers and larger vessels; and
- Harbour Authorities, composed of volunteer user and local representatives, are suffering from fatigue, low turnover, increasing user demands, and pressures to accommodate more users with larger boats.

To place the Program on a sustainable footing and to respond to the evolving needs of industry clients, DFO has been working on possible new directions for Small Craft Harbours, by conducting a comprehensive study of how the Program currently operates and what changes are needed to improve operations; conducting a high-level review of the Program delivery model, the organizational structure and the human resource requirements; and developing options to rebalance resources, to restructure the organization to meet present challenges and future growth, to clarify and define working relationships with Small Craft Harbours and with delivery partners, and to standardize regional delivery and organization to provide clients with a similar and consistent range and level of services.

### **Highlights**

- Approximately 90% of commercial fishers use Small Craft Harbour facilities
- Approximately \$2B landed value of fish at Small Craft Harbour facilities
- Small Craft Harbour facilities are often the only visible federal presence in some remote communities, or the only public access to waterways
- Since its inception, the Harbour Authority Program has become the cornerstone of service delivery for SCH harbours
- Harbour Authorities' contribution is very significant
  - Over 5,000 volunteers nationally
  - Revenues estimated at \$11M are reinvested into the harbour for operations and maintenance
  - The volunteer effort approximates 135,000 hours per year nationally, which equates to nearly 70 full-time people
  - Harbour Authorities engage approximately 125 full-time staff
  - The combination of revenues and volunteer effort is equivalent to approximately \$25.5M in savings per year in taxpayer dollars



Small Craft Harbours –

[http://www.dfo-mpo.gc.ca/sch/SCH-program\\_e.html](http://www.dfo-mpo.gc.ca/sch/SCH-program_e.html)

Harbour Authorities –

[http://www.dfo-mpo.gc.ca/sch/HA-AP-info\\_e.html](http://www.dfo-mpo.gc.ca/sch/HA-AP-info_e.html)



## Management Priority: Departmental Renewal

Overall result achieved in 2006-2007: **Partially met**

Commitments in the 2006-2007 RPP	Progress
Develop new directions for the Small Craft Harbours program to place the Program on a more sustainable basis, while addressing evolving program requirements and client needs	<ul style="list-style-type: none"> <li>SCH investigated alternative delivery mechanisms to improve project delivery and identify and implement strategic opportunities</li> </ul>

## Program Sub-activity: Operations

Small Craft Harbours operates, in partnership with client-run Harbour Authorities, a national system of harbours critical to Canada's commercial fishing and aquaculture industries. It co-ordinates efforts to maintain and recruit Harbour Authorities and provides support and guidance on harbour management.

Plans		
<ul style="list-style-type: none"> <li>Achieve greater economies of scale, for example, by facilitating larger geographic groupings</li> <li>Encourage Harbour Authorities (HAs) to share the costs of harbour administration, operation and professional management</li> <li>Use the existing network of HA Advisory Committees to communicate with HAs</li> <li>Increase the number of existing core fishing harbours managed by HAs</li> <li>Support superior environmental management by monitoring the Environmental Management Plans in place and ensuring compliance with federal, provincial and municipal regulations</li> </ul>		
Expected Results	Performance Indicators	Results Achieved
Efficient and effective management of core fishing harbours by Harbour Authorities	Percentage of existing core fishing harbours managed by Harbour Authorities	<ul style="list-style-type: none"> <li>92% of core fishing harbours are managed by Harbour Authorities</li> </ul>
Compliance with environmental and health and safety standards	Percentage of core fishing harbours that have Environmental Management Plans in place	<ul style="list-style-type: none"> <li>75% of core fishing harbours managed by Harbour Authorities have Environmental Management Plans in place</li> </ul>

## Program Sub-activity: Maintenance

Small Craft Harbours provides strategic direction for harbour and facility development, repair and maintenance and the comprehensive program and project planning required to develop and maintain core harbours. It also promotes efficient and effective project delivery mechanisms to ensure harbour safety and optimal management of client needs.

Plans		
<ul style="list-style-type: none"> <li>Identify and implement strategic opportunities to improve project delivery by investigating alternative delivery mechanisms</li> <li>Increase the role of HAs in project management</li> <li>Prepare and implement an annual expenditure plan to ensure that current harbour facilities have safe structural and operating conditions and can accommodate changes in client mix over the longer term</li> </ul>		
Expected Results	Performance Indicators	Results Achieved
Condition and functional adequacy of harbours essential for Canada's fishing industry that meet client expectations	Performance ratings at core fishing harbours	<ul style="list-style-type: none"> <li>72% of core fishing harbours have a performance rating of fair, good, or very good</li> </ul>

Plans		
<ul style="list-style-type: none"> <li>Identify and implement strategic opportunities to improve project delivery by investigating alternative delivery mechanisms</li> <li>Increase the role of HAs in project management</li> <li>Prepare and implement an annual expenditure plan to ensure that current harbour facilities have safe structural and operating conditions and can accommodate changes in client mix over the longer term</li> </ul>		
Expected Results	Performance Indicators	Results Achieved
Cost-effective and efficient management of maintenance and repair activities	Condition of facilities at core fishing harbours	<ul style="list-style-type: none"> <li>81% of core fishing harbour facilities are in fair, good, or very good condition</li> </ul>

#### **Program Sub-activity: Divestiture**

Small Craft Harbours divests harbours not essential for Canada's commercial fishing industry. To prepare a harbour for divestiture, it implements safety measures, ensures minimal maintenance, and undertakes repairs or provides equivalent grants to the purchasers after divestiture. Following divestiture, Small Craft Harbours monitors compliance with the terms and conditions of divestiture agreements.

Plans		
<ul style="list-style-type: none"> <li>Conduct pre-divestiture repairs or provide equivalent grants, with priority going to the harbours with the most urgent requirements or best opportunities</li> <li>Implement safety measures at non-core fishing and recreational harbours pending divestiture</li> </ul>		
Expected Results	Performance Indicators	Results Achieved
Divestiture of recreational and low-activity fishing harbours with minimal negative impact on communities	Number of recreational and low-activity fishing harbours divested per year	<ul style="list-style-type: none"> <li>14 recreational harbours and 5 non-active fishing harbours were divested during the year in review</li> </ul>
	Number of harbours divested annually versus total number of harbours to be divested	<ul style="list-style-type: none"> <li>193 recreational harbours and 196 fishing harbours remain to be divested</li> </ul>
Non-core fishing harbours pending divestiture that are safe, and active recreational harbours that remain operational	Percentage of facilities at non-core fishing harbours and of recreational harbours that are rated fair, good, or very good	<ul style="list-style-type: none"> <li>82.5% of facilities at non-core fishing harbours and recreational harbours are in fair, good, or very good condition</li> </ul>
	Percentage of fair, good, or very good performance ratings at non-core harbours	<ul style="list-style-type: none"> <li>49% of non-core harbours have a performance rating of fair, good, or very good</li> </ul>

**Data source:** SCH Information Program, a national database that records current and historical data on the SCH program.



## DFO ON THE JOB

### *Small Craft Harbours – No Small Task*

Last November, the Small Craft Harbours (SCH) Program held its 13th semi-annual National Harbour Authority Advisory Committee meeting in Ottawa. Committee members are regional representatives of Harbour Authorities, federally incorporated, not-for-profit organizations for the most part.

Created and managed by DFO's SCH, the Harbour Authorities program is designed to give more control to local communities in the handling of day-to-day operations of their harbours. There are currently 570 Harbour Authorities (composed of approximately 5,000 local volunteers) managing 687 of the 745 core commercial fishing harbours. These organizations are essential to the social and economic life of many communities in Canada that depend on local harbours. They link people to nearby waters by keeping vital harbour facilities in good repair, establishing and enforcing rules and representing the needs of users at the community level.

Present at the meeting were 15 members representing Harbour Authorities from across Canada, representatives from SCH in Ottawa and the regions, as well as Cal Hegge, Assistant Deputy Minister of Human Resources & Corporate Services (HRCS) and Minister Hearn.

During two days of productive exchanges — under the theme "Creating the future together" — participants sought and obtained advice on a number of initiatives undertaken by the SCH Program and aimed at increasing HA capacity and strengthening the HA model. Several working groups on the HA manuals, the recognition program and the new management model were formed as a result and new endeavours are on the way.

In his address to participants over lunch, Mr. Hearn began by thanking the Harbour Authorities.

"It all begins at the wharf," he said. "Without your assistance, the SCH Program simply wouldn't work. Even though we may be fishing different species, using different boats, come from different backgrounds, the bottom line is we are all affected by the fishery and that is why we all need to work together."

The Minister's presence helped the Authorities feel even more empowered to take the messages from the meeting back to their communities. It will be exciting to see the progress on new undertakings such as improved communications and updated business and training tools.



**(L-R) Osborne Burke, Harbour Authority of Ingonish, NS; Minister Loyola Hearn; Luc Legresley, Harbour Authority of Newport, QC; Cal Hegge, ADM HRCS – at the National Harbour Authority Advisory Committee meeting**

## Program Activity: Science

This program provides scientific research, monitoring, advice, products and services and data management to ensure departmental and federal policies, programs, decisions, and regulations associated with safe, secure, and accessible waterways are informed by science advice. The science is provided through a network of research facilities, in collaboration with other government departments, private sector, academia and international organizations.

Science has one of the departmental program priorities — Science Renewal (described in *Sustainable Fisheries and Aquaculture*) and two program sub-activities: providing products and services for navigation; and supporting maritime safety and security and Canadian sovereignty.



Science – [http://www.dfo-mpo.gc.ca/science/main\\_e.htm](http://www.dfo-mpo.gc.ca/science/main_e.htm).


### Financial and Human Resources, Science, 2006-2007

<b>Financial Resources (millions of dollars)</b>	<b>Planned Spending<sup>1</sup></b>	<b>Total Authorities</b>	<b>Actual Spending</b>
Providing products and services for navigation	32.8	35.1	51.8
Supporting maritime safety and security and Canadian sovereignty	2.7	3.8	3.5
Sub-total	35.5	38.9	55.2
Program Enablers	11.2	11.7	10.2
<b>Total</b>	<b>46.7</b>	<b>50.6</b>	<b>65.4</b>
<b>Human Resources (number of FTEs)</b>	<b>Planned</b>	<b>Actual</b>	<b>Difference</b>
Providing products and services for navigation		264	
Supporting maritime safety and security and Canadian sovereignty		9	
Sub-total	298	273	-25
Program Enablers	62	60	-2
<b>Total</b>	<b>360</b>	<b>333</b>	<b>-27</b>

**Note:** Planned FTEs by sub-activity are not available for 2006-2007.

Because of rounding, figures may not add to the totals shown.

<sup>1</sup> Planned spending does not match that in the 2006-2007 RPP, as there was an addition error in the RPP.

<b>Expected Results - Science</b>	<b>Performance Indicators</b>	<b>Results Achieved</b>
Science information (oceanographic information and hydrographic products and services) are used to achieve safe navigation and sovereignty and protection	Annual distribution of hydrographic charts, publications and information brochures	<ul style="list-style-type: none"> <li>Recreational and commercial mariners purchased or received at no charge approximately 222,400 official marine paper navigational charts, publications and information brochures</li> <li>The number of paper products distributed has continued to decline in recent years as digital chart products have become an increasingly popular alternative to the paper products</li> </ul>
	Proportion of service targets met in the following categories: critical charting information, water level and tidal information, availability of publications, currency and availability of nautical charts, status of web information, and timeliness of distribution	<ul style="list-style-type: none"> <li>Over the past two fiscal years, the overall percentage of service targets met has increased from 73% (2005-2006) to 78% for 2006-2007</li> </ul>
	Work completed for Canada's claim to the continental shelf under the United Nations Convention on the Law of the Sea (UNCLOS)	<ul style="list-style-type: none"> <li>Completed approximately one-third of the planned data acquisition in the Atlantic Ocean; data acquisition in the Arctic Ocean has presented a challenge because of adverse weather conditions, shortness of the field season, and the size of the survey area</li> </ul>
 Levels of service - <a href="http://www.charts.gc.ca/pub/en/los/">http://www.charts.gc.ca/pub/en/los/</a>		


As commercial and recreational traffic on waterways has increased, so has the demand for up-to-date hydrographic and oceanographic information on both charted and uncharted waters. Keeping existing hydrographic charts up-to-date while also creating new ones continues to challenge the Canadian Hydrographic Service (CHS). In 2006-2007, CHS continued to apply a risk-based approach and the





level of service initiative to the management of the hydrographic portfolio of navigation products to ensure that areas of highest risk to safe navigation are addressed first.

The ratification of the United Nations Convention on the Law of the Sea in 2003 requires Canada to submit evidence within ten years to the United Nations Commission for the Limits of the Continental Shelf in support of its territorial claim to the continental shelf beyond the current 200-mile limit. CHS is responsible for undertaking bathymetric surveys in the Atlantic and the Arctic Oceans as part of Canada's evidence. The Pacific Ocean has no shelf that can be claimed. If successful, the claim will add an area equal to that covered by the three prairie provinces. Although Canada has until 2013 to submit the claim, the adverse weather conditions in the Arctic, shortness of the field season, and the size of area to be surveyed present a challenge.

 Canadian Hydrographic Services –  
<http://www.charts.gc.ca/pub/en/>  
CHS RiBased Approach –  
[http://www.charts.gc.ca/pub/en/los/risk\\_criteria.asp](http://www.charts.gc.ca/pub/en/los/risk_criteria.asp)  
United Nations Convention on the Law of the Sea –  
[http://geo.international.gc.ca/cip-pic/geo/continental\\_shelf-en.aspx](http://geo.international.gc.ca/cip-pic/geo/continental_shelf-en.aspx)

#### **Program Sub-activity: Providing Products and Services for Navigation**

The Canadian Hydrographic Service contributes to the safety and accessibility of Canadian waterways by surveying, measuring, describing, and charting the physical features of Canada's oceans, seas, rivers, and navigable inland waters and making up-to-date, timely and accurate hydrographic information and products and services available to citizens, mariners, and the Government of Canada.

Plans	
<ul style="list-style-type: none"><li>Continue to apply a risk-based approach and level of service initiative to the management of the hydrographic portfolio of navigational products</li><li>Undertake additional hydrographic charting in high-risk areas</li><li>Initiate the development of a model for increased private-sector participation in printing and distributing Canadian Hydrographic Service (CHS) navigational products</li></ul>	
Expected Results	Results Achieved
Improved and more up-to-date charts and other navigational products	<ul style="list-style-type: none"><li>Increased the number of Electronic Navigational Charts covering northern areas such as the Northwest Passage, Hudson Bay, and Western Hudson Bay, in anticipation of increased vessel traffic</li></ul>
Increased accuracy and detail of navigation products	<ul style="list-style-type: none"><li>Continued to apply the risk-based approach to managing the portfolio of navigational charts and publications</li><li>Reviewed 20% of all high-risk charts in accordance with level of service target</li></ul>
Increased access to and use of navigation tools by mariners and industry	<ul style="list-style-type: none"><li>Consolidated two distribution offices into one location to achieve increased program efficiencies</li></ul>
Increased integration of nautical information and products	<ul style="list-style-type: none"><li>Recently assumed full responsibility for the production, marketing, sales and distribution of digital charts and data, including the licensing of value-added resellers and dealers</li></ul>

#### **Program Sub-activity: Supporting Maritime Safety and Security and Canadian Sovereignty**

The Science program supports safe and accessible waterways by undertaking oceanographic research and monitoring that enables the forecasting of ocean conditions (tides, currents, etc.) and provides useful insight into the impacts of climate change on navigation. Hydrographic data and information is

also provided to support territorial claims and international disputes associated with limits and boundaries.

Plans	
<ul style="list-style-type: none"> <li>Provide information, data and evidence to support Canada's claim to the outer limits of the continental shelf under Article 76 of the United Nations Convention on the Law of the Sea</li> </ul>	
Expected Results	Results Achieved
Improved ability to forecast ocean events and ice conditions	<ul style="list-style-type: none"> <li>No data available for 2006-2007</li> </ul>
More hydrographic and ocean event data available to users to ensure security and safety (e.g., Department of National Defence, Royal Canadian Mounted Police, CCG)	<ul style="list-style-type: none"> <li>DFO and Natural Resources Canada collaborated on Project LORITA (Lomonosov Ridge Test of Appurtenance), a through-the-ice survey north of Ellesmere Island with the Danish Ministry of Science, Technology and Innovation</li> </ul>
Increased data to negotiate off-shore Canadian jurisdiction	<ul style="list-style-type: none"> <li>Conducted a bathymetric survey off the Grand Banks of Newfoundland to augment existing bathymetry, which will be used to determine the foot of the continental slope</li> <li>Conducted an initial test seismic survey to evaluate new seismic equipment for measuring sediment thicknesses in the Western Arctic; this will be important information in maximizing Canada's outer limits in this area</li> </ul>

## DFO ON THE JOB

### Charting the World's Longest Coastline

Pleasure boaters, commercial fishermen, seafarers on Canadian ships, and others from around the world all depend on the Canadian Hydrographic Service (CHS). CHS supplies mariners with nearly a thousand different navigational charts, covering the world's longest coastline, almost a quarter-million kilometres, in all its sinuosities and with all the details of depths, buoys, lighthouses, and hazards to navigation. CHS charts also cover the Great Lakes and other major lakes and rivers.

At the Ottawa distribution centre, Jeannine Houle and Monique Smith and their regional counterparts field requests by phone, e-mail, and fax from nearly 800 chart dealers in Canada, the United States, and as far away as Japan. The Ottawa centre and a smaller one in Sidney, British Columbia, send out a total of nearly 300,000 charts, tide tables, and other nautical publications every year.

CHS charts are known for their quality. Even lying on the warehouse shelves, they get careful maintenance. Every time the Department of Fisheries and Ocean's (DFO) Canadian Coast Guard issues a Notice to Mariners about a relocated buoy, a new wharf, a new undersea cable, or other such changes, CHS staff at the distribution centres ink or patch in the changes for regular charts. (The small craft charts produced for recreational boaters in some areas are corrected at the next printing.)

Chart corrections are getting easier, with the rising popularity of print-on-demand (POD) production. Instead of staff correcting hundreds of copies of a paper chart, an operator makes one revision on the computer, and all subsequent copies are printed with the latest information.

Electronic plotters at the Ottawa centre can print scores of different charts on request. Last year saw more than 55,000 POD orders. Although most charts still get produced on regular



**Detail from chart 4765 showing Hebron, Labrador, one of the thousands of ports charted by CHS**



lithographic presses, CHS is looking towards more use of POD, perhaps including charts printed out at the dealership.

Besides the regular paper chart, usually priced at \$20, CHS produces jacketed cruising atlases that include several charts covering neighbouring areas. New waterproof charts for some areas have become a big seller among boaters.

Mariners are also making more use of electronic navigation charts (ENCs) on CD-ROMs. The vessel operator slips the disk into a computer and navigates on-screen. Canada has one of the largest ENC portfolios in the world.

Electronic charts can provide even more information than paper ones, giving, for example, the height, length, age, and ownership of a wharf at the click of a computer mouse. The electronic data are available in two forms: the full navigational chart with all the details and a simpler raster version popular on pleasure craft.

Other CHS publications include Sailing Directions, 25 different volumes for the different areas of Canada. Charts depict the surface and bottom, but, says Rick Mehlman, Supervisor of Chart Support and Maintenance, "Sailing Directions tell you what the chart can't show – for example, that a tall church spire dominates a bay, reflects the sun, and can be seen from seven miles offshore."

CHS also prepares and prints tide tables, another major operation. In such areas as the Bay of Fundy, with the world's highest tides, the tidebook is the mariner's Bible. Other publications include the Canadian Tidal Manual, Small Craft Guides, instructional charts, bathymetric (seafloor) maps, Radio Aids to Marine Navigation, the List of Lights, Buoys, and Fog Signals, and the essential Notices to Mariners. Issued in collaboration with the Canadian Coast Guard, the latter publication includes chart corrections, also available through the Internet (at [www.notmar.gc.ca](http://www.notmar.gc.ca)).

As the CHS motto states, "Nautical Charts Protect Lives, Property and the Marine Environment." Charts are the captain's silent partner. Canada's reliable, comprehensive, high-quality charts are there because CHS is there, working with quiet competence to keep mariners safe.



***Photograph of Hebron from the Sailing Directions. The text notes that "the settlement was abandoned in the early 1960's but is still occupied occasionally for short periods of time by Inuit families from Nain. Many of the buildings were standing in 2003, in particular the large Moravian Mission church and dormitory."***

## Sustainable Fisheries and Aquaculture

The strategic outcome *Sustainable Fisheries and Aquaculture* is about delivering an integrated fisheries and aquaculture program that is credible, science based, affordable, and effective, and contributes to sustainable wealth for Canadians.

This strategic outcome is delivered through three program activities:

- Fisheries Management;
- Aquaculture; and
- Science.

As a sustainable development department, DFO works to protect and conserve Canada's aquatic resources, while supporting the development and use of these resources. To do this, the Department depends on sound scientific research and advice and on developing a modernized fisheries management regime that is integrated with the broader oceans management agenda. The pursuit of strong conservation outcomes through the implementation of a comprehensive risk management framework, as well as the precautionary and ecosystem approaches, allows DFO and resource users to better understand the impacts of fishing on fish stocks and fish habitat.

DFO continues to pursue a renewal agenda that addresses many of the chronic challenges faced by the fishing sector — adapting to an increasingly fast pace of industrial change, technological advances, environmental degradation, climate change, and global market pressures — in addition to the particular challenges resulting from dependence on the use of a common-property natural resource. At the same time, DFO remains focused on modernizing the decision-making system and building a new relationship with resource users based on shared stewardship. Efforts have been guided by the principles of predictability, stability and transparency. Steady improvement has been made, particularly in stabilizing sharing arrangements developing a modern management approach, but much remains to be done. DFO needs to continue to clarify and adapt policies and programs to promote flexible fishing enterprises able to adjust to resource, environmental, market and other fluctuations.

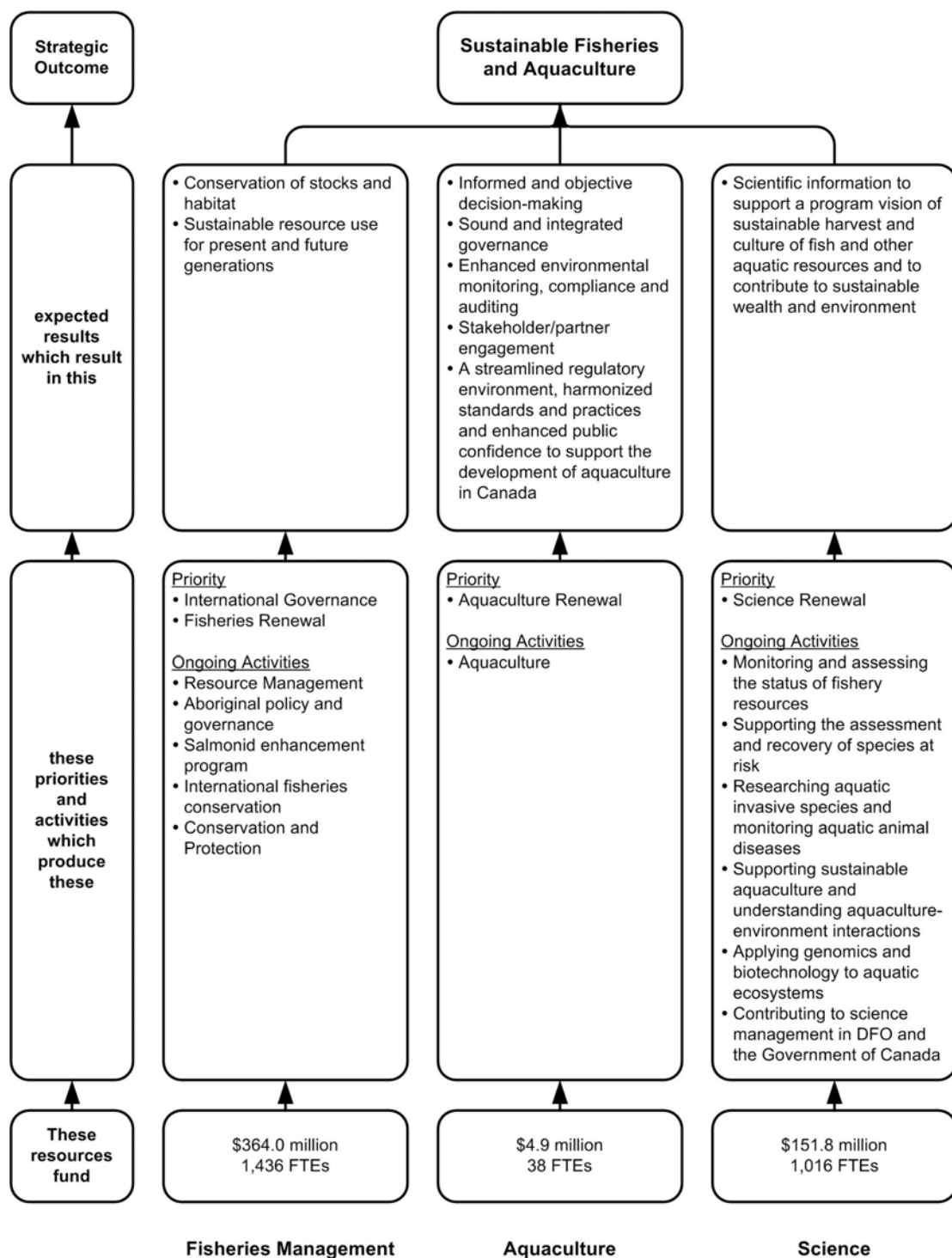
The state of global fisheries and aquaculture resources also affect Canadians. The International Fisheries and Oceans Governance Strategy guides Canada's activities intended to improve international fisheries and oceans management. One of the Strategy's objectives is to improve high seas fisheries governance by promoting lasting improvements in international standards and practices and in support of Canadian priorities.

DFO's vision for aquaculture is to create the conditions necessary to enable sustainable and environmentally responsible aquaculture development in Canada. The objective is to establish enduring benefits for Canadians through the harvesting of aquatic organisms while upholding the ecological and socio-economic values associated with Canada's oceans and inland waters. The development of aquaculture in Canada requires a streamlined regulatory environment, harmonized standards and practices, and enhanced public confidence in government's oversight.

The Science program provides scientific research, monitoring, advice, products and services, and data to support the sustainable harvest of wild and cultured fish and other aquatic resources and to contribute to sustainable wealth.



## Results Chain



## What Did DFO Spend?

Approximately 38% of the Department's total expenditures for 2006-2007 — or \$631 million — was used to ensure sustainable fisheries and aquaculture.

### Financial and Human Resources, Sustainable Fisheries and Aquaculture, 2006-2007

<i>Financial Resources (millions of dollars)</i>	<i>Planned Spending</i>	<i>Total Authorities</i>	<i>Actual Spending</i>
Fisheries Management	379.5	409.5	364.0
Aquaculture	2.7	2.8	4.9
Science in support of Sustainable Fisheries and Aquaculture	152.9	160.9	151.8
Program Enablers <sup>1</sup>	121.1	122.6	110.1
<b>Total</b>	<b>656.2</b>	<b>695.7</b>	<b>630.9</b>
<i>Human Resources (number of FTEs)</i>	<i>Planned</i>	<i>Actual</i>	<i>Difference</i>
Fisheries Management	1,502	1,436	-66 <sup>2</sup>
Aquaculture	27	38	11
Science in support of Sustainable Fisheries and Aquaculture	1,048	1,016	-32
Program Enablers <sup>1</sup>	689	665	-24
<b>Total</b>	<b>3,266</b>	<b>3,155</b>	<b>-111</b>

**Note:** Because of rounding, figures may not add to the totals shown.

<sup>1</sup> Financial and human resources for Program Enablers have been prorated across program activities. Section 4 provides further information on Program Enablers.

<sup>2</sup> The difference in FTE utilization under the Fisheries Management Program Activity was the result of lower than expected recruitment of Conservation and Protection cadets. Cadets are hired as employees once they have graduated.

## Program Activity: Fisheries Management

The overall goal of fisheries management is the conservation of Canada's fisheries resources to ensure sustainable resource utilization through close collaboration with resource users and stakeholders based on shared stewardship. Fisheries Management is responsible for international fisheries conservation negotiations and relations, shared management of interception fisheries<sup>11</sup> in international waters and management of the Aboriginal, commercial and recreational fishing activities in the coastal waters of Canada's three oceans.

The Fisheries Management program activity has two of the departmental program priorities — International Governance, led by the Strategic Policy Sector, and Fisheries Renewal — and is delivered via five program sub-activities: Resource Management; Aboriginal Policy and Governance; Salmonid Enhancement Program; International Fisheries Conservation; and Conservation and Protection.

<sup>11</sup> An interception fishery is one in which stock is caught by Canada and one or more other countries, e.g. Pacific salmon, Pacific halibut, or tuna.



### Financial and Human Resources, Fisheries Management, 2006-2007

<i>Financial Resources (millions of dollars)</i>	<i>Planned Spending</i>	<i>Total Authorities</i>	<i>Actual Spending</i>
Resource Management	101.7	103.5	77.5
Aboriginal Policy and Governance	119.4	136.2	116.0
Salmonid Enhancement Program	26.0	26.6	29.9
International Fisheries Conservation	7.7	7.9	16.6
Conservation and Protection	124.6	135.2	124.2
Sub-total	379.5	409.5	364.0
Program Enablers	63.7	64.3	60.5
<b>Total</b>	<b>443.2</b>	<b>473.8</b>	<b>424.5</b>

<i>Human Resources (number of FTEs)</i>	<i>Planned</i>	<i>Actual</i>	<i>Difference</i>
Resource Management		409	
Aboriginal Policy and Governance		99	
Salmonid Enhancement Program		207	
International Fisheries Conservation		17	
Conservation and Protection		704	
Sub-total	1,502	1,436	-66
Program Enablers	414	400	-14
<b>Total</b>	<b>1,916</b>	<b>1,836</b>	<b>-80</b>

**Note:** Planned FTEs by sub-activity are not available for 2006-2007.  
Because of rounding, figures may not add to the totals shown.

<i>Expected Results – Fisheries Management</i>	<i>Results Achieved</i>
Conservation of stocks and habitat	<ul style="list-style-type: none"> <li>Developed a draft policy to address the impacts of fishing on and conservation of benthic habitat; consultations will take place in 2007</li> <li>Northwest Atlantic Fisheries Organization (NAFO) members agreed to protect four seamounts in the NAFO Regulatory Area by closing them to commercial fishing activities until the end of 2010</li> <li>Agreement within NAFO for significant reforms to the organization's monitoring, control, and surveillance measures; these changes will increase deterrence and reduce rule-breaking on the water</li> </ul>
Sustainable resource use for present and future generations	<ul style="list-style-type: none"> <li>DFO is developing Fishery Sustainability Checklists for all of Canada's key commercial fisheries to measure the biological and management aspects of fishery sustainability, and the status of management measures and their contribution to conserving the fish stocks and the ecosystems in which they live</li> </ul>

Efforts to improve international fisheries and oceans governance continued to be successful. DFO made significant progress in various international fora on overfishing and illegal, unreported, and unregulated (IUU) fishing. In January 2007, Mr. Loyola Sullivan was appointed as ambassador for Fisheries Conservation to promote awareness in Canada and abroad of the overall strategy to strengthen international fisheries and oceans governance.

An ongoing investment is needed to continue the current momentum for action and change and to address emerging challenges. The International Fisheries and Oceans Governance Strategy is laying

the necessary integrated groundwork to strengthen international governance. Results thus far are promising; however, more effort is needed to address upcoming challenges, including the concerns and aspirations of developing countries.


DFO continued to implement the Fisheries Renewal priority to modernize fisheries management in Canada and provide a comprehensive management framework. The focus is on four objectives: Strong Conservation Outcomes; Shared Stewardship; Stable Access and Allocation; and Modernized Compliance. Under this priority, DFO is also developing a new fisheries management governance model by revising the *Fisheries Act*, which will enable DFO and resource users to meet conservation objectives, and will enable resource users to respond to economic forces that impact their industry.



Fisheries and Aquaculture Management –  
[http://www.dfo-mpo.gc.ca/communic/fish\\_man/index\\_e.htm](http://www.dfo-mpo.gc.ca/communic/fish_man/index_e.htm)

### **Program Priority: International Governance**

Overall result achieved in 2006-2007: **Exceeded**

<b>Commitments in the 2006-2007 RPP</b>	<b>Progress</b>
Implement the second year of the International Fisheries and Oceans Governance Strategy (three-year funded strategy)	<ul style="list-style-type: none"> <li>Supported activities designed to lead to more responsible management of high seas fisheries and the sustainability of high seas ecosystems; major achievements include: <ul style="list-style-type: none"> <li>Advancing global action on overfishing and IUU fishing within such important institutions as the World Trade Organization (WTO) and the United Nations Food and Agriculture Organization (FAO) Committee on Fisheries</li> <li>Contracting Parties of the Northwest Atlantic Fisheries Organization (NAFO) agreed to update the NAFO Convention, particularly to incorporate key principles from the United Nations Fish Stocks Agreement (UNFA)</li> <li>The United Nations General Assembly (UNGA) adopted a Resolution on sustainable fisheries, which advanced a number of Canada's interests, including the protection of vulnerable marine ecosystems</li> <li>See also Healthy and Productive Aquatic Ecosystems, page 65</li> </ul> </li> </ul>
 International Fisheries and Oceans Governance Strategy – <a href="http://www.dfo-mpo.gc.ca/overfishing-surpeche/index_e.htm">http://www.dfo-mpo.gc.ca/overfishing-surpeche/index_e.htm</a> United Nations General Assembly (UNGA) Resolutions – <a href="http://www.un.org/Depts/los/general_assembly/general_assembly_resolutions.htm">http://www.un.org/Depts/los/general_assembly/general_assembly_resolutions.htm</a>	


### **Program Priority: Fisheries Renewal**

Overall result achieved in 2006-2007: **Met**

<b>Commitments in the 2006-2007 RPP</b>	<b>Progress</b>
Develop a new governance model for fisheries management, including proposals to modernize the <i>Fisheries Act</i>	<ul style="list-style-type: none"> <li>Tabled a renewed <i>Fisheries Act</i> in Parliament on December 13, 2006</li> </ul>






Commitments in the 2006-2007 RPP	Progress
Improve conservation outcomes through a new relationship with all resource users based on shared responsibility and accountability for resource management and its outcomes	<ul style="list-style-type: none"> <li>Launched the Ocean to Plate initiative in 2006-2007 to: <ul style="list-style-type: none"> <li>Establish a more stable access and allocation process</li> <li>Make decisions more transparent</li> <li>Allow stakeholders to focus on improving conservation and fisheries management instead of focusing on securing a share of the resource</li> </ul> </li> </ul>
Develop options and innovative regulatory and governance approaches to support Fisheries Renewal	<ul style="list-style-type: none"> <li>The tabled modernized <i>Fisheries Act</i> reflects innovative approaches to fisheries management</li> </ul>
Ensure business structures and practices complement and enable policy, program and legislative renewal	<ul style="list-style-type: none"> <li>Continued to enhance business planning, performance measurement and risk management processes</li> </ul>
 <i>Fisheries Act</i> - <a href="http://www.dfo-mpo.gc.ca/media/infocus/2006/20061213_e.htm">http://www.dfo-mpo.gc.ca/media/infocus/2006/20061213_e.htm</a> Ocean to Plate initiative - <a href="http://www.dfo-mpo.gc.ca/media/backgrou/2007/hq-ac17a_e.htm">http://www.dfo-mpo.gc.ca/media/backgrou/2007/hq-ac17a_e.htm</a>	

### Program Sub-activity: Resource Management

This program delivers policies, programs and plans, in partnership with industry, to manage, protect and conserve fisheries resources. The program is necessary to ensure sustainability and provide for the fair allocation and distribution of harvestable surpluses among those dependent on the resource. The program, with input from related Fisheries and Oceans Canada program areas and stakeholders, develops and implements Integrated Fisheries Management Plans for each fishery, which integrate conservation, management and scientific objectives, and spell out the required measures to conserve and manage a fishery, including the enhancement of salmon stocks on the Pacific Coast. Allocations between user groups and fleet sectors are an important aspect of resource management. Fish stocks are managed by allocating quotas to entire fleet sectors which then fish competitively or give specific percentages of the quota to individuals or businesses, and by controlling effort, escapement or by-catch.

