



# Fisheries and Oceans

## Performance Report

For the period ending  
March 31, 1999

Canada

## Foreword

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis what was known as the annual *Part III of the Estimates* document for each department or agency into two documents, a *Report on Plans and Priorities* and a *Departmental Performance Report*.

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

This year, the Fall Performance Package is comprised of 82 Departmental Performance Reports and the government's report *Managing for Results - Volumes 1 and 2*.

This *Departmental Performance Report*, covering the period ending March 31, 1999, provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's pilot *Report on Plans and Priorities* for 1998-99. The key result commitments for all departments and agencies are also included in Volume 2 of *Managing for Results*.

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government.

The government continues to refine and develop both managing for and reporting of results. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

This report is accessible electronically from the Treasury Board Secretariat Internet site:  
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## Our Vision

Safe, healthy, productive waters and aquatic ecosystems, for the benefit of present and future generations, by maintaining the highest possible standards of:

### Service to Canadians

Marine Safety and Environmental Protection

Scientific Excellence

Conservation and Sustainable Resource Use

## Notre Vision

Assurer aux générations actuelles et futures des eaux et des écosystèmes aquatiques sécuritaires, sains et productifs, en maintenant des normes élevées en ce qui a trait :

### au service aux Canadiens et aux Canadiennes

à la sécurité maritime et à la protection de l'environnement

à l'excellence scientifique

à la conservation et à l'utilisation durable des ressources

# Table of Contents

<b>Executive Summary .....</b>	<b>1</b>
Long-term Goals .....	1
Performance Commitments .....	1
Challenges .....	1
Performance Accomplishments .....	2
Performance Commitments .....	4
<b>1 The Minister's Message.....</b>	<b>9</b>
<b>2 Departmental Overview .....</b>	<b>11</b>
2.1 Mandate.....	11
2.2 Vision .....	11
2.3 Objectives.....	11
2.4 Long-term Priorities and Goals.....	12
2.5 Operating Environment.....	13
2.5.1 Challenges .....	14
<b>3 Departmental Performance .....</b>	<b>16</b>
3.1 Performance Expectations.....	16
3.2 Performance Accomplishments .....	17
3.3 Service Standards.....	19
3.4 Departmental Performance against the Long-term Priorities and Goals.....	20
3.5 Performance Accomplishments by Business Line .....	23
3.5.1 Fisheries and Oceans Science.....	24
3.5.2 Habitat Management and Environmental Science.....	26
3.5.3 Fisheries Management.....	29
3.5.4 Fleet Management .....	33
3.5.5 Marine Navigation Services .....	35
3.5.6 Marine Communications and Traffic Services .....	37
3.5.7 Icebreaking Operations.....	39
3.5.8 Rescue, Safety and Environmental Response.....	41
3.5.9 Hydrography.....	43
3.5.10 Harbours .....	46
3.5.11 Policy and Internal Services .....	48
<b>4 Consolidated Reporting .....</b>	<b>52</b>
4.1 Sustainable Development.....	52
4.2 Regulatory Initiatives .....	53
4.3 Year 2000 Initiatives .....	56
4.4 Materiel Management .....	57
<b>5 Financial Performance .....</b>	<b>58</b>
<b>6 Other Information .....</b>	<b>70</b>
6.1 Contacts for Further Information .....	70
6.2 Legislation Administered by the Department of Fisheries and Oceans .....	71
6.3 Statutory Reports.....	72
<b>7 Awards Received by the Department.....</b>	<b>73</b>

<b>Annex A: Additional Information about the Department.....</b>	<b>76</b>
A.1 Mandate.....	76
A.2 Description of the Department’s Long-term Goals and Priorities.....	77
A.3 Business Lines and Organization Composition.....	78
A.4 Objective of the Business Lines.....	80
<b>Index .....</b>	<b>82</b>

## List of Figures

Figure 1:	Groundfish Landings in the Northwest Atlantic, 1985-1998.....	20
Figure 2:	Landed Value of Commercial Fisheries, 1991-1997 .....	21
Figure 3:	Landed Value of Canada’s Principal Shellfish Species, 1989-1997 .....	21
Figure 4:	Commercial Shipping Accidents, 1989-1998 .....	22
Figure 5:	Actual Expenditures by Business Line, 1998-1999 .....	23

# Executive Summary

Canada's fisheries and oceans hold many opportunities for Canadians. With proper stewardship, these resources can be stabilized and recovered, so that these opportunities continue to be available for future generations.

The Department of Fisheries and Oceans is responsible for the following:

- ❑ policies and programs in support of Canada's economic, ecological and scientific interests in the oceans and freshwater fish habitat;
- ❑ the conservation and sustainable development of Canada's fisheries resources in marine and inland waters; and
- ❑ safe, efficient and environmentally sound marine service responsive to the needs of Canadians in a global economy.

## Long-term Goals

The Department of Fisheries and Oceans is committed to five long-term goals, which are summarized here and further described in Annex A of the report:

- ❑ to manage and protect fisheries resources;
- ❑ to manage and protect the marine and freshwater environment;
- ❑ to understand the oceans and aquatic resources;
- ❑ to maintain maritime safety; and
- ❑ to facilitate maritime trade, commerce and ocean development.

## Performance Commitments

DFO's performance commitments are to provide Canadians with:

- ❑ conservation and biological sustainability of fisheries resources, marine and freshwater habitats and a protected environment; and
- ❑ safe, efficient and accessible waterways and harbours.

The ultimate goal is to demonstrate this performance in accordance with the commitments contained on page 4 of this report. For example, within Icebreaking Operations, client satisfaction is being measured with over 90% indicating that they are very satisfied with the service provided. While progress has been made in measuring our performance, we recognize that further improvement is necessary.

## Challenges

The challenges in delivering on the long-term goals are significant. These include:

- ❑ ensuring conservation and sustainable utilization in Canada's fisheries by addressing conservation risks;
- ❑ providing a reliable scientific basis for DFO policies and programs;

- ❑ implementing policies and programs to aid the development of marine conservation and protection of aquatic resources and their habitat;
- ❑ adapting our services in order to minimize the incidence and impact of accidents;
- ❑ seeking more collaborative relationships to ensure that service levels remain fair, cost-effective and client-focused;
- ❑ achieving the proper mix and number of vessels; and
- ❑ developing a reinvestment strategy and long-term capital plan that will address deterioration problems in major asset categories.

These challenges are described in more detail in Section 2.5 of the report.

## Performance Accomplishments

In the area of **conservation and biological sustainability of fisheries resources, marine and freshwater habitats and a protected environment**, the Department has a number of major accomplishments, including the following:

- ❑ The Canadian Fisheries Adjustment and Restructuring Program was introduced to reduce the number of fishing licences and to conserve and protect salmon stocks and their habitats. This resulted in a substantial reduction of the number of salmon fishing licences, thereby enhancing fleet viability.
- ❑ Five pilot projects for Marine Protected Areas were established in the Pacific and Atlantic regions. These pilot projects will not only conserve and protect species but also provide information essential to the development of an oceans management strategy for Canada. Work continues with other government departments on a national approach for marine protected areas.
- ❑ Scientific surveys in the Atlantic, Pacific and Arctic oceans were conducted to gather fishery and oceanographic data to generate new knowledge on fish, fish stocks and ocean processes.
- ❑ A bilateral agreement on conduct of Southern fisheries (Fraser Sockeye, Coho and Chinook) provided improved conservation of Southern stocks subject to the Pacific Salmon Treaty and paved the way for more productive re-negotiation of the Treaty in 1999.
- ❑ A final Agreement was negotiated with the Nisga'a, that provides a formal working relationship between the Nisga'a and the Department, provides certainty with respect to Nisga'a fishing rights, and ensures that the paramount consideration is the conservation of all fish stocks.
- ❑ A policy of 100% observer coverage was formally adopted by the Northwest Atlantic Fisheries Organization (NAFO) for all fishing vessels in the NAFO regulatory area, the area outside Canada's 200-mile exclusive economic zone.
- ❑ The Department finalized and issued a framework of policy principles for Canada's Pacific fisheries, and implemented a number of these *New Directions* initiatives in the Pacific fisheries designed to ensure the conservation and sustainability of the salmon resource.



- ❑ The year 1998 marked the beginning of the ratification process of the Canadian Code of Conduct for Responsible Fishing Operations by numerous commercial fishing organizations across the country.

With respect to **safe, efficient and accessible waterways and harbours**, the Department's major accomplishments include the following:

- ❑ New boating regulations were introduced to improve the safety of recreational boating on Canadian waterways. This will reduce the more than 3,500 recreational boating accidents reported on Canadian waterways each year.
- ❑ The Canadian Hydrographic Service formed or continued 12 partnering agreements and strategic alliances with private sector firms and one provincial government to enhance the availability of hydrographic information to the public.
- ❑ Approximately 1,700 repair and replacement projects were undertaken to ensure safe and operable harbours for public use.

These are just a few of the Department's achievements. Additional information on the Department's numerous accomplishments can be found in Section 3.



**Small Craft Harbour – Bonavista, Newfoundland**



## Performance Commitments

The following chart is a reproduction from Volume 2 of *Managing for Results 1999*, the annual report to Parliament from the President of the Treasury Board. However, the chart was modified to include a column on the expected results of our commitments to Canadians.

### DFO Performance Commitments

To Provide Canadians With	Expected Results	To Be Demonstrated By	Achievements Reported In Section(s) On
<i>Conservation and biological sustainability of fisheries resources, marine and freshwater habitats and a protected environment</i>	<p><b>Status of Fish Stocks and Fisheries Management Practices</b></p> <ul style="list-style-type: none"> <li>• Stock assessments for major exploited stocks for the benefit of the fishing industry and for public information.</li> <li>• A sustainable balance between environmental protection and the long-term viability of marine trade and commerce.</li> <li>• Timely development of Integrated Fisheries Management Plans for selected key fisheries which provide for sustainable development, effective monitoring and enforcement provisions.</li> <li>• Increased use of selective harvesting methods.</li> <li>• Discussion document and public discussions leading to preparation of policy framework guiding management of Atlantic fisheries over long-term.</li> <li>• Implementation of <i>New Directions</i> policies.</li> <li>• Improved conservation advice by incorporating new information into assessments.</li> </ul>	<ul style="list-style-type: none"> <li>• Status of fish stocks both within and adjacent to Canada's 200-mile zone.</li> <li>• Sustainable harvesting practices within the industry.</li> <li>• The protection of fish stocks through an integrated management monitoring and enforcement program.</li> <li>• A precautionary approach to resource and habitat management based on sound science and conservation requirements.</li> <li>• Atlantic fisheries policy review.</li> <li>• West Coast policy initiative.</li> <li>• Use and impacts of co-management agreements.</li> </ul>	<p>F&amp;O Science<sup>1</sup></p> <p>RSER<sup>2</sup></p> <p>FM<sup>3</sup></p> <p>FM</p> <p>FM</p> <p>FM</p> <p>F&amp;O Science</p>

## DFO Performance Commitments (continued)

To Provide Canadians With	Expected Results	To Be Demonstrated By	Achievements Reported In Section(s) On
<p><i>Conservation and biological sustainability of fisheries resources, marine habitats and a protected environment (continued)</i></p>	<p><b><i>State of Ecosystems and Habitat Management Practices</i></b></p> <ul style="list-style-type: none"> <li>• Development and endorsement of a national Oceans Management Strategy.</li> <li>• Development and implementation of Integrated Management Plans and Marine Protected Areas.</li> <li>• Development and application of Marine Environmental Quality guidelines, objectives and criteria.</li> <li>• Participation in domestic and international forums.</li> <li>• Investment in research to mitigate the impacts of changes to marine and freshwater ecosystems.</li> <li>• Effectiveness of: the voluntary referral process for seeking approval — under the <i>Fisheries Act</i> — of projects that may affect fish habitat; and the “no net loss to fish habitat” principle in cases where an approved project adversely affects fish habitat.</li> </ul>	<ul style="list-style-type: none"> <li>• Conservation and sustainable development of Canada’s marine and freshwater habitats through an integrated, precautionary, scientific and ecosystem-based approach to management.</li> <li>• Protection of fish habitat.</li> </ul>	<p>HMES<sup>4</sup></p> <p>HMES</p>
	<p><b><i>Scientific Research and Understanding</i></b></p> <ul style="list-style-type: none"> <li>• Monitoring and research on the ocean’s role in the climate system.</li> <li>• Monitoring and research on the ocean’s role in the climate system.</li> <li>• Strategic investment in research on the causes and impacts of changes to marine and freshwater ecosystems.</li> <li>• Promotion of partnering and leveraging opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>• Scientific understanding of aquatic flora and fauna.</li> <li>• Technology transfer from aquaculture research projects to industry.</li> <li>• Scientific understanding of marine and freshwater ecosystems.</li> </ul>	<p>F&amp;O Science</p> <p>F&amp;O Science</p> <p>HMES</p>