Plans	
<ul style="list-style-type: none"> <li>Continue to prepare and implement Integrated Fisheries Management Plans for all key fisheries</li> <li>Modernize fisheries management by clarifying policy direction and programming</li> </ul>	
Expected Results	Results Achieved
Integrated management of fisheries resources in collaboration with stakeholders	<ul style="list-style-type: none"> <li>Implemented the Oceans-to-Plate management approach</li> <li>Improved fisheries planning, expanded shared stewardship, and improved relations with stakeholders by: <ul style="list-style-type: none"> <li>Further stabilizing access and allocation</li> <li>Implementing the policy on Preserving the Independence of the Inshore Fleet in Canada's Atlantic Fisheries</li> <li>Integrating the management of groundfish fisheries in British Columbia</li> <li>Consulting stakeholders on the more than 170 fisheries plans</li> </ul> </li> </ul>

<b>Plans</b>	
<ul style="list-style-type: none"> <li>Continue to prepare and implement Integrated Fisheries Management Plans for all key fisheries</li> <li>Modernize fisheries management by clarifying policy direction and programming</li> </ul>	
Expected Results	Results Achieved
A modernized fisheries management regime	<ul style="list-style-type: none"> <li>Following extensive consultations with fishers and other stakeholders, DFO rolled out an initial set of initiatives to respond to their concerns, e.g., Oceans-to-Plate approach, measures to preserve the independence of inshore fleets in Atlantic Canada, approaches to encourage rationalization in the fishery; these initiatives, along with a renewed <i>Fisheries Act</i>, are the first steps to a modernized regime</li> </ul>
 Fisheries Act - <a href="http://www.dfo-mpo.gc.ca/media/infocus/2006/20061213_e.htm">http://www.dfo-mpo.gc.ca/media/infocus/2006/20061213_e.htm</a> Ocean to Plate initiative - <a href="http://www.dfo-mpo.gc.ca/media/backgrou/2007/hq-ac17a_e.htm">http://www.dfo-mpo.gc.ca/media/backgrou/2007/hq-ac17a_e.htm</a>	

### **Program Sub-activity: Aboriginal Policy and Governance**

This program provides policy advice on Aboriginal fishing issues, negotiates agreements on the management of Aboriginal fisheries, integrates agreements into overall management frameworks, and advises on land claims and self-government. The program is necessary to build strong, stable relations with Aboriginal groups, to manage fisheries in a manner consistent with the decision of the Supreme Court of Canada in *R. v. Sparrow* and subsequent decisions, and to promote fisheries-related economic opportunities for Aboriginal communities. The program is guided by a proactive approach in its relationship with Aboriginal groups based on assisting Aboriginal peoples to obtain the capacity to more effectively participate in the multi-stakeholder processes used for aquatic resource and oceans management and building their capacity to take advantage of opportunities to participate in commercial fisheries and aquaculture development.

<b>Plans</b>	
<ul style="list-style-type: none"> <li>Negotiate and implement fisheries agreements with Aboriginal groups and Aboriginal communities and promote integrated commercial fisheries</li> <li>Provide policy advice and support in regard to maintaining and enhancing relations with Aboriginal groups</li> <li>Modernize fisheries management by clarifying policy direction and programming</li> </ul>	
Expected Results	Results Achieved
Negotiation and implementation of fisheries agreements with Aboriginal groups	<ul style="list-style-type: none"> <li>Signed agreements with 167 Aboriginal groups</li> <li>Completed 3 Comprehensive Land Claim Agreements in British Columbia</li> </ul>



## Plans

- Negotiate and implement fisheries agreements with Aboriginal groups and Aboriginal communities and promote integrated commercial fisheries
- Provide policy advice and support in regard to maintaining and enhancing relations with Aboriginal groups
- Modernize fisheries management by clarifying policy direction and programming


Expected Results	Results Achieved
Promotion of integrated commercial fisheries	<ul style="list-style-type: none"> <li>▪ Supported Aboriginal participation in integrated commercial fisheries by: <ul style="list-style-type: none"> <li>• Completing agreements with 31 of 34 eligible First Nations in Atlantic Canada, which fulfilled all outstanding commitments in fisheries agreements signed under the Marshall Response Initiative</li> <li>• Implementing 17 At-Sea Mentoring Initiative Agreements</li> <li>• Implementing 3 Fisheries Operations Management Initiative Agreements</li> <li>• Implementing 146 agreements worth \$35 million under the Aboriginal Fisheries Strategy (AFS)</li> <li>• Implementing 31 agreements valued at \$14.7 million under the Aboriginal Aquatic Resource and Oceans Management (AAROM) Programs for capacity building, collaborative management and economic opportunities; DFO also facilitated the retirement of 51 licences, provision of gear and re-allocation of quota to support Aboriginal participation in commercial fisheries</li> </ul> </li> </ul>



Marshall Response Initiative - [http://www.dfo-mpo.gc.ca/communic/marshall/marshall\\_e.htm](http://www.dfo-mpo.gc.ca/communic/marshall/marshall_e.htm)  
Aboriginal Fishing Strategy - [http://www.dfo-mpo.gc.ca/communic/fish\\_man/afs\\_e.htm](http://www.dfo-mpo.gc.ca/communic/fish_man/afs_e.htm)  
Aboriginal Aquatic Resource and Oceans Management –  
[http://www.dfo-mpo.gc.ca/communic/fish\\_man/Aboriginal-Autochtones/AAROM/SOI\\_e.htm](http://www.dfo-mpo.gc.ca/communic/fish_man/Aboriginal-Autochtones/AAROM/SOI_e.htm)

## Program Sub-activity: Salmonid Enhancement Program

This program focuses on fish production to preserve vulnerable stocks and sustain fisheries, increasing public awareness and building community involvement capacity. The program is geared to enhancing and rebuilding salmon stocks and restoring and improving fish habitat in British Columbia and the Yukon. The Salmonid Enhancement Program (SEP) hatcheries fall into three main categories: major facilities (18) managed by government employees; community development projects (21) operated by local community group employees; and public involvement projects (178) ranging from classroom incubators to substantial hatcheries operated mostly by volunteers. SEP plays a pivotal role in maintaining wild salmon populations for the Aboriginal, commercial and recreational fisheries.

Plans	
<ul style="list-style-type: none"> <li>Continue fish production at hatcheries</li> <li>Continue fish habitat restoration projects and initiatives</li> <li>Continue community outreach, partnering and education</li> </ul>	
Expected Results	Results Achieved
Strategic enhancement of wild stocks and fish habitat	<ul style="list-style-type: none"> <li>Continued to operate 23 hatcheries and managed spawning channels; contracted with 21 community and First Nations partners to operate community-based enhancement platforms; released a total of 361 million juvenile salmon from enhancement facilities; and supported recovery of six salmon populations of significant conservation concern, including two captive brood programs</li> <li>Supported numerous recreational, commercial and First Nation's fisheries targeting certain stocks</li> <li>Collaborated on 111 habitat restoration projects with various community-based partners in support of enhanced salmon production</li> </ul>
Increased awareness and stewardship to conserve and protect fish and fish habitat	<ul style="list-style-type: none"> <li>Supported over 10,000 volunteer stewards who participated in about 300 community-based projects in the areas of small-scale salmon hatchery work, streamkeeper training, stream monitoring, salmon stock and habitat assessment, school education programs, outreach and learning activities, as well as local stewardship and planning activities</li> <li>Collaborated with community groups that were able to lever additional resources (money, volunteer time and materials) from many other sources in support of salmon conservation, awareness, and stewardship</li> <li>Implemented the fourth year of the Stream to Sea Education Strategy</li> </ul>
 Salmon Enhancement Branch - <a href="http://www-heb.pac.dfo-mpo.gc.ca/facilities/salmonid_e.htm">http://www-heb.pac.dfo-mpo.gc.ca/facilities/salmonid_e.htm</a>	

## DFO ON THE JOB:

### *DFO and the Adams River Salute to the Sockeye*

The swiftly moving waters of the Adams River hold a well-known secret. Every four years, in October, the river rises and swells in a cacophony of red, undulating bodies. It is home to one of the premier sockeye salmon runs in Canada. Fisheries and Oceans Canada staff have been involved in providing interpretation of this natural miracle for over thirty years. In that time, hundreds of thousands of visitors from around the globe have travelled to Roderick Haig Brown Park in the interior of British Columbia to witness the miracle of death and rebirth of the sockeye.

In the fall of 2006, this ancient ritual was repeated and we were there, hosting the 2006 Salute to the Sockeye event. In the three weeks between October 1<sup>st</sup> and 22<sup>nd</sup> almost 15,000 school children come to the site to reinforce their understanding of the event, which is a part of the BC curriculum. They were joined by 87,000 tourists who travelled from the farthest points of the globe to experience the grace, challenge and beauty of the run. The run was also featured in extensive international media coverage.



**Sockeye Salmon (Norbert Wu)**



The Salute is a phenomenal example of stewardship in action. Twenty-five department staff worked with provincial, municipal and local governments, First Nations, community partners and many others to host the internationally recognized event. We will be on the ground in the fall of 2007 for a sub-dominant run celebration.

### **Program Sub-activity: International Fisheries Conservation**

This program negotiates and administers international treaties and agreements affecting conservation, allocation, the conduct of bilateral and multilateral fisheries relations with other countries, the settlement of issues related to maritime boundary disputes, and the formulation and presentation of international fisheries conservation advice to the Minister. The program conducts the international relations necessary to advancing Canada's fisheries conservation interests and maximizing allocations to Canadians from internationally managed fish stocks.

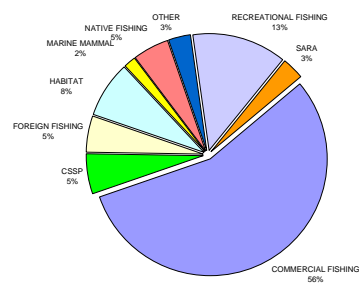
<b>Plans</b>	
<ul style="list-style-type: none"> <li>▪ Negotiate and administer bilateral and multilateral fisheries treaties and governance agreements related to trans-boundary, highly migratory, straddling and external fish stocks on the high seas</li> <li>▪ Develop and implement a governance strategy on long-term foreign overfishing and fishing on the international high seas</li> </ul>	
<b>Expected Results</b>	<b>Results Achieved</b>
Assertion of Canadian interests with respect to internationally managed fish stocks	<ul style="list-style-type: none"> <li>▪ Protected Canadian fishing opportunities in all tuna Regional Fisheries Management Organizations (RFMOs) and bilateral fisheries agreements, in conformity with scientific advice</li> </ul>
Sound international fisheries governance	<ul style="list-style-type: none"> <li>▪ Actively participated in negotiating Kobe Course of Actions, resulting in commitments by a large number of members of tuna RFMOs to strengthen these organizations and to achieve sustainable fisheries</li> <li>▪ Advanced initiatives to modernize and make international fisheries governance more efficient and effective in key regional fisheries management organizations such as the Northwest Atlantic Fisheries Organisation (NAFO)</li> </ul>
Protection of Canadian sovereignty	<ul style="list-style-type: none"> <li>▪ Formal and informal bilateral consultations were held with a number of key fishing countries, including the United States and the European Union, to advance Canadian international fisheries management objectives and priorities</li> </ul>

### **Program Sub-activity: Conservation and Protection**

This program deploys Fishery Officers to ensure compliance with the legislation, regulations and fishing plans relating to conservation and sustainable use of Canada's fisheries resources, the protection of species at risk, fish habitat and oceans. The program is conducted through promotion, monitoring and enforcement. The program creates a greater awareness of conservation goals and objectives among resource users and stakeholders to enhance compliance. This program is delivered with the support of the Canadian Coast Guard's Operational Readiness sub-activity and support from National Defence.

<b>Plans</b> <ul style="list-style-type: none"> <li>▪ Deploy Conservation and Protection personnel to promote compliance and deter non-compliance activities</li> <li>▪ Promote compliance and enforcement activities on the Fraser River</li> <li>▪ Modernize fisheries management by clarifying policy direction and programming</li> </ul>	
<b>Expected Results</b>	<b>Results Achieved</b>
A high level of compliance with fisheries legislation and regulation in the delivery of effective compliance programs	<ul style="list-style-type: none"> <li>▪ Carried out a diversified compliance program consisting of about 76,200 hours promoting compliance through schools and stakeholder meetings; about 337,000 hours patrolling (land, air and sea) and verifying compliance with various legislation, regulations and management measures; and another 151,727 hours conducting investigations, carrying out special operations and participating in court procedures related to prosecutions</li> </ul>

**Fishery Officer Hours - by Main Activities**  
fy 2006-2007



A more strategic, integrated, innovative, risk-based compliance program	<ul style="list-style-type: none"> <li>▪ Developed a new compliance framework with a continued emphasis on traditional enforcement activities and increased commitment to compliance education and shared stewardship, major case management and special investigations; this has led to creating new enforcement advisory committees; spending more time in schools and in informal interaction with resource users to educate and promote better compliance, and refining the capacity to deal with organized illegal activity through better training, co-ordination and intelligence gathering, and analysis</li> <li>▪ Implemented a new model to assess risks to compliance and to set more risk-based operational priorities</li> </ul>
---	--



## DFO ON THE JOB

### Conservation and Protection in Action

- In April 2007, the Pacific Region's first conviction under the *Species at Risk Act* (SARA) yielded a 12-month conditional sentence and a \$40,000 fine for one individual and four months of house arrest, a \$10,000 fine and 80 hours of community service for two others. They forfeited their pickup truck, boat and scuba gear and are banned from scuba diving. All three pleaded guilty under s.63 of the Pacific Fishery Regulations, s.33 of the *Fisheries Act* and s.32(2) of the *Species at Risk Act*. The sentence follows a three-year investigation and a four-day stakeout of the men near Prince Rupert. They were arrested in February 2006 in possession of 1,100 abalone (2500Kg) - the largest seizure in BC. It is believed that the men were part of a larger poaching ring.
- Conservation and Protection, Maritimes Region, wrapped up an investigation that lasted five long years, stretched worldwide, and led to a \$839,734 penalty to seven fishers and the company to which they were linked. The fishers were illegally catching prized bluefin tuna with a value of approximately \$1.2 million. Up to 27 Fishery Officers were involved in evidence collection during the investigation. New techniques such as forensic accounting were key to the success. The fine has set a precedent for fishers enforcement in the country. Fishery Officers have effectively brought down a group of high-profit poachers and contributed to the protection of this and other aquatic species.
- The recreational groundfish fishery in Newfoundland and Labrador was opened for 35 days in 2006, the first in some areas since 2002. Significant effort by Conservation and Protection was dedicated to the monitoring of this fishery to assess participation rates and harvest levels and to achieve optimal levels of compliance with the management measures and put in place. Approximately 6,600 Fishery Officer hours were directed towards this fishery. Fisher and boat inspection rates averaged 5.8% and 6.5% respectively. Of the total 64 occurrences recorded, only 25 involved infractions of regulations. Compliance rates were relatively high. This recreational groundfish fishery was considered successful.
- Increased Fishery Officer enforcement activities on the Fraser River were conducted to ensure the protection of sockeye stocks. This was accomplished by bolstering existing resources to increase vessel, vehicle and helicopter patrol coverage; monitoring compliance during licensed First Nations, recreational, and commercial fisheries; conducting strategic enforcement activities during conservation closures; and increasing communication and relationship building with First Nations groups and other resource users. Outcomes were very positive as fisheries proceeded in a safer and more orderly fashion, relationships were improved, and monitoring and patrol coverage was very thorough. Sockeye escapement was also very good.
- A total of 83 new Fishery Officer recruits graduated from the Fishery Officer Career Progression Program classroom training and have now been posted in DFO field offices across Canada. This is the first time in a number of years that over 95% of the Fishery Officer positions in the country have been staffed.



**Fishery officers took nearly 1,130 kilos of abalone off poachers. They began to count the fish but returned them to the water for fear they would die!**



## Program Activity: Aquaculture

Aquaculture development in Canada benefits Canadians through the production of aquatic organisms (e.g., salmon and mussels) while upholding the ecological and socioeconomic values associated with Canada's oceans and inland waters. Fisheries and Oceans Canada, as the lead federal organization for aquaculture, provides a horizontally managed and integrated intradepartmental approach, to create the conditions for a vibrant and innovative aquaculture industry that is environmentally and socially responsible, economically viable and internationally competitive. The program is delivered in collaboration with other federal departments, provincial and territorial governments, industry, the private sector, non-government organizations, and other stakeholders.

Aquaculture has one of the departmental program priorities — Aquaculture Governance — and no sub-activities.

### Financial and Human Resources, Aquaculture, 2006-2007

<i>Financial Resources (millions of dollars)</i>	<i>Planned Spending</i>	<i>Total Authorities</i>	<i>Actual Spending</i>
Aquaculture	2.7	2.8	4.9
Program Enablers	0.8	0.8	0.8
<b>Total</b>	<b>3.5</b>	<b>3.6</b>	<b>5.7</b>
<i>Human Resources (number of FTEs)</i>	<i>Planned</i>	<i>Actual</i>	<i>Difference</i>
Aquaculture	27	38	11
Program Enablers	5	5	0
<b>Total</b>	<b>32</b>	<b>43</b>	<b>11</b>

#### Plans

- Resource and structure the organization to effectively deliver on DFO's aquaculture responsibility
- Create an enabling policy and regulatory environment that contributes to the development of a competitive aquaculture industry
- Develop an integrated national government approach to aquaculture
- Introduce measures to support the safety of aquaculture products and the environmental sustainability of aquaculture operations

Expected Results	Performance Indicators	Results Achieved
Informed and objective decision-making	Percentage of decisions complying with a risk/evidence/science-based decision-making approach	<ul style="list-style-type: none"> <li>▪ DFO continued to rely heavily on its science, the evidence produced by historical data, and the risks identified through strategic planning when setting the necessary conditions for responsible and sustainable aquaculture development</li> </ul>
Sound and integrated governance	Percentage of regions with operating federal and joint federal/provincial/territorial review bodies	<ul style="list-style-type: none"> <li>▪ Progress continued towards establishing agreements with provincial/territorial partners to create and implement additional federal/provincial/territorial review bodies as part of the aquaculture renewal process</li> </ul>





Plans		
<ul style="list-style-type: none"> <li>▪ Resource and structure the organization to effectively deliver on DFO's aquaculture responsibility</li> <li>▪ Create an enabling policy and regulatory environment that contributes to the development of a competitive aquaculture industry</li> <li>▪ Develop an integrated national government approach to aquaculture</li> <li>▪ Introduce measures to support the safety of aquaculture products and the environmental sustainability of aquaculture operations</li> </ul>		
Expected Results	Performance Indicators	Results Achieved
Enhanced environmental monitoring, compliance, and auditing		<ul style="list-style-type: none"> <li>▪ The Federal/Provincial/Territorial Aquaculture Task Group held a series of technical national workshops to develop an Integrated Risk Management Framework for the environmental effects of aquaculture</li> </ul>
Stakeholder/partner engagement	Increase in aquaculture production, i.e., growing, competitive, market-focused industry with good environmental and social performance	<ul style="list-style-type: none"> <li>▪ Available statistics indicate that after experiencing a significant decrease in production in 2004, the aquaculture sector is now experiencing a return to 2001 production levels; in 2005, aquaculture production was 154,993 tonnes with a value of \$715.1M</li> </ul>
A streamlined regulatory environment, harmonized standards and practices, and enhanced public confidence to support the development of aquaculture in Canada	Creation of codes of conduct by industry that address federal requirements	<ul style="list-style-type: none"> <li>▪ Continued to work with industry and provincial partners to facilitate the development of industry-led and managed codes of conduct for the various areas of aquaculture production</li> <li>▪ Over the past few years, industry-regulated codes of conduct have been developed and implemented by industry, in partnership with federal and provincial partners, for different productions, such as mussels, salmon, and freshwater finfish; in fiscal year 2006-2007, no new codes were established</li> </ul>

Supporting this complex file, with its shared jurisdictions and its shared implications throughout the federal government, remained a challenge for DFO. Nevertheless the Department persisted in its efforts to collaborate with its many partners to create and solidly establish the necessary conditions to renew the Canadian aquaculture industry and enable the realization of its full potential through environmentally responsible and sustainable means. Work continued to develop a comprehensive understanding of the sector and to identify directions for its sustainable development.


Progress continued to be made on priority and emerging issues within the Department's Aquaculture Governance file, particularly through collaboration with other federal and provincial partners towards a framework to guide renewal of the Canadian aquaculture sector. DFO continued to work towards setting the appropriate conditions to enable the sector to realize its potential through environmentally responsible and sustainable means that will generate enduring socioeconomic benefits for all Canadians, particularly in communities that engage in aquaculture and its supporting industries, in coastal and rural environments.



Aquaculture Management – [http://www.dfo-mpo.gc.ca/aquaculture/aquaculture\\_e.htm](http://www.dfo-mpo.gc.ca/aquaculture/aquaculture_e.htm)

## Program Priority: Aquaculture Governance

Overall result achieved in 2006-2007: **Met**

<b>Commitments in the 2006-2007 RPP</b>	<b>Progress</b>
Ensure that the regulations for aquaculture are effective and cost efficient, while providing for accountability and transparency	<ul style="list-style-type: none"> <li>Beginning in 2006-2007, DFO worked with other federal and provincial partners in a number of areas to enhance the effectiveness of the current regulatory regime for aquaculture</li> </ul>
Develop a more integrated government response to emerging aquaculture opportunities and challenges through stronger collaboration with federal, provincial, and territorial partners	<ul style="list-style-type: none"> <li>Initiated work on a co-ordinated approach to aquaculture environmental regulatory renewal with other federal departments and provinces</li> </ul>
Establish a renewed aquaculture management framework	<ul style="list-style-type: none"> <li>The Canadian Council of Fisheries and Aquaculture Ministers (CCFAM) accepted in principle the concept overview for a renewed national aquaculture management framework developed by the Federal/Provincial/Territorial (F/P/T) Aquaculture Task Group</li> </ul>
Promote increased public and consumer confidence by undertaking and publicizing measures to support the safety of aquaculture products and the environmental sustainability of aquaculture operations	<ul style="list-style-type: none"> <li>Surveys on aquaculture indicate that Canadians continue to support responsible aquaculture development; for example, in the Baseline Public Opinion Survey of Coastal, Northern, Freshwater and Inland Residents in Canada,<sup>12</sup> 72% of all respondents indicated they supported the practice of fish farming in Canada; of those who did not indicate support, only 12% were opposed and 16% stated they were too unfamiliar with aquaculture to provide an opinion</li> <li>Undertook various initiatives to promote and increase public confidence, including launching a new aquaculture website and conducting proactive, targeted media outreach in British Columbia</li> <li>Conducted a survey of the US domestic supply chain<sup>13</sup> (the most significant market for Canadian aquaculture products) to better understand the marketing challenges facing the Canadian aquaculture industry when working to supply the American market; findings include:               <ul style="list-style-type: none"> <li>A strong market potential for Canadian aquaculture products</li> <li>Positive perceptions about Canadian farm-raised seafood, although many participants admitted little knowledge of Canadian aquaculture</li> <li>Mixed perceptions regarding Canadian aquaculture production methods (sustainability, innovation) and quality standards</li> </ul> </li> </ul>
 <a href="http://www.dfo-mpo.gc.ca/aquaculture/aquaculture_e.htm">http://www.dfo-mpo.gc.ca/aquaculture/aquaculture_e.htm</a>	

<sup>12</sup> 2006 DFO Baseline Public Opinion Survey of Coastal, Northern, Freshwater and Inland Residents in Canada ([http://www.dfo-mpo.gc.ca/misc/por\\_318-05/por20060608\\_e.htm](http://www.dfo-mpo.gc.ca/misc/por_318-05/por20060608_e.htm)); Qualitative Research Exploring Canadians' Perceptions, Attitudes and Concerns Towards Aquaculture ([http://www.dfo-mpo.gc.ca/misc/focus-aquaculture\\_e.htm](http://www.dfo-mpo.gc.ca/misc/focus-aquaculture_e.htm))

<sup>13</sup> Perceptions of Canadian Aquaculture by U.S. Seafood Opinion Leaders ([http://www.dfo-mpo.gc.ca/misc/por-rop763-007\\_e.htm](http://www.dfo-mpo.gc.ca/misc/por-rop763-007_e.htm))



## DFO ON THE JOB

### *Sea Farming Expansion in Quebec*

Fisheries and Oceans Canada, Quebec Region, took part in the fifth *Rendez-vous de l'industrie maricole du Québec*, which attracted over 180 people to the Gaspé region from March 21 to 23.

Representatives from private and public organizations came to this biennial event to hear and share the latest information in the field of sea farming, attend presentations by scientific experts, analyze market trends, and discuss technical problems affecting the industry.

Researchers from DFO's Maurice Lamontagne Institute gave presentations on parasite control, production techniques, feeding, seaweed farming, spotted wolffish culture, and scallop-harvesting methods.

DFO also displayed two booths in the exhibitors' hall. One focused on sustainable sea farming, highlighting federal involvement in scientific research, resource conservation, water quality, and financial assistance for businesses. The other booth featured Harbour Authorities, created by the Department, and stressed their importance to the marine industry.

Sea farming is a growing socioeconomic activity in Quebec coastal communities. The Government of Canada plays a key role in strengthening the industry. It supports the development of sustainable sea farming operations that respect the environment and human health, thereby promoting new knowledge and various uses of the marine environment.



## Program Activity: Science

This program provides advice and recommendations based on scientific research and monitoring, as well as products and services and the management of data on Canada's oceans and resources. This ensures departmental and federal policies, programs, decisions, and regulations associated with sustainable fisheries and aquaculture are informed by scientific knowledge. The science is provided through a network of research facilities, in collaboration with other government departments, the private sector, academia, and international organizations.

Science in support of sustainable fisheries and aquaculture has one priority — Science Renewal — and is delivered through six program sub-activities: monitoring and assessing the status of fishery resources; supporting the assessment and recovery of species at risk; researching aquatic invasive species and monitoring aquatic animal diseases; supporting sustainable aquaculture and understanding aquaculture-environment interactions; applying genomics and biotechnology to aquatic ecosystems; and contributing to science management in DFO and the Government of Canada.

### Financial and Human Resources, Science, 2006-2007

<b>Financial Resources (millions of dollars)</b>	<b>Planned Spending<sup>1</sup></b>	<b>Total Authorities</b>	<b>Actual Spending</b>
Monitoring and assessing the status of fishery resources	68.6	71.4	88.1
Supporting the assessment and recovery of species at risk	11.4	11.7	7.0
Researching aquatic invasive species and monitoring aquatic animal diseases	21.9	22.9	20.4
Supporting sustainable aquaculture and understanding aquaculture-environment interactions	13.1	13.5	13.4
Applying genomics and biotechnology to aquatic ecosystems	3.4	3.8	3.8
Contributing to science management in DFO and the Government of Canada	34.5	37.6	19.1
Sub-total	152.9	160.9	151.8
Program Enablers	56.7	57.4	48.9
<b>Total</b>	<b>209.6</b>	<b>218.3</b>	<b>200.7</b>
<b>Human Resources (number of FTEs)</b>	<b>Planned</b>	<b>Actual</b>	<b>Difference</b>
Monitoring and assessing the status of fishery resources		585	
Supporting the assessment and recovery of species at risk		44	
Researching aquatic invasive species and monitoring aquatic animal diseases		126	
Supporting sustainable aquaculture and understanding aquaculture-environment interactions		109	
Applying genomics and biotechnology to aquatic ecosystems		28	
Contributing to science management in DFO and the Government of Canada		124	
Sub-total	1,048	1,016	-32
Program Enablers	269	260	-9
<b>Total</b>	<b>1,317</b>	<b>1,276</b>	<b>-41</b>

**Note:** Planned FTEs by sub-activity are not available for 2006-2007.

<sup>1</sup> Planned spending does not match that in the 2006-2007 RPP, as there was an addition error in the RPP.

<b>Expected Results - Science</b>	<b>Performance Indicators</b>	<b>Results Achieved</b>
Scientific information to support a program vision of sustainable harvest and culture of fish and other aquatic resources and to contribute to sustainable wealth and environment	Scientific production by Fisheries and Oceans as measured by percentage of DFO publications compared to Canadian totals in the subfields of marine biology and hydrobiology and oceanology and limnology	<ul style="list-style-type: none"> <li>In 2004, DFO produced 27% of all Canadian publications in marine biology and hydrobiology, and 31% of publications in oceanography and limnology; DFO's performance remains consistent in the discipline of marine biology and hydrobiology, but the volume of publications in the discipline of oceanography and limnology has declined in recent years<sup>14</sup></li> </ul>

<sup>14</sup> Source: Observatoire des sciences et des technologies (OST) (<http://www.ost.uqam.ca/>).



Expected Results - Science	Performance Indicators	Results Achieved
	Canadians' confidence in DFO Science to conduct scientific research to monitor and promote the health of fish stocks and the marine environment	<ul style="list-style-type: none"> <li>Over the past several years, Canadians have continued to have a moderate degree of confidence in DFO's Science Program to monitor and promote the health of fish stocks and the marine environment; the most recent data indicates that Canadians' confidence has remained relatively consistent since 2000 (Source: Public Opinion Survey by Pollara, 2000<sup>15</sup>, and Créatec, 2006<sup>16</sup>)</li> </ul>
	Level of partnering in scientific research	<ul style="list-style-type: none"> <li>Involved in approximately 525 collaborative research projects with other federal departments and agencies, the private sector, other levels of government, universities and colleges, and international governments and organizations</li> </ul>
	Number of responses to requests for science advice	<ul style="list-style-type: none"> <li>In 2005, approximately 146 publications were produced through the DFO Science Advisory process co-ordinated by the Canadian Science Advisory Secretariat<sup>17</sup> in response to advisory needs identified from internal and external DFO clients in support of sustainable fisheries and aquaculture</li> </ul>

Science contributes to a number of departmental and Government of Canada initiatives and priorities that are directly related to the Sustainable Fisheries and Aquaculture strategic outcome. These include Canada's International Fisheries and Oceans Governance Strategy, the *Species at Risk Act*, Canada's Action Plan to Address the Threat of Aquatic Invasive Species, the National Aquatic Animal Health Program, and the Canadian Biotechnology Strategy. In addition to these priorities, Science supports the Fisheries Renewal and the Aquaculture Framework Agreement by providing information for policies, programs, and regulations.

The Science Renewal priority continued to contribute to an increase in the scope and depth of scientific activity, building Canada's capacity for aquatic science, ensuring the transparency and credibility of scientific advice, and contributing to scientific innovation and commercialization of technology.

These initiatives, supported by strategic investments in areas such as ecosystem science and hydrographic charting in high-risk areas, have continued to move the Science Program in a direction that improves its relevance, effectiveness, and affordability for the benefit of Canadians.



Science – [http://www.dfo-mpo.gc.ca/science/main\\_e.htm](http://www.dfo-mpo.gc.ca/science/main_e.htm)

### Program Priority: Science Renewal

Overall result achieved in 2006-2007: **Met**

<sup>15</sup> The results of this study are based on 2,273 telephone interviews with a representative sample of residents conducted between June 8 and June 28, 2000. Overall results for a survey of this size are considered accurate within  $\pm 2.1\%$ , nineteen times out of twenty.

<sup>16</sup> 2006 DFO Baseline Public Opinion Survey of Coastal, Northern, Freshwater and Inland Residents in Canada ([http://www.dfo-mpo.gc.ca/misc/por\\_318-05/por20060608\\_e.htm](http://www.dfo-mpo.gc.ca/misc/por_318-05/por20060608_e.htm)); Qualitative Research Exploring Canadians' Perceptions, Attitudes and Concerns Towards Aquaculture ([http://www.dfo-mpo.gc.ca/misc/focus-aquaculture\\_e.htm](http://www.dfo-mpo.gc.ca/misc/focus-aquaculture_e.htm))

<sup>17</sup> Source: Canadian Science Advisory Secretariat (CSAS) ([http://www.dfo-mpo.gc.ca/csas/csas/Publications/Pub\\_Index\\_e.htm](http://www.dfo-mpo.gc.ca/csas/csas/Publications/Pub_Index_e.htm))

<b>Commitments in the 2006-2007 RPP</b>	<b>Progress</b>
Carry out long-term strategic and multi-year planning in collaboration with clients and partners	<ul style="list-style-type: none"> <li>Integrated the Science Management Board into the Departmental Planning Framework</li> <li>Developed the Ecosystem Science Framework in support of Integrated Management and the Five-Year Research Agenda to clarify priority research areas and to ensure that Science products, services, and advice meet the needs of clients</li> <li>Held a workshop with more than 140 representatives from other federal departments and universities to fine-tune the approach to Science renewal and associated initiatives</li> </ul>
Provide stability for long-term, public-good monitoring and data management, while maximizing flexibility in the areas of scientific research, advice, services, and products to respond to evolving departmental and federal government priorities	<ul style="list-style-type: none"> <li>Completed plans for most science functions (e.g., research, monitoring, data management, products, and services) to ensure resources are aligned with federal and departmental priorities</li> </ul>

### **Program Sub-activity: Monitoring and Assessing the Status of Fishery Resources**

Through monitoring, research, and data management, Science provides an assessment of the status (e.g., growth, abundance, recruitment, distribution, and migration) and conservation objectives for fish, invertebrates, and marine mammals in support of the sustainable management of the fisheries resource. This information is provided to decision-makers to inform decisions on sustainable harvest levels and international negotiations on the management of straddling stocks.

#### **Plans**

- Support Canada's strategy to curb overfishing and strengthen international fisheries governance by improving knowledge of the structure, functioning, and properties of high seas ecosystems, as well as the ecological impacts of fishing
- Assist Fisheries and Aquaculture Management in applying the precautionary approach, implementing the Pacific Wild Salmon Policy, developing and implementing a Wild Atlantic Salmon Policy, and providing advice on conservation objectives

<b>Expected Results</b>	<b>Results Achieved</b>
Increased knowledge of stock-specific conservation requirements and impacts of harvesting for use by decision-makers	<ul style="list-style-type: none"> <li>Held a workshop on qualitative risk assessment of fishing gears and the impact of fishing gear on benthic habitats and communities to advance the understanding of these activities</li> <li>Undertook enhanced scientific activity on issues related to overfishing on the high seas; studies related to high seas ecosystems and the ecological impacts of fishing are under way on the Atlantic and Pacific coasts to support the International Fisheries and Oceans Governance Strategy</li> </ul>
Increased knowledge of sustainable fisheries practices for use by industry and fishers	<ul style="list-style-type: none"> <li>Collaborated with Fisheries Management to develop and implement the precautionary approach to the Canadian fishery; this included a decision-making framework based on the precautionary approach, and a sustainability checklist for use in measuring status and progress towards sustainability in individual and groups of fisheries</li> <li>Contributed to the consultation draft of the Wild Atlantic Salmon Conservation Policy</li> <li>Provided advice on conservation objectives for a range of exploited stocks</li> </ul>



#### Plans

- Support Canada's strategy to curb overfishing and strengthen international fisheries governance by improving knowledge of the structure, functioning, and properties of high seas ecosystems, as well as the ecological impacts of fishing
- Assist Fisheries and Aquaculture Management in applying the precautionary approach, implementing the Pacific Wild Salmon Policy, developing and implementing a Wild Atlantic Salmon Policy, and providing advice on conservation objectives

#### Expected Results

#### Results Achieved



Impacts Of Trawl Gears And Scallop Dredges On Benthic Habitats, Populations And Communities –  
[http://www.dfo-mpo.gc.ca/csas/csas/status/2006/SAR-AS2006\\_025\\_E.pdf](http://www.dfo-mpo.gc.ca/csas/csas/status/2006/SAR-AS2006_025_E.pdf)

### Program Sub-activity: Supporting the Assessment and Recovery of Species at Risk

The *Species at Risk Act* was created to protect wildlife species from becoming extinct. As the Department with authority for aquatic species under the Act, the Science program undertakes targeted research and monitoring to provide advice to decision-makers on the status of aquatic species, the issuance of permits (incidental harm) and agreements, and the recovery of the species at risk, including the identification of critical habitat.

#### Plans

- Provide information to the Committee on the Status of Endangered Wildlife in Canada (COSEWIC) in support of its efforts to identify and assess species that may be at risk
- Provide advice on the issuance of *Species at Risk Act* (SARA) permits and agreements by the Minister of Fisheries and Oceans under Section 73 and 74 of the Act
- Provide advice on the recovery of species at risk; this includes developing and implementing recovery strategies and action plans, identifying habitats necessary for the survival and recovery of the species, and evaluating the chances of recovery
- Support consultations on 22 species that are candidates for Schedule 1 listing (*Species at Risk Act*)

#### Expected Results

#### Results Achieved

Increased knowledge to support recommendations for SARA listing and for the issuing of permits

- Contributed advice to listing consultations on eight freshwater species under the Federal, Provincial and Territorial Accord for the Protection of Species at Risk
- Contributed data and analyses for all Canadian fish (1,400 species), marine mammals (49 species), and marine reptiles (4 species) to the report *Wild Species 2005: The General Status of Species in Canada*; this report is used by COSEWIC to prioritize species for assessment
- Provided peer-reviewed advice and data and reviewed all species status reports in support of COSEWIC's effort to identify and assess species that may be at risk

Increased knowledge in support of actions for the recovery of listed species

- Contributed advice to the development of *Recovery Potential Assessments* for freshwater and marine species, and evaluated recovery strategies



*Wild Species 2005: The General Status of Species in Canada* –

<http://www.wildspecies.ca/wildspecies2005/index.cfm?lang=e>

COSEWIC –

[http://www.meds-sdmm.dfo-mpo.gc.ca/csas/applications/Events/event\\_e.asp?year\\_selected=2006](http://www.meds-sdmm.dfo-mpo.gc.ca/csas/applications/Events/event_e.asp?year_selected=2006)

Recovery Strategies –

[http://www.meds-sdmm.dfo-mpo.gc.ca/csas/applications/Events/event\\_e.asp?year\\_selected=2006](http://www.meds-sdmm.dfo-mpo.gc.ca/csas/applications/Events/event_e.asp?year_selected=2006)

**Program Sub-activity: Researching Aquatic Invasive Species and Monitoring Aquatic Animal Diseases**

Aquatic invasive species are a major threat to aquatic biodiversity, ecosystem health, and the fisheries and aquaculture industries that healthy and productive ecosystems sustain. The objective is to prevent the introduction and spread of invasive species. Knowledge derived through science activities, such as research on pathways of invasion, methodologies to detect new invasions, risk assessments, control measures, as well as the monitoring of established populations, supports the development of regulatory frameworks, control of existing invasive species, and rapid responses to newly discovered introductions. Monitoring, surveillance, detection, and reporting of aquatic animal diseases of national and international importance in wild and cultured aquatic animals is imperative to prevent serious disease outbreaks. Knowledge derived through science informs certification of aquatic animal health status in support of the Canadian fish/seafood trade and the delivery of federal responsibilities under the *Health of Animals Act* and the *Fisheries Act*.

**Plans**

- Start implementing Canada's Action Plan to Address the Threat of Aquatic Invasive Species by undertaking research to address high-priority species, pathways of invasion, and geographic locations; work will continue on planning activities associated with the rapid response to newly discovered introductions, and the development of the national Aquatic Invasive Species database; methodologies for detecting new invasions, tracking the spread of established populations, and assessing risk will also be examined
- Support Policy Sector in the development of a national regulatory framework for Aquatic Invasive Species
- Continue implementing the National Aquatic Animal Health Program; Science will establish a National Diagnostic and Research Laboratory System for delivery of information required to support new aquatic animal health regulations being developed by the Canadian Food Inspection Agency
- Assist with the development of new aquatic animal health regulations under the Canadian Food Inspection Agency's *Health of Animals Act* and work with the Agency to ensure delivery of federal responsibilities

**Expected Results**

Increased knowledge of pathways, controls, and impacts of aquatic invasive species for use by decision-makers

**Results Achieved**

- In support of Canada's Action Plan to Address the Threat of Aquatic Invasive Species:
  - Continued developing the Aquatic Invasive Species database to enable information sharing among provincial, federal, and university researchers
  - Established a national Centre of Expertise to undertake formal risk assessments on aquatic invasive species
  - Provided advice on the development of Part III of Bill C-45 (the renewed *Fisheries Act*), which provides for increased power to regulate aquatic invasive species





## Plans

- Start implementing Canada's Action Plan to Address the Threat of Aquatic Invasive Species by undertaking research to address high-priority species, pathways of invasion, and geographic locations; work will continue on planning activities associated with the rapid response to newly discovered introductions, and the development of the national Aquatic Invasive Species database; methodologies for detecting new invasions, tracking the spread of established populations, and assessing risk will also be examined
- Support Policy Sector in the development of a national regulatory framework for Aquatic Invasive Species
- Continue implementing the National Aquatic Animal Health Program; Science will establish a National Diagnostic and Research Laboratory System for delivery of information required to support new aquatic animal health regulations being developed by the Canadian Food Inspection Agency
- Assist with the development of new aquatic animal health regulations under the Canadian Food Inspection Agency's *Health of Animals Act* and work with the Agency to ensure delivery of federal responsibilities

Expected Results	Results Achieved
Enhanced ability to prevent serious disease outbreaks and certify aquatic animal health status in support of the Canadian fish/seafood trade	<ul style="list-style-type: none"> <li>▪ In support of the National Aquatic Animal Health Program: <ul style="list-style-type: none"> <li>• Continued to develop a national laboratory system to expand the scope of laboratory diagnostics, improve quality control and quality assurance, assess information management needs, undertake targeted research to enhance disease detection, validate risk analyses, and finalize plans to mitigate or eradicate outbreaks of exotic disease</li> <li>• Worked with the Canadian Food Inspection Agency to strengthen trade-related disease certification and minimize Canada's exposure to exotic pathogens; also conducted initial work on developing new aquatic animal health regulations</li> <li>• Consulted and negotiated with key international partners to promote a science-based approach to the harmonization of trade standards, validate import controls, and control aquatic animal disease ports of entry</li> </ul> </li> </ul>



National Aquatic Animal Health Program –  
[http://www.dfo-mpo.gc.ca/aquaculture/health-sante\\_e.htm#1](http://www.dfo-mpo.gc.ca/aquaculture/health-sante_e.htm#1)

## DFO ON THE JOB

### *How Much Do Rock Crabs Like Tunicates?*

The project had never been tried in Atlantic Canada: a native species caught by commercial fishers got released back into the ocean to help kill off an invasive species. Rock crab is the native species. The invasive species is the vase tunicate, which affects cultured mussels.

Last August, 18,550 kg of rock crab were caught at the mouth of a Prince Edward Island bay. The crabs were then transported to the inner part of the bay and released in the area of cultured mussel leases in the Brudenell and Montague rivers. Will they eat the tunicate, as anecdotal evidence from mussel growers suggests?

Over the years, growers have reported increasing numbers of rock crab in the area of their mussel leases. The small crabs don't do any harm to the mussel crop. They seem more interested in the tunicates covering the mussel socks.

To help the crabs out, mussel growers lowered hundreds of their vertical mussel socks so their ends would touch the river bottoms. The lines then served as ladders for the rock crabs to crawl up and be able to reach the tunicates covering the mussels.



**Some of the 18,500 kg of live rock crabs being released from a fishing boat onto mussel leases in a PEI river**

The project, an initiative of Fisheries and Oceans Canada, the Province of PEI, and the PEI Aquaculture Alliance, is expected to uncover to what extent rock crabs eat tunicates.

The vase tunicate, also known as the sea squirt or *Ciona intestinalis*, is a commercially worthless, slimy, and very unwelcome invasive species that is attracted to aquaculture sites. It grows on mussel socks and gear, competes for food, weighs down the mussel lines, and makes harvesting a costly, labour-intensive process.

If the hypothesis turns out to be correct and rock crabs do like to gorge themselves on the tunicates, the interactions among these three species could prove incredibly valuable to the PEI mussel industry — one of the largest and most successful aquaculture industries in all of Canada.

The project could in fact be a win-win situation for both industry partners, since the commercially viable rock crabs are getting a surplus of food, which may increase their growth and productivity, while the mussel industry is getting help to reduce the impact of a nuisance species.

As a side note, sonic tags were attached to 50 crabs released on the mussel leases. Over the next year, the tags should reveal to the scientists and the industry just how far the rock crabs travel in the bays.



**Biologist takes samples of tunicates from cultured mussel lines in PEI**

### **Program Sub-activity: Supporting Sustainable Aquaculture and Understanding Aquaculture-Environment Interactions**

Science has an important role to play in supporting sustainable aquaculture production. Science efforts are directed towards improved fish nutrition, health, production, and an increased understanding of the interactions between aquaculture and the environment. This knowledge is used by decision-makers in the development of aquaculture policies and guidelines, as well as industry in adopting aquaculture practices that improve sustainability.

#### **Plans**

- Develop and operationalize a national integrated aquaculture science framework
- Provide scientific information and advice on the interactions between aquaculture and the environment, notably on the science underpinning aquaculture performance, monitoring requirements, operational standards, and best management practices
- Co-ordinate and engage in collaborative research and development in support of sustainable aquaculture and the commercialization of innovations

#### **Expected Results**

Increased knowledge for use by decision-makers for the development of aquaculture policies and guidelines

Increased knowledge of sustainable aquaculture practices for use by the aquaculture industry

#### **Results Achieved**

- Established the Centre for Integrated Aquaculture Science to lead, facilitate, co-ordinate, and implement an inter-regional and nationally integrated DFO aquaculture research program


- Directed approximately \$4.5 million towards sixty Aquaculture Collaborative Research Development Program projects in 2006-2007; these projects were undertaken to improve performance in fish production, environmental performance research, and aquatic animal health

### **Program Sub-activity: Applying Genomics and Biotechnology to Aquatic Ecosystems**

Both knowledge and its application through technology are vital for fostering the sustainable development of aquatic resources. Adopting leading-edge genomics research and biotechnology tools improves Fisheries and Oceans Canada's ability to protect endangered species, manage the opening



and closing of fisheries, avoid over-exploitation of resources, prosecute poachers, improve aquaculture practices, control disease outbreaks, remediate contaminated sites, and develop the knowledge necessary to support regulation and risk assessments of aquatic organisms with novel traits.

Plans	
<ul style="list-style-type: none"> <li>Continue to identify genetic markers to improve species and strain identification</li> <li>Develop and apply genomic tools to detect and monitor aquatic animal diseases, as well as environmental stress in aquatic ecosystems</li> <li>Develop bio-remediation technologies to support the remediation of contaminated sites</li> <li>Conduct research on the genetics, biology, physiology, behaviour, and fitness of novel and transgenic fish in support of the Department's regulatory obligations to administer the New Substances Notification Regulations under the <i>Canadian Environmental Protection Act</i></li> <li>Continue to fulfil a regulatory role through implementation of the New Substances Notification Regulation Program for notifications of aquatic organisms with novel traits, including genetically engineered fish for import or manufacture; also develop new aquatic-specific regulations</li> </ul>	
Expected Results	Results Achieved
Increased knowledge and use of biotechnology by decision-makers managing aquatic resources	<ul style="list-style-type: none"> <li>Used the results of ongoing research to identify and validate genetic markers for species and strain identification, bio-remediation technologies, and genomics-related tools to detect and monitor aquatic animal diseases, to identify species of interest or concern, to aid in the protection of endangered species and the management of various fisheries and aquaculture operations, and to assess biodiversity in support of fisheries enforcement</li> </ul>
Increased knowledge and capacity to assess applications for novel aquatic organisms	<ul style="list-style-type: none"> <li>Collaborated with Environment Canada and Health Canada in the continuing implementation of the <i>Canadian Environmental Protection Act</i> New Substances Notification Regulations for aquatic organisms with novel traits, and further progress towards the development of new aquatic-specific regulations</li> </ul>
Improved processes for evaluation/approval of novel aquatic organisms	<ul style="list-style-type: none"> <li>Conducted ongoing research in support of the Department's regulatory obligations to administer the <i>Canadian Environmental Protection Act</i> New Substance Notification Regulations for aquatic organisms with novel traits, including the publication of peer-reviewed papers</li> </ul>
 New Substances Notification Regulatory Program – <a href="http://www.ec.gc.ca/substances/nsb/eng/home_e.shtml">http://www.ec.gc.ca/substances/nsb/eng/home_e.shtml</a>	

### **Program Sub-activity: Contributing to Science Management in DFO and the Government of Canada**

Rapidly emerging departmental and federal priorities for science require a flexible and responsive Science program that is aligned with the needs of decision-makers today while being anticipatory of the requirements for tomorrow. Given this challenge, the Science program continuously scans existing and emerging science-based issues requiring science advice to inform decision-making and determine how the program can be mobilized to ensure relevance, efficiency, affordability, and value to Canadians.

## Plans

- Continue to implement the renewal of the Science Program with a view to finishing in the next two to five years
- Continue to integrate the Department's science and technology efforts with the broader national agenda for science and technology
- Pursue opportunities to build knowledge and recognition of DFO's scientific achievements through strategic public outreach initiatives with national partners

Expected Results	Results Achieved
Effective and efficient use of resources (e.g., financial, human, facilities)	<ul style="list-style-type: none"> <li>▪ Published an annual report of Science Program accomplishments and results</li> <li>▪ See also Program Priority: Science Renewal, page 57</li> </ul>
Contribution to interdepartmental federal science and technology initiatives	<ul style="list-style-type: none"> <li>▪ Contributed to Canada's Federal Science and Technology Strategy, <i>Mobilizing Science and Technology to Canada's Advantage</i></li> </ul>

Annual Report – [http://www.dfo-mpo.gc.ca/science/annual\\_report/index\\_e.htm](http://www.dfo-mpo.gc.ca/science/annual_report/index_e.htm)



*Mobilizing Science and Technology to Canada's Advantage* –

<http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/3e7f6374fd018f9c852572de00503b8a!OpenDocument>

## DFO ON THE JOB

### *Canadian Expertise a Major Focus in World's Reference on Scallops*

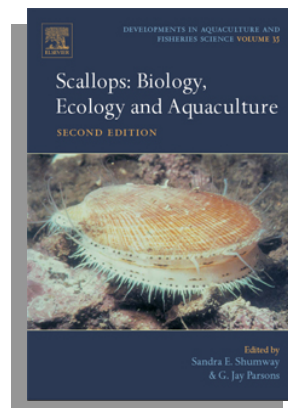
Once again, Canadian expertise in marine science leads the way, this time in a 31-chapter reference text on scallops entitled *Scallops: Biology, Ecology and Aquaculture*. Jay Parsons, of the Department's Aquaculture Science Branch, is co-editor of the new edition with Sandra E. Shumway of the Department of Marine Sciences at the University of Connecticut.

Scallops are tasty, well-known shellfish of great economic importance. They occupy a unique niche in the marine environment, and there is a major scallop fishery in Canada. The publishers, Elsevier, point out that since the publication of the first edition in 1991, commercial interest in scallops has grown globally and this is reflected in the 17 extensive chapters covering both fisheries and aquaculture for all species of scallops in all countries where they are fished or cultured.

Jay Parsons said, "The new edition is a very complete text covering all aspects of the biology of scallops. We think it is essentially the definitive reference for researchers, and for advanced undergraduate and graduate students, and scallop mariculturists. It can also be a resource for an ecosystem approach to management of scallop aquaculture and fisheries."

The book covers scallop biology including anatomy, taxonomy, physiology, ecology, larval biology, and neurobiology. Chapters also address diseases and parasites, genetics, population dynamics, and the adductor muscle, with extensive reference lists provided for each chapter.

Nine current and retired Fisheries and Oceans Canada researchers contributed to the book, including Jay Parsons and Sharon McGladdery in the Ottawa-based Aquaculture Science Branch; Neil Bourne, Susan Bower, and Raymond Lauzier of the Pacific Biological Station in Nanaimo; Peter Cranford and Ginette Robert of the Bedford Institute of Oceanography in Dartmouth; and Shawn Robinson of the St. Andrews Biological Station. Other Canadian contributors were V. Monica Bricelj of the Institute for Marine Biosciences of the National Research Council, John H. Himmelman of the Biology Department at Laval University in Quebec City, Raymond J. Thompson of Memorial University in St. John's, Newfoundland, and Bruce A. MacDonald of the Biology Department and Centre for Coastal Studies at the University of New Brunswick.





## Healthy and Productive Aquatic Ecosystems

The strategic outcome *Healthy and Productive Aquatic Ecosystems* ensures the sustainable development and integrated management of resources in or around Canada's aquatic environment through oceans and fish habitat management. It also involves carrying out the critical science and fisheries management activities that support these two programs.

This strategic outcome is delivered through three program activities:

- Oceans Management;
- Habitat Management; and
- Science.

Oceans are a finite resource, yet the scale and diversity of oceans-related activities are growing dramatically. Commercial fishing fleets, fish farmers, recreational boaters, ecotourists, cruise ship operators, offshore oil and gas developers, and marine transport companies all seek to use ocean resources. The growth of coastal and marine activities has resulted in ecosystem imbalances, degradation of the marine environment, and the introduction of potentially harmful species.

In January 1997, Canada enacted a law, the *Oceans Act*, which established an innovative approach to the way our nation will manage its oceans in the 21st century. Canada released its Oceans Strategy on July 12, 2002. The Oceans Strategy provides policy direction, assists in building partnerships, and supports a number of key activities.


As a practical companion piece to the Oceans Strategy, the Government of Canada announced the Oceans Action Plan (OAP) in the 2004 *Speech from the Throne*. The Oceans Action Plan, announced in the February 2005 budget, focused on improving oceans management and preserving the health of marine ecosystems. It involves working collaboratively across all levels of government in Canada and with Canadians to pursue sustainable development and implement integrated management plans and Marine Protected Areas in Canada's oceans and coastal areas. The Oceans Action Plan Phase I has enabled Government-wide action to develop Canada's ocean resources for the benefit of coastal communities while protecting fragile marine ecosystems. Specifically, Fisheries and Oceans has established six Marine Protected Areas to date and is working on five more. Furthermore, the federal budget 2007 announced that six additional Marine Protected Areas would be established in the future.

The International Fisheries and Oceans Governance Strategy supports the Oceans Action Plan by focusing on the international leadership required to improve sectoral management of ocean resources. Canada promotes improved oceans governance and biodiversity protection by encouraging better use of international tools and mechanisms.

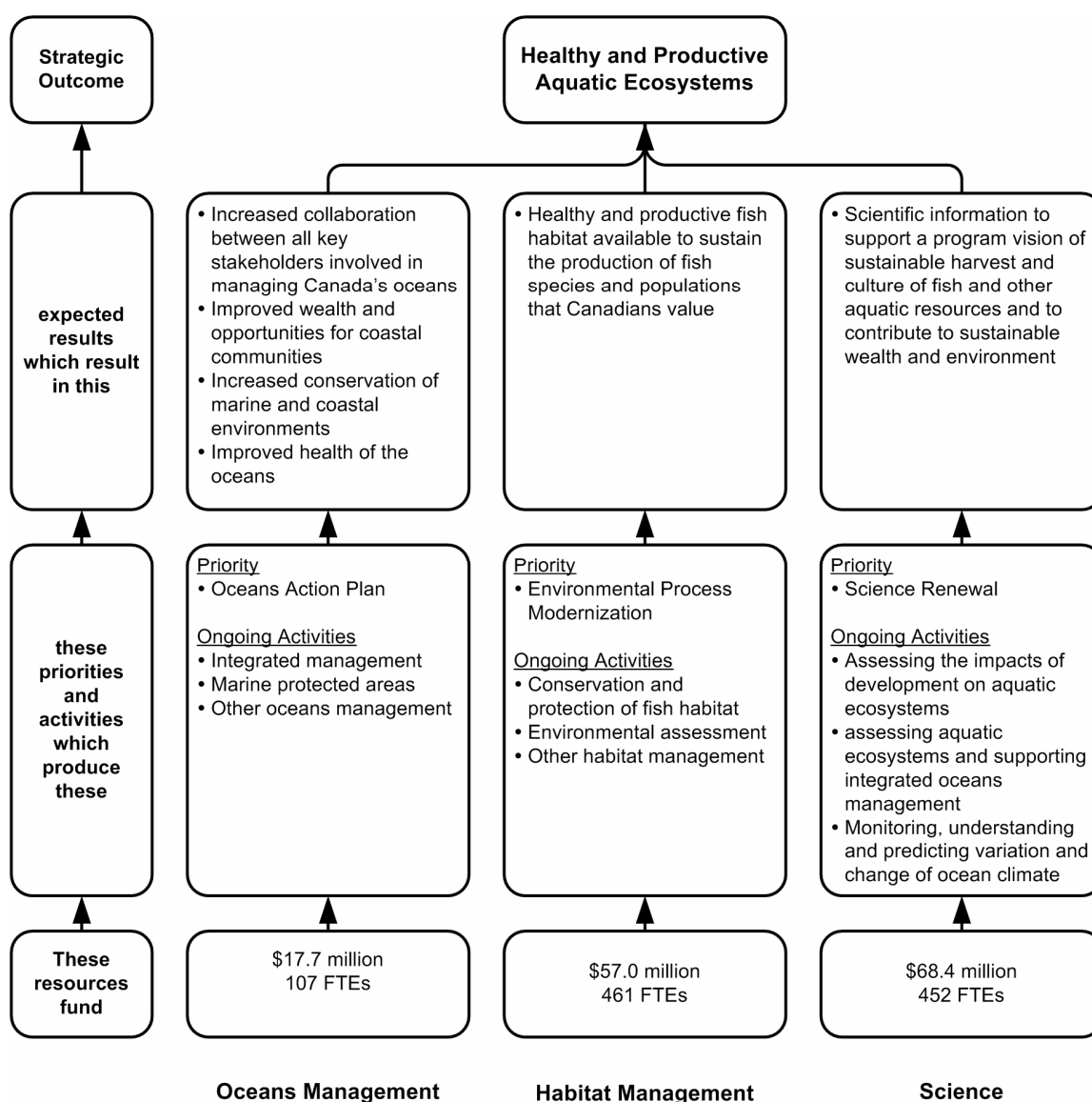
Development projects that occur in and around marine and freshwater ecosystems across Canada can impact fish and fish habitat. These projects can range from simple docks and water crossings to complex aquaculture, mining, hydro, and oil and gas development. Each project must be reviewed to determine its impact and to ensure that it complies with the habitat protection provisions of the *Fisheries Act*.

The continuing surge in economic development activities taking place across Canada, particularly in the natural resource-based economic sectors and in the North, has resulted in an increased workload for the Habitat Management Program. In addition, the program has had to deal with more complex projects requiring regulatory review and environmental assessment, heightened expectations for stakeholder consultations, and higher legal thresholds for consultations with Aboriginal communities.

The Science Program provides scientific research, monitoring, advice, products and services, and data management to support the integrated management of healthy and productive aquatic ecosystems for the benefit and enjoyment of Canadians. Science work is founded on the needs of an ecosystem-based approach to the integrated management of Canada's oceans and inland waterways, consistent with the direction provided by the Science Management Board. The ongoing implementation of the Science Renewal priority will also contribute to departmental priorities associated with improved planning and reporting and departmental renewal.

Canada's Oceans Strategy – [http://www.dfo-mpo.gc.ca/oceans-habitat/oceans/ri-rs/cos-soc/index\\_e.asp](http://www.dfo-mpo.gc.ca/oceans-habitat/oceans/ri-rs/cos-soc/index_e.asp)  
 Oceans Action Plan – [http://www.dfo-mpo.gc.ca/oceans-habitat/oceans/oap-pao/index\\_e.asp](http://www.dfo-mpo.gc.ca/oceans-habitat/oceans/oap-pao/index_e.asp)

## Results Chain





## What Did DFO Spend?

Approximately 11% of the Department's total expenditures for 2006-2007 — or \$183 million — was used to ensure healthy and productive aquatic ecosystems.

### Financial and Human Resources, Healthy and Productive Aquatic Ecosystems, 2006-2007

<i>Financial Resources (millions of dollars)</i>	<i>Planned Spending</i>	<i>Total Authorities</i>	<i>Actual Spending</i>
Oceans Management	26.0	29.9	17.7
Habitat Management	56.6	58.7	57.0
Science in support of Healthy and Productive Aquatic Ecosystems	53.4	58.7	68.4
Program Enablers <sup>1</sup>	45.8	48.3	39.9
<b>Total</b>	<b>181.9</b>	<b>195.5</b>	<b>183.0</b>
<i>Human Resources (number of FTEs)</i>	<i>Planned</i>	<i>Actual</i>	<i>Difference</i>
Oceans Management	114	107	-7
Habitat Management	452	461	9
Science in support of Healthy and Productive Aquatic Ecosystems	493	452	-41
Program Enablers <sup>1</sup>	225	217	-8
<b>Total</b>	<b>1,284</b>	<b>1,237</b>	<b>-47</b>

**Note:** Because of rounding, figures may not add to the totals shown.

<sup>1</sup> Financial and human resources for Program Enablers have been prorated across program activities. Section 4 provides further information on Program Enablers.

## Program Activity: Oceans Management

Oceans management involves the conservation and sustainable use of Canada's oceans in collaboration with other levels of government, Aboriginal organizations, and other non-government stakeholders through the development and implementation of objectives-based integrated oceans management plans and the application of marine conservation tools. Modern oceans management arrangements deal with a number of challenges, including oceans health, marine habitat loss, declining biodiversity, growing demands for access to ocean resources, and regulatory and jurisdictional complexities.

The Oceans Management program activity has one of the departmental program priorities — Oceans Action Plan — and is delivered through three program sub-activities: integrated management; marine protected areas; and other oceans management.



**Financial and Human Resources, Oceans Management, 2006-2007**


<b>Financial Resources (millions of dollars)</b>	<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual Spending</b>
Integrated Management	9.0	9.3	6.3
Marine Protected Areas	4.7	4.9	2.1
Other Oceans Management	12.3	15.7	9.3
Sub-total	26.0	29.9	17.7
Program Enablers	7.1	7.2	6.7
<b>Total</b>	<b>33.1</b>	<b>37.1</b>	<b>24.4</b>
<b>Human Resources (number of FTEs)</b>	<b>Planned</b>	<b>Actual</b>	<b>Difference</b>
Integrated Management		44	
Marine Protected Areas		13	
Other Oceans Management		50	
Sub-total	114	107	-7
Program Enablers	46	45	-2
<b>Total</b>	<b>160</b>	<b>152</b>	<b>-9</b>

**Note:** Planned FTEs by sub-activity are not available for 2006-2007.

<b>Expected Results – Oceans Management</b>	<b>Performance Indicators</b>	<b>Results Achieved</b>
Increased collaboration between all key stakeholders involved in managing Canada's oceans	Oceans Action Plan deliverables completed and used to inform the development of Oceans Action Plan Phase II	<ul style="list-style-type: none"> <li>All deliverables are either completed or near completion; progress on the Oceans Action Plan was heavily used to develop the Budget 2007 proposal on the Health of the Oceans</li> </ul>
	Establishment of Regional Implementation Committees (RICs) within Large Ocean Management Areas	<ul style="list-style-type: none"> <li>Established Regional Implementation Committees (RICs) or equivalents for all large ocean management areas</li> </ul>
	Completion of workplan for Canadian Council of Fisheries and Aquaculture Ministers – Oceans Task Group	<ul style="list-style-type: none"> <li>Workplan completed; key deliverables included: a report outlining roles of provincial and territorial governments in the Oceans Sector, a BC study to determine the economic value of marine-related activities, an inventory of all Marine Protected Area sites in the provinces and territories, and a Social, Economic and Cultural Guidance Document developed for Integrated Management</li> </ul>
Improved wealth and opportunities for coastal communities	Indicator under development	<ul style="list-style-type: none"> <li>Started to develop baseline data on current uses, economic profiles, and social/cultural characteristics</li> </ul>
Increased conservation of marine and coastal environments	Completion of five Ecosystem Overview and Assessment Reports and identification of Ecologically and Biologically Significant Areas	<ul style="list-style-type: none"> <li>Completed Ecosystem Overview and Assessment Reports for all five Large Ocean Management Areas (LOMAS)</li> <li>Developed and applied an operational framework and guidelines for identifying Ecologically and Biologically Significant Areas (EBSAs) in each of the five LOMAS</li> </ul>
Improved health of the oceans	Percentage of the 10 potential Marine Protected Areas (MPAs) to be designated by 2009	<ul style="list-style-type: none"> <li>60% of potential Marine Protected Areas have been designated</li> </ul>





<i>Expected Results – Oceans Management</i>	<i>Performance Indicators</i>	<i>Results Achieved</i>
 Oceans Action Plan - <a href="http://www.dfo-mpo.gc.ca/oceans-habitat/oceans/oap-pao/index_e.asp">http://www.dfo-mpo.gc.ca/oceans-habitat/oceans/oap-pao/index_e.asp</a>		

Last year, DFO focused on strengthening relationships federally, provincially, and territorially. The Department established new national governance bodies and new horizontal arrangements, and partnerships are emerging among federal departments and with partners. The Department also developed collaborative working relationships with coastal communities, provinces, Aboriginal groups, industry, and other interested parties. DFO has established Regional Implementation Committees, which include interdepartmental federal and provincial representatives or equivalents in all Large Ocean Management Areas (LOMAs).

2006-2007 was also a science-focused year. Ecosystem Overview and Assessment Reports (EOARs), technical documents that provide information on marine and coastal ecosystems, including ecosystem and species status and trends, impact assessments, and management recommendations to support integrated oceans management planning and further decision-making, were completed for all LOMAs.

Within the context of oceans health, DFO designated another MPA — Musquash Estuary in the Bay of Fundy, New Brunswick — in line with Canada's Marine Protected Area (MPA) Strategy. This makes a total of six MPAs designated to date, with additional MPAs proposed. DFO also identified numerous Ecologically and Biologically Significant Areas (EBSAs) and tackled oceans pollution. For example, DFO enhanced aerial surveillance to identify ships discharging pollutants into the Atlantic Ocean. This allowed for improved enforcement actions and early responses to the spills.

Finally, opportunities for new oceans technologies are being explored. For example, the Placentia Bay Technology Demonstration Platform is an OAP commitment that is already showing good signs of progress. A co-operative Oceans Work Plan between Canada and the United States was also developed to support integrated management (particularly in transboundary areas such as the Gulf of Maine), to advance an ecosystem-based approach to oceans management, to improve the efficiency of implementing each nation's oceans actions plans, and to promote advanced planning.