## DFO Performance Commitments (continued)

To Provide Canadians With	Expected Results	To Be Demonstrated By	Achievements Reported In Section(s) On
<p><b>Conservation and biological sustainability of fisheries resources, marine and freshwater habitats and a protected environment (continued)</b></p>	<p><b>Environmental Protection and Response</b></p> <ul style="list-style-type: none"> <li>• Reduced number and severity of spills resulting from collisions, groundings and ice damage.</li> <li>• Reduced pollution from vessel transits and construction on waterways.</li> <li>• Public safety and environmental issues addressed at all inventory harbours through repairs or other risk-management action.</li> </ul>	<ul style="list-style-type: none"> <li>• Preparedness for national emergencies.</li> <li>• Response to marine oil emergencies.</li> <li>• Responsible operational and environmental stewardship of marine resources and infrastructure by DFO employees, partners and public users.</li> </ul>	<p>MNS<sup>5</sup></p> <p>RSER, MCTS<sup>6</sup></p> <p>Harbours</p>
	<p><b>Socio-Economic Benefits</b></p> <ul style="list-style-type: none"> <li>• Reduced risk of property damage along the rivers by flood control activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Socio-economic benefits to marine-based industries and rural/coastal communities.</li> </ul>	<p>Icebreaking</p>
	<p><b>Public Awareness and Client Satisfaction</b></p> <ul style="list-style-type: none"> <li>• Improved access to DFO science data.</li> <li>• Increased client consultation and public awareness of programs, policies and new initiatives.</li> <li>• A public that is better educated on oceans issues and will readily get involved in local marine initiatives, share accountability, encourage self-regulation, and be voluntarily compliant.</li> </ul>	<ul style="list-style-type: none"> <li>• Client satisfaction.</li> <li>• Client participation.</li> <li>• Public awareness of programs and policies.</li> </ul>	<p>F&amp;O Science HMES All business lines</p> <p>HMES</p>
<p><b>Safe, efficient and accessible waterways and harbours</b></p>	<p><b>Efficient and Effective Waterways Infrastructure</b></p> <ul style="list-style-type: none"> <li>• Reduced number and severity of collisions, groundings and ice damage.</li> <li>• Reduced vessel transit time, service interruption and costs.</li> <li>• Increased efficiency in commercial vessel cargo loading, resulting in clients' improved operational and economic performance.</li> <li>• Implement a national objective priority setting for hydrographic surveys.</li> </ul>	<ul style="list-style-type: none"> <li>• A comprehensive, efficient, timely and responsive marine communications and traffic services network.</li> <li>• Efficient and effective aids to navigation infrastructure.</li> <li>• Safe and efficient movement of marine traffic through ice-covered waters.</li> <li>• Scientific understanding and public access to hydrographic information.</li> </ul>	<p>MCTS, MNS, RSER</p> <p>Icebreaking, MCTS, MNS</p> <p>MNS, MCTS</p> <p>Hydrography</p>

## DFO Performance Commitments (continued)

To Provide Canadians With	Expected Results	To Be Demonstrated By	Achievements Reported In Section(s) On
<p><i>Safe, efficient and accessible waterways and harbours (continued)</i></p>	<p><b><i>Efficient and Effective Waterways Infrastructure (continued)</i></b></p> <ul style="list-style-type: none"> <li>• Strive to obtain national International Organization for Standardization (ISO) 9000 certification for Canadian Hydrographic Service by 2001-2002.</li> <li>• Reduced number and severity of incidents that place people in distress or imminent danger, which minimizes loss of life.</li> <li>• Safe operating conditions at critical fishing harbours with priority directed to user-managed sites.</li> <li>• Reduction in number of non-critical harbours.</li> <li>• Reduced number and severity of incidents that place people in distress or imminent danger, which minimizes loss of life.</li> </ul>	<ul style="list-style-type: none"> <li>• Quality of hydrographic information.</li> <li>• Response to marine search-and-rescue incidents.</li> <li>• Harbours critical to the fishing industry open and in good repair.</li> <li>• Harbour divestiture/ rationalization initiatives to impact on the overall level of harbour inventory.</li> <li>• Regulatory framework and prevention programs that support safe and responsible recreational boating.</li> </ul>	<p>Hydrography</p> <p>MCTS, RSER</p> <p>Harbours</p> <p>Harbours</p> <p>MCTS, RSER</p>
	<p><b><i>Economic Benefits</i></b></p> <ul style="list-style-type: none"> <li>• Improved industry operational and economic performance through reduced vessel transit time and increased efficiency in commercial vessel cargo loading.</li> <li>• Contribution to the well-being and economic viability of Inuit communities.</li> <li>• Reduced risk of property damage along the rivers by flood control activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Economic and operational benefits through marine trade and commerce.</li> <li>• Annual deliveries by ship to northern settlements and military sites.</li> <li>• Preservation of property from ice build-up.</li> </ul>	<p>MCTS, MNS, Icebreaking</p> <p>MCTS, MNS, Icebreaking</p> <p>MCTS, MNS, Icebreaking</p>
	<p><b><i>Clients and Public</i></b></p> <ul style="list-style-type: none"> <li>• Increased number of harbours managed by Harbour Authorities.</li> <li>• Client satisfaction/awareness (surveys).</li> <li>• Clear, understandable reports and summaries readily available.</li> </ul>	<ul style="list-style-type: none"> <li>• Participation of users in harbour management and cost.</li> <li>• Client participation.</li> <li>• Client satisfaction.</li> <li>• Client and public awareness of programs and policies.</li> </ul>	<p>Harbours</p> <p>Various business lines</p> <p>Various business lines</p>

## **DFO Performance Commitments (continued)**

Notes:

- <sup>1</sup> F&O Science refers to Fisheries and Oceans Science.
- <sup>2</sup> RSER refers to Rescue, Safety and Environmental Response.
- <sup>3</sup> FM refers to Fisheries Management.
- <sup>4</sup> HMES refers to Habitat Management and Environmental Science.
- <sup>5</sup> MNS refers to Marine Navigation Services.
- <sup>6</sup> MCTS refers to Marine Communications and Traffic Services.

# 1 The Minister's Message



**Hon. Herb Dhaliwal**

I am pleased to submit this Performance Report of the Department of Fisheries and Oceans (DFO), which outlines our accomplishments in 1998-1999.

Over the past year, DFO has played an important role in addressing several key federal priorities highlighted in the 1997 Speech from the Throne. We contributed to building a stronger Canada through sustainable fisheries, resource conservation and facilitated shipping. Our investment in science rejuvenation, marine and fishing technology will advance the development of a knowledge-based economy. We introduced recreational boating regulations aimed at creating safer communities. Our oceans agenda and climate change initiatives will enhance Canada's international reputation.

Revitalizing the fishing industry on the East and West Coasts remains a priority for the Department. We have embraced a precautionary approach, based on integrated management, capacity reduction and selective fishing. We also recognize that conservation depends on a holistic approach, which takes into consideration the factors that affect stock levels and the dynamics of the ecosystem.

Licence retirement programs introduced last year for the Atlantic region, and industry diversification, habitat enhancement and vessel tie-ups in the Pacific region, will ensure the future of Canada's valuable fish stocks. As we approach the next millennium, we are putting in place the measures necessary for achieving our vision of a fishery that is both environmentally sustainable and economically viable.

One of our most significant achievements this year was the negotiation of the Pacific Salmon Treaty, a comprehensive, coast-wide program for managing the conservation of West Coast salmon and spawning grounds. The agreement promises more effective co-operation with the United States on managing stocks and monitoring the size and health of salmon runs.

This year, as part of our federal aquaculture development strategy, we appointed a Commissioner for Aquaculture Development. Our goal is to advance aquaculture in a manner that complements traditional fisheries and is environmentally sound.

Co-management and shared stewardship are key to the success of DFO programs. Recognizing that citizen engagement is central to the development and delivery of new activities, we have enhanced our public consultation process. This was evidenced in the passage of our boating safety regulations and the development of the Canadian Code of Conduct for Responsible Fishing Operations.

The United Nations' declaration of 1998 as the International Year of the Ocean provided a significant opportunity for citizen engagement and public awareness. In the spirit of the United Nations declaration and the advancement of Canada's oceans agenda, DFO introduced five pilot projects for Marine Protected Areas in 1998. These pilots will help us to

better understand unique marine ecosystems and mark the first step towards our goal of creating a national network of Marine Protected Areas.

Focus on the world's oceans continued with a number of initiatives in 1999. The Department voiced the need for balancing international fishing capacity with global fisheries resources at the Food and Agriculture Organization of the United Nations meeting in Rome last March. We also participated in several international conferences on climate change and oceans management issues. Integrated management of oceans and oceans resources, particularly in the Arctic regions, represents one of our most important contributions to the global environment.

Closer to home, DFO worked with other federal departments to respond to the Swissair tragedy last September. The Rescue Co-ordination Centre was involved from the very first distress call and mobilized Coast Guard vessels immediately. Employees from several sectors assisted in the extensive recovery effort, which also included providing logistical support, mapping the ocean floor and enforcing the exclusion zone.

This year, our Department launched a number of strategic planning initiatives aimed at strengthening our organization, improving the way we do business and making us more forward-looking. These long-term initiatives will help position the Department to meet the challenges of the future.

One example is our new integrated business planning process, aimed at making careful and informed decisions about the allocation of our limited resources. This process will ensure that DFO has the necessary plans in place to operate within its budget in 1999 and provides the Department with the financial stability necessary for continuing to fulfil its mandate of service to Canadians in the future.

Among the key changes, the Department introduced a number of smaller, modern vessels to upgrade the Coast Guard's rescue and multi-tasking capability; invested in information-based technology for fisheries enforcement; and launched recruitment and training programs to maintain our scientific expertise and competitive edge.

While we continue to face many challenges, I am proud of the many accomplishments of DFO in the past fiscal year. These achievements were made possible by the contributions of our dedicated and industrious staff.

I am committed to ensuring that the Department continues to foster Canada's world leadership role in ocean and marine resource management.



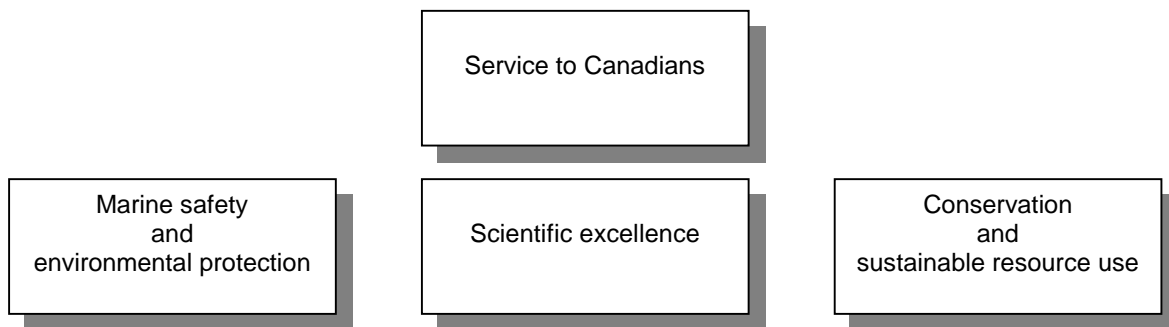
## 2 Departmental Overview

### 2.1 Mandate

The Department of Fisheries and Oceans, on behalf of the Government of Canada, is responsible for policies and programs in support of Canada's economic, ecological and scientific interests in the oceans and freshwater fish habitat; for the conservation and sustainable utilization of Canada's fisheries resources in marine and inland waters; and for safe, effective and environmentally sound marine services responsive to the needs of Canadians in a global economy.

### 2.2 Vision

Safe, healthy, productive waters and aquatic ecosystems, for the benefit of present and future generations, by maintaining the highest possible standards of:



### 2.3 Objectives

The objectives of the Department are to:

- undertake policies and programs in support of Canada's economic, ecological and scientific interests in the oceans and inland waters;
- provide for the conservation, development and sustained economic utilization of Canada's fisheries resources in marine and inland waters for those who derive their livelihood or benefit from these resources;
- provide safe, effective and environmentally sound marine services responsive to the needs of Canadians in a global economy; and
- co-ordinate the policies and procedures of the Government of Canada respecting oceans.