[http://www.dfo-mpo.gc.ca/oceans-habitat/oceans/index\\_e.asp](http://www.dfo-mpo.gc.ca/oceans-habitat/oceans/index_e.asp)

### **Program Priority: Oceans Action Plan**


Overall result achieved in 2006-2007: **Met**

<i>Commitments in the 2006-2007 RPP</i>	<i>Progress</i>
Establish ecosystem-based approaches to science and develop new oceans technologies to provide essential support for decision-making	<ul style="list-style-type: none"> <li>Developed national guidelines for identifying conservation priorities and phrasing conservation objectives for Large Oceans Management Areas</li> <li>Identified conservation objectives for the five Large Ocean Management Areas, and is reviewing draft conservation objectives for the Eastern Scotian Shelf Integrated Management Initiative (ESSIM)</li> </ul>
Develop innovative regulations to prevent marine pollution from ships and to reduce the risk of aquatic invasive species	<ul style="list-style-type: none"> <li>Transport Canada received funding through the Oceans Action Plan to develop and implement Ballast Water Control and Management Regulations</li> </ul>
Implement seabed mapping and ecosystem science to	<ul style="list-style-type: none"> <li>Natural Resources Canada is the lead for this initiative, supported by the Canadian Coast Guard and the</li> </ul>

<b>Commitments in the 2006-2007 RPP</b>	<b>Progress</b>
support Integrated Management	Canadian Hydrographic Service; although mapping was expected to be completed in 2006-2007, funding delays resulted in some mapping being rescheduled to 2007-2008
Implement pilot projects in Placentia Bay to demonstrate the potential of new oceans technologies	<ul style="list-style-type: none"> <li>Implemented the SmartBay Buoy Program as an operational "ocean observing system" for Placentia Bay; the program provides up-to-date, readily accessible information, such as custom weather and sea-state forecasts, access to digital multi-beam data, community information, fisheries information, and aquaculture environmental monitoring information</li> </ul>
<p>Guidance Document On Identifying Conservation Priorities and Phrasing Conservation Objectives For Large Ocean Management Areas –  <a href="http://www.dfo-mpo.gc.ca/csas/Csas/status/2007/SAR-AS2007_010_E.pdf">http://www.dfo-mpo.gc.ca/csas/Csas/status/2007/SAR-AS2007_010_E.pdf</a></p> <p> Canada's Federal Marine Protected Areas Strategy –  <a href="http://www.dfo-mpo.gc.ca/oceans-habitat/oceans/mpa-zpm/fedmpa-zpmfed/pdf/mpa_e.pdf">http://www.dfo-mpo.gc.ca/oceans-habitat/oceans/mpa-zpm/fedmpa-zpmfed/pdf/mpa_e.pdf</a></p> <p>Ballast Water Control and Management Regulations –  <a href="http://www.tc.gc.ca/MarineSafety/TP/Tp13617/menu.htm">http://www.tc.gc.ca/MarineSafety/TP/Tp13617/menu.htm</a></p> <p>SmartBay Buoy Program –  <a href="http://www.smartbay.ca/index.php">http://www.smartbay.ca/index.php</a></p>	

### **Program Priority: International Governance**

Overall result achieved in 2006-2007: **Exceeded**

<b>Commitments in the 2006-2007 RPP</b>	<b>Progress</b>
Implement the second year of the International Fisheries and Oceans Governance Strategy	<ul style="list-style-type: none"> <li>Supported activities designed to lead to more responsible management and the sustainability of high seas ecosystems: <ul style="list-style-type: none"> <li>Achieved ministerial endorsement by the Arctic Council for a Canadian co-led initiative to implement an ecosystem approach in the Arctic Ocean</li> <li>Brokered consensus in the United Nations General Assembly and the Convention on Biological Diversity for recommendations on protecting high seas biodiversity</li> <li>The United Nations General Assembly (UNGA) adopted a Resolution on sustainable fisheries, which advanced a number of Canada's interests, including the protection of vulnerable marine ecosystems</li> <li>See also Sustainable Fisheries and Aquaculture, page 40</li> </ul> </li> </ul>
<p> International Fisheries and Oceans Governance Strategy –  <a href="http://www.dfo-mpo.gc.ca/overfishing-surpeche/index_e.htm">http://www.dfo-mpo.gc.ca/overfishing-surpeche/index_e.htm</a></p>	

### **Program Sub-activity: Integrated Management**

Integrated oceans management involves adopting a spatially based planning and management approach, based on ecosystem-scale management objectives, which provide guidance to all ocean-related regulators. Associated governance structures provide a forum for bringing together ocean users and stakeholders, including provinces, territories, Aboriginal groups, industry, and coastal communities, to plan for activities in Canada's oceans. The development of plans that include ecological, social, and economic objectives is a key requirement of successful integrated oceans management.



## Plans


- Continue the integrated management planning of five priority Large Ocean Management Areas: Placentia Bay/Grand Banks, Scotian Shelf, Gulf of St. Lawrence, Beaufort Sea, and the Pacific North Coast; in the initial phase, the main focus will be ecosystem overview reports and mapping of sensitive marine areas
- Continue to address governance issues in integrated management planning
- Develop federal-provincial-territorial agreements on oceans priorities as required
- Develop agreements with First Nations or other Aboriginal organizations
- Conclude the Canada-BC Memorandum of Understanding on Oceans

Expected Results	Performance Indicators	Results Achieved
Regional Implementation Committees established for each of the 5 Large Ocean Management Areas	Number of Regional Implementation Committees involved in the implementation of the Oceans Action Plan Phase I	<ul style="list-style-type: none"> <li>▪ All five Regional Implementation Committees (or equivalents) are involved in the implementation of Oceans Action Plan (OAP) Phase I</li> </ul>
Active involvement of the Oceans Technology Group to facilitate advancement of integrated management	Indicators under development	<ul style="list-style-type: none"> <li>▪ The Oceans Science and Technology Partnership<sup>18</sup> hosted four major cross-consultation workshops with ocean industries and academia</li> <li>▪ Prepared a strategy document entitled <i>Global Markets for Ocean Observation Systems</i></li> </ul>
Signing of federal and provincial Memorandums of Understanding and other agreements related to oceans management	Provinces, territories, Aboriginal groups, and stakeholders engaged and actively participating in the implementation of Oceans Action Plan Phase I and the development of Oceans Action Plan Phase II	<ul style="list-style-type: none"> <li>▪ Continued to work on finalizing ocean management sub-agreements regarding information sharing, coastal planning, and coastal management under the 2004 Canada-BC Memorandum of Understanding, Respecting the Implementation of Canada's Oceans Strategy on the Pacific Coast of Canada</li> <li>▪ Continued to develop agreements with several Atlantic provinces (PEI, New Brunswick, Nova Scotia, and Newfoundland and Labrador) and stakeholders such as the Fish, Food and Allied Workers in Newfoundland and Labrador and Memorial University</li> <li>▪ Finalized a Memorandum of Understanding with the Newfoundland Department of Fisheries and Aquaculture</li> </ul>
Science-based guidance to oceans stakeholders and regulations focused on sustainable development goals	Percentage of Large Ocean Management Areas (LOMAs) with Ecosystem Overview and Assessment Reports (EOARs) completed and Ecologically and Biologically Significant Areas (EBSAs) identified	<ul style="list-style-type: none"> <li>▪ Completed EOARs for all five LOMAs based on recently completed guidelines for evaluating Ecosystem Overview and Assessment Reports</li> <li>▪ Identified several EBSAs within each of the LOMAs; this work is ongoing</li> </ul>

<sup>18</sup> OSTP is the new name for the Oceans Technology Group.

## Plans

- Continue the integrated management planning of five priority Large Ocean Management Areas: Placentia Bay/Grand Banks, Scotian Shelf, Gulf of St. Lawrence, Beaufort Sea, and the Pacific North Coast; in the initial phase, the main focus will be ecosystem overview reports and mapping of sensitive marine areas
- Continue to address governance issues in integrated management planning
- Develop federal-provincial-territorial agreements on oceans priorities as required
- Develop agreements with First Nations or other Aboriginal organizations
- Conclude the Canada-BC Memorandum of Understanding on Oceans

Expected Results	Performance Indicators	Results Achieved
 The Oceans Science and Technology Partnership – <a href="http://www.ostp-pslo.ca/">http://www.ostp-pslo.ca/</a> Global Markets for Ocean Observation Systems – <a href="http://www.ostp-pslo.ca/Files/P382_OOS_Executive_Summary_FINAL_2006.pdf">http://www.ostp-pslo.ca/Files/P382_OOS_Executive_Summary_FINAL_2006.pdf</a>		

## DFO ON THE JOB

### Trading Books for Boats

Forget the books and hop aboard a boat – at least for one day! That's the innovative approach of an educational program that encourages a greater understanding of, and appreciation for, water quality. Aimed at grade nine students, the Trading Books for Boats initiative addresses pollution in the Bay of Islands, located near Corner Brook on the west coast of the island portion of Newfoundland and Labrador.

One day in the fall, students head out in a chartered boat to different sites around the Bay to collect water samples and temperatures.

Conrad Mullins, an Oceans biologist with Oceans and Habitat Management in the Region, played a huge part in initiating the program. He strongly believes that this hands-on learning experience has a lot of impact on students.

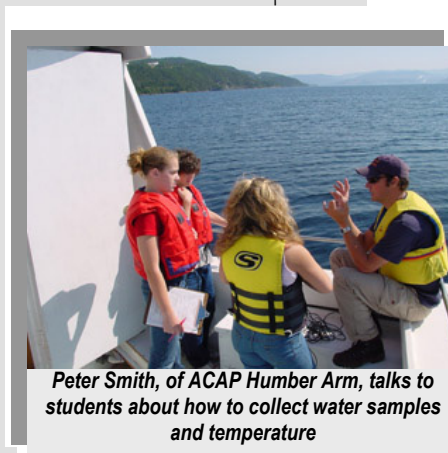
"They'll look at their samples under a microscope in a laboratory, analyze the information and produce a report on their results. They can compare the temperature and water quality data from those of the previous year for a particular area, and see if there is an improvement," he says.

Conrad is excited about the opportunities a program like this brings. Not only does it instill coastal planning awareness in youth, it will also help to diminish the pollution problem in the Bay of Islands area.

"This program does three things – one, it serves as an education and public awareness tool for anyone who wants to access the information; two, it is a monitoring tool for us and the stakeholders we're working with to know whether or not their work is actually having an impact; and three, it helps to build relationships among government agencies and community groups engaged in sustainable oceans management," he explains.

The program was developed in 2002 by Fisheries and Oceans Canada and Atlantic Coastal Action Plan (ACAP), and has been so well received that it is now accredited by the Department of Education in the province for grade nine Science and Technology Program, and supports the marine environment outcomes for the course.

The Trading Books for Boats Program is gaining popularity as other schools across the province are hoping to make it a part of their curriculum.



**Peter Smith, of ACAP Humber Arm, talks to students about how to collect water samples and temperature**



"Over the past four years, all schools in the Bay of Islands have participated, with more than 3,000 students involved. Young people and others learn to become concerned not only about making a living from the marine environment, but also about whether or not the oceans are healthy," Conrad concludes happily.

### Program Sub-activity: Marine Protected Areas

Marine Protected Areas (MPAs) support the sustainable management of the oceans resource by providing options to secure critical aspects of the ecosystem from harm. Since healthy and productive ocean ecosystems are the foundation of all ocean-related activities, a number of actions including MPAs are undertaken to protect and manage unique and sensitive ecosystems. Furthermore, Fisheries and Oceans Canada, Environment Canada, and Parks Canada are all mandated to establish MPAs for different but complementary reasons.

Plans		
<ul style="list-style-type: none"> <li>Implement the federal Marine Protected Area (MPA) Strategy</li> <li>Communicate a government-wide strategy for MPAs</li> <li>Designate MPAs on a priority basis as approved by the Minister in all three of Canada's oceans</li> <li>Identify candidate MPAs in the five priority Large Ocean Management Areas (LOMAs) as building blocks of the national network</li> </ul>		
Expected Results	Performance Indicators	Results Achieved
Increased understanding and protection of the marine environment within the five priority Large Ocean Management Areas (LOMAs) and Marine Protected Areas	Implementation of the federal MPA Strategy	<ul style="list-style-type: none"> <li>Developed draft Guidelines for the Establishment of a Federal Marine Protected Areas Network for interdepartmental, provincial, and public review</li> </ul>
Designation of new Marine Protected Areas by March 2007	Completion of the designation process for the establishment of identified MPAs	<ul style="list-style-type: none"> <li>Basin Head (2005); Gilbert Bay (2005); Eastport (2005); The Gully (2004); Endeavour (2003); Musquash Estuary (2006)</li> </ul>
	Identification of areas of interest in the five LOMAs as components of the national MPA network	<ul style="list-style-type: none"> <li>This work is ongoing</li> </ul>

### DFO ON THE JOB

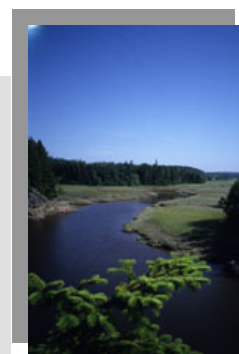
#### Musquash Estuary is Canada's Newest Marine Protected Area (MPA)

Musquash Estuary has been officially designated a Marine Protected Area (MPA) under Canada's Oceans Act. It is the first MPA designated in New Brunswick.

Musquash Estuary is located along the coast of the Bay of Fundy, approximately 20 kilometres southwest of Saint John, New Brunswick. Given its large size and relatively undisturbed condition, Musquash is unique among Bay of Fundy estuaries. It is one of the last ecologically intact estuaries in a region where human activities have modified most of the original salt marshes.

The New Brunswick provincial government has transferred 1 150 hectares (or 11.5 square km) of Musquash Crown lands to the federal government.

Formal MPA designation celebrates the substantial and longstanding efforts of dedicated individuals and local conservation organizations to protect Musquash estuary and the surrounding coastal lands.



### Program Sub-activity: Other Oceans Management

Other Oceans Management activities include enhancing leadership, federal co-ordination, and collaboration with other levels of government to achieve common oceans objectives in the delivery of the Oceans Action Plan.

Plans		
▪ Finalize seismic guidelines designed to mitigate the effects of seismic sound on the marine environment		
Expected Results	Performance Indicators	Results Achieved
Co-operation with federal, provincial, and territorial agencies implementing the seismic guidelines	Mitigation of seismic sound in the marine environment through development of science-based marine environmental quality guidelines	▪ Federal and provincial authorities have approved the draft Canadian statement of practice to mitigate the impacts of seismic sound; First Nations consultations to be initiated in 2007

### Program Activity: Habitat Management

In collaboration with others, Habitat Management involves conserving and protecting fish and fish habitat from the impacts of activities occurring in and around fresh and marine fish-bearing waters, and improving (restoring and developing) fish habitat through the administration of the habitat protection provisions of the *Fisheries Act*, providing advice on related provisions of the Act, and applying non-regulatory activities. It also involves conducting environmental assessments before regulatory decisions listed in the Law List Regulations of the *Canadian Environmental Assessment Act* and participating in other environmental assessment regimes. These activities are performed in a manner consistent with the *Species at Risk Act*, the Policy for the Management of Fish Habitat, and other operational policies; consultation with Aboriginal groups; the goals and principles of sustainable development; and the policies and priorities of the federal government.

Habitat Management has one of the departmental program priorities — Environmental Process Modernization — and is delivered through three program sub-activities: conservation and protection of fish habitat; environmental assessments; and other habitat management.



### Financial and Human Resources, Habitat Management, 2006-2007

<b>Financial Resources (millions of dollars)</b>	<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual Spending</b>
Conservation and Protection of Fish Habitat	23.3	24.0	40.2 <sup>1</sup>
Environmental Assessment	19.8	20.8	2.9
Other Habitat Management	13.4	13.8	14.0
Sub-total	56.6	58.7	57.0
Program Enablers	14.1	15.9	13.5
<b>Total</b>	<b>70.7</b>	<b>74.6</b>	<b>70.5</b>
<b>Human Resources (number of FTEs)</b>	<b>Planned</b>	<b>Actual</b>	<b>Difference</b>
Conservation and Protection of Fish Habitat		323	
Environmental Assessment		23	
Other Habitat Management		115	
Sub-total	452	461	9
Program Enablers	95	91	-3
<b>Total</b>	<b>547</b>	<b>552</b>	<b>6</b>

**Note:** Planned FTEs by sub-activity are not available for 2006-2007.

Because of rounding, figures may not add to the totals shown.

<sup>1</sup> The difference between planned and actual spending is due to a corrective internal reallocation in the Central and Arctic Region in 2006-2007, from Environmental Assessment to Conservation and Protection of Fish Habitat.

<b>Expected Results – Habitat Management</b>	<b>Performance Indicators</b>	<b>Results Achieved</b>
Healthy and productive fish habitat available to sustain the production of fish species and populations that Canadians value	Number of habitat compensation plans developed to create and/or replace fish habitat lost as a result of development projects	<ul style="list-style-type: none"> <li>Developed approximately 435 compensation plans</li> </ul>

The Department's Habitat Management Program (HMP) is the key federal environmental regulator for most development projects that occur in and around marine and freshwater ecosystems across Canada. In 2006-2007, HMP received approximately 7,250 proposals, known as referrals, for review of the impact on fish and fish habitat. Based on the review, HMP staff send advice to proponents indicating the requirements for the conservation and protection of fish habitat. These requirements are commonly in the form of a Letter of Advice, an Operational Statement for low-risk activities, or a *Fisheries Act* Authorization.

DFO was a responsible authority in more environmental assessments under the *Canadian Environmental Assessment Act* (CEAA) than any other single federal department or agency — about 20% of total federal screenings and 30% of all comprehensive studies.

DFO continued implementation of the Environmental Process Modernization Plan (EPMP). Performance information collected through an online engagement process that DFO completed in 2006 and/or recorded in the Program Activity Tracking for Habitat system indicates that DFO achieved results as planned.



Habitat Management Program – [http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/index\\_e.asp](http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/index_e.asp)

Environmental Process Modernization – [http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/modernizing-moderniser/index\\_e.asp](http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/modernizing-moderniser/index_e.asp)

Online Engagement Process – [http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/measuring-mesures/online-direct/index\\_e.asp](http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/measuring-mesures/online-direct/index_e.asp)

## Program Priority: Environmental Process Modernization

Overall result achieved in 2006-2007: **Met**

<b>Commitments in the 2006-2007 RPP</b>	<b>Progress</b>
Implement a program-wide, science-based risk management framework for identifying projects posing the greatest risk to the environment	<ul style="list-style-type: none"> <li>Implemented a Risk Management Framework and developed additional Pathways of Effects that describe cause-and-effect relationships between specific development activities and fish habitat</li> </ul>
Streamline referrals of low-risk projects so that resources can be allocated to higher risk reviews and other priorities	<ul style="list-style-type: none"> <li>Received 1,400 notifications of use of Operational Statements</li> </ul>
Improve management of major projects, including new policy guidance and new organizational structures	<ul style="list-style-type: none"> <li>Allocated new resources and established special business units to focus on major projects across Canada</li> <li>Published a series of decision-making guides (protocols) for Habitat Management staff to improve the predictability and timeliness of decisions</li> </ul>
Formalize partnerships with industry sectors, provinces, territories, municipalities, conservation groups, and others to enhance understanding, adopt common agendas, and integrate DFO's responsibilities with the interests of key stakeholders	<ul style="list-style-type: none"> <li>Signed a formal partnership agreement with a coalition of nine major national/regional conservation non-governmental organizations (NGOs) focused on public education, monitoring, and watershed planning</li> <li>Established the National Fish Habitat Coordinating Committee (NFHCC) in co-operation with the Canadian Environmental Network to enable advocacy and improve consultations undertaken by the Department</li> <li>Implemented agreements with Canada's natural resource industry sectors, provinces, and territories</li> </ul>
Improve the predictability and coherence of decision-making by implementing mandatory training for all staff, and adopting new governance structures and national operating procedures	<ul style="list-style-type: none"> <li>Continued to implement the national Mandatory Training Program (MTP) for all Habitat Management staff:               <ul style="list-style-type: none"> <li>90% of Habitat staff completed the Habitat Management -101 course</li> <li>20% of staff completed the Information Management -101 course</li> </ul> </li> <li>Adopted a Standard Operating Policy Manual and successfully implemented new internal governance structures for the Habitat Management Program</li> </ul>
Clarify compliance rules to improve effectiveness	<ul style="list-style-type: none"> <li>Developed and implemented a National Habitat Compliance Protocol to clarify roles, responsibilities, and accountabilities of Conservation and Protection and the Habitat Management Program in the delivery of an integrated DFO habitat compliance program</li> </ul>
 <p>           Risk Management Framework – <a href="http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/modernizing-moderniser/risk-risques_e.asp">http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/modernizing-moderniser/risk-risques_e.asp</a>            Operational Statements – <a href="http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/modernizing-moderniser/epmp-pmpe/index_e.asp">http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/modernizing-moderniser/epmp-pmpe/index_e.asp</a>            Environmental Assessments and Major Projects – <a href="http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/modernizing-moderniser/eamp-eeep_e.asp">http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/modernizing-moderniser/eamp-eeep_e.asp</a>            Agreement with major conservation non-governmental organizations – <a href="http://www.dfo-mpo.gc.ca/media/backgrou/2007/hq-ac10a_e.htm">http://www.dfo-mpo.gc.ca/media/backgrou/2007/hq-ac10a_e.htm</a>            Partnering agreements – <a href="http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/about-us-a-propos/partners-partenaires/index_e.asp?#Partnering">http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/about-us-a-propos/partners-partenaires/index_e.asp?#Partnering</a>            Compliance modernization – <a href="http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/modernizing-moderniser/modernization-modernisation_e.asp">http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/modernizing-moderniser/modernization-modernisation_e.asp</a> </p>	

## Program Sub-activity: Conservation and Protection of Fish Habitat

In collaboration with others, this program conserves and protects fish and fish habitat from the impacts of activities occurring in and around fresh and marine fish-bearing waters and improving (restoring and





developing) fish habitat through the administration of the habitat protection provisions of the *Fisheries Act* and the application of non-regulatory activities.

Plans		
<ul style="list-style-type: none"> <li>Implement these aspects of EPMP: risk management, referral streamlining, partnering, and modernization of habitat compliance</li> </ul>		
Expected Results	Performance Indicators	Results Achieved
Proponents' projects completed with minimal or no adverse effects on fish habitat	Number of Letters of Advice and Authorizations issued	<ul style="list-style-type: none"> <li>Provided proponents and others with approximately 5,000 items of written advice, and issued approximately 435 <i>Fisheries Act</i> Authorizations</li> </ul>
	Number of partnership agreements/arrangements	<ul style="list-style-type: none"> <li>Finalized fewer than expected agreements with Aboriginal groups in 2006-2007</li> <li>Developed approximately 90 partnerships with other levels of government, NGOs, Aboriginal groups, and Conservation authorities</li> </ul>
	Percentage of proponents that comply with the requirements of the habitat protection provisions of the <i>Fisheries Act</i>	<ul style="list-style-type: none"> <li>Received approximately 7,250 habitat referrals for review to ensure compliance with the habitat protection provisions of the <i>Fisheries Act</i>.</li> <li>This represents a 20% reduction in referral workload compared to fiscal year 2005-2006, consistent with the objectives of the Environmental Process Modernization Plan</li> </ul>
Partners and stakeholders aware and supportive of fish habitat management objectives	Number of national Operational Statements <sup>19</sup> developed and approved	<ul style="list-style-type: none"> <li>Developed and approved five national Operational Statements for a cumulative total of eighteen</li> </ul>
	Use of Operational Statements for low-risk activities by proponents, industry associations, and provinces	<ul style="list-style-type: none"> <li>Operational Statements were used approximately 1,400 times to address a range of low-risk activities across Canada</li> </ul>

<sup>19</sup> Measures and conditions for avoiding the harmful alteration, disruption, or destruction (HADD) to fish habitat and thus being in compliance with subsection 35(1) of the *Fisheries Act*.

## Plans

- Implement these aspects of EPMP: risk management, referral streamlining, partnering, and modernization of habitat compliance

Expected Results	Performance Indicators	Results Achieved
	Degree to which Operational Statements have been incorporated into industry best management practices; co-ordinated with provincial permitting systems	<ul style="list-style-type: none"> <li>Implemented agreements with three provinces (PEI, NB, NS) for applying Operational Statements to provincial guidelines and codes of practice</li> <li>Continued discussions with provinces and territories to develop an agreement on a co-ordinated delivery system for Operational Statements wherever possible</li> <li>Implemented partnership agreements with the Canadian Electricity Association and the Natural Resources Industry Association (NRIA), consisting of seven major industry associations, to incorporate Operational Statements into industry best management practices</li> </ul>



Operational statements –

[http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/modernizing-moderniser/epmp-pmpe/index\\_e.asp](http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/modernizing-moderniser/epmp-pmpe/index_e.asp)

Agreement with major conservation non-governmental organizations –

[http://www.dfo-mpo.gc.ca/media/backgrou/2007/hq-ac10a\\_e.htm](http://www.dfo-mpo.gc.ca/media/backgrou/2007/hq-ac10a_e.htm)

Partnering agreements –

[http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/aboutus-a-propos/partners-partenaires/index\\_e.asp?#Partnering](http://www.dfo-mpo.gc.ca/oceans-habitat/habitat/aboutus-a-propos/partners-partenaires/index_e.asp?#Partnering)

## DFO ON THE JOB

### *Forestry Sector Enthusiastic about DFO Regulatory Streamlining*

Launched in 2004, the Environmental Process Modernization Plan (EPMP) is designed to renew the Habitat Management Program of DFO by improving regulatory efficiency and providing for better conservation and protection of fish and their habitat. The Plan is making a difference... here is one company's successful story.

The Weyerhaeuser Company is one of Canada's largest forest products companies with a major presence in Alberta and several other provinces, including British Columbia, New Brunswick, Ontario, and Saskatchewan. In 2000, Weyerhaeuser began submitting applications to DFO for all water crossings in Alberta regardless of size (approximately 300 per year). This was — in large part — a result of DFO's renewed focus on the protection of fish habitat in the inland provinces at that time, and an increased workload in the forest industry for project information to support regulatory reviews under the *Fisheries Act*. It wasn't long before the volume of paperwork bogged down the planning and approval process for both DFO and the company. Approvals for these routine, low-risk activities were taking months.

Streamlining the process through the use of Operational Statements offered a solution. Operational Statements provide nationally consistent advice on measures to apply to specific activities determined to be of low risk in terms of harmful alteration, disruption, or destruction of fish and fish habitat. When a proponent follows the conditions and measures outlined in the Operational Statement, there is no need for a review or referral from DFO.



"The Operational Statements not only serve industry better, but their use frees up some of our resources so that we can increase the review and monitoring of higher risk activities," explains Patrice LeBlanc, Director of Habitat Protection and Sustainable Development.

Habitat Management has developed 18 Operational Statements, available at [http://www.dfo-mpo.gc.ca/oceans-habitat/index\\_e.asp](http://www.dfo-mpo.gc.ca/oceans-habitat/index_e.asp).

As part of the National Resource Industry Associations–DFO partnership initiative (established under the EPMP), Weyerhaeuser worked with other forest product companies to further develop the Operational Statements for low-risk, industry-specific situations. For example, the requirements of relevant Operational Statements have been incorporated into Weyerhaeuser's Environmental Management System guidelines and work instructions. Pat Wearmouth, a Strategic Forester with the company, is enthusiastic.

"I have to say this initiative has been a very positive experience. I give DFO full marks for saying they were going to do this, and then following through."

He estimates savings of about 300 hours annually for Weyerhaeuser.

The Weyerhaeuser story is only one of many that highlight how EPMP is increasing our collective ability to protect fish and fish habitat more efficiently and effectively.



**A steel stringer, wood deck bridge provides access for forest harvesting without disturbing the stream channel. Photo: Forest Engineering Research Institute of Canada.**

### Program Sub-activity: Environmental Assessment

This program involves conducting environmental assessments under the *Canadian Environmental Assessment Act* and other environmental assessment regimes for proposed projects before making a regulatory decision under the habitat protection provisions of the *Fisheries Act* (listed in the Law List Regulations).

Plans		
<ul style="list-style-type: none"> <li>Participate with other federal government departments to improve the efficiency and effectiveness of the Environmental Assessment (EA) process</li> <li>Implement the aspect of EPMP dealing with improved management of environmental assessment for major projects</li> </ul>		
Expected Results	Performance Indicators	Results Achieved
Environmental effects considered in a timely, co-ordinated, and effective manner before regulatory decisions are made under the <i>Fisheries Act</i>	Number of Environmental Assessment screenings, Comprehensive Studies, Panels initiated, ongoing, or concluded	<ul style="list-style-type: none"> <li>Number of Environmental Assessments (EAs) where the Habitat Management Program has a <i>Canadian Environmental Assessment Act</i> trigger: <ul style="list-style-type: none"> <li>Screenings: 364 initiated, 401 ongoing, and 305 concluded</li> <li>Comprehensive Studies: 6 initiated, 14 ongoing, and 2 concluded</li> <li>Panels: 3 initiated, 12 ongoing, and 1 concluded</li> </ul> </li> <li>This is a 15% reduction from 2005-2006, which continues the downward trend<sup>20</sup></li> </ul>

<sup>20</sup> Data source: DFO's Program Activity Tracking for Habitat (PATH) system.

Plans		
<ul style="list-style-type: none"> <li>Participate with other federal government departments to improve the efficiency and effectiveness of the Environmental Assessment (EA) process</li> <li>Implement the aspect of EPMP dealing with improved management of environmental assessment for major projects</li> </ul>		
Expected Results	Performance Indicators	Results Achieved
	Number of projects requiring CEAA review that incorporate Habitat Management Program requirements and advice	<ul style="list-style-type: none"> <li>Managed approximately 300 Environmental Assessment Screening projects requiring CEAA review; no Environmental Assessment Comprehensive Studies were undertaken</li> </ul>
	Number of Environmental Assessments for major projects that are co-ordinated with provinces and other federal responsible authorities	<ul style="list-style-type: none"> <li>140 major projects across Canada under review; of those, 60% were in either the Pacific or Central and Arctic Region<sup>21</sup></li> </ul>

### Program Sub-activity: Other Habitat Management

This program involves developing and implementing the Mandatory Training Program; information management applications; public awareness and education; performance measurement; and reporting and evaluation plans, and tools. This program also involves developing and implementing policies, programs, plans, and tools for the effective and efficient application of the *Species at Risk Act* and Fisheries and Oceans Canada's Expert Support Program (under the Federal Contaminated Sites Action Plan), in support of the Conservation and Protection of Fish Habitat and Environmental Assessment program activities.

Plans		
<ul style="list-style-type: none"> <li>Implement the aspect of EPMP that focuses on improving the predictability and coherence of decision-making</li> </ul>		
Expected Results	Performance Indicators	Results Achieved
Awareness of habitat management concepts, objectives, principles, and practices by Habitat Management Program staff	Percentage of staff who have completed individual training under the Mandatory Training Program	<ul style="list-style-type: none"> <li>Approximately 90% of Habitat staff successfully completed the Habitat Management -101 course; this is a 50% increase over the previous year</li> <li>20 % of staff completed the Information Management (IM) -101 course; the IM-101 completion rate was lower than expected because of a delay in the roll-out of the course until early 2007</li> <li>Approximately 90% of all Habitat Practitioners have completed a training course focused on the Risk Management Framework and Pathways of Effects</li> </ul>

### Program Activity: Science

This program provides research, monitoring, advice, products and services, and data management to ensure departmental and federal policies, programs, decisions, and regulations associated with the integrated management of Canada's oceans and fish habitat resources are informed by science advice.

<sup>21</sup> Data source: DFO's Major Projects List.



The science is undertaken through a network of research facilities, in collaboration with other government departments, the private sector, academia, and international organizations.

Science in support of healthy and productive aquatic ecosystems has one priority — Science Renewal (reported under Sustainable Fisheries and Aquaculture) — and is delivered through three program sub-activities: assessing the impacts of development on aquatic ecosystems; assessing aquatic ecosystems and supporting integrated oceans management; and monitoring, understanding and predicting variation and change of ocean climate.

#### **Financial and Human Resources, Science, 2006-2007**

<b>Financial Resources (millions of dollars)</b>	<b>Planned Spending<sup>1</sup></b>	<b>Total Authorities</b>	<b>Actual Spending</b>
Assessing the impacts of development on aquatic ecosystems	18.8	20.8	17.2
Assessing aquatic ecosystems and supporting integrated oceans management	31.3	33.9	44.4
Monitoring, understanding and predicting variation and change of ocean climate	3.4	4.0	6.8
Sub-total	53.5	58.7	68.4
Program Enablers	24.6	25.2	19.7
<b>Total</b>	<b>78.1</b>	<b>83.9</b>	<b>88.2</b>
<b>Human Resources (number of FTEs)</b>	<b>Planned</b>	<b>Actual</b>	<b>Difference</b>
Assessing the impacts of development on aquatic ecosystems		152	
Assessing aquatic ecosystems and supporting integrated oceans management		244	
Monitoring, understanding and predicting variation and change of ocean climate		56	
Sub-total	493	452	-41
Program Enablers	84	81	-3
<b>Total</b>	<b>577</b>	<b>533</b>	<b>-44</b>

**Note:** Planned FTEs by sub-activity are not available for 2006-2007.

Because of rounding, figures may not add to the totals shown.

<sup>1</sup> Planned spending does not match that in the 2006-2007 RPP, as there was an addition error in the RPP.

<b>Expected Results - Science</b>	<b>Performance Indicators</b>	<b>Results Achieved</b>
Science information used to support the integrated management of healthy and productive aquatic ecosystems for the benefit and enjoyment of Canadians	Scientific production by Fisheries and Oceans as measured by the percentage of DFO publications compared to Canadian totals in the subfields of marine biology and hydrobiology and oceanography and limnology	■ For results, see page 55
	Canadians' confidence in DFO Science to conduct scientific research to monitor and promote the health of fish stocks and the marine environment	■ For results, see page 55
	Level of partnering in scientific research	■ Results not available for 2006-2007

<b>Expected Results - Science</b>	<b>Performance Indicators</b>	<b>Results Achieved</b>
	Number of responses to requests for science advice	<ul style="list-style-type: none"> <li>In 2005, approximately 44 publications were produced through the DFO Science Advisory process co-ordinated by the Canadian Science Advisory Secretariat in response to advisory needs identified from internal and external DFO clients in support of healthy and productive aquatic ecosystems<sup>22</sup></li> </ul>

Under the umbrella of healthy and productive aquatic environments, the Science Program continued to provide advice on a diverse range of marine initiatives and priorities in direct support of the Department and Government of Canada. These initiatives include Offshore Energy Development, Environmental Process Modernization Plan (EPMP), Canada's Oceans Action Plan, and important horizontal initiatives such as Building Public Confidence in Pesticide Regulation, the International Fisheries and Oceans Governance Strategy, Improving Access to Pest Management Products, and International Polar Year. These initiatives were all supported by sound science advice to help inform associated policies, programs, and regulations.



[http://www.dfo-mpo.gc.ca/science/main\\_e.htm](http://www.dfo-mpo.gc.ca/science/main_e.htm)

#### **Program Sub-activity: Assessing the Impacts of Development on Aquatic Ecosystems**

Activities such as oil and gas exploration, development and production, forestry, mining, hydroelectric power generation, and agriculture, which operate in or around marine and freshwater aquatic environments, have the potential to impact fish and fish habitat. Long-range transport and point-source introductions of contaminants and toxic substances also pose significant threats to aquatic ecosystems and their resources. The Science program provides scientific advice on the potential impacts, mitigation measures, risks, and regulations in support of the habitat management authorities identified in the *Fisheries Act*, the *Policy for the Management of Fish Habitat*, *Species at Risk Act*, *Oceans Act*, *Navigable Waters Protection Act*, and the *Canadian Environmental Assessment Act*.

<sup>22</sup> Source: Canadian Science Advisory Secretariat (CSAS) ([http://www.dfo-mpo.gc.ca/csas/csas/home-accueil\\_e.htm](http://www.dfo-mpo.gc.ca/csas/csas/home-accueil_e.htm)).



#### Plans

- Provide advice on the Mackenzie Gas Pipeline Project to support decisions related to the environmental impact assessment, regulation (*Fisheries Act*), and monitoring; this will include delineating critical fish habitat in rivers and lakes draining into the Mackenzie River and undertaking a study of sensitive fish species
- Delineate and map the habitats of the coastal Beaufort Sea and Mackenzie Delta, assess beluga whale habitat requirements in the eastern Beaufort Sea, and study the impacts of oil and gas exploration on ringed and bearded seals
- In support of the Environmental Process Modernization Plan (EPMP), conduct a peer review of advice on the evidence linking the effects of human activities on fish habitat; also provide advice on the scientific foundation for the application of risk-management principles to the management of fish habitat

Expected Results	Results Achieved
Increased use of scientific advice and supporting information related to the impacts of industrial activities on the aquatic environment	<ul style="list-style-type: none"> <li>▪ Provided scientific information and advice on critical fish habitats in support of the Environmental Impact Assessment for the Mackenzie Gas Project</li> <li>▪ Completed a final report of the effects of exploratory drilling on seals in the near-shore Beaufort Sea; deferred the assessment of beluga whale habitat because of insufficient external funding support</li> </ul>
Increased science-based mitigation measures for human and industrial activities	<ul style="list-style-type: none"> <li>▪ Conducted a peer review to examine the evidence linking changes in river flow and fish habitat in support of the Environmental Process Modernization priority</li> <li>▪ Delivered a discussion paper to Habitat Management, outlining the scientific basis for applying risk management models to the management of natural resources, particularly fish habitat</li> </ul>


### **Program Sub-activity: Assessing Aquatic Ecosystems and Supporting Integrated Oceans Management**

Multiple and sometimes conflicting use of oceans necessitates that the integrated management of resources be informed by sound science advice. The Science program provides advice, information, and data management services to support the government's integrated management of aquatic ecosystems, such as the delineation of Marine Protected Areas through ocean mapping, preparation of ecosystem overview and status reports on Large Ocean Management Areas, and frameworks of ecological and biologically significant ocean areas.

#### Plans

- Provide advice to support knowledge requirements associated with the Oceans Action Plan (OAP); this will involve developing Ecosystem Overview and Assessment Reports and identifying Ecologically and Biologically Significant Areas for each of the five Large Ocean Management Areas

Expected Results	Results Achieved
Increased use of Science advice (e.g., data and modelling) by decision-makers in the integrated management of Canada's oceans	<ul style="list-style-type: none"> <li>▪ Developed guidelines for identifying Conservation Priorities and phrasing Conservation Objectives</li> <li>▪ Identified draft Conservation Objectives for each Large Ocean Management Area</li> <li>▪ Identified and mapped Ecologically and Biologically Significant Areas in each Large Ocean Management Area</li> <li>▪ Developed criteria for identifying ecologically significant species and community properties</li> <li>▪ Identified ecologically significant species and community properties for each Large Ocean Management Area</li> <li>▪ Completed Ecosystem Overview and Assessment Reports for each Large Ocean Management Area</li> </ul>

<b>Plans</b>	
<ul style="list-style-type: none"> <li>Provide advice to support knowledge requirements associated with the Oceans Action Plan (OAP); this will involve developing Ecosystem Overview and Assessment Reports and identifying Ecologically and Biologically Significant Areas for each of the five Large Ocean Management Areas</li> </ul>	
<b>Expected Results</b>	<b>Results Achieved</b>
 Guidelines for Identifying Conservation Priorities and phrasing Conservation Objectives – <a href="http://www.dfo-mpo.gc.ca/csas/csas/status/2007/SAR-AS2007_010_E.pdf">http://www.dfo-mpo.gc.ca/csas/csas/status/2007/SAR-AS2007_010_E.pdf</a> Criteria for identifying ecologically significant species and community priorities – <a href="http://www.dfo-mpo.gc.ca/csas/csas/status/2006/SAR-AS2006_041_E.pdf">http://www.dfo-mpo.gc.ca/csas/csas/status/2006/SAR-AS2006_041_E.pdf</a>	

**Program Sub-activity: Monitoring, Understanding and Predicting Variation and Change of Ocean Climate**

Interactions among the oceans, ice, and atmosphere are a fundamental part of the earth's global climate system. As a nation that borders on three interconnected oceans, Canada, together with the international community, has a vested interest in understanding the role of oceans in global climate and the impacts of climate change on aquatic ecosystems. Science efforts are directed towards enabling prediction of ocean responses to climatic change, and the assessment of potential impacts on marine environments, ecosystems, fish, and marine mammal populations.

<b>Plans</b>	
<ul style="list-style-type: none"> <li>Deliver a co-ordinated program for providing the data needed for oceans ecosystem assessments</li> <li>Conduct research to understand the effects of climate change and climate variation on aquatic ecosystems</li> <li>Apply operational models to the prediction of variation in ocean climate</li> <li>Participate in International Polar Year with the objective of building on and supporting the Department's and the Government of Canada's knowledge requirements associated with climate change impacts and adaptation</li> </ul>	
<b>Expected Results</b>	<b>Results Achieved</b>
Decision-makers make increased use of forecast impacts of climate change on aquatic ecosystems	<ul style="list-style-type: none"> <li>Continued to participate in a number of key long-term data collection programs, including the Atlantic Zone Monitoring Program, Argo profiling floats, Line P, and partnerships such as ArcticNet for northern marine observations; the data and information collected is essential for tests of the accuracy of measurements, for process studies, and in the analysis of climatic variations in regional aquatic ecosystems</li> </ul>
Policy-makers make increased use of knowledge of oceans' influence on climate and climate change	<ul style="list-style-type: none"> <li>Contributed to a number of climate research programs such as the Canadian Arctic Shelf Exchange Study, the Surface-Ocean Lower-Atmosphere Study, and the Enhancement of Greenhouse Gas Emissions Program</li> <li>Continued predictive modelling of oceanographic variables such as sea level, currents, and ice concentration and thickness in the Gulf of St. Lawrence</li> <li>Leading seven International Polar Year projects and engaged in others to better understand the Arctic Ocean's role in global climate and the impact of climate variability and change on Arctic marine ecosystems</li> </ul>





## DFO ON THE JOB

### Discovering New Marine Species

Imagine a coral colony with its fantastic shapes in pinks, yellows, oranges, and reds – all those hot tropical colours gently riffling in the current. Some of the corals tower to three metres, and they have been there for hundreds of years. You can see shrimp and fish drifting in and around the colony. But wait! If you're picturing these corals in a warm sunlit turquoise sea, you are completely mistaken. These particular colonies are living in the frigid dark, a kilometre below the surface of the Atlantic Ocean off Canada's East Coast.

For the past five years, a Fisheries and Oceans Canada team from the Centre for Marine Biodiversity, located at the Bedford Institute of Oceanography in Dartmouth, Nova Scotia, has been on an exciting voyage of discovery to locate and learn about these deep-water coral colonies. Their existence was known — just barely — as early as the 1870s because of the Challenger Expedition, the world's first global oceanographic research expedition. During the course of its work, expedition members dredged a few buckets of samples from depths of two to three thousand metres off Nova Scotia. The coral specimens retrieved were damaged by the primitive method of collection. Now, well over a hundred years later, scientists are able to study the colonies in situ using sophisticated marine technology. The research gained a huge impetus this year when the team obtained the use of a remotely operated underwater vehicle called ROPOS, which is equipped with cameras and can take tiny samples without damaging the coral colony.

The research is part of the Centre's overall program to look at non-commercial species and understand their role in the ecosystem. Corals are especially important, as they create a habitat that is used by many other species. They provide a place of refuge from ocean currents and larger predators, a feeding ground, and, in some cases, a nursery. Protecting these habitats off our East Coast is of critical concern now, what with increased interest in the deeper ocean regions by both the fishing and oil and gas industries. Corals, which are particularly vulnerable to any physical disturbance, are, in fact, the focus of conservation and management efforts around the world. Lead scientist Ellen Kenchington explains that even though "we're in an early exploratory stage for the deep-water corals," her team's work has already led to the establishment of two Coral Conservation Zones.

Even at this early stage, the team has identified eight species believed to be new to Canada and five other species new to the study area. Underscoring the need to refine the geographic distribution of the coral colonies is the fact that most of the new coral discoveries came from outside the existing Coral Conservation Zone. The team also discovered dense stands of bubblegum coral and sea corn at depths of between six and nine hundred metres in the Conservation Zone.

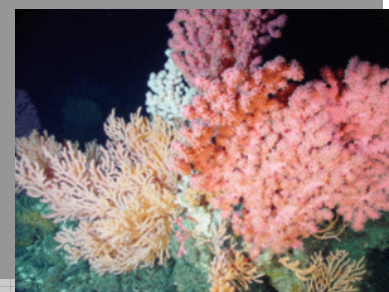
Apart from their role as habitat builders, these corals have intriguing possibilities for the pharmaceuticals of the future. For example, some of the new cancer drugs have come from marine molluscs, and deep-water creatures such as these corals have unique attributes that are well worth exploring.

The deep-water coral researchers are pushing forward with their work. In 2007, they hope to be able to use ROPOS to carry out work in other areas with known coral colonies: in The Gully, which is Canada's largest Marine Protected Area and home to the endangered bottlenose whale, and in the Stone Fence Coral Conservation Zone in the Laurentian Channel.

For more information, visit the Centre of Marine Biodiversity's web site at:  
<http://www.marinebiodiversity.ca/>



**Sea corn (*Primnoa resedaeformis*; to left and centre) and the thicker-stalked bubblegum coral (*Paragorgia arborea*) colonize a telegraphy cable laid down in the 1870s. These corals were found in the Coral Conservation Area in the Northeast Channel at a depth of about 300 metres.**



**Sea corn (*Primnoa resedaeformis*; to left) and differently coloured colonies of bubblegum coral (*Paragorgia arborea*; to right) colonize a boulder 900 metres below the surface in the Northeast Channel.**





## **Section 3 — Supplementary Information**

### ***In this section:***

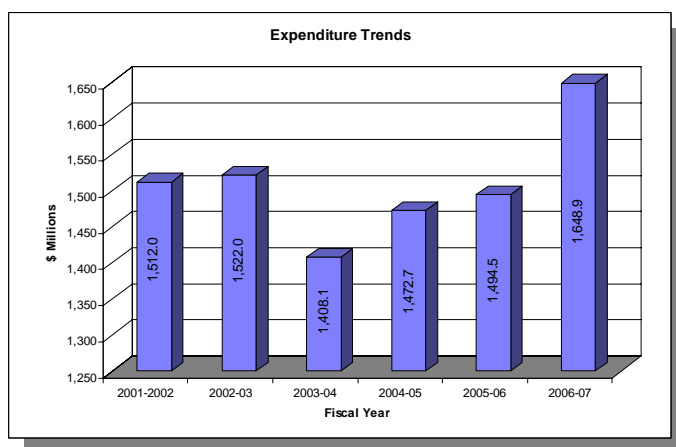
- ◆ Overview
- ◆ Trend Analysis
- ◆ Financial Tables
- ◆ Information on Other Reporting Requirements

## Overview

This section presents:

- A trend analysis of recent departmental spending;
- Financial tables; and
- Information on other reporting requirements.

## Trend Analysis



The Department's total actual spending for the 2006-2007 fiscal year was \$1,648.9 million. This represents an increase of 10% from 2005-2006.

## Financial Tables

The financial tables presented in this section provide the following information on the Department:

- Total Main Estimates as reported in the *2006-2007 Estimates*;
- Total planned spending as reported in the *2006-2007 Report on Plans and Priorities*;
- Total authorities received during the fiscal year (i.e., through Main Estimates), as well as funding received from Supplementary Estimates, Treasury Board Vote 5 (Government-wide contingencies), and Treasury Board Vote 10 (Government-wide initiatives); and
- Total actual spending as reported in the Public Accounts of Canada for 2006-2007.

Please note that the figures in the following tables have been rounded to the nearest million. For this reason, figures that cannot be listed in millions of dollars are shown as 0. Because of rounding, figures may not add to the totals shown.



## Comparison of Planned to Actual Spending by Program Activity (including FTEs)

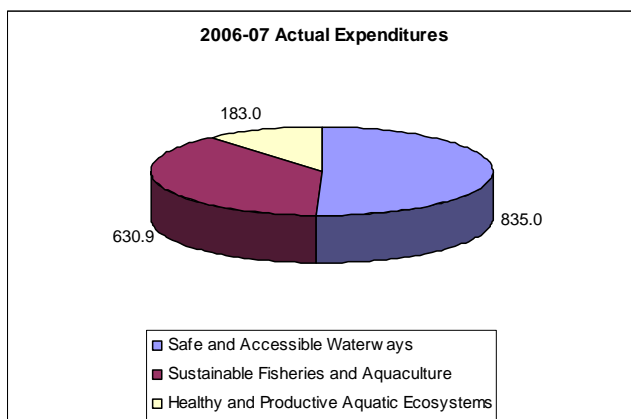


Table 1 below provides a breakdown of the Department's Main Estimates, planned spending at the time of tabling the *Report on Plans and Priorities*, final Total Authorities, and final Actual Spending by program activity.

**Table 1: Comparison of Planned to Actual Spending (millions of dollars)**

Program Activity	2004-2005 Actual	2005-2006 Actual	2006-2007			Total Actuals
			Main Estimates	Planned Spending <sup>1</sup>	Total Authorities	
<b>Safe and Accessible Waterways</b>						
Canadian Coast Guard	609.6	611.3	607.1	677.7	678.4	652.0
Small Craft Harbours	114.9	118.3	101.1	113.2	116.9	117.5
Science	50.4	48.1	44.0	46.7	50.6	65.4
<b>Total – Safe and Accessible Waterways</b>	<b>774.9</b>	<b>777.7</b>	<b>752.2</b>	<b>837.7</b>	<b>845.9</b>	<b>835.0</b>
<b>Sustainable Fisheries and Aquaculture</b>						
Fisheries Management	358.9	364.8	397.3	443.2	473.8	424.5
Aquaculture	1.4	5.1	3.4	3.5	3.6	5.7
Science	185.6	184.6	198.8	209.6	218.3	200.7
<b>Total – Sustainable Fisheries and Aquaculture</b>	<b>545.9</b>	<b>554.5</b>	<b>599.5</b>	<b>656.2</b>	<b>695.7</b>	<b>630.9</b>
<b>Healthy and Productive Aquatic Ecosystems</b>						
Oceans Management	18.8	21.7	32.7	33.1	37.1	24.4
Habitat Management	71.6	69.2	63.8	70.7	74.6	70.5
Science	61.5	71.4	65.2	78.1	83.9	88.2
<b>Total – Healthy and Productive Aquatic Ecosystems</b>	<b>151.9</b>	<b>162.3</b>	<b>161.7</b>	<b>181.8</b>	<b>195.5</b>	<b>183.0</b>
<b>Total</b>	<b>1,472.6</b>	<b>1,494.5</b>	<b>1,513.4</b>	<b>1,675.8</b>	<b>1,737.2</b>	<b>1,648.9</b>
<b>Less: Non-respendable Revenue</b>	(62.7)	(66.3)	(51.9)	(51.9)	(51.9)	(60.1)
<b>Total Departmental Spending</b>	<b>1,409.9</b>	<b>1,428.2</b>	<b>1,461.5</b>	<b>1,623.9</b>	<b>1,685.3</b>	<b>1,588.8</b>
<b>Full-time Equivalents</b>	<b>9,900</b>	<b>10,281</b>	<b>N/A</b>	<b>10,444</b>	<b>N/A</b>	<b>10,382</b>

Because of rounding, figures may not add to the totals shown.

<sup>1</sup> Planned spending for Science does not match that in the 2006-2007 RPP because of an addition error.

### Changes between Main Estimates and Planned Spending

The increase of \$162.4 million from Main Estimates to Planned Spending is attributable to the following:

- \$99.0 million for the transformation plan funding supporting core programs;
- \$30.0 million in Grants and Contributions funding for the Atlantic Salmon Endowment Fund;

- \$24.0 million for Canadian Coast Guard capital expenditures; and
- \$9.4 million for other initiatives.

#### ***Changes between Planned Spending and Total Authorities***

The increase of \$61.4 million from Planned Spending to the Total Authorities of \$1,737.2 million is mainly attributable to the following:

- \$54.0 million for planned operating carried forward from 2005-2006;
- \$12.8 million for increased salary expenditures related to approved collective agreements; and
- (\$5.4 million) in various spending offsets.

#### ***Changes between Actual Spending and Total Authorities***

The decrease of \$88.3 million from the Total Authorities to Actual Spending is mainly attributable to the following:

- \$48.1 million in operating carried forward to 2007-2008;
- \$22.9 million in capital carried forward to 2007-2008;
- \$15.1 million in Grants and Contributions funding for the Fisheries Access Program that could not be spent in 2006-2007; and
- \$2.2 million in various funding offsets.

Underutilization of FTEs can be explained by the following:

- Turnover;
- Difficulty in finding qualified replacements because of low labour market availability for jobs being staffed; and
- Delays in the staffing and classification process.

DFO has been closely monitoring its use of FTEs, which has resulted in a more effective utilization of FTEs.

## **Resource Use by Program Activity**

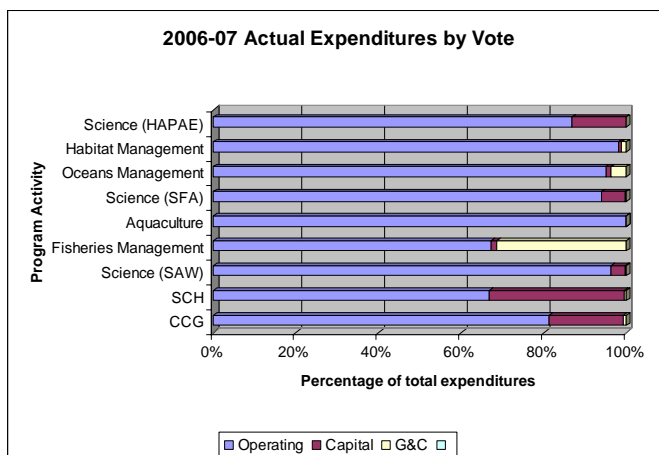


Table 2 below presents Main Estimates, Planned Spending, Total Authorities, and Actual Spending by program activity and by vote.

Note that operating expenditures include the following statutory items: Minister's salary and motor car allowance, contributions to employee benefit plans, spending of proceeds from the disposal of surplus Crown assets, and refunds of amounts credited to revenues in previous years.

The operating expenditures presented are inclusive of spendable revenue, meaning that spendable revenue has not been deducted from the amount shown. The revenues are deducted separately to provide the net expenditures for each program activity. See Table 6 for a complete description of spendable revenues.



**Table 2: Resource Use by Program Activity, 2006-2007 (millions of dollars)**

Program Activity	Operating	Capital	Grants	Contributions and Other Transfer Payments	Total Gross Expenditures	Less: Respendable Revenues	Total Net Expenditures
<b>Canadian Coast Guard</b>							
Main Estimates	535.2	117.0	—	4.9	657.2	50.1	607.1
Planned Spending	565.9	157.0	—	4.9	727.8	50.1	677.7
Total Authorities	583.8	139.7	—	5.0	728.4	50.1	678.4
<b>Actual</b>	<b>564.1</b>	<b>124.7</b>	<b>—</b>	<b>5.0</b>	<b>693.8</b>	<b>41.8</b>	<b>652.0</b>
<b>Small Craft Harbours</b>							
Main Estimates	78.0	22.5	0.5	—	101.1		101.1
Planned Spending	78.5	34.2	0.5	—	113.2		113.2
Total Authorities	80.6	35.6	0.6	0.1	116.9		116.9
<b>Actual</b>	<b>78.5</b>	<b>38.3</b>	<b>0.6</b>	<b>0.1</b>	<b>117.5</b>		<b>117.5</b>
<b>Science (Safe and Accessible Waterways)</b>							
Main Estimates	42.3	1.6	0.0	0.0	44.0		44.0
Planned Spending <sup>1</sup>	44.5	2.2	0.0	0.0	46.7		46.7
Total Authorities	48.3	2.2	0.1	0.1	50.6		50.6
<b>Actual</b>	<b>63.1</b>	<b>2.2</b>	<b>0.1</b>	<b>0.1</b>	<b>65.4</b>		<b>65.4</b>
<b>Fisheries Management</b>							
Main Estimates	288.1	3.6	0.0	105.6	397.3		397.3
Planned Spending	300.7	6.9	30.0	105.6	443.2		443.2
Total Authorities	319.2	6.9	30.5	117.3	473.8		473.8
<b>Actual</b>	<b>285.4</b>	<b>6.1</b>	<b>30.5</b>	<b>102.5</b>	<b>424.5</b>		<b>424.5</b>
<b>Aquaculture</b>							
Main Estimates	3.4	0.0	—	—	3.4		3.4
Planned Spending	3.4	0.0	—	—	3.5		3.5
Total Authorities	3.6	0.0	—	0.0	3.6		3.6
<b>Actual</b>	<b>5.7</b>	<b>0.0</b>	<b>—</b>	<b>0.0</b>	<b>5.7</b>		<b>5.7</b>
<b>Science (Sustainable Fisheries and Aquaculture)</b>							
Main Estimates	185.4	13.2	0.1	0.1	198.8		198.8
Planned Spending <sup>1</sup>	189.4	20.0	0.1	0.1	209.6		209.6
Total Authorities	197.9	20.0	0.0	0.4	218.3		218.3
<b>Actual</b>	<b>188.8</b>	<b>11.6</b>	<b>0.0</b>	<b>0.4</b>	<b>200.7</b>		<b>200.7</b>
<b>Oceans Management</b>							
Main Estimates	31.8	0.3	—	0.6	32.7		32.7
Planned Spending	32.0	0.5	—	0.6	33.1		33.1
Total Authorities	35.3	0.5	0.2	1.1	37.1		37.1
<b>Actual</b>	<b>23.2</b>	<b>0.3</b>	<b>0.2</b>	<b>0.7</b>	<b>24.4</b>		<b>24.4</b>
<b>Habitat Management</b>							
Main Estimates	63.2	0.6	—	—	63.8		63.8
Planned Spending	69.9	0.8	—	—	70.7		70.7
Total Authorities	72.6	0.8	0.2	1.0	74.6		74.6
<b>Actual</b>	<b>69.2</b>	<b>0.5</b>	<b>0.1</b>	<b>0.7</b>	<b>70.5</b>		<b>70.5</b>
<b>Science (Healthy and Productive Aquatic Ecosystems)</b>							
Main Estimates	56.0	9.2	0.0	—	65.2		65.2
Planned Spending <sup>1</sup>	65.5	12.6	0.0	—	78.1		78.1
Total Authorities	71.2	12.6	0.0	0.1	83.9		83.9
<b>Actual</b>	<b>76.6</b>	<b>11.5</b>	<b>0.0</b>	<b>0.1</b>	<b>88.2</b>		<b>88.2</b>
<b>Total Main Estimates</b>	<b>1,283.4</b>	<b>168.1</b>	<b>0.7</b>	<b>111.2</b>	<b>1,563.4</b>	<b>50.1</b>	<b>1,513.4</b>
<b>Total Planned Spending</b>	<b>1,349.9</b>	<b>234.1</b>	<b>30.7</b>	<b>111.2</b>	<b>1,725.9</b>	<b>50.1</b>	<b>1,675.8</b>
<b>Total Authorities</b>	<b>1,412.5</b>	<b>218.2</b>	<b>31.5</b>	<b>125.1</b>	<b>1,787.3</b>	<b>50.1</b>	<b>1,737.2</b>
<b>Total Actual</b>	<b>1,354.4</b>	<b>195.2</b>	<b>31.5</b>	<b>109.6</b>	<b>1,690.7</b>	<b>41.8</b>	<b>1,648.9</b>
<b>Other Revenues and Expenditures</b>							
Minus: Non-Respendable Revenue							
Planned Spending							(51.9)
Total Authorities							(51.9)
<b>Actual</b>							(60.1)

**Note:** Because of rounding, figures may not add to the totals shown.

<sup>1</sup> Planned spending for Science does not match that in the 2006-2007 RPP because of an addition error.

**Changes between Main Estimates and Planned Spending**

The increase of \$162.4 million from the Main Estimates to Planned Spending by vote is as follows:

*Operating Vote 1 (Increase of \$66.4 million)*

- \$57.0 million for the transformational plan
- \$10.9 million for the Information Management/Information Technology consolidation
- \$5.0 million for the Garden City divestiture
- \$1.5 million in other spending initiatives
- (\$8.0 million) in procurement savings

*Capital Vote 5 (Increase of \$66.0 million)*

- \$42.0 million for the transformational plan
- \$24.0 million for the Canadian Coast Guard Fleet Renewal

*Grants and Contributions Vote 10 (Increase of \$30.0 million)*

- \$30.0 million for the Atlantic Salmon Endowment Fund

**Changes between Planned Spending and Total Authorities**

The increase of \$61.4 million from Planned Spending to Total Authorities by vote is as follows:

*Operating Vote 1 (Increase of \$62.6 million)*

- \$54.0 million for planned operating carried forward from 2005-2006
- \$12.8 million for increased salary expenditures related to approved collective agreements
- (\$4.2 million) in other reductions

*Capital Vote 5 (Decrease of \$15.9 million)*

- \$17.2 million for the CCG fleet renewal carried forward to future years, partially offset by the Conne River Harbour transfer from Indian and Northern Affairs Canada for \$1.4 million

*Grants and Contributions Vote 10 (Increase of \$14.7 million)*

- \$10.1 million for Marshall Response Initiative carry-forward
- \$0.6 million for the Oceans Action Plan Phase I
- \$0.1 million for the Interdepartmental Partnership with Canadian Heritage
- \$3.9 million for the Fraser Basin Initiative, Academic Research, Small Craft Harbours, and Class Grants

**Changes between Actual Spending and Total Authorities**

The decrease of \$88.3 million between Total Authorities and Actual Spending by vote is as follows:

*Operating Vote 1 (Decrease of \$49.8 million)*

- \$48.1 million carried forward to 2007-2008
- \$1.7 million in various spending offsets

*Capital Vote 5 (Decrease of \$23.0 million)*

- \$17.0 million carried forward to future years for the Saint Andrews Biological Station and Mid-shore Patrol Vessels
- \$5.9 million in other carry-forwards

*Grants and Contributions Vote 10 (Decrease of \$15.5 million)*

- \$13.3 million expected to be carried forward for the Marshall Initiative Response





- \$0.8 million carried forward for the At-Sea Mentoring Initiative
- \$0.6 million carried forward for the Oceans Action Plan
- \$0.5 million for the Pacific Salmon Foundation
- \$0.2 million for the Aboriginal Inland Habitat Program

## Voted and Statutory Items

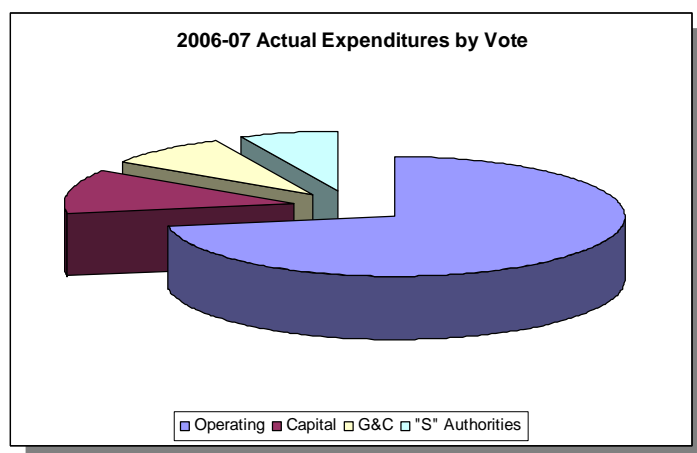


Table 3 below summarizes the resources that Parliament approves for the Department through appropriation acts. A vote specifies the amount devoted to each category of expenditures. For Fisheries and Oceans Canada, these votes are for Operating expenditures (Vote 1), Capital expenditures (Vote 5), and Grants and Contributions (Vote 10). The items identified with an S are authorities that Parliament has approved through other legislation that sets out both the purpose of the expenditures and the terms and conditions under which they may be made. Statutory spending is included in the Estimates for information only and does not require a separate appropriation act.

**Table 3: Voted and Statutory Items, 2006-2007 (millions of dollars)**

Vote	Main Estimates	Planned Spending	Total Authorities	Actual
1 Operating	1,111.0	1,177.5	1,245.0	1,196.5
5 Capital	168.1	234.1	218.2	195.2
10 Grants and Contributions	111.9	141.9	156.6	141.1
(S) Minister of Fisheries and Oceans – Salary and motor car allowance	0.1	0.1	0.1	0.1
(S) Contributions to employee benefit plans	122.3	122.3	114.7	114.7
(S) Spending of proceeds from the disposal of surplus Crown assets	—	—	2.6	1.3
<b>Total</b>	<b>1,513.4</b>	<b>1,675.8</b>	<b>1,737.2</b>	<b>1,648.9</b>

**Note:** Because of rounding, figures may not add to the totals shown.

## Services Received without Charge

Table 4 shows the net cost of the Department for 2006-2007.

**Table 4: Services Received without Charge, 2006-2007 (millions of dollars)**

(\$ millions)	2006-2007 Actual Spending
Accommodation provided by Public Works and Government Services Canada	42.3
Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat (excluding revolving funds)	54.2
Worker's compensation coverage provided by Social Development Canada	1.3
Salary and associated expenditures of legal services provided by Justice Canada	3.1
<b>Total 2006-2007 Services received without charge</b>	<b>101.0</b>

## Sources of Respendable and Non-respendable Revenue

Table 5 provides the Department's actual revenues by program activity for 2004-2005 and 2005-2006, as well as planned revenues and total authorities for 2006-2007.

**Table 5: Respendable and Non-respendable Revenue by Program Activity, 2006-2007 (millions of dollars)**

Program Activity	Actual Revenues 2004-2005	Actual Revenues 2005-2006	Main Estimates 2006-2007	Planned Revenues 2006-2007	Total Authorities 2006-2007	Actual Revenues 2006-2007
<b>Respendable Revenue</b>						
Canadian Coast Guard						
Maintenance Dredging Services Tonnage Fees in the St. Lawrence Shipping Channel	4.6	4.3	4.6	4.6	4.6	5.2
Marine Navigation Services Fees	28.4	32.1	27.8	27.8	27.8	29.5
Coast Guard Radio Tolls	0.0	0.0	0.1	0.1	0.1	0.0
Employee Deductions for Employee Housing	0.0	—	0.0	0.0	0.0	-
Icebreaking Services Fee	4.8	5.8	13.8	13.8	13.8	5.0
Canadian Coast Guard College	1.8	0.5	3.7	3.7	3.7	1.6
Sundries	0.7	0.4	—	—	—	0.5
<b>Total Respendable Revenue</b>	<b>40.4</b>	<b>43.2</b>	<b>50.1</b>	<b>50.1</b>	<b>50.1</b>	<b>41.8</b>
<b>Non-respendable Revenue<sup>1</sup></b>						
Canadian Coast Guard						
Aids to Navigation in the Deep Water Channel between Montreal and Lake Erie	—	—	0.2	0.2	0.2	0.2
Rental of Land, Buildings and Equipment	—	—	0.2	0.2	0.2	—
Miscellaneous	—	0.1	—	—	—	0.0
	—	<b>0.1</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.2</b>
Small Craft Harbours						
Small Craft Harbour Revenue	—	1.6	1.3	1.3	1.3	1.5
Science – Safe and Accessible Waterways						
Sale of Charts and Publications	—	2.1	2.1	2.1	2.1	1.9
Technology Transfer Licences	—	0.7	0.5	0.5	0.5	0.7
		<b>2.7</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	<b>2.5</b>
Fisheries Management						
Commercial Licences	—	45.2	47.2	47.2	47.2	44.8
Rental of Land, Buildings and Equipment	—	0.2	0.2	0.2	0.2	0.1
	—	<b>45.4</b>	<b>47.4</b>	<b>47.4</b>	<b>47.4</b>	<b>44.9</b>
Science – Sustainable Fisheries and Aquaculture						
Technology Transfer Licences	—	0.1	—	—	—	0.1
Habitat Management						
Rental of Land, Buildings and Equipment	—	0.1	0.2	0.2	0.2	0.1



Program Activity	Actual Revenues 2004-2005	Actual Revenues 2005-2006	Main Estimates 2006-2007	Planned Revenues 2006-2007	Total Authorities 2006-2007	Actual Revenues 2006-2007
Science – Healthy and Productive Aquatic Ecosystems						
Technology Transfer Licences	—	—	0.1	0.1	0.1	-
<b>Sub-total Non-Respendable Revenue</b>	<b>—</b>	<b>49.9</b>	<b>51.9</b>	<b>51.9</b>	<b>51.9</b>	<b>49.4</b>
<b>Unplanned Revenue</b>						
Internal Revenues	—	0.6				0.8
Return on Investments	—	0.1				0.1
Refunds/Adjustments of Previous Year's Expenditures	—	3.1				5.0
Sale of Surplus Crown Assets	—	0.9				2.0
Sale of Garden City	—	5.0				-
Miscellaneous (Seizures and Forfeitures, Fines and Sundries)	—	6.6				2.7
Sub-total Unplanned Revenue	—	16.4				10.7
<b>Total Non-Respendable Revenue</b>	<b>—</b>	<b>66.3</b>	<b>51.9</b>	<b>51.9</b>	<b>51.9</b>	<b>60.1</b>
<b>Total Revenues</b>	<b>—</b>	<b>109.6</b>	<b>102.0</b>	<b>102.0</b>	<b>102.0</b>	<b>101.9</b>

**Note:** Because of rounding, figures may not add to the totals shown.

<sup>1</sup> Because of the change in reporting structure, comparative data is unavailable. Please see the 2004-2005 *Departmental Performance Report* for historical information.