## 2.4 Long-term Priorities and Goals

The Department has five long-term priorities and goals. They are:

- ❑ to manage and protect the fisheries resource;
- ❑ to manage and protect the marine and freshwater environment;
- ❑ to understand the oceans and aquatic resources;
- ❑ to maintain maritime safety; and
- ❑ to facilitate maritime trade, commerce and ocean development.

Additional information on these long-term priorities and goals can be found in Annex A of this document. Also in Annex A is a description of the business lines, the composition of the organization and the contribution of each business line to the long-term priorities and goals. This information can also be found in the Department's *1998-99 Estimates: A Report on Plans and Priorities* along with a description of key plans and strategies and expected results for 1998-1999. The *1998-99 Estimates: A Report on Plans and Priorities* is available on the Internet at <http://www.tbs-sct.gc.ca/tb/estimate/pub3e9899.html>.



## 2.5 Operating Environment

DFO is a relatively large, decentralized, federal department that delivers services throughout Canada from six regional offices and from national headquarters in Ottawa. DFO's mandate, programs and services affect the livelihood of thousands of people in a wide range of oceans and freshwater industries throughout Canada, including marine transportation, tourism and recreation and fishing. DFO is also responsible for Canada's participation in and adherence to several international fisheries agreements and maritime conventions.

Like other federal departments, DFO has had to manage with smaller budgets due to significant fiscal restraint in recent years. Net spending for DFO dropped from \$1.4 billion in 1994-1995 to \$1.1 billion in 1998-1999, and the workforce was reduced from 11,694 employees to 8,569.

Reductions in both program spending and personnel have encouraged the development of important new relationships between the Department, provinces, territories and stakeholders. At the same time, the public is demanding input into the decision-making process to ensure the Department maintains a high level of service. With an extensive network of federal installations, vessels, staff and research facilities across the country, DFO's ability to work effectively with others is key to its success.

### Did You Know?

- Canada has the world's longest coastline and the second largest continental shelf. Stretched out as a single continuous line, Canada's coastline would encircle the Earth more than six times.
- Eight of Canada's ten provinces and all of its northern territories are coastal, as are many of its major cities. Approximately 23% of Canadians live in coastal communities.

Source: DFO Science, A Guide to Integrated Coastal Zone Management in Canada.

In 1998-1999, for example, DFO worked closely with Human Resources Development Canada, Western Economic Diversification and the Atlantic Canada Opportunities Agency to develop and implement the Canadian Fisheries Adjustment and Restructuring Program. DFO, in collaboration with the other agencies, continues to co-deliver the package. In addition, the enactment of the *Oceans Act* in 1997 mandates DFO to lead the development and implementation of Canada's Oceans Management Strategy. The Department is working with 22 other federal institutions to achieve this goal. Federal and provincial/territorial roles have been articulated and the Department has undertaken initial federal/provincial consultations with a number of provinces and territories including British Columbia, Quebec, Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Yukon and Northwest Territories.

Across Canada, the Minister and the Department are committed to discussing and promoting innovative ways to share stewardship and strengthen relationships with stakeholders. Several advisory bodies contribute to sustainable resource management and quality marine services, for example: the Fisheries Resource Conservation Council on the Atlantic coast; the Pacific Fisheries Resource Conservation Council in British Columbia; the Canadian Marine Advisory Committee; and the National Recreational Boating Advisory Committee. On the infrastructure and marine commerce side, DFO is now sharing management and responsibility for 43% of its fishing harbour sites with client-run harbour authorities.

## 2.5.1 Challenges

### ***Fisheries Management***

DFO's fisheries management faces the challenge of ensuring conservation and sustainable use in Canada's fisheries by addressing conservation risks related to overfishing, non-selective catches, dumping and discarding, use of improper harvesting methods and illegal fishing. Two exceptional challenges currently being addressed are the collapse of groundfish stocks and decline of some stocks in the Atlantic and eroding economic viability in the Pacific salmon fishery. In June 1998, DFO, in collaboration with Human Resources Development Canada, the Atlantic Canada Opportunities Agency and Western Economic Diversification, announced the Canadian Fisheries Adjustment and Restructuring Program for both the East and West Coasts.

### ***Science***

The Department is responsible for providing a reliable scientific basis for sound stock assessment, conservation of marine resources and anadromous fishery resources (anadromous fish are fish that spawn in freshwater and migrate to saltwater to feed and mature), marine environment and habitat protection, and safe navigation. Challenges include dealing with uncertainty, incorporating sound scientific advice, adopting a risk-averse approach, explaining DFO science in clear, transparent ways, and building the understanding and confidence of clients.

### ***Habitat Management***

The *Fisheries Act* contains several provisions aimed at the conservation and protection of fish habitat and DFO, with the advent of the *Canadian Environmental Assessment Act* (CEAA, 1995), has quickly become one of the key departments responsible for conducting environmental assessments as a result of regulatory triggers. Although developed for the purpose of protecting fisheries, the general public and environmentalists in particular see the habitat provisions of the *Fisheries Act* as the strongest legislative tools available for environmental protection. This has resulted in an increased challenge in the government's administration of the *Fisheries Act* — as well as its administration of CEAA — in court.

### ***Oceans Management***

The *Oceans Act* (1997) mandates DFO as the lead department for the implementation of a national strategy for oceans management. Many of Canada's marine ecosystems are threatened by increasing and competing demands for resources, as well as by human development of land and water resources unrelated to fisheries. The challenge is to coordinate and influence the implementation of policies and programs to aid the development of marine conservation and protection, including establishment of marine protected areas, marine environmental quality guidelines and integrated management in the coastal zone.

### ***Marine Safety Management***

New trends, technologies and practices are emerging in the marine community, such as increases in the adult boating population, cruise ship and personal watercraft traffic, and the tendency for fishers to operate farther offshore. The Department is adapting its services, both preventive and responsive, to address these trends and minimize the incidence and impact of accidents.

### ***Maritime Commercial Management***

DFO is seeking more collaborative relationships with clients and co-deliverers of marine services to ensure that service levels remain fair, cost-effective, dependable and focused on client needs in an environment of change. Factors such as the liberalization of international trade and evolving standards for international navigation add to the challenge of balancing the cost of activities with service levels and fees.

### ***Fleet Management***

DFO's fleet is essential to the delivery of the Department's programs and services. The challenge is to effectively multi-task vessels to carry out search-and-rescue, scientific, and conservation and protection missions and to support other government departments when required.

### ***Reinvestment in Capital Assets and Infrastructure***

The Department is developing a capital reinvestment strategy and long-term capital plan. Deterioration in the Department's major asset categories — vessels, harbour infrastructure and other facilities essential for ongoing program delivery — is an ongoing challenge.



# 3 Departmental Performance

## 3.1 Performance Expectations

The Department is committed to providing Canadians with:

- Conservation and biological sustainability of fisheries resources, marine and freshwater habitats and a protected environment**, performed by the following business lines:
  - Fisheries and Oceans Science
  - Habitat Management and Environmental Science
  - Fisheries Management
  - Fleet Management
- Safe, efficient and accessible waterways and harbours**, performed by the following business lines:
  - Fleet Management
  - Marine Navigation Services
  - Marine Communications and Traffic Services
  - Icebreaking Operations
  - Rescue, Safety and Environmental Response
  - Hydrography
  - Harbours

The Department's performance expectations are summarized in the chart of Performance Commitments on page 4 of this document. Additional information can be found in the *1998-99 Estimates: A Report on Plans and Priorities*, which is available on the Internet at <http://www.tbs-sct.gc.ca/tb/estimate/pub3e9899.html>.

## 3.2 Performance Accomplishments

Many of the achievements of the Department of Fisheries and Oceans contribute to the government-wide priorities enumerated in the 1997 Speech from the Throne. The following are a few examples of the Department's contributions.

### ***Building a Stronger Canada***

The Department contributes to building a stronger Canada by ensuring year-round access to ports and minimizing port closures, which enhances the socio-economic performance of Canada. These services are important for the maintenance of maritime commerce and the consequent industrial and port employment.

Canada's *Oceans Act* and the initiation of the Oceans Management Strategy are improving the co-ordination of federal-provincial-territorial activities in fisheries and oceans. These initiatives are founded on collaborative and consultative approaches with stakeholders, including Aboriginal peoples, local communities, business, industry and non-governmental organizations.

### ***Building Safer Communities***

Rescue, Safety and Environmental Response contributes to building safer communities by providing Canadians with an efficient and effective search-and-rescue service; improving the safety of recreational boaters through comprehensive prevention programs and regulatory initiatives; and providing for a well prepared, co-ordinated system to respond to marine pollution incidents and national emergencies.

### ***Investing in Children and Creating Opportunity for Young Canadians***

The Department's education and outreach initiatives provide children with an awareness and understanding of the importance of Canada's oceans and the opportunities they offer. Examples of the Department's initiatives include educational materials on the world's oceans, a Youth for Oceans Foundation, resources to bring Canadian university students to the annual Canadian Conferences on Fisheries Research and the Oceans 11 science curriculum (developed in partnership with the Nova Scotia Department of Education and Culture and other stakeholders).

Through the implementation of a recruitment and rejuvenation strategy in youth employment, the Science and Technology Youth Internships program is contributing to the creation of opportunities for young Canadians. Both senior and newly hired scientists and technologists contribute to the investment in knowledge and creativity, helping to maintain and develop the conservation and biological sustainability of the aquatic resources and their habitats.

### ***Investing in Knowledge and Creativity***

Environmental concerns are once again becoming high on the Canadian public agenda. Research targeted at identifying and solving these environmental concerns is fundamental to the principles of conservation and sustainable development. The Department's Internet sites provide opportunities for Canadians of all generations to access information on Canada's oceans and fisheries and learn about the Department's research efforts and other initiatives.



### ***Investing in Quality Care and Good Health***

Development of Marine Environmental Quality standards, guidelines and criteria, as well as efforts with Environment Canada in the National Program of Action for the Protection of the Marine Environment from Land-Based Activities are examples of concerted action to ensure the cleanliness, safety and health of Canada's waters.

### ***Expanding Opportunities in Aboriginal Communities***

Canada's Aboriginal communities are traditional practitioners of sustainable resource management and will contribute significantly to the development of the Oceans Management Strategy. The document *Toward Canada's Oceans Strategy* was translated into Inuktitut and Innuinaktun to facilitate Aboriginal participation in the consultation process, and was also transferred to audiotape to respect the oral tradition of Aboriginal peoples in the Arctic, Northern Quebec and Labrador.

The Department recently increased the capacity of the Nunavut Area Office to carry out research and stock assessment. This was made possible with new resources from the DFO Science Recruitment and Equity Initiative Program.

Generally speaking, Aboriginal groups are given priority access to fisheries resources to fish for food, and for social and ceremonial purposes after conservation goals are met. Through the Aboriginal Fisheries Strategy, DFO has entered into agreements with First Nations, Tribal Councils and other Aboriginal organizations. These agreements are silent on the issue of Aboriginal rights to fish, but instead set out mutually acceptable arrangements for the management of the groups' fishing activities. Under the agreements, DFO also provides funding for groups to carry out a variety of activities including stock assessment, stock and habitat restoration, monitoring and enforcement.

The Allocation Transfer Program expands economic opportunities for Aboriginal communities by retirement of commercial licences and issuance of similar licences to Aboriginal groups to fish as part of the commercial fishing sector. The federal government's "Gathering Strength" policy supports the concept of greater roles for Aboriginal groups in determining their futures. The Allocation Transfer Program facilitates that goal.

Through comprehensive claims agreements, First Nations enter into fisheries management regimes.

### 3.3 Service Standards

DFO's senior management has encouraged all business and service lines to develop key service standards that emphasize a commitment to providing quality services to their clients. Consequently, service standards have been or are in the process of being developed and monitored. Service standards typically have five essential elements: descriptions of service, service pledges, delivery targets, costs and complaint redress mechanisms. They are more comprehensive than service delivery targets such as waiting times and hours of operation.

Performance measurement against key targets, such as icebreaker response time, has been ongoing since 1990. For example, an icebreaker will respond/arrive on scene within 12 hours in the Gulf of St. Lawrence. Client surveys have been conducted each ice season since 1997 with over 90% of the clients surveyed being very satisfied. New performance indicators such as transit rates through ice are under development. More information on icebreaking service standards is available on the Internet at <http://www.ccg-gcc.gc.ca/ice-gla/main.htm>.

Progress was made in developing means to measure Fisheries and Oceans Science service standards, for instance:

- ❑ Stock status reports and research documents are available to Canadians through the Canadian Stock Assessment Secretariat web site at <http://www.dfo-mpo.gc.ca/csas/>;
- ❑ Scientific data and information on Canadian coastal oceans are available to Canadians through the Marine Environmental Data Service web site at <http://www.meds-sdmm.dfo-mpo.gc.ca>.

In Habitat Management and Environmental Science (HMES), the increased number of reviews and assessments of development proposals under the *Fisheries Act* and the *Canadian Environmental Assessment Act* — when triggered by the *Fisheries Act*, the *Navigable Waters Protection Act* and the *National Energy Board Act* — and their greater scope of public scrutiny, complexity and legal uncertainty has resulted in difficulties in maintaining traditional service levels.

HMES submits an annual report to Parliament on the administration and enforcement of the fish habitat protection and pollution prevention provisions of the *Fisheries Act*, and also provides environmental assessment information to the Canadian Environmental Assessment Agency. The operational information that is reported by HMES is being expanded on an annual basis in accordance with performance management initiatives.

The Canadian Hydrographic Services (CHS) service standards were produced in September 1995. Generally these service standards met the intended level of service, which the CHS strived to provide, through 1998-1999. With the addition of two new product lines since 1995, CHS must review these service standards to update their currency.

For the Harbours business line, to address public safety concerns, the commitment is to maintain at least a *fair* condition rating for basic infrastructure at client-managed harbours. Service standards that reflect profound changes in service delivery are under development for the next reporting period.

### 3.4 Departmental Performance against the Long-term Priorities and Goals

The measures to address DFO’s long-term priorities and goals are reflected in the commitments table on page 4. Performance at this high level is strongly influenced by factors outside the control of DFO, such as weather conditions, industry behaviour, market prices, and the actions of other departments and other levels of government. Therefore, the attribution of performance to departmental actions alone is difficult. Nevertheless, high-level performance measures provide the public and Parliamentarians with an important perspective on trends that are central to DFO’s mandate.

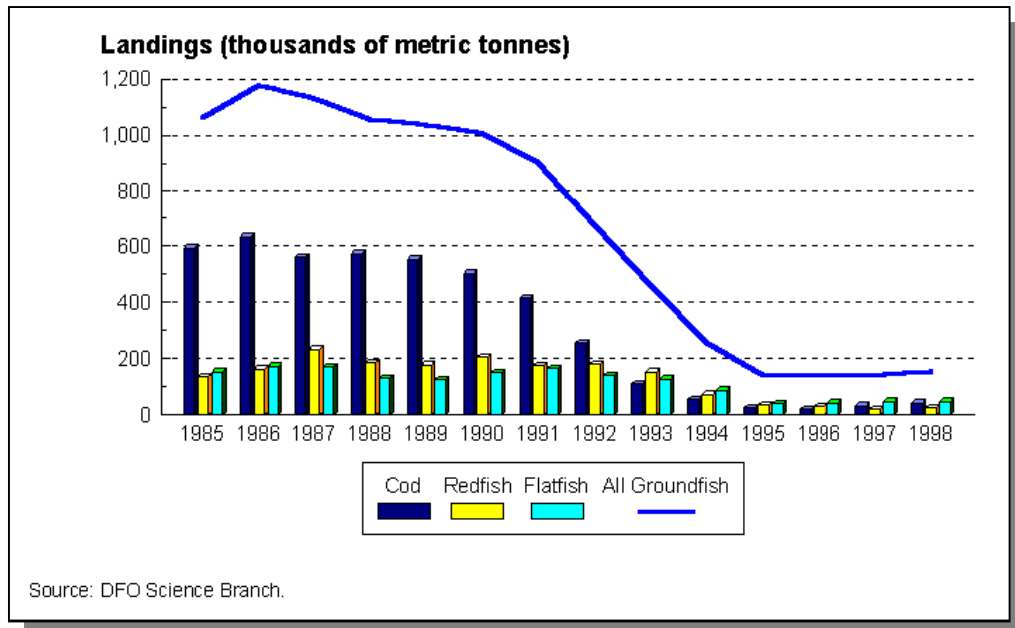
The choice of measures for this report was limited by space and data availability and represents only a general overview of activities that DFO has developed for each priority.

**Commitment: Conservation and Biological Sustainability of Fisheries Resources, Marine and Freshwater Habitats and a Protected Environment**

In the long term, DFO’s resource management and protection activities should have an impact on stock status and the economic viability of the fishing industry. However, it is recognized that both stock status and economic viability are strongly influenced by factors beyond the control of the Department, as indicated above.

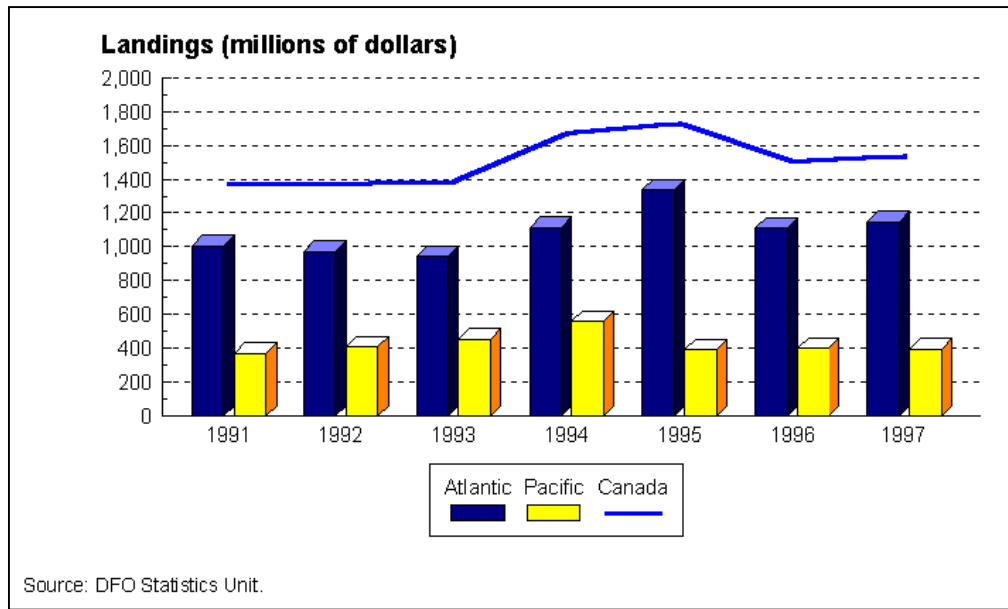
Figure 1 shows total landings for groundfish in the Northwest Atlantic from 1985 to 1998. Cod data include landings from Georges Bank, in the south, to Labrador in the north. Flatfish data include landings of American plaice, witch flounder, yellowtail flounder, winter flounder, Greenland halibut and Atlantic halibut. Data on “all groundfish” provide an overview of landings for cod, redfish, flatfish, haddock, pollock, silver hake, white hake, grenadiers and argentine.

**Figure 1: Groundfish Landings in the Northwest Atlantic, 1985-1998**

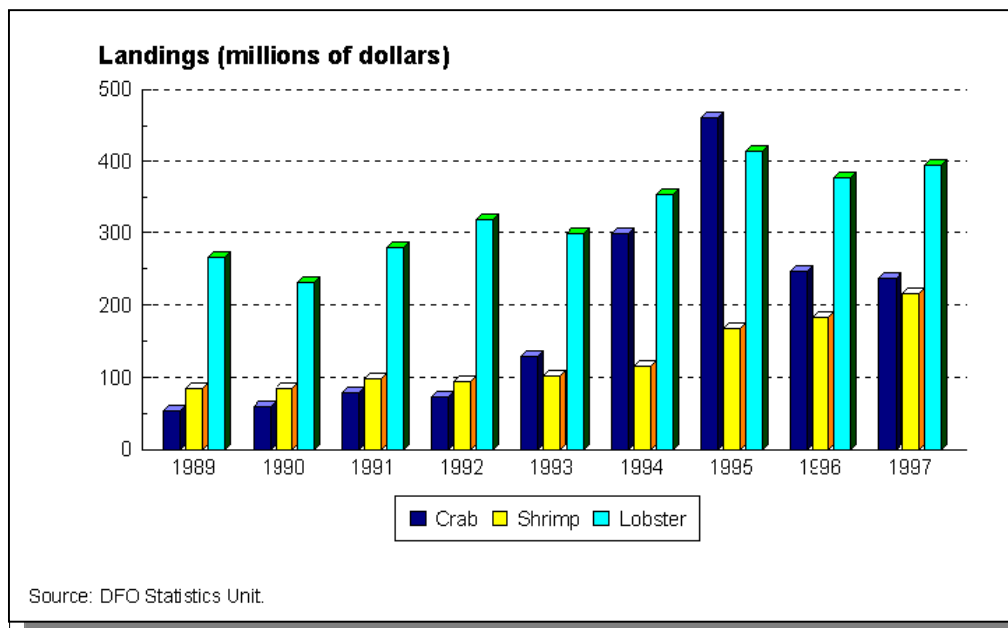


One indicator of economic viability is landed value, shown in Figure 2 and Figure 3. Although there have been moratoria on groundfish fisheries in Atlantic Canada since 1992, the value of landings in Canada's sea fisheries has remained high because of the values associated with the shellfish fisheries. Record landings were reported in 1994 and 1995, with values over \$1.7 billion each year. The unprecedented value of snow crab landings in Atlantic Canada contributed considerably to the overall record values. Although the value of landings fell off in 1996 as a direct result of lower prices for snow crab, the total of \$1.54 billion was still on a par with the previous record year of 1987, when \$1.57 billion was landed.

**Figure 2: Landed Value of Commercial Fisheries, 1991-1997**



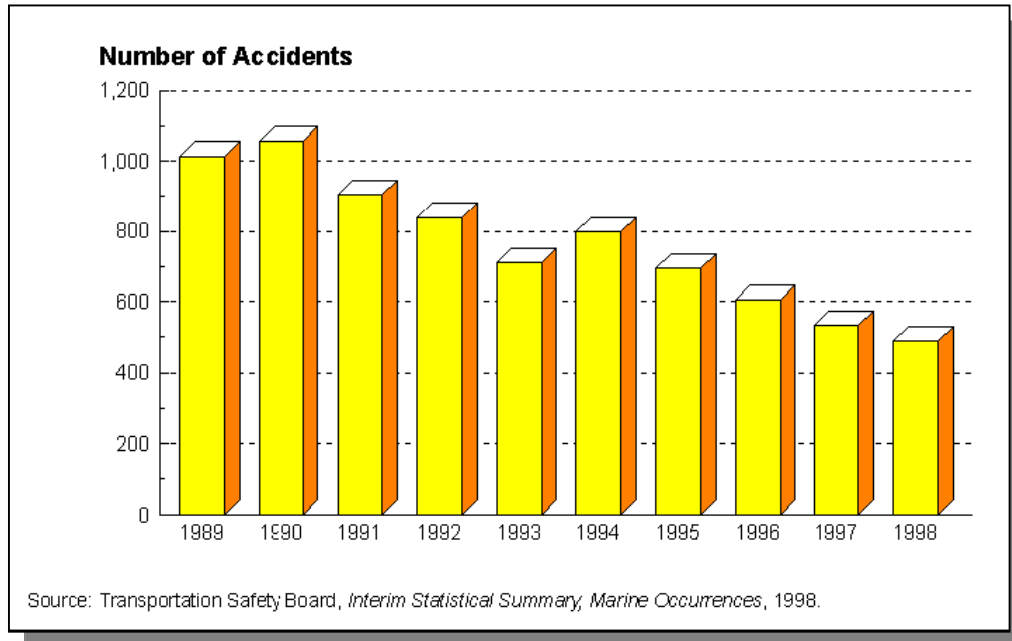
**Figure 3: Landed Value of Canada's Principal Shellfish Species, 1989-1997**



**Commitment: Safe, Efficient and Accessible Waterways and Harbours**

Figure 4 presents the number of shipping accidents that occurred in Canadian waters from 1989 to 1998. There was a marked decrease in accidents over this period, despite a small increase in 1994. Some of this decrease can be attributed to reductions in fishing activity and overall shipping movements. Nevertheless, these data provide a good indicator of the safety of the environment in which the Canadian Coast Guard (along with other marine agencies) delivers services.

**Figure 4: Commercial Shipping Accidents, 1989-1998**



Additional statistics can be found on the Department's Internet site at <http://www.dfo-mpo.gc.ca>.