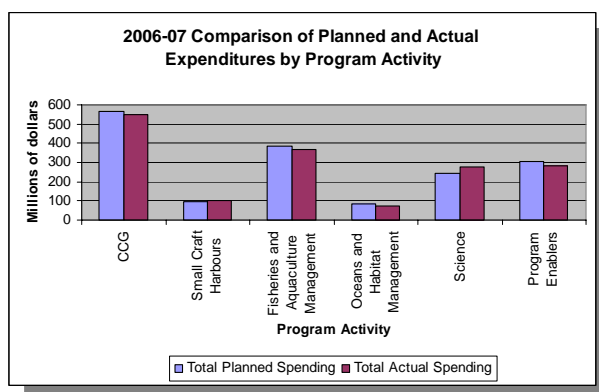
### Changes between Planned Revenues and Actual Revenues

Actual spendable revenue collections of \$41.8 million have fallen below the planned spendable revenue collection amount of \$50.1 million, leaving a shortfall of \$8.3 million. The overall collections have decreased from 2005-2006 when they were \$43.2 million, but are ahead of 2004-2005 collections of \$40.4 million. As was the case in 2005-2006, the shortfall of \$8.8 million is primarily due to the Icebreaking Service Fees, but is offset by surpluses in other spendable revenue areas. The planned revenues for the Icebreaking Services Fees are based on a fee structure that has been only partially implemented, which causes the yearly shortfall.

Non-spendable revenues also experienced a shortfall in actual collections relative to planned collections in the amount of \$2.5 million. The deficit in collections is primarily due to commercial licences fees reported under Fisheries Management.

### Resource Use by Branch or Sector

Table 6 below presents planned and actual spending by program activity and organization.



**Table 6: Resource Use by Program Activity and Organization, 2006-2007 (millions of dollars)**

	CCG	Small Craft Harbours	Fisheries and Aquaculture Management	Oceans and Habitat Management	Science	Program Enablers	Total
<b>Safe and Accessible Waterways</b>							
<b>Canadian Coast Guard</b>							
Planned Spending	565.5	—	—	—	—	112.2	677.7
Actual Spending	547.5	—	—	—	—	104.5	652.0
<b>Small Craft Harbours</b>							
Planned Spending	—	95.6	—	—	—	17.6	113.2
Actual Spending	—	101.2	—	—	—	16.3	117.5
<b>Science</b>							
Planned Spending <sup>1</sup>	—	—	—	—	35.5	11.2	46.7
Actual Spending	—	—	—	—	55.2	10.2	65.4
<b>Sustainable Fisheries and Aquaculture</b>							
<b>Fisheries Management</b>							
Planned Spending	—	—	379.5	—	—	63.7	443.2
Actual Spending	—	—	364.0	—	—	60.5	424.5
<b>Aquaculture</b>							
Planned Spending	—	—	2.7	—	—	0.8	3.5
Actual Spending	—	—	4.9	—	—	0.8	5.7
<b>Science</b>							
Planned Spending <sup>1</sup>	—	—	—	—	152.9	56.7	209.6
Actual Spending	—	—	—	—	151.8	48.9	200.7
<b>Healthy and Productive Aquatic Ecosystems</b>							
<b>Oceans Management</b>							
Planned Spending	—	—	—	26.0	—	7.1	33.1
Actual Spending	—	—	—	17.7	—	6.7	24.4
<b>Habitat Management</b>							
Planned Spending	—	—	—	56.6	—	14.1	70.7
Actual Spending	—	—	—	57.0	—	13.5	70.5
<b>Science</b>							
Planned Spending <sup>1</sup>	—	—	—	—	53.5	24.6	78.1
Actual Spending	—	—	—	—	68.4	19.7	88.2
<b>Total Planned Spending</b>	<b>565.5</b>	<b>95.6</b>	<b>382.2</b>	<b>82.6</b>	<b>241.8</b>	<b>308.1</b>	<b>1,675.8</b>
<b>Total Actual Spending</b>	<b>547.5</b>	<b>101.2</b>	<b>369.0</b>	<b>74.7</b>	<b>275.5</b>	<b>281.1</b>	<b>1,648.9</b>

**Note:** Because of rounding, figures may not add to the totals shown.

<sup>1</sup> Planned spending for Science does not match that in the 2006-2007 RPP because of an addition error.

## Details on Project Spending

The Department's project approval authority is:

- \$2 million for new Information Technology projects;
- \$5 million for replacement Information Technology projects; and
- \$20 million for all other projects.

DFO has ten projects that exceed delegated project approval levels. Of these, seven are in direct support of the Canadian Coast Guard, two are for national information technology projects, and one is to construct a new laboratory in St. Andrews, New Brunswick.

Supplementary information on project spending can be found at [http://www/tbs-sct/gc/ca/rma/dpr3/06-07/index\\_e.asp](http://www/tbs-sct/gc/ca/rma/dpr3/06-07/index_e.asp).

## Status Report on Major Crown Projects

Major Crown Projects have cost estimates that exceed \$100 million and are assessed as high risk by the Treasury Board. The Mid-Shore Patrol Vessels project is DFO's only Major Crown Project.



Supplementary information on Major Crown Projects can be found at [http://www/tbs-sct/gc/ca/rma/dpr3/06-07/index\\_e.asp](http://www/tbs-sct/gc/ca/rma/dpr3/06-07/index_e.asp).

## Details on Transfer Payment Programs

The following transfer payment programs, in excess of \$5 million, were managed during 2006-2007:

- Aboriginal Aquatic Resources and Oceans Management Program;
- Aboriginal Fisheries Strategy; and
- Fisheries Access Program.

Further information on these Transfer Payment Programs can be found at [http://www/tbs-sct/gc/ca/rma/dpr3/06-07/index\\_e.asp](http://www/tbs-sct/gc/ca/rma/dpr3/06-07/index_e.asp).

## Conditional Grants (Foundations)

Conditional grants are transfer payments specifically approved by Parliament and made available to an organization at the beginning of a multi-year period, in the form of a lump sum, to cover expenses over a number of years. Fisheries and Oceans funded two foundations: The Atlantic Salmon Endowment Fund in 2006 and the Pacific Salmon Endowment Fund in 2001.

Further information on these Transfer Payment Programs can be found at [http://www/tbs-sct/gc/ca/rma/dpr3/06-07/index\\_e.asp](http://www/tbs-sct/gc/ca/rma/dpr3/06-07/index_e.asp).

## Information on Other Reporting Requirements

### External Fee and User Fee Reporting

DFO reports annually on its external charging activities in response to the requirements under the *User Fees Act* (Table 9-A) and under the Treasury Board (TB) Policy on Service Standards for External Fees (Table 9-B).

DFO also collects external charging revenues through contractual arrangements that fall under the purview of separate federal governance instruments. The revenue information associated with these revenue arrangements continue to be reported in Table 5.

#### **Table 7 User Fees Act**

On March 31, 2004, Parliament gave legal effect to the *User Fees Act* with the aim of strengthening the elements of accountability, oversight, and transparency in the management of user fee activities. The *User Fees Act* requires departments to annually submit to Parliament a list of all user fees in effect, irrespective of when the fees were established.

The table below lists DFO's user fees for which revenues were collected during the fiscal year 2006-2007. To promote accountability and transparency, the Department has also included additional description and revenue information on its user fees.

Since the establishment of the *User Fees Act*, DFO has not introduced any new user fees, nor has the Department increased any existing user fees.

**Table 7: User Fees (thousands of dollars)**

User Fee	Fee Type*	Fee Setting Authority	Date Last Modified	2006-2007			Planning Years		
				Forecast Revenue	Actual Revenue	Full Cost	Fiscal Year	Forecast Revenue	Estimated Full Cost
<b>Maintenance Dredging Services Tonnage Fee<sup>1</sup></b> • Intended to recover from commercial vessels the total direct costs incurred by CCG to manage maintenance dredging services in the St. Lawrence Shipping Channel. Services provided consist of the management of the maintenance dredging program for the St. Lawrence Shipping Channel.	O	Section 47 of the <i>Oceans Act</i>	2003	4,600	5,180	5,180	2007-2008 2008-2009 2009-2010	4,600 4,600 4,600	4,600 4,600 4,600
<b>Marine Navigation Services Fee</b> • Intended to recover a portion of the full costs incurred by CCG to provide marine navigation services to commercial vessels. Services provided include short-range aids to navigation and vessel traffic services.	O	Section 47 of the <i>Oceans Act</i>	2005	27,817	29,478	191,584	2007-2008 2008-2009 2009-2010	27,817 27,817 27,817	191,584 191,584 191,584
<b>Marine Communications and Traffic Services/Coast Guard Radio Communications Charges</b> • Rates charged for person-to-person communications by radio-telephone or radio-telegram from ship to shore or from shore to ship.	O	Section 19 of the <i>Financial Administration Act</i>	1994	75	22	3	2007-2008 2008-2009 2009-2010	100 100 100	3
<b>Icebreaking Services Fee</b> • Intended to recover a portion of the full costs incurred by CCG to provide icebreaking services to commercial vessels. Services provided include route assistance (channel maintenance and ship escorts), ice routing and information services, and some harbour/wharf breakouts where not provided by commercial operators.	O	Section 47 of the <i>Oceans Act</i>	1998	13,824	5,011	87,325	2007-2008 2008-2009 2009-2010	13,824 13,824 13,824	87,325 87,325 87,325
<b>Hydrography</b> • Sale of charts and publications	O	<i>Financial Administration Act, Oceans Act</i>	1996	1,900	1,853	31,700	2007-2008 2008-2009 2009-2010	1,800 1,800 1,800	31,700 31,700 31,700
<b>Fisheries Management</b> • Commercial fishing licence fees	R&P	Sections 7 and 8 of the <i>Fisheries Act</i>	1995	35,383	38,191	4	2007-2008 2008-2009 2009-2010	35,006 34,806 34,806	4
<b>Fisheries Management</b> • Recreational fishing licence fees	R&P	Sections 7 and 8 of the <i>Fisheries Act</i>	1996	5,124	5,252	4	2007-2008 2008-2009 2009-2010	5,135 5,135 5,135	4
<b>Fisheries Management</b> • Pacific Salmon Conservation Stamp	R&P O	Sections 7 and 8 of the <i>Fisheries Act</i>	1995	1,449	1,369	15,000	2007-2008 2008-2009 2009-2010	1,431 1,431 1,431	15,000 15,000 15,000
<b>Access to Information</b> • Fees charged for the processing of Access requests filed under the <i>Access to Information Act</i>	O	<i>Access to Information Act</i>	1992	12.5	24.0	1,798.4 <sup>5</sup>	2007-2008 2008-2009 2009-2010	12.5 13.6 14.8	2,569 2,802 3,036
<b>Sub-totals</b>	R&P O			40,507.0 49,677.5	43,443 42,937	0 333,217	2007-2008 2008-2009 2009-2010	89,725.5 89,526.6 89,527.8	
<b>Total</b>				90,184.5	86,380	333,217		268,779.9	332,778 333,011 333,245

**Note:** Performance standards under the *User Fees Act* must be established as part of a user fee proposal process, with specific provisions outlining how the standards are to be established. Given that DFO has not introduced new user fees, nor introduced amendments to existing ones that would require a user fee proposal under the Act, the columns describing Performance Standards and Performance Results have been removed from the table. Information on DFO's service standards for current fees can be found in Table 7-B.

\*DFO collects fees for the conferring of Rights & Privileges (R&P) and for Other Goods and Services (O).

<sup>1</sup> Since 1997, and at the request of industry, the Canadian Coast Guard has managed the maintenance dredging of the navigation channel of the St. Lawrence River between the Port of Montreal and the Ile aux Coudres near Quebec City. The current fee schedule, which replaces the earlier fee schedule that expired on March 31, 2003, extends the arrangement whereby the Canadian Coast Guard is reimbursed, via fees, for the total direct costs it incurs to ensure commercial navigation. Full cost figures are based on total direct costs (rather than full



costs), which include direct labour costs (including employee benefits), direct operating costs, direct material costs, program support costs, and capital acquisitions (to the extent that these capital acquisitions form part of an output).

<sup>2</sup> The full cost of the communications infrastructure associated with non-safety related, cost-recovered public correspondence services is \$1,116,000. This communications infrastructure also supports various safety-related and non-cost-recovered communications services and, as such, these costs are integrated. CCG has structured its public correspondence services charges so that revenues do not exceed the incremental cost of providing these non-safety-related services.

<sup>3</sup> Access fees that reflect the value of the privilege/benefit of access to a valuable natural resource owned by all Canadians and not the cost of fisheries management.

<sup>4</sup> This figure includes amounts for salaries and Operating and Maintenance for the Access to Information and Privacy Secretariat only.

#### **Table 7-B: Policy on Service Standards for External Fees**

On November 29, 2004, Treasury Board Ministers approved the *Policy on Service Standards for External Fees*. The Policy requires departments to report on the status of service standards for all external fees charged on a non-contractual basis. DFO has established service standards for the following external fees:

- Maintenance Dredging Services Tonnage Fee;
- Marine Navigation Services Fee;
- Icebreaking Services Fee;
- Marine Communications and Traffic Services – Canadian Coast Guard Radio Communications Charges;
- Hydrography — Sale of charts and publications; and
- Fees charged for processing of access requests under the *Access to Information Act*.

Supplementary information on Service Standards for External Fees can be found at [http://www.tbs-sct.gc.ca/rma/dpr3/06-07/index\\_e.asp](http://www.tbs-sct.gc.ca/rma/dpr3/06-07/index_e.asp).

### **Progress against the Department's Regulatory Plan**

There are a number of statutory instruments that make up the legislative framework of the Department of Fisheries and Oceans. These include major legislative instruments administered by the Department, including the *Fisheries Act* and the *Oceans Act*, minor legislative instruments including the *Fishing and Recreational Harbours Act*, and other legislative instruments partially administered by the Department, including the *Species at Risk Act*. Ongoing regulatory initiatives under these statutes are essential to ensure that new legislation can be implemented in a manner that allows the Department to fulfil its objectives and mandates.

Supplementary information on the Progress against the Department's Regulatory Plan can be found at [http://www.tbs-sct.gc.ca/rma/dpr3/06-07/index\\_e.asp](http://www.tbs-sct.gc.ca/rma/dpr3/06-07/index_e.asp).

## Response to Parliamentary Committees, Audits, and Evaluations

Presented below are summaries of the Department's responses to Parliamentary Committee reports and recommendations made by the Auditor General. Links to internal audits and internal evaluations completed in 2006-2007 are also presented.

**Table 8: Responses to Parliamentary Committees, 2006-2007**

Report	Link to Report and Government Response
<b>Reports Tabled by the Standing Committee on Fisheries and Oceans during 2006-2007</b>	
<p><b>First Report of the Standing Committee on Fisheries and Oceans on Northern Cod: A Failure of Canadian Fisheries Management</b></p> <p>The first Report was tabled in the House of Commons on May 17, 2006. The Committee studied the northern cod, including the events leading to the collapse of the fishery and the failure of the stock to re-establish itself since the moratorium. The Committee notes in the Report: "... As stated by the Fisheries Resource Conservation Council (FRCC) in its 1997 report, <i>the fishery crisis cannot be related to a single cause or blamed on a single group: it is the failure of our whole fisheries system</i>. In part, as a result of the <i>failure of our whole fisheries system</i>, the House of Commons Standing Committee on Fisheries and Oceans agreed on 8 February 2005 to undertake a study of the northern cod including the events leading to the collapse of the fishery and the failure of the stock to re-establish itself since the moratorium. Although no formal terms of reference have been adopted for this study, the text of the motion agreed upon specifies a focus on the causes for the collapse of the cod fishery and for the lack of recovery of the stock. The socio-economic impacts of the collapse of the fishery and the ensuing moratorium were excluded from the study. The Committee travelled to Newfoundland and Labrador where it met in Bonavista on 27 September, in Port Blandford on 28 September, and then for two additional days in St. John's on 29 and 30 September 2005."</p>	<p>Report:  <a href="http://cmte.parl.gc.ca/cmte/CommitteePublication.aspx?COM=10480&amp;Lang=1&amp;SourceId=143099">http://cmte.parl.gc.ca/cmte/CommitteePublication.aspx?COM=10480&amp;Lang=1&amp;SourceId=143099</a></p> <p>Government Response:  <a href="http://www.dfo-mpo.gc.ca/communic/reports/cod-morue/cod-morue_e.htm">http://www.dfo-mpo.gc.ca/communic/reports/cod-morue/cod-morue_e.htm</a></p>
<p><b>Fourth Report of the Standing Committee on Fisheries and Oceans on Ensuring a Sustainable and Humane Seal Harvest</b></p> <p>The Committee adopted a motion on June 8, 2006, to study the subject of the Canadian seal harvest. Following many hearings on this, the Committee tabled its fourth report on April 30, 2007. The Committee travelled to Newfoundland and Labrador, Quebec, and Nova Scotia in November 2006 to meet with sealers and community leaders. The Committee made a second trip to Newfoundland and Labrador in April 2007 to observe the seal harvest aboard the Canadian Coast Guard icebreaker, the <i>Amundsen</i>. In its study, the Committee met, among others, with officials of the Department of Fisheries and Oceans, members of the European Parliament, and representatives of Inuit organizations. The Report focuses on four aspects of the seal harvest: sustainability; humaneness; economic, social, and cultural importance; and its role in the ecological balance within the marine ecosystem. There are 18 recommendations in the report, and these are centred on increasing education and public awareness of the harvest, especially internationally; making changes to the <i>Marine Mammals Regulations</i>; and observation of the seal harvest.</p>	<p>Report:  <a href="http://cmte.parl.gc.ca/cmte/CommitteePublication.aspx?COM=10480&amp;Lang=1&amp;SourceId=206172">http://cmte.parl.gc.ca/cmte/CommitteePublication.aspx?COM=10480&amp;Lang=1&amp;SourceId=206172</a></p> <p>Government Response:            Not yet posted</p>
<b>Report Tabled by the Standing Senate Committee on Fisheries and Oceans during 2006-2007</b>	
<p><b>Second Report: Interim Report: The Atlantic Snow Crab Fishery</b></p> <p>The Committee focused its attention on a broad range of subjects, including a limited study on the Atlantic snow crab fishery in June 2006. This study culminated with the tabling of this report on June 22, 2006. The Committee noted in a June 23, 2006, press release on the subject that "after rapid growth in the last two decades, the crab fishery now stands second only to lobster in landed value, and has become the prime support of many fishing communities. But this year, market and other factors plunged much of the fishery into crisis." The report identifies the difficulties to be on two fronts. First, the report identifies market and economic factors over which it states the fishery has no control</p>	<p>Report:  <a href="http://www.parl.gc.ca/39/1/parlbus/commbus/senate/com-e/fish-e/rep-e/repintjun06-e.htm">http://www.parl.gc.ca/39/1/parlbus/commbus/senate/com-e/fish-e/rep-e/repintjun06-e.htm</a></p> <p>Government Response:  <a href="http://www.dfo-mpo.gc.ca/communic/reports/atll-crab-crabe/crab-crabe_e.htm">http://www.dfo-mpo.gc.ca/communic/reports/atll-crab-crabe/crab-crabe_e.htm</a></p>





Report	Link to Report and Government Response
<p>("soaring fuel costs {said to have more than tripled since 2002}, high bait costs, plummeting crab prices, competing supplies from Alaska in the United States market, and especially changes in the value of the Canadian dollar, which is at its highest level in almost three decades"). Second, it identifies that "in some crab fishing areas (CFAs), quotas were reduced in response to falling catch levels," and indicates that it "heard that socio-economic consequences were only beginning to be felt, particularly in Newfoundland and Labrador where out-migration from rural areas was said to be taking place."</p>	
<p><b>Sixth Report: The Management Of Atlantic Fish Stocks: Beyond The 200-Mile Limit</b></p> <p>The Committee began a study into fisheries beyond the 200-mile limit in October of 2006. The Committee's study culminated with the tabling of this report on February 20, 2007. The report delves into a number of different areas, including the issue of bottom trawling in unregulated areas of the high seas, the possibility of prohibiting bottom trawling by foreign fishing fleets on Canada's continental shelf, the regulations and penalties applicable to Canadian fishermen vis-à-vis foreign fishing fleets on Canada's continental shelf, various provisions in the proposed amendments to the NAFO Convention text, and the level of Canada's surveillance and enforcement activity in the NAFO Regulatory Area (NRA).</p>	<p><u>Report:</u>  <a href="http://www.parl.gc.ca/39/1/parlbus/commbus/senate/com-e/fish-e/rep-e/rep06feb07-e.htm">http://www.parl.gc.ca/39/1/parlbus/commbus/senate/com-e/fish-e/rep-e/rep06feb07-e.htm</a></p> <p><u>Government Response:</u>            Not yet posted</p>

**Table 9: Responses to the Auditor General, 2006-2007**

Recommendation Raised	Link to Chapter and Response
<b>2007 Report – Chapter 1 – Use of Acquisition and Travel Cards</b>	
<p><b>Chapter 1 – 1.31</b> Fisheries and Oceans Canada, Health Canada, and National Defence should formalize training for regional and departmental coordinators and quality assurance personnel to ensure that information about all issues related to acquisition and travel card management within a department is understood by those personnel, and that the information is disseminated to program managers. (1.26-1.30)</p>	<p><a href="#">2007 Report of the Auditor General of Canada - May - Chapter 1 - Appendix-List of recommendations</a></p>
<p><b>Chapter 1 - 1.48</b> Fisheries and Oceans Canada, Health Canada, and National Defence should ensure that, on a timely basis, all acquisition card transactions are properly verified and certified, according to section 34 of the <i>Financial Administration Act</i> and as stated in the Treasury Board Policy on Account Verification. (1.32–1.47)</p>	<p><a href="#">2007 Report of the Auditor General of Canada - May - Chapter 1 - Appendix-List of recommendations</a></p>
<p><b>Chapter 1 - 1.75</b> Departments should make better use of best practices, such as data mining, quality assurance, restricted use, and central billing in managing and monitoring their acquisition card transactions and outstanding travel card balances. (1.68–1.74)</p>	<p><a href="#">2007 Report of the Auditor General of Canada - May - Chapter 1 - Appendix-List of recommendations</a></p>
<b>2007 Report – Chapter 4 - Managing the Coast Guard Fleet and Marine Navigational Services</b>	
<p><b>Chapter 4 - 4.89</b> The Coast Guard should establish priorities for improvement, set clear achievable goals for those priority areas, allocate sufficient, appropriate resources, and plan and implement the changes by holding managers and organizational units accountable for results. (4.17–4.88)</p>	<p><a href="#">2007 Report of the Auditor General of Canada - Status Report - Chapter 4 - Appendix-List of recommendations</a></p>

**Internal Audits Completed in 2006-2007**

Internal Audit	Link to Report
Audit of Management Control Framework Supporting Statistical Information on Fisheries	<a href="http://www.dfo-mpo.gc.ca/communic/CREAD/audits/06-07/6b012_e.htm">http://www.dfo-mpo.gc.ca/communic/CREAD/audits/06-07/6b012_e.htm</a>
Audit of Contracting	<a href="http://www.dfo-mpo.gc.ca/communic/cread/audits/06-07/60252_e.htm">http://www.dfo-mpo.gc.ca/communic/cread/audits/06-07/60252_e.htm</a>
Follow-Up Audit of Travel and Hospitality	<a href="http://www.dfo-mpo.gc.ca/communic/cread/audits/06-07/6b034_e.htm">http://www.dfo-mpo.gc.ca/communic/cread/audits/06-07/6b034_e.htm</a>
Small Craft Harbours Divestiture Grants Program Evaluation and Audit	<a href="http://www.dfo-mpo.gc.ca/communic/CREAD/evaluations/05-06/6B013_e.htm">http://www.dfo-mpo.gc.ca/communic/CREAD/evaluations/05-06/6B013_e.htm</a>
Audit, Evaluation and Integrated Risk Management: Lessons Learned	<a href="http://www.dfo-mpo.gc.ca/communic/CREAD/audits/06-07/LessonLearnedDeck_e.htm">http://www.dfo-mpo.gc.ca/communic/CREAD/audits/06-07/LessonLearnedDeck_e.htm</a>
Contribution Agreement with the CCGA	<a href="http://www.dfo-mpo.gc.ca/communic/cread/audits/06-07/6b-42_e.htm">http://www.dfo-mpo.gc.ca/communic/cread/audits/06-07/6b-42_e.htm</a>

**Evaluations Completed in 2006-2007**

Evaluations	Link to Report
Evaluation of the Program for Sustainable Aquaculture	<a href="http://www.dfo-mpo.gc.ca/communic/cread/evaluations/06-07/65143_e.htm">http://www.dfo-mpo.gc.ca/communic/cread/evaluations/06-07/65143_e.htm</a>
Small Craft Harbours Divestiture Grants Program Evaluation and Audit	<a href="http://www.dfo-mpo.gc.ca/communic/CREAD/evaluations/05-06/6B013_e.htm">http://www.dfo-mpo.gc.ca/communic/CREAD/evaluations/05-06/6B013_e.htm</a>
Formative Evaluation of Federal Species at Risk Programs	<a href="http://www.ec.gc.ca/ae-ve/default.asp?lang=en&amp;n=53869FF3-1">http://www.ec.gc.ca/ae-ve/default.asp?lang=en&amp;n=53869FF3-1</a>
Evaluation of the DFO 2001-2003 Sustainable Development Strategy - Project 2004-60254	<a href="http://www.dfo-mpo.gc.ca/communic/CREAD/evaluations/06-07/60254_e.htm">http://www.dfo-mpo.gc.ca/communic/CREAD/evaluations/06-07/60254_e.htm</a>
Maritime Security Initiatives	Will not be posted as this is a Secret document
Building Public Confidence in Pesticide Regulation and Improving Access to Pest Management Products	<a href="http://www.pmra-arla.gc.ca/English/pdf/plansandreports/evaluation_bpcinitiative_e.pdf">http://www.pmra-arla.gc.ca/English/pdf/plansandreports/evaluation_bpcinitiative_e.pdf</a>
Summative Evaluation of the Contribution to the Coast Guard Auxiliary	<a href="http://review-examen.ncr.dfo-mpo.gc.ca/evaluations/index_e.asp">http://review-examen.ncr.dfo-mpo.gc.ca/evaluations/index_e.asp</a>
Conservation and Protection Line Reporting Pilot Project in the Pacific Region	<a href="http://review-examen.ncr.dfo-mpo.gc.ca/evaluations/index_e.asp">http://review-examen.ncr.dfo-mpo.gc.ca/evaluations/index_e.asp</a>



## Sustainable Development Strategy

As a department committed to sustainable development, DFO works to protect and conserve Canada's aquatic resources, while supporting the development and use of these resources. The Sustainable Development Strategy (SDS) is an important tool to help the Department achieve its strategic outcomes and to ensure that DFO, like all federal departments and agencies, takes environmental, economic, and social considerations into account in its decision-making.

During the current reporting period, the Department saw the conclusion of the 2005-2006 SDS and introduced the 2007-2009 SDS. An update of results achieved under the 2005-2006 Strategy is reported in the new SDS.

A crosswalk of progress on specific 2005-2006 SDS commitments listed in DFO's 2006-2007 *Report on Plans and Priorities* is presented in the following table. Detailed information can be found in the Progress Report Table of DFO's 2007-2009 Sustainable Development Strategy ([http://www.dfo-mpo.gc.ca/sds-sdd/2007-2009/progress\\_e.htm](http://www.dfo-mpo.gc.ca/sds-sdd/2007-2009/progress_e.htm)).

<i>RPP Commitment</i>	<i>SDS Goal</i>	<i>SDS Output</i>	<i>Progress</i>
Protection and recovery strategies for aquatic species at risk	A	1.4	Partially met
Ecosystem Overview Reports	A	2.1	Partially met
Marine Protected Areas	A	2.2	Met
Addressing climate change	A	3.1	Met
Integrated oceans management plans	B	1.1	Partially met
International fisheries and governance	B	2.1	Partially met
Increased capacity and better management of Aboriginal fisheries	B	3.1-3.4	Met
Canadian Council of Fisheries and Aquaculture Ministers initiatives	B	4.1	Partially met
Marine aids modernization project	C	1.1	Partially met
Environment Management Systems	C	1.2-1.4	Met
Small Craft Harbours compliance with environmental regulations and standards	C	1.6	Met
Environmental Management Plans at essential harbours	C	1.7	Partially met

In December 2006, DFO's 2007-2009 Sustainable Development Strategy (SDS) ([http://www.dfo-mpo.gc.ca/sds-sdd/2007-2009/index\\_e.htm](http://www.dfo-mpo.gc.ca/sds-sdd/2007-2009/index_e.htm)) was tabled in Parliament. Extensive internal and external consultations were conducted during the preparation of the 2007-2009 SDS that helped guide the development of achievable targets and the identification of concrete measures.

## Procurement and Contracting

DFO is a highly decentralized, operational department with a presence in over 300 communities. Procurement and contracting are important functions in support of departmental operations.

Supplementary information on Procurement and Contracting can be found at [http://www.tbs-sct.gc.ca/rma/dpr3/06-07/index\\_e.asp](http://www.tbs-sct.gc.ca/rma/dpr3/06-07/index_e.asp).

## Service Improvement Initiative

High-quality service promotes citizen confidence in government, produces high levels of client satisfaction, demonstrates value for money to taxpayers, and contributes to the achievement of public policy goals. Achieving high-quality service requires a client-centred approach — designing services

around client needs and continuously evolving services in response to client feedback. This is accomplished, in part, by periodically measuring client satisfaction and acting on the findings. Service standards are also essential to ensuring high-quality service. Service standards tell clients what to expect and represent the government's commitment to a level of performance.

Further information on these service improvement initiatives can be found at [http://www.tbs-sct.gc.ca/rma/dpr3/06-07/index\\_e.asp](http://www.tbs-sct.gc.ca/rma/dpr3/06-07/index_e.asp).

## **Horizontal Initiatives**

Horizontal initiatives are programs or initiatives in which partners from two or more organizations have agreed under a formal funding agreement to work towards the achievement of shared outcomes. DFO is a partner on the following five horizontal initiatives led by other federal government departments:

- Building Public Confidence in Pesticide Regulation and Improving Access to Pest Management Products (Pest Management Regulatory Agency — Health Canada);
- Canadian Biotechnology Strategy (Industry Canada);
- Federal Contaminated Sites Accelerated Action Plan (Environment Canada and Treasury Board Secretariat);
- Implementation of the Act Respecting the Protection of Wildlife Species at Risk in Canada (Environment Canada); and
- Marine Security (Transport Canada).

Further information on these horizontal initiatives can be found at [http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/profil\\_e.asp](http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/profil_e.asp).

## **Travel policies**

Fisheries and Oceans Canada follows and uses the Treasury Board Secretariat's travel policy parameters.



## **Section 4 — Other Items of Interest**

### ***In this section:***

- ◆ Organizational Information
- ◆ Management Accountability Framework
- ◆ Program Enablers
- ◆ Awards and Recognition
- ◆ Contacts for Further Information

## ***Organizational Information***

Fisheries and Oceans Canada is a largely decentralized department with almost 9 of every 10 employees situated in regions outside the National Capital Region. The Department operates across Canada from six regional offices, as well as from the national headquarters in Ottawa. The regions are displayed as follows.



Each of the six regions is headed by a Regional Director General (RDG) in a regional headquarters. The RDGs are responsible for organizing and managing the delivery of programs and activities in their regions through area offices, in accordance with national and regional priorities and within national performance parameters set for each program and activity.

The senior management at national headquarters in Ottawa — under the leadership of the Deputy Minister, Senior Associate Deputy Minister, Commissioner of the Canadian Coast Guard and five Assistant Deputy Ministers — is responsible for establishing national objectives, policies, procedures, and standards. It also runs some national programs and monitors departmental activities nationwide to ensure the quality and consistency of service delivery.

The Canadian Coast Guard is a special operating agency within DFO under the leadership of the Commissioner and organized into five regions headed by Assistant Commissioners.

The rest of the Department is organized into five sectors, each headed by an Assistant Deputy Minister. Assistant Deputy Ministers are responsible for establishing national objectives, policies, procedures, and standards for their respective sectors and program activities.

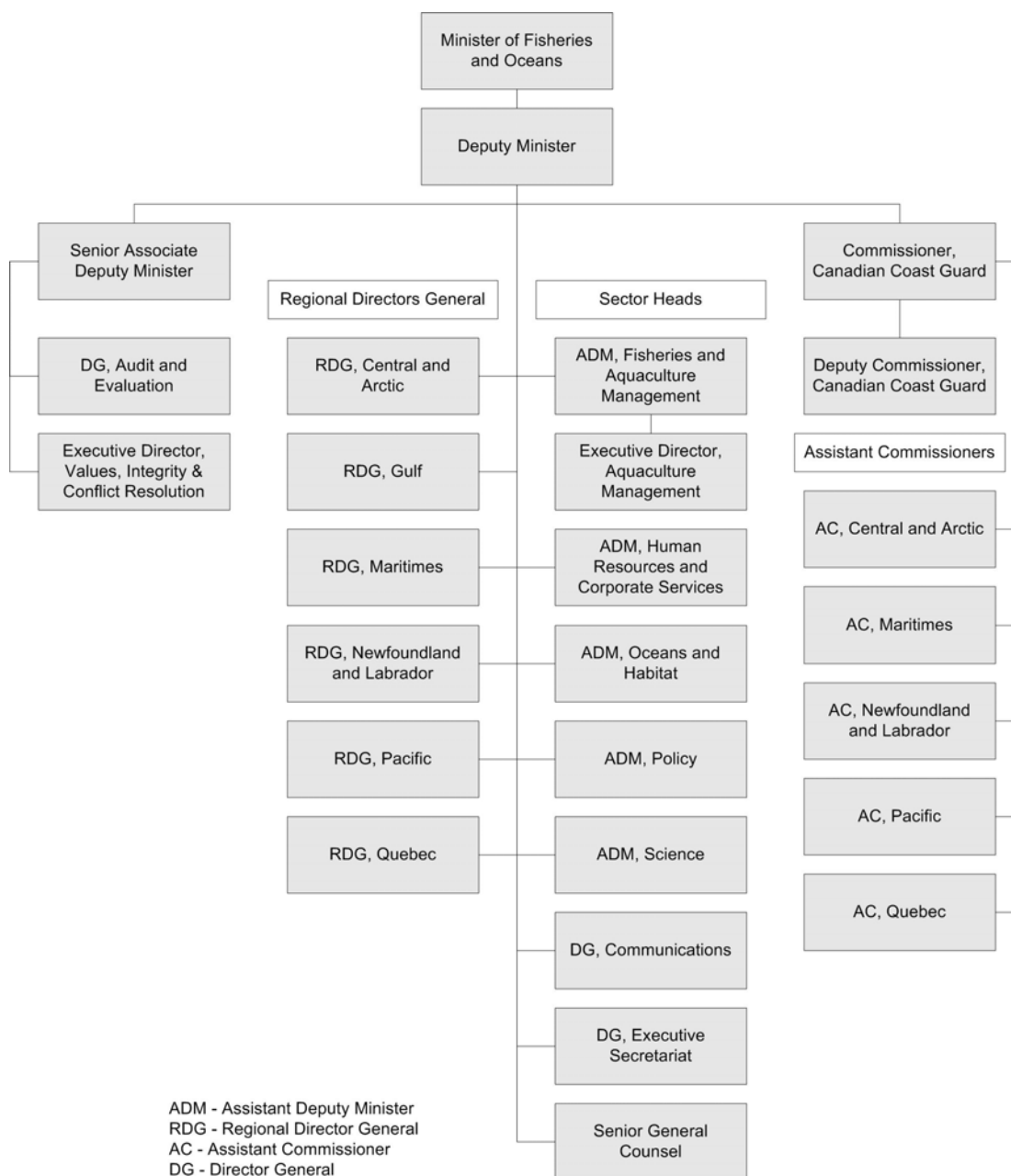
The Deputy Minister, Senior Associate Deputy Minister, Assistant Deputy Ministers, and Regional Directors General work closely together in managing the Department and its operations.