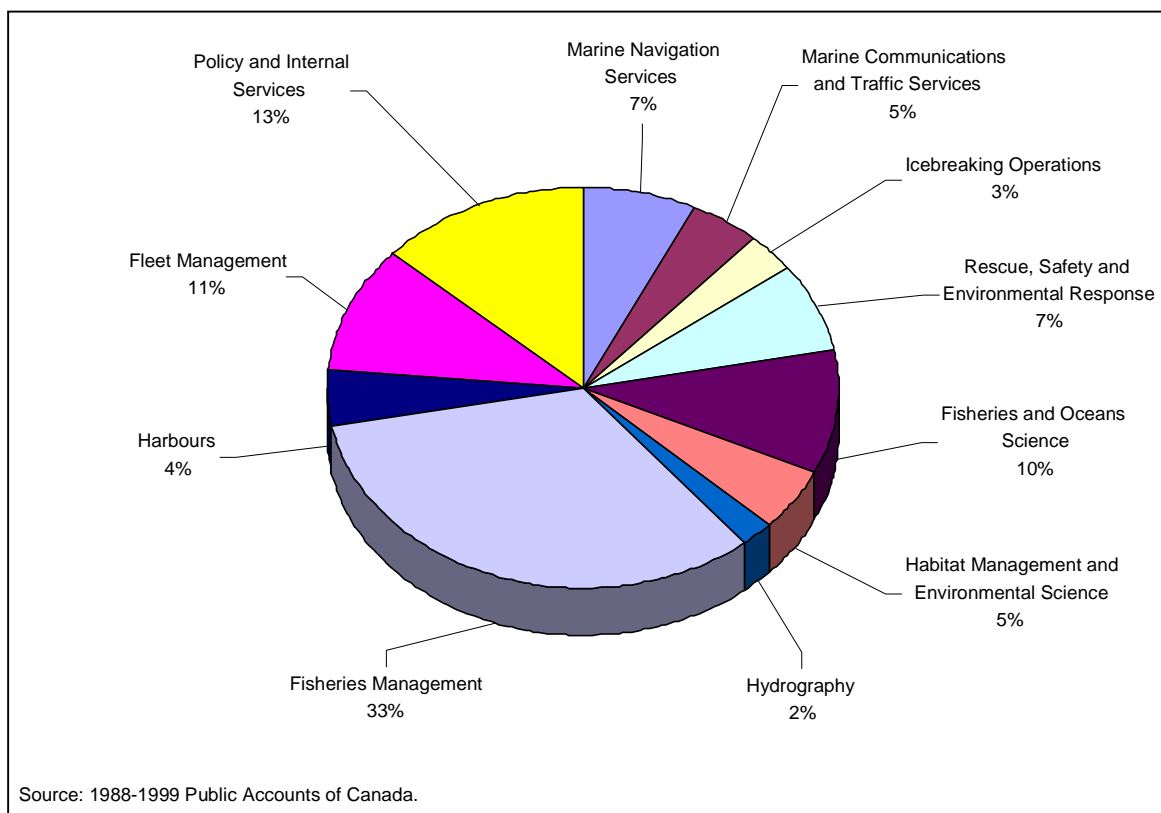
### 3.5 Performance Accomplishments by Business Line

In the following pages, the financial information presented at the beginning of each business line includes three figures. These figures are intended to show the following:

- ❑ Planned Spending at the beginning of the year as reported in the *1998-99 Estimates: A Report on Plans and Priorities*;
- ❑ the level of spending approved by Parliament reflecting priority changes and technical adjustments (Total Authorities); and
- ❑ actual 1998-1999 expenditures as reported in the Public Accounts (1998-1999 Actual Expenditures).

The following chart identifies the 1998-1999 actual expenditures by business line. This chart shows the relative importance of each business line in the Department's operations. Each business line's share of departmental expenditures is reproduced at the beginning of the section on that business line.

**Figure 5: Actual Expenditures by Business Line, 1998-1999**





<b>Planned Spending (1998-1999 RPP)</b>	<b>\$118.0 million</b>	
<b>Total Authorities (Public Accounts)</b>	<b>\$124.3 million</b>	
<b>1998-1999 Actual Expenditures</b>	<b>\$131.8 million</b>	

**Explanation of Variance in Financial Numbers**

The total authorities are higher than the planned spending due primarily to increased resources for Arctic research (Project NOW), contract settlements and for science rejuvenation. The actual expenditures are \$7.5 million higher than the total authorities primarily due to accounting adjustments in the allocation of fleet costs, expenditures related to the Year 2000 challenge and the purchase of oceanographic instrumentation.

**Commitment to Canadians**

To provide Canadians with reliable scientific information for the conservation and biological sustainability of fisheries resources, marine and freshwater habitats and the protection of the environment.

**Impact on Canadians**

- ❑ Science is the cornerstone of resource conservation.
- ❑ Fisheries and Oceans Science conducted scientific surveys in the Atlantic, Pacific and Arctic oceans, to collect fishery and oceanographic data for better scientific understanding of the growth, development and reproductive cycles of fish and fish stocks, including their relation to oceanographic processes.
- ❑ Fisheries and Oceans Science delivered the scientific basis for fisheries conservation measures: 86 stock status reports summarizing the state of key fishery resources in non-technical terms, and 170 research documents describing the technical details of data analyses used to assess stock status. These documents are widely disseminated during public consultations and are available through the Internet at <http://www.dfo-mpo.gc.ca/csas/>.
- ❑ DFO has collaborated with other departments, such as the Department of Environment and Natural Resources Canada, to develop and implement projects under an Ocean

**Did You Know?**

- In periods of favourable environmental oceanic conditions, fish stock can be expected to be strongly productive. In less favourable periods, fish stocks should be expected to be less productive.
- In the Pacific, environmental oceanic conditions can shift from favourable to less favourable within a few years. This could contribute to rapid changes in the productivity of fish stocks.



Climate initiative in response to the Kyoto Protocol, which calls for greenhouse gas emission reductions. Climate change science, and impacts and adaptation research are major pillars of the Canadian Climate Action Fund program.

- ❑ Fisheries and Oceans Science led the preparation of draft amendments to the Canadian Fish Health Protection Regulation, which will bring Canada in line with current international standards and regulatory procedures.
- ❑ The Pacific Fisheries Resource Conservation Council was established and began its work reviewing the state of British Columbia's salmon resource and fishery.

### ***Planned Program Improvements***

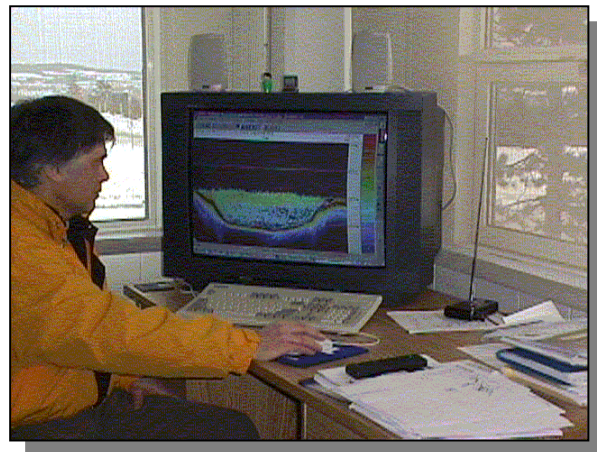
To meet its commitment to Canadians, Science will rely increasingly on partnerships with stakeholders. It will maintain its support for the development of partnerships and build credibility through an open and transparent participatory process.

Fisheries and Oceans Science will finalize a multi-year strategic plan, in consultation with DFO's Science Advisory Council (SAC), partners and clients. The SAC is made up of eminent Canadians from the academic, private and industrial sectors to advise DFO in the development of a science program which meets the expectations of Canadians.

### ***Key Independent Review***

In 1998, the Review Directorate completed an analysis of the Science sector. The report included recommendations on areas requiring immediate and long-term action:

- ❑ The Science sector will establish a formal process to carry out environmental scan to continuously gather pertinent information on key evolving issues from time to time, in an organized manner and with the collaboration of other key sectors and partners;
- ❑ The Science sector will implement the newly developed DFO's management model and clarify roles, responsibilities and accountabilities of headquarters and regions;
- ❑ Clear criteria will be proposed for the development and evaluation of Science Strategic Fund proposals.



During 1999-2000, Fisheries and Oceans Science will develop and implement an action plan in response to the recommendations of the report from the Review Directorate.



Planned Spending (1998-1999 RPP)	\$46.8 million	
Total Authorities (Public Accounts)	\$57.6 million	
1998-1999 Actual Expenditures	\$66.3 million	

**Explanation of Variance in Financial Numbers**

The increase from planned spending to total authorities is mainly attributable to supplementary resources approved for the Pacific Salmon Resource Rebuilding Program under the Canadian Fisheries Adjustment and Restructuring Plan and contract settlements. Actual expenditures were higher due to internal reallocations to establish the Oceans sector.

**Commitment to Canadians**

Canada’s *Oceans Act* became law in 1997 to respond to the growing needs and challenges of oceans frontier development for the present and for the future. The Act provides the legislative basis for the development and implementation of a *new governance framework* for the management of oceans space and resources in Canada.

The Department is committed to ensuring the effective conservation and sustainable development of Canada’s marine and freshwater habitats through an integrated, precautionary, scientific and ecosystem-based approach to management that:

- ❑ optimizes the environmental, economic and socio-cultural services and benefits to Canadians; and
- ❑ facilitates more collaborative decision making with stakeholders by improving access to information, encouraging long-term strategic planning, enhancing certainty and stability of investment and fostering community stewardship.

**Impact on Canadians**

- ❑ An intradepartmental Task Force has been established to articulate broad governance options that will provide the basis of subsequent public consultations toward a national Oceans Management Strategy. The strategy will guide and be informed by the application of the *Oceans Act*’s regulatory tools: Integrated Management Plans, Marine Protected Areas and Marine Environmental Quality guidelines, standards and criteria.
- ❑ Integrated Management Plans will provide the foundation for local oceans management activities. These plans will be developed in consideration of Marine Ecosystem Health assessments and Marine Environmental Quality guidelines, standards and criteria, and may require the establishment of Marine Protected Areas to conserve and protect important marine habitats and resources. The Department’s pragmatic learn-by-doing approach has resulted in the initiation of two Integrated Management and five Marine

Protected Areas pilot projects and several Marine Ecosystem Health initiatives. In accordance with the *Oceans Act's* call for collaboration and co-operation, these projects have demonstrated the willingness of stakeholders to participate in integrated planning and decision-making processes that move away from traditional sectoral and single-industry approaches to oceans management.

- ❑ The Department worked with developers, other federal departments and provincial and territorial governments to develop guidelines and codes of practice that will improve the effectiveness and consistency of measures to conserve and protect fish habitat and ensure that new developments are reviewed and assessed to mitigate their impacts on fish habitat and aquatic ecosystems.
- ❑ The Habitat Stewardship and Conservation Program is a \$100 million commitment to rebuilding the salmon resources of British Columbia that focuses on capacity-building in communities to allow them to accept greater responsibility for the stewardship, protection and conservation of fish habitat.
- ❑ Research on the effects of chemical contaminants contributed to the revision and updating of regulations to protect fish and fish habitat. Research on the effects of physical habitat alteration is assisting both industry and regulators in preventing harmful alterations to fish habitat, and research on exotic species is leading to better methods to control the release of alien aquatic organisms into the environment.

### ***Planned Program Improvements***

Efforts to build regional and national capacity to implement the *Oceans Act* will continue. This early phase of program implementation will emphasize the development of adaptive programs that incorporate ongoing evaluation and review to facilitate future improvements.

A national study has been initiated to assess the efficiency and overall effectiveness of the current habitat referral system and to identify future re-engineering opportunities together with associated benefits and funding implications.

In September 1997, Ontario withdrew from fish habitat management and began directing proponents to DFO for the review of their project's impacts on fish habitat. To address this situation, DFO has hired additional biologists to deal with the increased referral workload as well as assigned Fishery Officers from other regions of Canada to deal with compliance and enforcement issues.

The implementation of a new strategic plan will channel scientific expertise to pressing issues of environmental concern. This initiative recognizes that client and citizen engagement is critical to the identification of environmental concerns, the establishment of the research agenda and the use of research results in sound decision making for conservation.

**Did You Know?**

- In 1998, the International Year of the Ocean, 86 countries from all regions of the world signed “The Ocean Charter”, a DFO initiative which symbolizes the commitment of nations to the conservation and sustainable use of the oceans. “My Ocean Charter” — a personal commitment to the oceans — was signed by approximately 750,000 Canadians.
- In 1998, the Department established five pilot projects for Marine Protected Areas to conserve and protect unique habitats and areas of high biological diversity in Canada’s marine waters, including the Endeavour Hot Vents Area, the Bowie Seamount Area, Gabriola Passage, Race Rocks and the Sable Gully.
- The Seventh Session of the United Nations Commission on Sustainable Development (CSD-7) focused on Oceans and Seas. Canada’s *Oceans Act*, the only one of its kind in the world, provided both an example of an effective legal framework for domestic oceans governance and an important precedent for improving international co-ordination and co-operation on oceans and seas issues. Canada will continue work to implement CSD-7’s recommendation for improving preparations for the United Nations General Assembly’s annual debate on Oceans and the Law of the Sea.



# Fisheries Management

<b>Planned Spending (1998-1999 RPP)</b>	<b>\$215.0 million</b>	
<b>Total Authorities (Public Accounts)</b>	<b>\$524.7 million</b>	
<b>1998-1999 Actual Expenditures</b>	<b>\$435.4 million</b>	

### **Explanation of Variance in Financial Numbers**

Total authorities are higher than planned spending primarily due to the introduction of the Canadian Fisheries Adjustment and Restructuring Program and contract settlements. Actual expenditures are less than total authorities due to the retirement of fewer fishing licences than anticipated. This has had the effect of increasing the funds available to retire licences in future years.

### **Commitment to Canadians**

To manage Canada’s fisheries co-operatively with stakeholders to conserve the resource and achieve sustainable use for the people of Canada.

### **Impact on Canadians**

#### **Pacific Salmon Treaty**

The agreement on a new Pacific Salmon Treaty put an end to eight years of uncertainty and risks to stock which have existed since 1992, when the original fishing arrangements expired. The agreement begins a new era of effective conservation and more equitable sharing of the precious salmon resource.

In addition to creating endowment funds for improved science and habitat protection, the agreement establishes long-term, abundance-based fishing arrangements and features improved institutional arrangements for effective Canada-United States co-operation. It assures conservation requirements are met, and shares both the burdens and benefits of conservation more equitably on both sides of the border. New conservation-based fishing arrangements will deliver more fish to Canada, and bring greater certainty and stability, benefiting not only the stocks, but also fishermen and fishing communities all along the coast.

#### **Fisheries Management Agreements**

Fisheries Management has introduced new guidelines that promote a common approach to co-management in commercial fisheries across the country. Integrated Fisheries Management Plans were developed for many of the most sensitive and important fisheries, resulting in broader stakeholder involvement, and increased understanding and promotion of conservation measures. The increased participation of

#### **Did You Know?**

- For 1997-1999 Industry has contributed around \$7 million to the management of their fisheries.

fishers in the management of fisheries has reduced tensions surrounding the planning process and supports the Department's goals of long-term, ecologically and economically viable fisheries.

### **Aboriginal Fisheries**

A final agreement was negotiated with the Nisga'a, and signed by Canada on May 4, 1999. The agreement provides a formal working relationship between the Nisga'a and the Minister of Fisheries and Oceans on matters relating to fisheries

management, provides certainty with respect to Nisga'a fishing rights, and ensures that the paramount consideration is the conservation of all fish stocks.

#### **Did You Know?**

- The Department has entered into agreements with 115 Aboriginal groups under the Aboriginal Fisheries Strategy.

### **Salmon Enhancement Program**

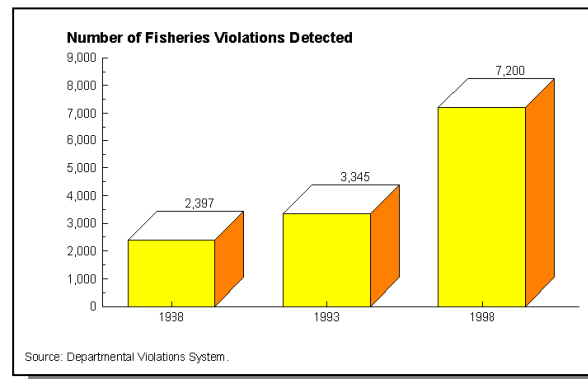
Each year, the Salmon Enhancement Program releases over 540 million juvenile salmonids, producing 8 million adults. Based on anticipated fishing patterns, over 4.5 million will be caught by commercial and sport fishers or taken by Aboriginals, accounting for 10 to 20% of the British Columbia salmon catch. Numerous fisheries throughout coastal and interior British Columbia would not exist without enhanced production.

### **International Fisheries**

A policy of 100% observer coverage was formally adopted by the Northwest Atlantic Fisheries Organization (NAFO) for all fishing vessels in the NAFO regulatory area, the area outside Canada's 200-mile exclusive economic zone. The policy requires that all member vessels in the NAFO regulatory area carry an observer on board at all times to monitor fishing activity. The observers are independent and impartial, and report any violations of NAFO conservation measures to NAFO fisheries inspectors. The program has without question demonstrated its effectiveness. Since the full-observer pilot project was implemented, infringements of its rules have declined by over 80%, greatly supporting conservation efforts and sustainable use of the resource.

### **Conservation and Protection Renewal**

As part of a multi-year renewal initiative, resources have been refocused to front line Fishery Officers: new competencies for Fishery Officers and supervisors are being implemented; Fishery Officer training has been revamped; and monitoring and enforcement tools, including air surveillance, at-sea observers and vessel patrols are being better integrated. The result has been an increase in the detection of fisheries violations (2,200 in 1990 to approximately 7,200 in 1998).



Fisheries Management is continuing to implement its new conservation-based, risk management approach to fisheries enforcement. The new system is based on shifting resources to areas of greatest need (70-80% of the funds expended on monitoring and



enforcement are used to control five or six fisheries) and on identifying critical control points where compliance with regulations can be best verified. It will provide more efficient control and enforcement of the fisheries and a corresponding improvement in conservation efforts and protection of the resource.

**Canadian Code of Conduct for Responsible Fishing Operations**

The year 1998 marked the beginning of the ratification process of the Canadian Code of Conduct for Responsible Fishing Operations by numerous commercial-fishing organizations across the country. The ongoing, industry driven,

ratification of the Code has helped broaden understanding and support for the key departmental priorities of conservation, sustainable harvesting practices, selective fishing, and the protection of fish stocks for future generations.

**Did You Know?**

- Over 360 groups have been asked to ratify the Code of Conduct.

**Planned Program Improvements**

**Atlantic Fisheries Policy Review**

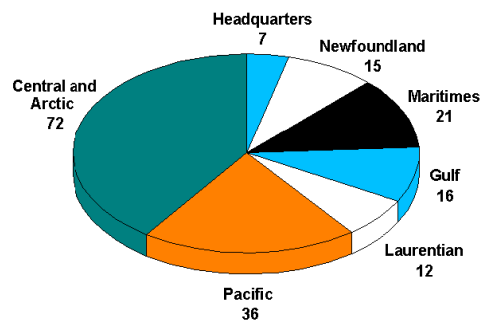
The Department is undertaking a comprehensive review of Atlantic Fisheries Policy to develop a policy framework for Atlantic fisheries. The review will be undertaken in two phases. Phase 1, being conducted in 1999-2000 is designed to answer the question of what are we trying to achieve in fisheries management in the long-term, and will consolidate relevant fisheries management policies and objectives, clarify any inconsistencies and commit to a set of principles that support its policies and objectives. Phase 2 will answer the question of how we achieve the fisheries management direction or vision and will develop the operational policies consistent with the broad direction. Extensive public consultation will be a major component of this effort. These policies will clarify the Department’s fisheries management direction and improve the sector’s ability to assess progress against established policies and program objectives.



**Fishery Harvesting Plans**

A new system for tracking the progress of all fishery harvesting plans is under development. The system will allow detailed analysis and breakdown of the harvesting planning process, including assessment of the most appropriate type of plan for a given species, area, gear type, etc. Focus will also be placed on clearer definition of objectives, better identification of results, more comprehensive conservation and protection plans and better monitoring of performance and timing.

Number of Management Plans by Region, 1998-1999





The key benefit of this new system will be to facilitate the sector's goal of providing more timely delivery of harvesting plans to stakeholders, as well as provide accurate baseline data from which performance can be measured.

### ***Pacific Fisheries New Directions***

The Department initiated a number of important initiatives in the Pacific fisheries designed, in particular, to ensure the conservation and sustainability of the salmon resource and to provide greater certainty for government and stakeholders. These *New Directions* initiatives are set out in a series of policy papers, and will be implemented following extensive consultations for each initiative. The *New Directions* papers and consultations deal with: the resolution of long-standing salmon allocation issues; the adoption of selective fishing practices that will dramatically reduce the harvest of non-target fish; a wild salmon policy that will establish a new conservation ethos and protect wild salmon stocks and their habitat; improved decision-making processes to manage the salmon resource and engage communities in fisheries and oceans activities and decisions; and resource rebuilding through habitat conservation and stewardship. Taken together, these policies, which represent the culmination of a wide range of departmental work in recent years, will set a new direction for the Pacific salmon fisheries.



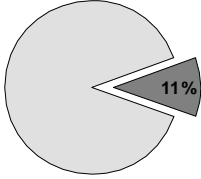
### ***Key Independent Review***

#### ***Canadian Fisheries Adjustment and Restructuring Program 1998-2003***

An interim review was conducted for major components of this program: Atlantic Groundfish Licence Retirement Program, Pacific Salmon Commercial Licence Retirement Program, Pacific Salmon Selective Fishing Program and Pacific Salmon Resource Rebuilding Program. This interim review was conducted to ensure that the program was progressing as intended and would meet its stated objectives.

Policy is following up on recommendations of this review. Policy's actions will ensure that proper budgetary and financial controls are in place to make certain that Canadians are getting value for their tax dollars.



<b>Planned Spending (1998-1999 RPP)</b>	<b>\$144.7 million</b>	
<b>Total Authorities (Public Accounts)</b>	<b>\$145.5 million</b>	
<b>1998-1999 Actual Expenditures</b>	<b>\$140.3 million</b>	

**Explanation of Variance in Financial Numbers**

The variance between the total authorities and the actual expenditures is attributable to the reallocation of capital funds to other priorities within the Department such as the Year 2000 date issue and the acquisition of oceanographic equipment.

**Commitment to Canadians**

Conservation and biological sustainability of fisheries resources, marine and freshwater habitats and a protected environment as well as safe, efficient and accessible waterways and harbours. Fleet Management is committed to providing efficient sea and air support to the DFO program areas and other government departments to allow them to achieve their respective objectives.

**Impact on Canadians**

- ❑ In 1998-1999, Fleet Management introduced some changes which will increase the fleet's flexibility and capability to deliver the same levels of service with a reduced asset base and subsequently increase its efficiency in meeting clients' needs. Among these changes were the introduction of two new Air-Cushioned Vehicles with greater service delivery capability, as well as the new-generation 47-foot life boats, new technology, and multi-tasking of vessels to perform icebreaking, buoy tending, search-and-rescue, conservation and protection, and science services. As well, Fleet Management has decommissioned a total of 19 surplus vessels.
- ❑ Fleet Management has developed new systems and is pursuing the implementation of new initiatives that will provide better decision-making capability and allow Fleet Management to better manage the costs of operating a fleet. As part of its ongoing effort to better manage information, Fleet Management has maintained its course with respect to the development and the completion of the Fleet Activity Information System, MariTime system (a Fleet planning and costing system) and Maintenance Information Management Systems. In addition to these initiatives, Fleet Management has developed a capital investment plan for its fleet for more cost-effective ship and aircraft services. Fleet Management has also researched, developed and implemented several advanced ship maintenance initiatives in conjunction with various organizations.

**Did You Know?**

- That the Canadian Coast Guard provided eight major vessels, one lifeboat, considerable helicopter support and approximately 550 employees in response to the Swissair disaster.

### ***Planned Program Improvements***

Fleet Management initiated the development of a comprehensive costing model for appropriate pricing of ship time, increasing understanding of Fleet operations costs among clients. A comprehensive study will be initiated to determine what is to be the make-up of a core fleet for DFO.

### ***Key Independent Review***

Fleet Management has completed the first edition of a fleet safety manual in compliance with the International Safety Management (ISM) Code. This manual was reviewed by an independent third party (Lloyds Register of Shipping) and found to be compliant with the ISM code.