Regional Directors General and Assistant Deputy Ministers report directly to the Deputy Minister.

This organizational and governance information is shown in the accompanying figure.



## Organizational and Governance Information



The Departmental Management Committee (DMC) is supported by the following senior management committees: Policy Integration Committee, Finance Sub-Committee, Human Resource Sub-Committee, Legal Risk Management Committee, Departmental Internal Audit Committee, Information Management Board, and the Science Management Board.

## Management Accountability Framework

The Management Accountability Framework (MAF) is a framework for sound management in the public service. Good departmental management crosses sectors, the Agency, regions, and Program Enablers. Management performance is measured by the ten elements of the MAF. Each element has one or more separate indicators, which measure specific parts of the element. Each year, Treasury Board Portfolio assesses departmental performance against the ten elements. The results highlight good performance and identify departmental management priorities for the upcoming year.

Treasury Board Portfolio identified the following improvements in internal departmental management in the 2006 (Round IV) Management Accountability Framework assessment:

- Governance and Strategic Directions (Utility of the corporate performance framework measure) rose from Opportunity for Improvement to Strong.
- Stewardship (Effectiveness of information technology management measure) rose from Opportunity for Improvement to Strong.
- Citizen-Focussed Services rose from Acceptable to Strong.


The Department made some progress against its management priorities, based on the 2005 MAF assessment:

- Met the commitment to appropriately resource the evaluation function. Rating from Opportunity for Improvement to Acceptable.
- Made some improvement in the representation of women and visible minorities, particularly in the EX category. The rating for employment equity rose from Attention Required to Opportunity for Improvement.

<i>MAF Indicator</i>	<i>2006 Results</i>	<i>2005 Results</i>
<b>Public service values.</b> Through their actions, departmental leaders continually reinforce the importance of public service values and ethics in the delivery of results to Canadians	Acceptable	Strong
<b>Governance and Strategic Directions.</b> Internal coherence, corporate discipline, and alignment to outcomes are in place for providing effective strategic direction, support to the minister and Parliament, and the delivery of results	Acceptable	Acceptable
<b>Policy and Programs.</b> Departmental research and analytic capacity is sustained to assure high quality policy options, program design and advice to ministers	Acceptable	Improvement
<b>Results and Performance.</b> Relevant information on results (internal, service and program) is gathered and used to make departmental decisions, and public reporting is balanced, transparent, and easy to understand	Improvement	Improvement
<b>Learning, Innovation and Change Management.</b> The Department manages through continuous innovation and transformation, promotes organizational learning, values corporate knowledge, and learns from its performance	Acceptable	Not rated
<b>Risk Management.</b> The executive team clearly defines the corporate context and practices for managing organizational and strategic risks proactively	Improvement	Acceptable
<b>People.</b> The Department has the people, work environment, and focus on building capacity and leadership to assure its success and a confident future for the Public Service of Canada	Acceptable	Acceptable
<b>Stewardship.</b> The departmental control regime (assets, money, people, services, etc.) is integrated and effective, and its underlying principles are clear to all staff	Improvement	Improvement
<b>Citizen-Focused Service.</b> Services are citizen-centred, policies are developed from the "outside in", and partnerships are encouraged and effectively managed	Strong	Improvement





<b>MAF Indicator</b>	<b>2006 Results</b>	<b>2005 Results</b>
<b>Accountability.</b> Accountabilities for results are clearly assigned and consistent with resources, and delegations are appropriate to capabilities	Not rated	Not rated
 MAF Assessments – <a href="http://www.tbs-sct.gc.ca/maf/assessments-evaluations/assessments-evaluations_e.asp#r5">http://www.tbs-sct.gc.ca/maf/assessments-evaluations/assessments-evaluations_e.asp#r5</a>		

## Program Enablers

*Program Enablers* are the corporate functions that support the delivery of DFO's plans and priorities. In DFO, the enablers represent approximately 17% of total employees. Their work is ongoing and multi-faceted: from paying bills, to preparing news releases, to analyzing policy issues. They work together with the programs described in Section 2 to deliver departmental and government priorities and initiatives.

The financial and human resources listed below have been attributed across the three strategic outcomes and program activities discussed in Section 2.

The Program Enablers have six sub-activities: executive direction; strategic policy; communications; legal services; human resources; and corporate services.

### Financial and Human Resources, Program Enablers, 2006-2007

<b>Financial Resources (millions of dollars)</b>	<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual Spending</b>
Executive Direction	24.4	24.7	29.1
Strategic Policy	23.2	23.9	22.9
Communications	9.4	9.6	11.6
Legal Services	5.4	5.3	3.2
Human Resources	25.3	24.1	28.2
Corporate Services <sup>1</sup>	220.3	226.2	186.1
<b>Total</b>	<b>308.1</b>	<b>313.7</b>	<b>281.1</b>

<b>Human Resources (number of FTEs)</b>	<b>Planned</b>	<b>Actual</b>	<b>Difference</b>
Executive Direction		211	
Strategic Policy		205	
Communications		93	
Legal Services		20	
Human Resources		316	
Corporate Services		878	
<b>Total</b>	<b>1,784</b>	<b>1,723</b>	<b>-61<sup>2</sup></b>

**Note:** Because of rounding, figures may not add to the totals shown.

Planned FTEs by sub-activity are not available for 2006-2007.

<sup>1</sup> Corporate Services includes Finance and Administration, Information Management, Information Technology, and Real Property, Safety and Security. Information Technology and Real Property both have significant major and minor capital resources.

<sup>2</sup> Underutilization of FTEs is the result of turnover, difficulty in finding qualified replacements because of poor labour market availability for jobs being staffed; and delays in the staffing and classification process.

### Program Sub-activity: Executive Direction

This sub-activity includes the offices of the Deputy Minister, Senior Associate Deputy Minister, Regional Directors General, Area Managers, and the Executive Secretariat including Access to Information and Privacy. It also includes the Audit and Evaluation Directorate, which has responsibility, on behalf of the Deputy Minister, for the provision of internal audit, evaluation, and integrated risk management; and the

Values, Integrity and Conflict Resolution Secretariat, responsible for building awareness of, and strengthening compliance with, the Values and Ethics Code for the Public Service and for ensuring that DFO employees are aware of and use the internal process for disclosing allegations of wrongdoing.

<b>Expected Results</b>	<b>Performance Indicators</b>	<b>Results Achieved</b>
Improved management practices, policies, and internal control systems in DFO through the audits, evaluations, and follow-up audits carried out according to the Annual Audit and Evaluation Workplan	Percentage of audits, evaluations, and follow-up audits in the annual workplan that are completed or started	<ul style="list-style-type: none"> <li>92% of audits in the annual workplan completed or started</li> <li>88% of evaluations (15 of 17) in the annual workplan completed or started; 3 of the 17 were postponed to 2007-2008, one was advanced from 2007-2008, and a new one started in 2006-2007</li> </ul>
	Percentage of recommendations approved or implemented, totally or partially	<ul style="list-style-type: none"> <li>72% of audit and review recommendations were totally or partially approved or implemented</li> <li>75% of the evaluation recommendations from the years 2003-2004 to the end of the fiscal year 2005-2006 completed; 7 evaluations completed in 2006-2007</li> </ul>
Improved organizational objectives in DFO achieved through the implementation of Integrated Risk Management in departmental decision making	Number of sectors that have implemented risk-based planning for their activities	<ul style="list-style-type: none"> <li>Thirteen Risk Profiles completed in the sectors and program areas, with two more near completion; with this, DFO will have total coverage in all areas of the PAA; many Program Enablers have also completed a Risk Profile</li> </ul>
	Departmental Management Committee (DMC)-approved governance model for future implementation	<ul style="list-style-type: none"> <li>DMC approved a model governance structure, with Regional Co-ordinators in every region; all co-ordinators have been appointed</li> <li>DMC approved Sectoral Risk Profiling based on the Program Activity Architecture</li> </ul>

#### **Program Sub-activity: Strategic Policy**

This sub-activity supports the Department's mandate and advances its policy priorities through integrating the policy agenda within DFO and establishing linkages with the broader Government of Canada agenda; setting the strategic direction for the Department; conducting economic research and analysis and compiling statistics in areas of relevance to departmental and government decision-makers; and analyzing horizontal policy issues and developing policy frameworks.

<b>Expected Results</b>	<b>Performance Indicators</b>	<b>Results Achieved</b>
Senior management, including the Deputy Minister and Minister, properly prepared to make departmental policy decisions and representations	Senior management satisfied that the policy decision-making process is strategic and properly informed from a whole-of-department perspective	<ul style="list-style-type: none"> <li>Introduced the Policy Integration Committee as a forum for developing policy initiatives for senior management consideration</li> <li>Continued co-ordination of DMC meetings has ensured that senior management is prepared to make departmental policy decisions</li> </ul>



<b>Expected Results</b>	<b>Performance Indicators</b>	<b>Results Achieved</b>
Enhanced capacity within DFO to conduct complex economic research and analysis	Number of highly skilled economists and quantitative analysts recruited	<ul style="list-style-type: none"> <li>The number of FTEs within the Economic Analysis and Statistics branch increased from 13 to 22</li> </ul>
Increased information and analytical base upon which decisions are made on departmental programs and policies (evidence-based policy making)	Number of economic and statistical analyses prepared to support the development and assessment of existing and new programs and policies	<ul style="list-style-type: none"> <li>Prepared 12 economic research reports to support key policy and program decisions within the Department and to serve as a basis for further economic research in priority areas</li> </ul>
Increased credibility with respect to the Department's policies, program, and approaches to natural resource management	Number of requests to provide economic advice and analysis or to use DFO as a valuable source of economic information and analytical expertise	<ul style="list-style-type: none"> <li>Demand for economic and statistical analyses continued to increase from both internal and external clients and the public; in 2006-2007, received approximately 1,300 requests for economic and statistical information and advice</li> <li>Participation in fisheries economic and statistical fora has increased to present the Department's work to other interested government, academic, and industry organizations</li> </ul>
Effective Canadian participation in international meetings	Canadian positions promoted and adopted internationally	<ul style="list-style-type: none"> <li>Tabled National Plans of Action on Seabirds and Sharks at a meeting at the Food and Agriculture Organization (FAO)</li> <li>Led development of guidance for implementing the ecosystem approach to oceans management within the UN Informal Consultative Process for Oceans and the Law of the Sea</li> </ul>
Enhanced capacity within DFO for legislative and regulatory initiatives	Number of requests for new legislative and regulatory initiatives and their implementation as Smart Regulations	<ul style="list-style-type: none"> <li>Started review of the DFO regulatory process</li> <li>Incorporated the Triage Framework into all regulatory amendments</li> <li>Continued to streamline and simplify regulations (e.g., Ontario Fishery Regulations, 1989)</li> </ul>

### **Program Sub-activity: Communications**

Communications works with program and policy leads across DFO and the Canadian Coast Guard to explain the priorities and directions of the Department to Canadians, meeting their information needs according to the requirements of the Government of Canada Communications Policy.

<b>Expected Results</b>	<b>Performance Indicators</b>	<b>Results Achieved<sup>23</sup></b>
Increased transparency with media and citizens	Total number of media interactions (proactive and responsive)	<ul style="list-style-type: none"> <li>4,905 media interactions, a slight increase over 2005-2006</li> </ul>

<sup>23</sup> Data source: Media Miser and General Inquiries database.

<b>Expected Results</b>	<b>Performance Indicators</b>	<b>Results Achieved<sup>23</sup></b>
	Balance of tone in media coverage	<ul style="list-style-type: none"> <li>Predominantly neutral and positive tone in media coverage: <ul style="list-style-type: none"> <li>Positive 31.9%</li> <li>Neutral 48.6%</li> <li>Negative 19.3%</li> </ul> </li> <li>Represents a 12% improvement from 2005-2006</li> <li>126 news releases and 53 media advisories</li> </ul>
	Total General Inquiries requests and response rates per established service standards	<ul style="list-style-type: none"> <li>General Inquiries received 22,149 information requests on DFO issues; of the total number of General Inquiries calls that reached the service during open hours, 87% were answered within 18 seconds</li> <li>A slight decrease in calls from 2005-2006 (24,310 inquiries)</li> </ul>
Informed and engaged managers and employees in DFO	Number of internal Communications activities	<ul style="list-style-type: none"> <li>6 editions of the national employee newsletter</li> <li>51 editions of the weekly internal news bulletin</li> <li>30 Deputy Minister messages to employees</li> <li>1 DM newsletter</li> </ul>

#### **Program Sub-activity: Legal Services**

Legal Services enables DFO's sectors and regions to pursue policy, program, and service delivery priorities and objectives within a legally sound framework. The services include the provision of policy and program advice; direction in the development and drafting of the legal content of bills, regulations, and guidelines; assistance in the identification, mitigation, and management of legal risks; legal support in ensuring compliance and enforcement of standards, regulations, and guidelines; and representation of the Crown's interests in litigation.

<b>Expected Results</b>	<b>Performance Indicators</b>	<b>Results Achieved</b>
Legal risk anticipated and mitigated	Number of legal risk (litigation) and high-impact case committee meetings	<ul style="list-style-type: none"> <li>Five Legal Risk Management Committee meetings</li> <li>Thirteen High Impact Litigation Committee meetings</li> </ul>
Programs, reports, and materials that enhance legal awareness	Number of legal awareness products delivered	<ul style="list-style-type: none"> <li>Twenty-two <i>In the Loop</i> Legal Tips were written</li> <li>Seven training sessions provided to CCG College, Small Craft Harbours, Fishery Officers, and Habitat Management</li> <li>One Legal Risk Management retreat</li> </ul>

#### **Program Sub-activity: Human Resources**

Human Resources provides effective and timely human resources services and advice to managers, employees, and unions and, working with those stakeholders, leads the transition to Human Resource Modernization.



<b>Expected Results</b>	<b>Performance Indicators</b>	<b>Results Achieved</b>
Continued implementation of Human Resource Modernization and effective delivery of human resource advice and services in DFO, in line with the People Component of the Management Accountability Framework	Number of positions using national model work descriptions (NMWD)	<ul style="list-style-type: none"> <li>35% of DFO's positions are mapped to a NMWD and sector/CCG plans are in place to achieve 80% by the end of 2007-2008</li> </ul>
	Number of managers trained to exercise their delegated responsibilities	<ul style="list-style-type: none"> <li>686 of 726 managers responsible for a salary budget hold full delegations</li> </ul>
	Number of Human Resource Advisors validated by the Public Service Commission	<ul style="list-style-type: none"> <li>39 of 47 Human Resource Advisors validated</li> </ul>
	Effectiveness of regional/sector Human Resource (HR) plans	<ul style="list-style-type: none"> <li>Beginning to see the positive effects of HR plans through the use of National Model Work Descriptions, collective staffing, fewer long-term acting positions, and learning plans</li> </ul>
	Assessment of compliance or movement toward compliance with the 12 statutory requirements of the <i>Employment Equity Act</i>	<ul style="list-style-type: none"> <li>The Canadian Human Rights Commission assessed DFO as compliant</li> <li>Continued implementing the 2004-2007 Employment Equity Management Action Plan</li> </ul>
	Increase in the number of employees who meet the language requirements of their position, and reduced official language complaints	<ul style="list-style-type: none"> <li>1,978 (92.5%) of 2,138 bilingual positions encumbered with employees who met the linguistic requirements; this represents an increase of 1.5% from 2005-2006</li> <li>The number of official languages complaints deemed founded (4) in 2006-2007 is consistent with the previous year<sup>24</sup></li> </ul>
	Increase in the number of employees who have a learning plan	<ul style="list-style-type: none"> <li>2006-2007 is the first year where this is being tracked; approximately 65% of employees were offered the opportunity to develop learning plans; however, not all employees took advantage of the opportunity</li> </ul>
	Establishment of a career and succession management program for the EX group	<ul style="list-style-type: none"> <li>DMC agreed that career and succession plans for all EXs (includes EX positions considered key to organization effectiveness) would be linked with 2006-2007 and 2007-2008 performance discussions</li> </ul>
	Departmental support for development programs such as the Management Trainee Program (MTP) and the Career Assignment Program (CAP)	<ul style="list-style-type: none"> <li>Amalgamated the CAP and MTP Programs into the Professional Leadership Development category</li> <li>DFO launched a CAP national recruitment campaign to fill 4 positions by Fall 2007</li> </ul>
	Number of union/management meetings	<ul style="list-style-type: none"> <li>Management and union representatives convened 136 meetings across DFO locations</li> </ul>

<sup>24</sup> Data source: Position Classification Information System (PCIS).

<i>Expected Results</i>	<i>Performance Indicators</i>	<i>Results Achieved</i>
	Continued use of both formal and informal recognition mechanisms	<ul style="list-style-type: none"> <li>Achieved an increase in the number of employees recognized and a decrease in the cost of the program</li> </ul>


#### **Program Sub-activity: Corporate Services**

Corporate Services provides the following services: Finance and Administration, which develops, maintains, and implements integrated systems, policies, procedures, and services for the effective acquisition and stewardship of financial and material resources; Real Property, Safety and Security, which focuses on managing the Department's real property assets, providing accommodation and specialized facilities to program personnel, divesting properties surplus to program requirements, ensuring environmental stewardship, and providing safety and security services for departmental assets and personnel; and Information Management and Technology Services, which provides functional direction on, and operational services related to, the management and use of information and technology in DFO.

<i>Expected Results</i>	<i>Performance Indicators</i>	<i>Results Achieved</i>
Effective stewardship of DFO Real Property custodial inventory	Ratio of capital investment to asset replacement value	<ul style="list-style-type: none"> <li>Divested 68 properties, which generated \$321,648K in net proceeds from sale; details on the Small Craft Harbours divestitures can be found on page 34</li> </ul>
	Number of contaminated sites assessed, risk managed and cleaned up	<ul style="list-style-type: none"> <li>346 contaminated properties were assessed; 77 properties were risk managed or remediated; and 9 remediation projects were completed.<sup>25</sup></li> </ul>
Safe and healthy work environment for employees in DFO	Number of safety hazards reported and addressed by management	<ul style="list-style-type: none"> <li>Accidents and resultant losses include zero deaths, 344 disabling injuries, and 415 minor injuries; 7,792 days were lost</li> <li>Achieved 18% compliance with the Canada Labour Code Part II for workplaces with Occupational Safety and Health committees on a minimum 12 inspections/year (57 locations with more than 20 employees)</li> <li>442 inspections completed at unstaffed sites such as communication towers resulted in 50% compliance</li> </ul>
Efficient management of government information	Number of Management of Government Information Policy Readiness Indicators met	<ul style="list-style-type: none"> <li>Of the 17 Information Life Cycle Management Program indicators, 7 were met, 8 were partially met, and 2 were not met</li> </ul>
Reliable, secure, and responsive information technology infrastructure	Percentage availability of IT infrastructure during working hours	<ul style="list-style-type: none"> <li>99.2% availability achieved</li> </ul>

<sup>25</sup> Data source: DFO Contaminated Sites Module database.



<b>Expected Results</b>	<b>Performance Indicators</b>	<b>Results Achieved</b>
Departmental finances managed according to government policies and regulations	Percentage of Treasury Board decisions that are made without conditions	<ul style="list-style-type: none"> <li>70% of Treasury Board decisions made without conditions from April 2006 - March 2007; of 20 submissions sent to TBS, 14 were approved without conditions and 6 with conditions; this is on par with previous years</li> </ul>
Departmental staff with the tools and information required to manage effectively	Percentage of DFO staff that rate Finance and Administration tools and information as Excellent, Very Good, or Good	<ul style="list-style-type: none"> <li>New tools developed over past year have received special recognition from Departmental Management Committee and Finance Committee</li> </ul>
<p>Federal Contaminated Sites Inventory –  <a href="http://www.tbs-sct.gc.ca/fcsi-rscf/home-accueil.aspx?Language-EN&amp;sid=wu730125842517">http://www.tbs-sct.gc.ca/fcsi-rscf/home-accueil.aspx?Language-EN&amp;sid=wu730125842517</a></p> <p>Management of Government Information Policy Compliance Readiness Indicators – <a href="http://www.tbs-sct.gc.ca/im-gi/implement/indicat/indicattb_e.asp">http://www.tbs-sct.gc.ca/im-gi/implement/indicat/indicattb_e.asp</a></p>		

## **Awards and Recognition**

### **Awards and Recognition Internal to DFO**

- One hundred and two recipients from across Canada received DFO's Prix d'Excellence for their exceptional contributions to achieving DFO objectives during 2006.
- The Deputy Minister awarded five DM Commendations in 2006 to DFO employees in recognition of their significant acts of devotion to duty or bravery that contributed to the betterment and well-being of society.
- Approximately 304 employees received Distinction Awards for their outstanding achievements and contributions in furthering the objectives of the Department or the public service.
- The Canadian Coast Guard honoured 18 employees in 2006 with the Governor General's Canadian Coast Guard Exemplary Service Medal or a Bar to the Medal.
- DFO honoured 6 employees in 2006 with the Peace Officer Exemplary Service Medal.
- Over 700 DFO employees were recognized for their long service with the federal government: 205 for 15 years of service; 394 for 25 years of service; and 120 for 35 years of service.
- More than 1,000 employees were recognized by their supervisor with an Immediate Award.

### **Awards and Recognition from Outside Organizations**

#### **First Officer Leslie Palmer - Governor General of Canada - Cross of Valour**

On October 13, 2006, First Officer Palmer, with the Canadian Coast Guard Cutter (CCGC) *Point Henry* of the Pacific Region was presented with the Cross of Valour by the Governor General. First Officer Palmer received this award for his heroic courage and determination when, late at night on December 27, 2004, he braved a severe winter storm to rescue two fishermen stranded on the shores of the Greenville Channel, near Prince Rupert, British Columbia. First Officer Palmer has proudly become the 20<sup>th</sup> Canadian to be awarded this decoration of bravery.

#### **John Butler - Association of Public Service Executives (APEX) - 2006 Partnership Award**

John Butler, Assistant Commissioner, Canadian Coast Guard Newfoundland and Labrador Region, is the recipient of the Association of Public Service Executives (APEX) 2006 Partnership Award. This award is given annually to a member of the federal executive cadre who embraces partnerships with individuals or organizations to achieve public service objectives. John Butler devoted considerable time and energy to building innovative alliances to protect the marine environment, enhance inter-agency preparedness to deal with marine crises, and develop the Government's marine capacity.

#### **Dr. David Higgs - Aquaculture Association of Canada - Research Award of Excellence**

Dr. David Higgs is Head of the Fish Nutrition Program at the DFO and University of British Columbia Centre for Aquaculture and Environmental Research in the Pacific Region. Dr. Higgs works collaboratively with universities and/or industry in three main subject areas: improving hatchery operations, minimizing environmental effects of salmon farming, and fish nutrition. In November 2006, Dr. Higgs received the Research Award of Excellence from the Aquaculture Association of Canada for his research accomplishments and contributions to advancing our knowledge on fish nutrition.

#### **Canadian Hydrographic Service (CHS) - American Society for Quality (ASQ) - Quality Recognition Award**

In April 2006, the Honourable Kevin O'Brien, Minister of Business, Government of Newfoundland and Labrador, presented this award to the CHS Newfoundland District Office in recognition of the successful





implementation of a Quality Management System that meets the requirements of the ISO 9001: 2000 international quality management standard. ASQ Canada has been active in Newfoundland and Labrador since the early 1990s to advance learning, quality improvement, and knowledge exchange. This is the first presentation of Newfoundland and Labrador ISO 9000 Quality Recognition Awards.

#### **DFO Pacific Region - Environmental Education and Communication (EECOM) - 2006 Award**

In October 2006, Mark Johnson, Community Advisor, Pacific Region, proudly accepted the award, on behalf of his DFO colleagues, from Mr. Grant Gardner, President, EECOM, for the Stream to Sea Education Program. The Canadian Network for EECOM chose the Stream to Sea as the recipient of its 2006 award for a government agency that has demonstrated an increase in public awareness about the environment.

#### **Shelley MacAulay - Nova Scotia Federal Council - Public Service Volunteer Award**

In June 2006, Shelley MacAulay from the Canadian Coast Guard College was awarded the Public Service Volunteer Award for her significant contribution to her community through the voluntary sector. She was recognized as an outstanding citizen who demonstrates the true spirit of the Canadian volunteer.

#### **Ward George and Grant Ivey - Federal Council Awards**

Messrs. George and Ivey from the Newfoundland and Labrador Region, Canadian Coast Guard, Maritime Search and Rescue, received this award for their roles as part of the Ocean Guardian II Project Team, which involved two marine exercises related to the current climate of international terrorism and transportation security and the search and rescue component of a disaster at sea involving the St. Pierre Fortune ferry.

#### **Jerome Keen and David Haight - Great Lakes Fishery Commission - 2006 Vern Applegate Award**

On June 6, 2006, Jerome Keen, from the Sea Lamprey Control Centre in Sault Ste. Marie, and David Haight, now retired from DFO, were presented the 2006 Vern Applegate Award by the Great Lakes Fishery Commission for going above and beyond their regular positions and enhancing the profile of DFO's Sea Lamprey Control Program throughout the region.

#### **Dr. Eddy Carmack - The Royal Canadian Geographical Society - Massey Medal**

Dr. Eddy Carmack is a climate oceanographer with the Institute of Ocean Sciences in Sidney, British Columbia. The Massey Medal recognizes outstanding personal achievement in the exploration, development, or description of the geography of Canada. For his leading role in ocean science, Dr. Carmack has been awarded the 2007 Massey Medal for outstanding achievement in Canadian geography.

#### **Dr. James Gower - Pan-Ocean Remote Sensing Conference (PORSEC) - 2006 Distinguished Science Award**

Dr. James Gower is a researcher at DFO's Institute of Ocean Sciences in Sidney, British Columbia. At the Pan-Ocean Remote Sensing Conference (PORSEC), held every two years, he was recognized for his outstanding work in the advancement of science in this field.

#### **Dr. Simon J. Prinsenbergh - Canadian Meteorological Oceanographic Society - Tully Medal in Oceanography**

Dr. Simon Prinsenbergh, with the DFO Bedford Institute of Oceanography, in Dartmouth, Nova Scotia, was the recipient of the J.P. Tully Medal on Oceanography. He was recognized for his outstanding

ability to conceive of new instruments required to perform unique measurements in harsh environments, which has led to breakthroughs in our understanding of both oceanic and glacial processes that influence the northern environment.

**Dr. Michael Sinclair - Vice President of International Council for the Exploration of the Seas (ICES)**

Dr. Michael Sinclair, the Regional Director of Science in the Maritimes Region, located at the DFO Bedford Institute of Oceanography, in Dartmouth, Nova Scotia, was elected the inaugural Vice President of the International Council for the Exploration of the Seas (ICES). ICES is an organization that co-ordinates and promotes marine research in the North Atlantic and acts as a meeting point for a community of more than 1,600 marine scientists from 20 countries around the North Atlantic.

***Contacts for Further Information***

<b><i>Region</i></b>	<b><i>Name</i></b>	<b><i>Telephone</i></b>
Newfoundland and Labrador	Jan Woodford	(709) 772-7622
Maritimes	Kathy Kieley	(902) 426-3866
Gulf	Terrance Boucher	(506) 851-7757
Quebec	Caroline Hilt	(418) 648-7316
Central and Arctic	Lawrence Swift	(519) 383-1830
Pacific	Terry Davis	(604) 666-3855
Headquarters	Anne Lamar	(613) 990-0219

# **Annex 1 — Financial Statements**

Financial Statements of

*DEPARTMENT OF FISHERIES AND  
OCEANS CANADA*

**Year ended March 31, 2007**

## Department of Fisheries and Oceans Management Responsibility for Financial Statements

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2007, and all information contained in these statements rests with departmental management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the DFO's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the DFO's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within parliamentary authorities, and are properly recorded to maintain accountability for Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the DFO.

The financial statements of the DFO have not been audited.

---

Larry Murray, Deputy Minister  
Ottawa, Canada  
July 24, 2007

---

Cal Hegge  
Assistant Deputy Minister,  
Human Resources and Corporate  
Services

**Department of Fisheries and Oceans Canada**  
**Statement of Operations (unaudited)**  
For the Year Ended March 31  
(in thousands of dollars)

	2007	2006
<b>Expenses</b> (Note 4)		
<b>Safe and Accessible Waterways</b>		
Canadian Coast Guard Agency	739,523	727,169
Small Craft Harbours	133,713	153,304
Science	71,764	54,043
<b>Sustainable Fisheries and Aquaculture</b>		
Fisheries Management	462,471	393,092
Science	216,710	199,445
Aquaculture	6,199	5,376
<b>Healthy and Productive Aquatic Ecosystems</b>		
Science	88,899	77,488
Habitat Management	79,214	75,996
Oceans Management	28,580	23,802
<b>Total Expenses</b>	<b>1,827,073</b>	<b>1,709,715</b>
<b>Revenues</b> (Note 5)		
<b>Safe and Accessible Waterways</b>		
Canadian Coast Guard Agency	44,292	52,568
Science	2,801	2,803
Small Craft Harbours	1,950	2,058
<b>Sustainable Fisheries and Aquaculture</b>		
Fisheries Management	47,713	48,475
Science	1,019	241
Aquaculture	43	1
<b>Healthy and Productive Aquatic Ecosystems</b>		
Habitat Management	785	316
Science	224	85
Oceans Management	161	33
<b>Total Revenues</b>	<b>98,988</b>	<b>106,580</b>
<b>Net cost of operations</b>	<b>1,728,085</b>	<b>1,603,135</b>

The accompanying notes form an integral part of these financial statements.

**Department of Fisheries and Oceans Canada**  
**Statement of Financial Position (unaudited)**  
At March 31  
(in thousands of dollars)

	<b>2007</b>	<b>2006</b> <b>(Restated)</b>
<b>Assets</b>		
Financial assets		
Accounts receivable and advances (Note 6)	27,398	19,404
<b>Total financial assets</b>	<u>27,398</u>	<u>19,404</u>
Non-financial assets		
Inventory (Note 7)	37,265	31,300
Tangible capital assets (Note 8)	2,303,811	2,325,093
<b>Total non-financial assets</b>	<u>2,341,076</u>	<u>2,356,393</u>
	<u>2,368,474</u>	<u>2,375,797</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	243,655	194,105
Vacation pay and compensatory leave	69,130	60,375
Lease obligation for tangible capital assets (Note 9)	178	-
Environmental liabilities (Note 10a)	169,197	169,762
Contingent liabilities (Note 10b)	1,770	200
Deferred revenue (Note 11)	88	187
Other liabilities (Note 12)	17,613	12,868
Employee severance benefits (Note 13)	139,479	133,743
<b>Total liabilities</b>	<u>641,110</u>	<u>571,240</u>
<b>Equity of Canada (Note 14)</b>	<u>1,727,364</u>	<u>1,804,557</u>
	<u>2,368,474</u>	<u>2,375,797</u>

The accompanying notes form an integral part of these financial statements.

**Department of Fisheries and Oceans Canada**  
**Statement of Equity of Canada (unaudited)**  
For the Year Ended March 31  
(in thousands of dollars)

	<b>2007</b>	<b>2006</b> <b>(Restated)</b>
<b>Equity of Canada, beginning of year</b>	1,804,557	1,923,117
Equity adjustment for inventory (Note 7)	<u>-</u>	<u>(74,000)</u>
<b>Restated Equity of Canada, beginning of year</b>	1,804,557	1,849,117
Net cost of operations	(1,728,085)	(1,603,135)
Current year appropriations used (Note 3)	1,648,947	1,494,520
Revenue not available for spending	(52,019)	(53,664)
Change in net position in the Consolidated Revenue Fund (Note 3)	(47,029)	17,884
Services provided without charge by other government departments (Note 15)	100,993	99,835
<b>Equity of Canada, end of year</b>	<u>1,727,364</u>	<u>1,804,557</u>

The accompanying notes form an integral part of these financial statements.

**Department of Fisheries and Oceans Canada****Statement of Cash Flow (unaudited)**

For the Year Ended March 31

(in thousands of dollars)

	2007	2006
<b>Operating activities</b>		
Net cost of operations	1,728,085	1,603,135
<b>Non-cash items</b>		
Amortization of tangible capital assets (Note 8)	(172,948)	(170,254)
(Loss) gain on disposal of tangible capital assets	(8,812)	2,508
Loss on write-offs and write-downs of tangible capital assets and inventory	(20,543)	(12,499)
Services provided without charge by other government departments	(100,993)	(99,835)
Other	8,202	606
<b>Variations in Statement of Financial Position</b>		
Increase/(decrease) in accounts receivable and advances	7,994	(6,253)
Increase/(decrease) in inventory	7,421	1,140
(Increase)/decrease in accounts payable and accrued liabilities	(49,550)	30,394
(Increase)/decrease in vacation pay and compensatory leave	(8,755)	(5,372)
(Increase)/decrease in lease obligation for tangible capital assets	(178)	197
(Increase)/decrease in environmental liabilities	565	(10,507)
(Increase)/decrease in contingent liabilities	(1,570)	(200)
(Increase)/decrease in deferred revenue	99	77
(Increase)/decrease in other liabilities	(4,745)	262
(Increase)/decrease in employee severance benefits	(5,736)	(16,207)
Cash used by operating activities	<u>1,378,536</u>	<u>1,317,192</u>
<b>Capital investment activities</b>		
Acquisitions of tangible capital assets	173,528	150,795
Principal obligation of tangible capital lease	(178)	-
Proceeds from the disposal of tangible capital assets	(1,987)	(9,247)
Cash used by investing activities	<u>171,363</u>	<u>141,548</u>
<b>Financing activities</b>		
Net cash provided by Government of Canada	<u>1,549,899</u>	<u>1,458,740</u>

The accompanying notes form an integral part of these financial statements.