<b>Planned Spending (1998-1999 RPP)</b>	<b>\$92.5 million</b>	
<b>Total Authorities (Public Accounts)</b>	<b>\$103.2 million</b>	
<b>1998-1999 Actual Expenditures</b>	<b>\$95.2 million</b>	

**Explanation of Variance in Financial Numbers**

The difference between planned spending and total authorities is mainly due to additional resources for the continued operation of lightstations and contract settlements. The actual expenditures were lower than the total authorities due to reallocations to higher priorities in Small Craft Harbours and the Year 2000 challenge.

**Commitment to Canadians**

Safe, efficient and accessible waterways and harbours. Marine Navigation Services contributes to a safe, effective marine transportation system and the protection of the marine environment through the provision and operation of essential services for the marine industry, including commercial fishing and the boating public. It provides a network of aids to navigation, the protection of navigable waters and the development and maintenance of waterways.

**Impact on Canadians**

- ❑ DFO ensures safe and accessible Canadian waterways by providing integrated management. Safety and accessibility are ensured through timely information to users on navigation conditions such as water level forecasts and channel depth availability. Water levels are provided once a week using our own numerical model. This forecast is critical at all times but extremely critical in years with low water levels and low rainfall like this year. Safety and accessibility are further improved through the provision of national manoeuvring guidelines, which also reduces risks to the environment. Accessibility in some of our waterways is provided through management and control of the water levels and of ice-cover formation and retention, which also contributes to flood control.
- ❑ DFO is continuing the modernization of aids to navigation in order to address the needs of the modern mariner and ensure essential Canadian Coast Guard (CCG) services are provided as cost-effectively as possible. This process emphasizes public involvement in determining the most cost-effective way to meet the needs of mariners.

**Did You Know?**

- The Swissair disaster created demands on the Marine Navigation Services staff to which they responded with distinction. Marine aids to navigation were placed around the crash site and the Coast Guard crew placed class "A" moorings required for the U.S. and Canadian Navy ships involved in the recovery operation.

- ❑ The Differential Global Positioning System will reduce reliance on conventional aids by enabling mariners to identify their precise position in most southern Canadian waters, including the Great Lakes and the St. Lawrence River. The initial operating service is in place. Full operations will begin during the summer of 1999 following equipment testing and performance validation.
- ❑ The effectiveness of current aids equipment has been improved with the completion of a solarization project for 2,049 seasonal buoys. A five-year project to convert 2,175 year-round buoys to operate without servicing and maintenance for up to five years is also nearing completion.

**Marine Aids — Canadian Coast Guard**

➤ Visit our web site at:  
<http://142.130.14.20/marineaids-aidesmaritimes>.

***Planned Program Improvements***

In partnership with users and other responsible organizations, Marine Navigation Services will continue to promote safe and affordable marine navigation by adjusting current service to meet users' needs and by protecting the marine environment. This will be achieved through consultation with user groups, implementation of new technologies and adjustments to levels of service.







Planned Spending (1998-1999 RPP)	\$73.5 million	
Total Authorities (Public Accounts)	\$72.1 million	
1998-1999 Actual Expenditures	\$61.6 million	

### **Explanation of Variance in Financial Numbers**

The variance between total authorities and actual expenditures are mainly attributable to reallocations for other priorities such as the Year 2000 date issue.

### **Commitment to Canadians**

Marine Communications and Traffic Services (MCTS) provides a communications and traffic services network for the marine community and for the benefit of the public at large to ensure safety of life at sea in response to international agreements, protection of the environment through traffic management, efficient movement of shipping, and information for business and national interests.

### **Impact on Canadians**

- ❑ Automatic Identification Systems (AIS) is at the leading edge of marine navigation technology and offers both mariners and competent authorities a more efficient and cost-effective means of service delivery. Participation in various international committees has allowed MCTS to contribute significantly to the development of AIS standards. In 1998, milestones were achieved in the area of performance and technical standards as well as methods of equipment testing. The development of a national implementation strategy has been undertaken in partnership with representatives of the marine industry in the form of a national AIS Implementation Committee. This committee aims to ensure that AIS enhances marine safety by providing the mariner with a better overall picture of the marine environment while reducing the demands made upon the bridge management team. Development of a national implementation strategy has been taken

### **Did You Know?**

- Twenty seconds is the time it takes for you to place a telephone call. What else can be accomplished in that amount of time?
- On January 16, 1998 at 4:59 NST, twenty seconds meant a great deal to the crew of the *MV Flare/P3GL2*. It was the approximate duration of the communications between the distress vessel and the MCTS Centre. A broken position – no ship name, no call sign, no number of people, no nature of distress.
- Thanks to the teamwork of MCTS Officers and other Coast Guard personnel four survivors would be able to relate the actual events of this distress situation.

Source:

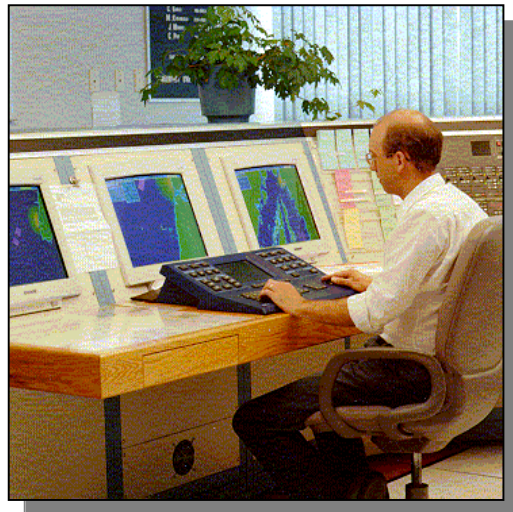
<http://www.ccg-gcc.gc.ca/mcts-sctm>.

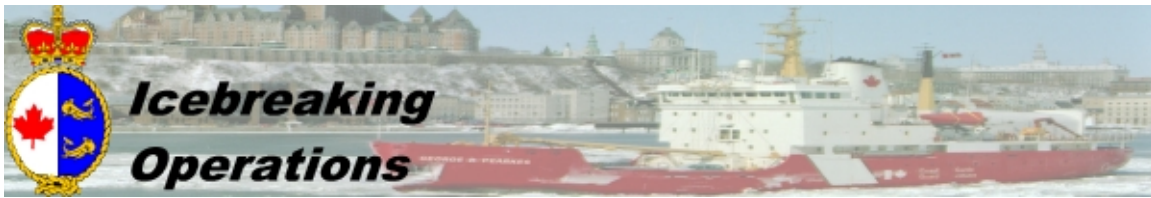
in order to allow MCTS to provide a more effective and efficient Canadian waterway management program.

- ❑ Implementation of the two major multi-year projects on the Global Maritime Distress and Safety System continued, with commencement of the contracting process and bid evaluation. These projects are part of Canada's international commitment to save lives by modernizing and enhancing the current marine radio-communication system.
- ❑ The MCTS Integration (amalgamation of radio stations and vessel traffic services centres) was finalized as of June 16, 1999, one year earlier than planned and under budget. A 50% reduction in centres (down from 44 to 22) reduced costs, with savings of \$13 million and a staff reduction of about 200 employees, and provided a more efficient service for Canadian taxpayers.

### ***Planned Program Improvements***

MCTS in partnership with the marine industry, other clients and beneficiaries will maintain ongoing dialogue on quality service delivery. In the interest of keeping abreast of trends on the implementation of new technology, MCTS will maintain a liaison with world safety organizations. MCTS will continue to contribute to marine safety, thereby improving clients' operational and economic performance. In 1998-1999, the MCTS Performance Framework was developed and the data elements were defined. Collection of the data will commence in 1999-2000.





<b>Planned Spending (1998-1999 RPP)</b>	<b>\$28.1 million</b>	
<b>Total Authorities (Public Accounts)</b>	<b>\$33.8 million</b>	
<b>1998-1999 Actual Expenditures</b>	<b>\$37.8 million</b>	

**Explanation of Variance in Financial Numbers**

The increase from planned spending to total authorities and in actual expenditures in relation to total authorities is due to adjustments related to the delay in implementation of the Icebreaking fee.

**Commitment to Canadians**

To ensure safe and efficient movement of marine traffic through ice-covered waters and to decrease the risk of flooding and property damage as a result of ice build-up through the provision of ice routing and information, escort and convoy services, harbour breakouts and flood control.

**Did You Know?**

- In one winter season, the Coast Guard transmits over 7,000 ice routing and information messages.
- Icebreakers carry out 500 to 1,500 escorts and 150 to 350 harbour breakouts each season.

**Impact on Canadians**

- ❑ The icebreaking component of the Marine Services Fee was implemented on December 21, 1998. The Icebreaking Service Fee recovers a portion of the cost of icebreaking services provided for commercial ships in the eastern Canada winter ice zones.
- ❑ The transfer of the Arctic Sealift to the Government of Nunavut is ongoing. The Canadian Coast Guard will continue to co-ordinate the re-supply of the Eastern Arctic until the transfer to Nunavut is concluded. This will ensure the well-being and economic sustainability of Inuit communities and businesses.
- ❑ Canada is working with the United States and other countries to expand the cost-sharing arrangement for services provided by the North Atlantic Ice Patrol (NAIP). The ice patrol monitors and broadcasts the extent of iceberg danger to North Atlantic mariners. Canada shares the costs of this operation with 16 other countries. The intention is to increase the number of contributing countries through an amendment to the Safety of Life at Sea (SOLAS) convention, which would reduce Canadian taxpayers' contribution.
- ❑ An economic study on the benefits of icebreaking is under way, focusing on 181 harbours and ports. Preliminary results indicate that benefits far outweigh the costs of the service. For example, port employment in areas affected by ice during the winter season exceeds 30,000 jobs, with a taxable income of over \$600 million.



### ***Planned Program Improvements***

A core fleet study is being undertaken to ensure a cost-effective, professional icebreaker fleet for program delivery. Coast Guard is also working on reducing the demand for direct icebreaker support through improved communications, ice information and incentives for shipowners.





<b>Planned Spending (1998-1999 RPP)</b>	<b>\$111.6 million</b>	
<b>Total Authorities (Public Accounts)</b>	<b>\$111.5 million</b>	
<b>1998-1999 Actual Expenditures</b>	<b>\$96.2 million</b>	

**Explanation of Variance in Financial Numbers**

The reported decrease of \$15.3 million is attributable to accounting adjustments in the allocation of fleet costs. Actual expenditures for 1998-1999 for Rescue, Safety and Environmental Response activities are consistent with last year.

**Commitment to Canadians**

Safe, efficient and accessible waterways and harbours, as well as conservation and biological sustainability of fisheries resources, marine and freshwater habitats and a protected environment. RSER provides Canadians with safety of life and property and responds to maritime search-and-rescue incidents and marine pollution emergencies.

**Impact on Canadians**

- ❑ To reduce the more than 3,500 recreational boating incidents reported on Canadian waterways each year, new boating regulations were introduced on April 1, 1999. These include Operator Competency Regulations, age-horsepower restrictions and comprehensive changes to the Small Vessel Regulations to establish new enforcement tools and better minimum safety equipment requirements.
- ❑ On February 1, 1999, Morse Code ceased to be a recognized means of distress alert on the high seas. This service, which had been in place since the sinking of the Titanic, has now been replaced by digital communications. During 1998-1999, all Rescue Co-ordination Centres and Sub-Centres upgraded their systems to permit satellite communication with vessels. Satellite terminals are also used as a contingency back-up in the event that a natural or technical disaster such as a hurricane disables local phone service.

**Did You Know?**

- The Office of Boating Safety, through its 1-800-267-6687 Infoline provides information on recreational boating to over 20,000 Canadians each year. Its Web page at <http://www.ccg-gcc.gc.ca/obs-bsn/main> has logged daily records of 1,000-plus visitors who viewed thousands of pages of boating safety material.



- In 1997, approximately 20,000 people were assisted by Search and Rescue crews. There were 6,717 SAR incidents, of which 1,483 were distress or potential distress incidents whereby 3,732 lives were saved while 241 people were lost or missing.

- ❑ To provide a co-ordinated system for responding to discharges or threats of discharges of harmful substances in contiguous waters, the Canadian Coast Guard provided international leadership by initiating and drafting a Memorandum of Understanding (MOU) with France, Russia and Denmark to establish joint plans for oil pollution preparedness, response and co-operation.

- ❑ The Canadian Coast Guard also drafted an MOU on Search and Rescue (SAR) with the United States and the United Kingdom involving seven agencies from all countries. This MOU will be the first trilateral agreement on aeronautical and maritime SAR in the world.