**Department of Fisheries and Oceans Canada**  
**Notes to Financial Statements (unaudited)**

**1. Authority and purpose**

The Department of Fisheries and Oceans (DFO) was established under the *Department of Fisheries and Oceans Act*. The DFO reports to Parliament through the Minister of Fisheries and Oceans.

The mandate of the DFO, on behalf of the Government of Canada, is to be responsible for developing and implementing policies and programs in support of Canada's economic, social, ecological and scientific interests in oceans and fresh waters.

The DFO's guiding legislation includes the *Oceans Act* and the *Fisheries Act*. The DFO is also one of the three departments responsible for the *Species at Risk Act*.

The DFO's three strategic outcomes are delivered through nine program activities, which are described below.

**Safe and Accessible Waterways**

*Canadian Coast Guard Agency*: Provision of maritime services that contribute to the enhancement and maintenance of maritime safety and commerce, protection of the marine and freshwater environment, as well as oceans and fisheries resource management, security and other government maritime priorities via maritime expertise, Canada's civilian fleet, a broadly distributed shore infrastructure and collaboration with various stakeholders.

*Small Craft Harbours*: Operation and maintenance of a national system of harbours critical to Canada's commercial fishing industry.

*Science*: Provision of scientific research, monitoring, advice, products and services and data management in support of Safe and Accessible Waterways.

**Sustainable Fisheries and Aquaculture**

*Fisheries Management*: Conservation of Canada's fisheries resources to assure sustainable resource utilization through close collaboration with resource users and stakeholders.

*Aquaculture*: Creation of the conditions for a vibrant and innovative aquaculture industry that is environmentally and socially responsible, economically viable and internationally competitive.

*Science*: Provision of scientific research, monitoring, advice, products and services and data management in support of Sustainable Fisheries and Aquaculture.

**Healthy and Productive Aquatic Ecosystems**

*Oceans Management*: Conservation and sustainable use of Canada's oceans, in collaboration with others, through integrated oceans management plans which include marine protected areas and marine environmental quality objectives.

*Habitat Management*: Protection and conservation of freshwater and marine fish habitat, in collaboration with others, through a balanced application of regulatory and non-regulatory activities,

including reviewing development proposals, conducting environmental assessments and monitoring compliance and effectiveness.

*Science:* Provision of scientific research, monitoring, advice, products and services and data management in support of Healthy and Productive Aquatic Ecosystems.

## **2. Summary of significant accounting policies**

The financial statements have been prepared in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

- (a) Parliamentary appropriations – The DFO is financed by the Government of Canada through parliamentary appropriations. Appropriations provided to the DFO do not parallel financial reporting according to Canadian generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statements of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between these bases of reporting.
- (b) Net cash provided by government – All departments operate within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash receipts are deposited to the CRF and all cash disbursements made by departments are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.
- (c) Change in net position in the CRF is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non-respendable revenue recorded by the DFO. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.
- (d) Revenues
  - Revenues from regulatory fees are recognized in the accounts based on the services provided in the year.
  - Other revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.
  - Revenues that have been received but not earned are recorded as deferred revenues; these include donations received for a specified purpose.
- (e) Expenses
  - Grants are recognized in the year in which the conditions for payment are met. In the case of grants which do not form part of an existing program, the expense is recognized when the Government announces a decision to make a non-recurring transfer, provided the enabling legislation or authorization for payment receives parliamentary approval prior to the completion of the financial statements.
  - Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement.
  - Vacation pay and compensatory leave are expensed by the DFO in the year that the entitlement occurs.

- Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans, administration costs and commissions paid to provincial workers' compensation boards and legal services are recorded as operating expenses at their estimated cost.
- (f) Employee future benefits
- Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multi-employer plan administered by the Government of Canada. The DFO's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. Current legislation does not require the DFO to make contributions for any actuarial deficiencies of the Plan.
  - Severance benefits: Employees are entitled to severance benefits, as provided for under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.
- (g) Accounts receivable and advances are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.
- (h) Contingent liabilities – Contingent liabilities are potential liabilities that may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, and the case is considered material, the contingency is disclosed in note 10b to these financial statements.
- (i) Environmental liabilities – Environmental liabilities reflect the estimated costs related to the management and remediation of environmentally contaminated sites. Based on management's best estimates, a liability is accrued and an expense recorded when the contamination occurs or when the DFO becomes aware of the contamination and is obligated, or is likely to be obligated to incur such costs. If the likelihood of the DFO's obligation to incur these costs is not determinable, or if an amount cannot be reasonably estimated, the costs are disclosed as contingent liabilities in note 10a to these financial statements.
- (j) Inventories – Inventories consist of parts, material and supplies held for future program delivery. They are valued at cost. If they no longer have service potential, they are valued at the lower of cost or net realizable value.
- (k) Foreign currency transactions – Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities denominated in foreign currencies are translated using exchange rates in effect on March 31. Gains and losses resulting from foreign currency transactions are included in the statement of operations.
- (l) Tangible capital assets – All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. The DFO does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value, assets located on Indian Reserves or museum collections.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

<b>Asset Class</b>	<b>Amortization Period</b>
Buildings	10-40 years
Work and infrastructure	5-75 years
Machinery and equipment	3-25 years
Informatics hardware	3-5 years
Informatics purchased and developed software	3 years
Arms and weapons for defense	5-10 years
Other equipment, including furniture	10 years
Ships and boats	5-25 years
Aircraft	15-25 years
Motor vehicles (non-military)	5-20 years
Other vehicles	10 years
Leasehold improvements – buildings	*
Leasehold improvements – works and infrastructure	*
Assets under capital leases	**

\* the lesser of the economic life of the improvement or the lease term

\*\* over the period of expected use, i.e., the economic life or lease term

- (m) Proceeds associated with the disposal of real property through Public Works and Government Services Canada (PWGSC) are not recorded in the DFO's financial statements. PWGSC is responsible for the accounting and reporting of these proceeds.
- (n) Measurement uncertainty – The preparation of these financial statements in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector, requires management to make estimates and assumptions that could affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the allowance for vacation pay and compensatory leave, allowance for bad debts, environmental liabilities, the useful life of tangible capital assets, contingent liabilities and employee severance benefits. Actual results could differ significantly from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

### 3. Parliamentary appropriations

The DFO receives most of its funding through annual parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through parliamentary appropriations in prior, current or future years. Accordingly, the DFO has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables.

### 3(a) Reconciliation of net cost of operations to current year appropriations used

	2007	2006
	(in thousands of dollars)	
<b>Net cost of operations</b>	1,728,085	1,603,135
Adjustments for items affecting net cost of operations but not affecting appropriations		
Add (less):		
Revenue not available for spending	52,019	53,664
Amortization of tangible capital assets	(172,948)	(170,254)
Vacation pay and compensatory leave	(8,755)	(5,372)
Employee severance benefits	(5,736)	(16,207)
(Loss) gain on disposal of tangible capital assets	(8,812)	2,508
Loss on write-offs and write-downs of tangible capital assets and inventory	(20,543)	(12,499)
Earmarked supplementary fish fines	173	41
Refunds of previous years expenses	5,849	3,702
Variation of inventory	7,421	1,140
Justice Canada fees	(6,330)	(6,024)
Donation expense	(114)	(102)
Contingent liabilities	(1,570)	(200)
Environmental liabilities	565	(10,507)
Lease obligation for tangible capital assets	(178)	197
Services provided without charge by other government departments	(100,993)	(99,835)
Other	8,202	606
<b>Total adjustments for items not affecting appropriations</b>	<u>(251,750)</u>	<u>(259,142)</u>
Adjustments for items not affecting net cost of operations but affecting appropriations		
Add (Less):		
Acquisitions of tangible capital assets	173,528	150,795
Principal obligation of tangible capital lease	(178)	-
Other	(738)	(268)
<b>Total adjustments for items affecting appropriations</b>	<u>172,612</u>	<u>150,527</u>
<b>Current year appropriations used</b>	<u>1,648,947</u>	<u>1,494,520</u>

### 3(b) Appropriations provided and used

	<b>2007</b>	<b>2006</b>
	(in thousands of dollars)	
<b>Appropriations provided</b>		
Vote 1 – Operating expenditures	1,245,005	1,160,478
Vote 5 – Capital expenditures	218,174	175,293
Vote 10 – Grants and contributions	156,599	119,885
Statutory amounts	117,421	124,078
Loans and advances for the Freshwater Fish Marketing Corporation	50,000	30,000
<b>Less:</b>		
Appropriations available for future years	(51,283)	(30,642)
Lapsed appropriations	(86,969)	(84,572)
<b>Current year appropriations used</b>	<b>1,648,947</b>	<b>1,494,520</b>

While the appropriations for loans and advances of the Freshwater Fish Marketing Corporation (FFMC) are included in note 3(b), the activities of the FFMC are not reported in these financial statements.

### 3(c). Reconciliation of net cash provided by Government to current year appropriations used

	<b>2007</b>	<b>2006</b>
	(in thousands of dollars)	
Net cash provided by Government of Canada	1,549,899	1,458,740
Revenue not respendable by the DFO	52,019	53,664
Change in net position in the Consolidated Revenue Fund		
(Increase)/decrease in accounts receivable and advances	(7,994)	6,253
Increase/(decrease) in accounts payable and accrued liabilities	49,550	(30,394)
Increase/(decrease) in other liabilities	4,745	(262)
Increase/(decrease) in deferred revenue	(99)	(77)
Proceeds from disposal of tangible capital assets	1,987	9,247
Refund of previous years expenses	5,849	3,702
Donation expenses	(114)	(102)
Earmarked supplementary fish fines	173	41
Justice Canada fees	(6,330)	(6,024)
Other adjustments	(738)	(268)
	<u>47,029</u>	<u>(17,884)</u>
<b>Current year appropriations used</b>	<b><u>1,648,947</u></b>	<b><u>1,494,520</u></b>

#### 4. Expenses

The following table presents details of expenses by category.

	<b>2007</b>	<b>2006</b>
	(in thousands of dollars)	
<b>Operating and administration</b>		
Personnel and employee benefits	882,615	883,808
Professional and Special Services	227,512	207,741
Amortization	172,948	170,254
Repair and Maintenance	96,035	89,815
Utilities, Material and Supplies	92,246	83,006
Machinery and Equipment	59,777	49,715
Travel and Relocation	52,728	47,771
Rental	28,705	27,602
Loss on write-off and write-downs of tangible capital assets and inventory	20,543	12,499
Telecommunication	18,138	17,946
Damage and other claims against the Crown	17,330	572
Loss on disposal of tangible capital assets	10,137	6,243
Information	5,481	5,361
Other expenses	1,797	26,058
<b>Total operating and administration</b>	<b>1,685,992</b>	<b>1,628,391</b>
<b>Transfer payments</b>		
Non-profit organizations	102,000	74,157
Individuals	37,031	5,761
Other level of governments within Canada	1,205	1,021
Other countries and international organizations	745	225
Industry	100	160
<b>Total transfer payments</b>	<b>141,081</b>	<b>81,324</b>
<b>Total expenses</b>	<b>1,827,073</b>	<b>1,709,715</b>

## 5. Revenues

The following table presents details of revenues by category.

	<b>2007</b>	<b>2006</b>
	(in thousands of dollars)	
<b>Revenue</b>		
Sales of goods and services	90,882	93,676
Post capitalization – tangible capital assets	3,555	699
Other revenue	2,804	3,074
Gains on disposals of tangible capital assets	1,325	8,751
Revenue from earmarked supplementary fish fines	315	256
Return on investment – Haddock loan	107	124
<b>Total revenues</b>	<b>98,988</b>	<b>106,580</b>

## 6. Accounts receivable and advances

The following table presents details of accounts receivable and advances.

	<b>2007</b>	<b>2006</b>
	(in thousands of dollars)	
<b>Receivables</b>		
Receivables from external parties	34,416	34,595
Receivables from other federal government departments and agencies	18,452	9,662
Accrued interest on loans	1,449	1,342
Refunds of program expenses	146	147
<b>Less:</b> Allowance for doubtful accounts on external receivables	(27,325)	(26,594)
<b>Total receivables</b>	<b>27,138</b>	<b>19,152</b>
<b>Loans and advances</b>		
Accountable advances	260	252
Loans	1,471	1,471
Allowance on loans and advances	(1,471)	(1,471)
<b>Total loans and advances</b>	<b>260</b>	<b>252</b>
<b>Total accounts receivable and advances</b>	<b>27,398</b>	<b>19,404</b>



## **7. Restatement of prior period**

The comparative financial statements of 2005-06 have been restated to decrease inventory and Equity of Canada by \$74 million to correct an error. Inventory balances presented in the 2005-06 financial statements were overstated by \$74 million. The overstatement was due to a misclassification that resulted in these assets being presented as both inventory and capital assets. There is no effect on the information presented for the current year.

## 8. Tangible capital assets

(in thousands of dollars)	Cost				
	Opening balance April 1, 2006	Acquisitions during the year	Disposals / write- offs during the year	Other <sup>(1)</sup>	Closing balance March 31, 2007
Land	19,703	307	(41)	22	19,991
Buildings	438,000	-	(1,112)	27,452	464,340
Works and infrastructure	1,781,649	27	(16,487)	92,440	1,857,629
Machinery and equipment	370,210	5,724	(18,524)	10,150	367,560
Informatics hardware	61,307	1,615	(7,485)	198	55,635
Informatics software	18,670	17	-	-	18,687
Arms and weapons for defense	448	-	(6)	-	442
Other equipment, including furniture	613	-	(49)	-	564
Ships and boats	1,622,573	963	(18,288)	23,771	1,629,019
Aircraft	40,118	-	(4,125)	780	36,773
Motor vehicles (non-military)	65,107	7,984	(7,533)	120	65,678
Other vehicles	7,529	270	(340)	52	7,511
Leasehold improvements	535,881	32	(3,094)	3,319	536,138
Engineering work in progress – construction <sup>(2)</sup>	309,203	150,581	(14,455)	(150,260)	295,069
Work-in-progress – software <sup>(2)</sup>	9,727	5,805	(395)	(278)	14,859
Assets under capital leases	-	203	-	-	203
<b>Total</b>	<b>5,280,738</b>	<b>173,528</b>	<b>(91,934)</b>	<b>7,766</b>	<b>5,370,098</b>

(in thousands of dollars)	Accumulated amortization					Net book value	
	Accumulated amortization April 1, 2006	Amortization for the year	Disposal / write-offs	Other <sup>(1)</sup>	Accumulated amortization March 31, 2006	March 31, 2007	March 31, 2006
Land	-	-	-	-	-	19,991	19,703
Buildings	264,647	24,206	(544)	590	288,899	175,441	173,353
Works and infrastructure	862,900	66,330	(8,940)	1,166	921,456	936,173	918,749
Machinery and equipment	267,107	14,325	(15,269)	-	266,163	101,397	103,103
Informatics hardware	55,875	3,084	(7,436)	56	51,579	4,056	5,432
Informatics software	14,080	4,173	-	-	18,253	434	4,590
Arms and weapons for defense	401	23	(6)	-	418	24	47
Other equipment, including furniture	558	13	(47)	-	524	40	55
Ships and boats	1,107,254	32,696	(17,023)	-	1,122,927	506,092	515,319
Aircraft	34,061	1,786	(3,735)	-	32,112	4,661	6,057
Motor vehicles (non-military)	45,242	5,715	(7,151)	-	43,806	21,872	19,865
Other vehicles	6,368	298	(331)	-	6,335	1,176	1,161
Leasehold improvements	297,096	20,272	(1,824)	(1,756)	313,788	222,350	238,785
Engineering work in progress – construction	-	-	-	-	-	295,069	309,203
Work-in-progress – software	-	-	-	-	-	14,859	9,727
Assets under capital leases	56	27	-	(56)	27	176	(56)
<b>Total</b>	<b>2,955,645</b>	<b>172,948</b>	<b>(62,306)</b>	<b>-</b>	<b>3,066,287</b>	<b>2,303,811</b>	<b>2,325,093</b>

Amortization expense for the year ended March 31, 2007, is \$172,948 (2006 - \$170,254)

- (1) The column “other” includes transfer of asset costs from work in progress (WIP) accounts to asset accounts, as well as corrections and reclassifications to asset cost and accumulated amortization accounts.
- (2) Some work-in-progress projects have not been re-classified as tangible capital assets though the related assets were placed in service. This will result in overstated work-in-progress, understated asset value by category and understated annual depreciation expense. These amounts were estimated as being an overstatement of work-in-progress of approximately \$81 million as of March 31, 2007.

## 9. Lease obligation for tangible capital assets

The DFO has entered into agreements to rent information technology equipment under capital lease with a cost of \$203,218 and accumulated amortization of \$27,096 as at March 31, 2007 (Note 8). The obligations for the upcoming years include the following:

	<b>2007</b>	<b>2006</b>
	(in thousands of dollars)	
<b>Maturing year</b>		
2008	45	-
2009	45	-
2010	45	-
2011	45	-
2012 and thereafter	15	-
Total future minimum lease payments	195	-
Less: imputed interest (4.1%)	(17)	-
<b>Balance of obligations under leased tangible capital assets</b>	<b>178</b>	<b>-</b>

## 10. Contingent liabilities

### (a) Contaminated sites

Liabilities are accrued to record the estimated costs related to the management and remediation of contaminated sites where the DFO is obligated or likely to be obligated to incur such costs. The DFO has identified sites where such action is possible and for which a liability of \$169.2 million (\$169.8 million in 2005-06) has been recorded. The DFO has estimated additional costs of \$217.6 million (\$232.4 million in 2005-06) that are not accrued, as these are not considered likely to be incurred at this time.

The DFO's ongoing efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. These liabilities will be accrued in the year in which they become known.

### (b) Claims and litigation

Claims have been made against the DFO in the normal course of operations. Legal proceedings for claims totalling approximately \$254.4 million (\$242.7 million in 2006) were still pending at March 31, 2007. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the financial statements.



## 11. Deferred revenue

Deferred revenue represents the balance at year-end of unearned revenue stemming from donations, which are restricted to fund the research, development, management and promotion of fisheries- and oceans-related issues. Details of the transactions related to this account are as follows:

	Opening balance, April 1, 2006	Donations received	Revenue Recognized	Closing balance, March 31, 2007
	(in thousands of dollars)			
<b>Deferred revenue</b>				
Restricted donations	187	0	(99)	88

## 12. Other liabilities

Other liabilities represent funds received by the DFO under regulations, cost-sharing agreements or to fund projects. Details of the transactions related to these accounts are as follows:

	Opening balance April 1, 2006	Receipts and other credits	Payments and other charges	Closing balance March 31, 2007
	(in thousands of dollars)			
Federal/provincial cost-sharing agreements	1,145	543	(1,039)	649
Miscellaneous project deposits	10,748	21,975	(16,692)	16,031
Sales of seized assets – <i>Fisheries Act</i>	712	290	(400)	602
Contractors' security deposits	263	401	(333)	331
<b>Total</b>	<b>12,868</b>	<b>23,209</b>	<b>(18,464)</b>	<b>17,613</b>

- Federal/provincial cost-sharing agreements – This account was established to record the deposit of money received from the provinces for cost-shared programs. The funds are disbursed according to agreements.
- Miscellaneous project deposits – This account was established to record contributions received from organizations and individuals, for the furtherance of research work.
- Sale of seized assets - This account was established to record the proceeds of sale of seized items by the DFO from a person contravening the *Fisheries Act*. Money so received is held in the Consolidated Revenue Fund pending final resolution of the case by the Minister of Fisheries and Oceans or the courts.
- Contractor security deposits – This account was established to record money held to ensure that a contractor's obligations under contracts are carried out, to protect the interests of subcontractors,

sub-subcontractors and suppliers, and to protect the Crown against loss should a low bidder fail to enter into a contract.

### 13. Employee benefits

(a) Pension benefits: The DFO's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of two percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Quebec Pension Plans benefits and they are indexed to inflation.

Both the employees and the DFO contribute to the cost of the Plan. The DFO's 2006-07 expense amounts to \$84,544,000 (\$90,543,000 in 2005-06), which represents approximately 2.2 times (2.6 in 2005-06) the contributions by employees.

The DFO's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits: The DFO provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, are as follows.

	<b>2007</b>	<b>2006</b>
	(in thousands of dollars)	
Accrued benefit obligation, beginning of year	133,743	117,536
Expense for the year	16,977	26,724
Benefits paid during the year	(11,241)	(10,517)
<b>Accrued benefit obligation, end of year</b>	<b>139,479</b>	<b>133,743</b>

### 14. Equity of Canada

	<b>2007</b>	<b>2006</b>
	(in thousands of dollars)	
<b>Restricted Equity of Canada, April 1</b>	678	637
Supplementary Fish Fines Account		
Revenues	315	256
Expenses	(142)	(215)
Restricted Equity of Canada, March 31	851	678
Unrestricted Equity of Canada, March 31	1,726,513	1,803,879
<b>Total Equity of Canada at March 31</b>	<b>1,727,364</b>	<b>1,804,557</b>



Section 79.2 of the *Fisheries Act* requires that revenues from fines imposed be earmarked and that related payments and expenses be charged against such revenues. The Supplementary Fish Fines Account presents these revenues and expenses and the year-end balance available for future years.

## 15. Related party transactions

The DFO is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The DFO enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the DFO received services which were obtained without charge from other Government departments as presented in part (a).

### (a) Services provided without charge by other government departments

During the year, the DFO received without charge from other departments, accommodation, legal fees and the employer's contribution to the health and dental insurance plans, administration costs and commissions paid to provincial workers' compensation boards. These services without charge have been recognized in the DFO's Statement of Operations as follows:

	2007	2006
	(in thousands of dollars)	
Accommodation provided by Public Works and Government Services Canada	42,328	41,620
Employer's contribution to the health and dental insurance plans provided by Treasury Board Secretariat	54,180	54,282
Administration costs and commissions paid to provincial workers' compensation boards by Social Development Canada.	1,343	1,583
Legal services provided by Justice Canada	3,142	2,350
<b>Total services provided without charge</b>	<b>100,993</b>	<b>99,835</b>

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada, are not included as an expense in the DFO's Statement of Operations.

### (b) Payables and receivables outstanding at year-end with related parties are as follows:

	2007	2006
	(in thousands of dollars)	
Accounts receivable with other government departments and agencies	18,452	9,662
Accounts payable to other government departments and agencies	31,885	35,335

## 16. Comparative information

Comparative figures have been reclassified to conform to the current year's presentation.

## Annex 2 — List of Acronyms

AAROM	Aboriginal Aquatic Resource and Oceans Management
ACFAM	Atlantic Council of Fisheries and Aquaculture Ministers
ACRDP	Aquaculture Collaborative Research and Development Program
AFS	Aboriginal Fisheries Strategy
AIHP	Aboriginal Inland Habitat Program
AIS	Automatic Identification System
CASS	Corporate Administrative Shared Services
CCFAM	Canadian Council of Fisheries and Aquaculture Ministers
CCG	Canadian Coast Guard
CCGC	Canadian Coast Guard College
CCS	Communications Control System
CEAA	<i>Canadian Environmental Assessment Act</i>
CGP	Cod Genomics and Broodstock Development Project
CHS	Canadian Hydrographic Service
CIS	Canadian Ice Service
COOGER	Centre for Offshore Oil and Gas Environmental Research
COSEWIC	Committee on the Status of Endangered Wildlife in Canada
DFO	Fisheries and Oceans Canada
DMC	Departmental Management Committee
DND	Department of National Defence
EOAR	Ecosystem Overview Assessment Report
EPMP	Environmental Process Modernization Plan
FMR	Fisheries Management Renewal
FMRI	Fleet Management Renewal Initiative
FTE	Full-time Equivalent
HA	Harbour Authority
HMP	Habitat Management Program
HSTF	High Seas Task Force
IFMP	Integrated Fisheries Management Plans
IMTA	Integrated Multitrophic Aquaculture
ITQ	Individual Transferable Quota
JRCC	Joint Rescue Co-ordination Centre
LOMA	Large Ocean Management Area
LOS	Levels of Service
LRIT	Long-Range Identification and Tracking
MAM	Marine Aids Modernization
MCTS	Marine Communications and Traffic Services
MOU	Memorandum of Understanding
MPA	Marine Protected Area
NHQ	National Headquarters
NMAB	National Marine Advisory Board
NRIA	National Resource Industry Association
OAP	Oceans Action Plan
OS	Operational Statement
PAA	Program Activity Architecture
PWGSC	Public Works and Government Services Canada
RCMP	Royal Canadian Mounted Police
RDG	Regional Director General
RFMO	Regional Fisheries Management Organization
SAR	Search and Rescue
SARA	<i>Species at Risk Act</i>
SCH	Small Craft Harbours
SDS	Sustainable Development Strategy
SEP	Salmonid Enhancement Program
SOA	Special Operating Agency
TBS	Treasury Board Secretariat





# Index

---

## A

Aboriginal Fisheries Strategy · 47, 97, 140  
Aids to Navigation · 3, 20, 21, 94, 98  
Aquaculture · 2, 3, 6, 7, 10, 11, 13, 31, 33, 35, 40, 42, 44,  
46, 52, 53, 54, 55, 56, 57, 58, 60, 61, 62, 63, 64, 65,  
68, 70, 71, 81, 89, 91, 94, 96, 102, 103, 116, 121,  
125, 140  
Aquaculture Governance · 10, 52, 53, 54  
Arctic · 6, 7, 19, 22, 23, 24, 26, 28, 36, 37, 38, 70, 75, 80,  
84, 118  
Arctic sovereignty · 7, 22, 23  
Atlantic · 2, 3, 7, 16, 17, 36, 37, 43, 44, 45, 46, 47, 49, 58,  
61, 69, 71, 72, 84, 85, 89, 92, 97, 100, 101, 118, 140  
Automatic Identification System · 22, 28, 140

---

## B

Biodiversity · 60, 63, 65, 67, 70, 85  
Biotechnology · 55, 56, 57, 62, 63, 104

---

## C

Canada Shipping Act · 21  
Canada's Oceans Strategy · 65, 66, 71  
Canadian Coast Guard · 2, 7, 10, 11, 14, 16, 17, 18, 19,  
21, 22, 23, 24, 25, 26, 27, 28, 29, 38, 39, 49, 69, 89,  
90, 91, 92, 94, 96, 98, 99, 100, 106, 111, 116, 117,  
121, 125, 140  
Canadian Coast Guard Auxiliary · 24  
Canadian Coast Guard College · 19, 27, 94, 117, 140  
Canadian Coast Guard Rejuvenation · 10, 19  
Canadian Council of Fisheries and Aquaculture Ministers  
· 54, 68, 103, 140  
Canadian Environmental Assessment Act · 74, 75, 79, 82,  
140  
Canadian Food Inspection Agency · 3, 60, 61  
Canadian Hydrographic Service · 14, 36, 37, 38, 39, 69,  
116, 140  
Capital Expenditures · 7, 10, 17, 18, 20, 90, 91, 92, 93,  
99, 106, 109, 114, 122, 124, 127, 128, 129, 130, 131,  
132, 133, 134, 135, 136  
Central and Arctic · 26, 75, 80, 118  
Charts · 14, 24, 36, 37, 38, 39, 94, 98, 99  
Climate · 7, 23, 37, 40, 81, 84, 103, 117  
Contingent Liabilities · 122, 124, 127, 128, 129, 136

---

## D

Department of Foreign Affairs and International Trade · 2  
Differential Global Positioning System · 21  
Divestiture · 31, 32, 34, 92, 102

---

## E

Ecosystem Approach · 40, 64, 70, 111  
Ecosystems · 2, 3, 4, 6, 7, 10, 11, 13, 26, 40, 43, 44, 55,  
56, 57, 58, 60, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71,  
73, 75, 81, 82, 83, 84, 85, 89, 91, 95, 96, 100, 103,  
111, 121, 125, 126, 140  
Enablers · 8, 16, 17, 31, 36, 42, 43, 52, 56, 67, 68, 75,  
81, 96, 105, 108, 109, 110  
Environmental Process Modernization Plan · 3, 75, 77,  
78, 82, 83, 140  
Expenditures · 7, 16, 17, 18, 42, 67, 90, 91, 92, 93, 94,  
95, 130  
External Charging · 97

---

## F

First Nations · 47, 48, 49, 51, 71, 74  
*Fisheries Act* · 3, 6, 7, 44, 45, 46, 51, 60, 65, 74, 75, 77,  
78, 79, 82, 83, 98, 99, 125, 137, 139  
Fisheries Management · 10, 11, 40, 42, 43, 45, 49, 58,  
89, 91, 94, 95, 96, 98, 100, 121, 125, 140  
Fisheries Management Renewal · 140  
Fisheries Resource Conservation Council · 100  
Fleet · 2, 3, 10, 16, 17, 18, 19, 20, 21, 22, 24, 25, 27, 28,  
29, 30, 45, 92, 101, 125, 140

---

## G

Grants and Contributions · 130  
Great Lakes · 17, 20, 21, 22, 38, 117  
Gulf · 69, 71, 84, 118

---

## H

Habitat Management · 6, 65, 74, 77, 80, 82  
Harbour Authorities · 14, 31, 32, 33, 35, 55  
Harbours · 2, 10, 11, 14, 16, 31, 32, 33, 34, 35, 89, 91,  
92, 94, 96, 99, 102, 103, 112, 114, 121, 125, 140  
Healthy and Productive Aquatic Ecosystems · 6, 10, 11,  
13, 44, 65, 67, 89, 91, 95, 96, 121, 125, 126  
Hydrographic Charts · 36  
Hydrography · 98, 99

---

## I

Icebreaking Operations · 23, 24, 28, 140  
Icebreaking Services Fee · 94, 95, 98, 99  
Illegal, unreported and unregulated fishing · 44  
Integrated Fisheries Management Plans · 45, 140  
Integrated Management · 58, 68, 69, 70

Internal Audit · 100, 102, 107, 109  
International Affairs · 2, 6, 10, 11, 18, 25, 27, 28, 29, 35,  
37, 38, 40, 42, 43, 44, 48, 49, 55, 57, 58, 60, 61, 65,  
70, 81, 82, 84, 103, 111, 117, 118, 131  
International Governance · 10, 42, 44, 70  
International Polar Year · 18, 82, 84  
International Safety Management Code · 29, 117

---

## L

Landed Value · 32, 100  
Licence · 47, 94, 95, 98

---

## M

Management Accountability Framework · 10, 105, 108,  
113  
Marine Aids Modernization · 20, 21, 140  
Marine Communications and Traffic Services · 16, 17, 18,  
21, 22, 98, 99, 140  
Marine Navigation Services · 94, 98, 99  
Marine Navigation Services Fees · 94  
Marine Protected Areas · 3, 65, 67, 68, 69, 70, 73, 83, 85,  
103, 125, 140  
Maritime Safety · 2, 21, 27, 35, 36, 37, 125  
Maritimes · 51, 118  
Marshall Decision · 47, 92  
Marshall Response Initiative · 47, 92  
Memorandum of Understanding · 71, 140

---

## N

*Navigable Waters Protection Act* · 82  
Newfoundland and Labrador · 38, 51, 64, 71, 72, 100,  
116, 117, 118  
Non-respondable Revenue · 89, 94, 126  
Northwest Atlantic Fisheries Organization · 2, 16, 17, 43,  
44, 49, 101  
Notices to Mariners · 39  
Nunavut · 23

---

## O

Ocean to Plate · 45, 46  
Oceanography · 56, 64, 81, 85, 117, 118  
*Oceans Act* · 6, 10, 65, 66, 67, 68, 69, 71, 73, 74, 82, 83,  
92, 93, 98, 99, 125, 140  
Oceans Action Plan · 10, 65, 66, 67, 68, 69, 71, 74, 82,  
83, 92, 93, 140

---

## P

Pacific · 18, 23, 25, 37, 42, 45, 51, 58, 64, 71, 80, 93, 97,  
98, 102, 116, 117, 118  
Performance Measurement · 45, 80  
Pollution · 3, 7, 18, 25, 26, 69, 72

Precautionary Approach · 58  
Priorities · 1, 2, 3, 5, 7, 9, 10, 13, 16, 19, 20, 27, 28, 31,  
33, 34, 35, 40, 42, 44, 49, 50, 52, 53, 54, 55, 57, 58,  
60, 63, 64, 66, 67, 69, 70, 71, 73, 74, 76, 81, 82, 83,  
84, 88, 89, 101, 103, 106, 108, 109, 110, 111, 112,  
125  
Procurement · 103  
Program Activity Architecture · 1, 5, 8, 110, 140

---

## Q

Quebec · 24, 55, 64, 98, 100, 118, 138

---

## R

Recreational Fisheries · 3, 42, 47, 98  
Resource Management · 42, 43, 45, 111, 125  
Responsible Revenue · 90, 91, 94, 95, 126  
Revenue · 32, 89, 91, 94, 95, 98, 121, 123, 126, 129,  
130, 132, 137, 138  
Risk management · 10, 53, 76, 80, 102, 107, 108, 110,  
112

---

## S

Safe and Accessible Waterways · 6, 10, 11, 13, 14, 16,  
89, 91, 94, 96, 121, 125  
Salmon · 48, 58, 89, 92, 93, 97, 98  
Salmonid Enhancement Program · 42, 43, 47, 140  
Science · 2, 10, 11, 14, 16, 18, 23, 30, 35, 36, 37, 38, 40,  
42, 55, 56, 57, 58, 59, 60, 62, 63, 64, 65, 66, 67, 71,  
72, 80, 81, 82, 83, 84, 89, 91, 94, 95, 96, 107, 117,  
118, 121, 125, 126  
Science Renewal · 2, 10, 35, 55, 57, 58, 64, 66, 81  
Search and Rescue · 3, 16, 17, 18, 21, 22, 24, 25, 26, 30,  
117, 140  
Service Improvement Initiative · 103  
Service Standards · 20, 97, 98, 99, 104, 112  
Small Craft Harbours · 10, 11, 14, 16, 31, 32, 33, 34, 35,  
89, 91, 92, 94, 96, 102, 103, 112, 114, 121, 125, 140  
Special Operating Agency · 7, 19, 140  
Species at Risk · 6, 7, 49, 51, 55, 56, 57, 59, 74, 80, 82,  
99, 102, 103, 104, 125, 140  
Spills · 25, 26, 69  
Sustainable Development · 6, 7, 14, 40, 53, 62, 65, 71,  
74, 79, 102, 103, 140  
Sustainable Fisheries and Aquaculture · 6, 10, 11, 13, 35,  
40, 42, 57, 70, 81, 89, 91, 94, 96, 121, 125

---

## T

Transport Canada · 16, 19, 23, 69, 104

---

## U

United States Coast Guard · 18

User fees · 97, 98

---

## Y

Youth · 72