#### Did You Know?

- The Canadian Coast Guard played a significant role in assisting fire-fighting efforts at Salmon Arm, British Columbia in the summer of 1998 by controlling boat traffic on the lake as aerial bombers picked up water.

See: <http://www.ccg-gcc.gc.ca/echo/111298/111298e.htm>.

### ***Planned Program Improvements***

Amendments to the Canada Shipping Act (CSA) have been drafted to bring clarity and efficiency to the process by which response organizations propose fees, and the Minister's eventual amendment or approval of these fees. The current process has been the source of dispute, delay and instability, requiring a high degree of ministerial intervention. The timing of Parliament's review and passage of these amendments is beyond our control. Transport Canada is lead department on this legislative initiative.

Governance structures and measures will be established following recent broad consultation with industry and a December 1998 discussion paper. The role of the Canadian Coast Guard to manage the overall system of preparedness and response will be clarified, leaving the private sector to engage in most operational clean-up activities. No influences beyond our control are anticipated.





<b>Planned Spending (1998-1999 RPP)</b>	<b>\$26.0 million</b>	
<b>Total Authorities (Public Accounts)</b>	<b>\$27.4 million</b>	
<b>1998-1999 Actual Expenditures</b>	<b>\$33.0 million</b>	

**Explanation of Variance in Financial Numbers**

Actual expenditures were higher than planned due to accounting adjustments in the allocation of fleet costs, expenditures related to the Year 2000 challenge and the purchase of hydrographic instrumentation.

**Commitment to Canadians**

Safe, efficient and accessible waterways and harbours. Hydrography provides Canadians with numerous and specific nautical products for safe and efficient navigation (paper and electronic navigational charts showing depths, shoreline, foreshore detail, fixed and floating navigational aids (navaids), currents atlases, notices to mariners, tide and current tables, etc.).

**Impact on Canadians**

- ❑ In 1998-1999, the Canadian Hydrographic Service (CHS) produced 10 new paper charts, 54 new editions of existing paper charts and 137 new electronic charts available for users (70% recreational boaters and 30% commercial shipping). CHS distributed 221,000 paper charts and 93,000 nautical publications, generating \$2.65 million in revenues. In Canada, 50% of waters south of 60 degrees North latitude and 20% of waters north of 60 degrees North latitude are charted.
- ❑ Three new charts are being produced in western Hudson Bay from data collected with state-of-the-art technology such as multibeam bottom mapping and the Differential Global Positioning System. Through strategic alliance with the Government of the Northwest Territories, from surveys of Arviat, Whale Cove, Chesterfield Narrows and Chesterfield Inlet and their harbours and harbour approaches, these charts will provide safe marine access for annual fuel and goods re-supply to these Arctic communities.

**Did You Know?**

- CHS formed or continued 12 partnering agreements and strategic alliances with private sector firms and one provincial government to enhance the availability of hydrographic information to the public.
  - CHS surveyed, located and mapped the area of the Swissair flight SR111 wreckage off Peggy's Cove, Nova Scotia.
  - Two Marine Protected Areas in British Columbia were surveyed by CHS.
- See us at: <http://www.chs-shc.dfo-mpo.gc.ca>.

- ❑ CHS is producing four new charts through Bathurst Inlet and into Melville Sound, Northwest Territories from surveys funded by a private mining consortium (56%) and the federal government (44%). This area will now have marine access and potential economic benefit from the mining industry.
- ❑ In 1998, CHS produced a new product, a seafloor imagery three-dimensional graphic of Brown's Bank, Nova Scotia, to assist the offshore scallop fishers in efficient harvesting.

### ***Planned Program Improvements***

The CHS is involved with the Canadian Coast Guard to improve the protection of lives, property and the marine environment. To fulfil that purpose, all charts need to be compatible with Global Positioning System standards by 2003-2004; all associated chart hand corrections as a result of the Canadian Coast Guard Marine Aids Modernization Program would be completed by 2002-2003; electronic navigational chart production would be accelerated through increased contracting out of digitizing; and Canadian sea-bottom coverage surveys would be undertaken on an annual basis. To support this latter task, the CHS acquired a multibeam sounding system in 1998-1999 to achieve 100% sea-bottom coverage off the British Columbia coast.

### ***Key Independent Review***

The April 1998 Report on the Review of the Canadian Hydrographic Service by the DFO Review Directorate confirmed that CHS had started a number of new initiatives and would continue to address the following:

- ❑ improved product planning and design (e.g., paper charts, electronic navigational charts, tide and current tables, sailing directions);
- ❑ marketing to meet ongoing customer needs and expectations;
- ❑ achieve a national International Organization for Standardization (ISO) certification in two years;
- ❑ review program priorities; and
- ❑ refining CHS organizational roles and responsibilities.

The full implementation of the Review Directorate's recommendations will lead to cost savings, improved services and customer satisfaction.





The Canadian Hydrographic Service multibeam sounding platforms: the *Frederick G. Creed* (upper left); a SWATH (Small Water Area Twin Hull) type vessel; the *Matthew* (center left); the *Dolphin* (lower left); and 10-metre-launches (right) fitted with EM3000 sounding systems.



<b>Planned Spending (1998-1999 RPP)</b>	<b>\$54.7 million</b>	
<b>Total Authorities (Public Accounts)</b>	<b>\$55.8 million</b>	
<b>1998-1999 Actual Expenditures</b>	<b>\$58.1 million</b>	

### ***Explanation of Variance in Financial Numbers***

The variance between total authorities and actual expenditures is due to internal reallocations to priority safety repairs.

### ***Commitment to Canadians***

To keep harbours critical to the fishing industry open and in good repair.

### ***Impact on Canadians***

#### ***Public Safety***

Approximately 1,700 repair and replacement projects were undertaken to ensure safe and operable harbours for public use. Harbour performance ratings are used to indicate both facility condition and harbour functionality. Despite ongoing project activity, poor and unsafe performance ratings for the most active fishing harbours have increased to 37% compared to 31% six years ago. Facility rust-out remains a major concern.

#### ***Client Partnering***

Fishing harbours leased to client-run, not-for-profit, volunteer Harbour Authorities increased by 51 during 1998-1999 to reach 495 sites in total. This represents 43% of all fishing harbours. Recreational harbours, pending divestiture to external interests, are 44% community-managed. The trend is towards increased leasing of fishing harbours to community harbour authorities and continued divestiture of recreational harbours. Client partnering improves on-site management of harbours and contributes to project development and implementation.

#### **Did You Know?**

DFO harbours...

- are increasingly leased and managed by clients and/or communities, among them over 2,500 volunteers;
- support local employment and commerce in over 1,500 communities for thousands of dependent small businesses including 90% of Canada's commercial fishing enterprises;
- are entry points and attractions for thousands of Canadian and foreign tourists;
- are often the only federal presence in remote coastal communities; and
- protect coastal shoreline and community infrastructure from land erosion, ice and tides.

See us at:

[http://www.ncr.dfo.ca/sch/menu\\_e.htm](http://www.ncr.dfo.ca/sch/menu_e.htm)

### **Client Satisfaction**

Increased user participation in project development and harbour management has resulted in increased client satisfaction. However, clients continue to identify the need for increased investment to address facility rust-out conditions. Client satisfaction surveys will result from planned revisions to service standards and performance measures within this business line.

### **Harbour System Rationalization**

Non-core inventory comprised of recreational as well as derelict or inactive fishing harbours has been cumulatively reduced by 627 sites since 1994-1995. This represents 29% of total harbour inventory. For 1998-1999, 30 inactive fishing sites were removed from inventory through divestiture or demolition. Similarly, 112 recreational sites were effectively decommissioned, primarily through transfer to municipalities. Existing inventory includes 1,160 fishing and 346 recreational harbours. There are also 152 recreational sites in a final divestiture stage.

<b>Harbour Inventory</b>	<b>1994-95</b>	<b>1995-96</b>	<b>1996-97</b>	<b>1997-98</b>	<b>1998-99</b>
Recreational	825	750	667	458	346*
Fishing	1,308	1,255	1,234	1,190	1,160
<b>TOTAL</b>	<b>2,133</b>	<b>2,005</b>	<b>1,901</b>	<b>1,648</b>	<b>1,506</b>

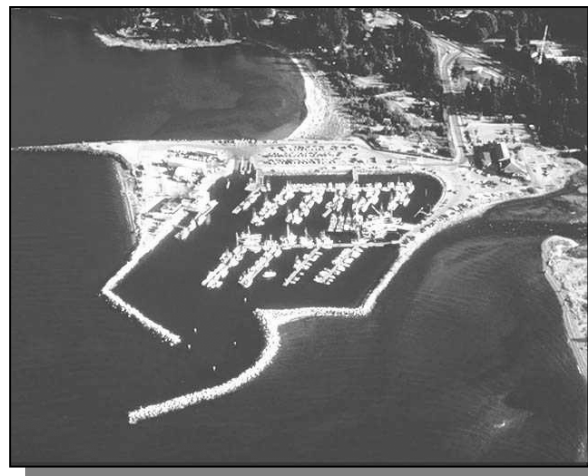
\*This number excludes 152 sites awaiting final divestiture processing.

### **Value for Taxpayers**

Improved community and industry safety along with better operational and environmental stewardship indicate value for taxpayers. Decreased demand on future budgets has resulted from the reduction of non-core harbour inventory. Similarly, increased user participation in project development and implementation and increased sharing of project costs by harbour users contribute to improved value and reduced cost in program delivery.

### **Planned Program Improvements**

The Harbours business line will continue to evolve from a hands-on operating program to one that supports client-delivered operations. Overall, the public harbour system will be smaller and more affordable. The resulting challenge is to reduce the impact of infrastructure rust-out and mitigate the impact of rationalization initiatives. Improvements in program delivery initiatives, including partnering, will positively impact on this challenge to ensure safe and effective harbour infrastructure. Program improvements will continue to focus on safe and cost-effective harbours to support client needs.



**Small Craft Harbour – French Creek, British Columbia**





<b>Planned Spending (1998-1999 RPP)</b>	<b>\$163.5 million</b>	
<b>Total Authorities (Public Accounts)</b>	<b>\$192.5 million</b>	
<b>1998-1999 Actual Expenditures</b>	<b>\$178.0 million</b>	

**Explanation of Variance in Financial Numbers**

The increase of \$29 million from planned spending to total authorities is mainly the result of additional resources received by the Department for Year 2000 initiatives. The reallocation of these resources to other sectors to carry out Year 2000 activities primarily accounts for the difference between the total authorities and the actual expenditures.

**Commitment to Canadians**

To support DFO’s business lines by maintaining the infrastructure and service base required to provide staff with the information, technology and support they need to achieve the Department’s vision and mission, in Canada and abroad, in a timely and cost-effective manner.

**Impact on Canadians**

**Policy**

- Legislative Changes:** Increased the effectiveness of Canadian legislative instruments as follows:
  - The *Coastal Fisheries Protection Act* was successfully amended to implement the United Nations Fisheries Agreement in Canada.
  - Track I of the amendments to the *Canada Shipping Act* to modernize the legislative framework for Coast Guard operations received Royal Assent, and is expected to be proclaimed in Fall 1999.
  - Boating safety and small vessel regulations were enacted or amended.
  - *Pacific Fishery Regulations* (1993) were streamlined to permit fisheries managers to rely more extensively on licence conditions to protect fisheries resources.
  - *Coastal Fisheries Protection Regulations* were amended to update Canadian requirements respecting foreign access to Canadian ports.
  - All provincial fisheries regulations were amended to protect both sport and commercial fisheries in Canada's freshwater.
- Oceans Management Strategy:** During the reporting period, responsibility for the Oceans Management Strategy was transferred to the newly created Oceans sector, giving the initiative higher profile within the Department, along with a more secure resource

base. Under the umbrella of the United Nations International Year of the Oceans, the Department made considerable progress in developing interdepartmental co-ordination of oceans efforts and sensitizing the public to the challenge of managing the oceans and protecting this resource for future generations. Among the successes were the *Louis S. St. Laurent* Team Canada mission to Europe and the establishment of new Marine Protected Areas on both coasts.

- **Trade Policy:** DFO was instrumental in securing the support of most countries and economies of the Asia Pacific Economic Co-operation (APEC) group to support a fish and seafood trade liberalization initiative for the APEC region. As a result, APEC Trade Ministers agreed to move negotiations on fish products to the World Trade Organization (WTO) in order to broaden participation by other countries.

In June and October 1998, respectively, the Trade Panel and the Appellate Body of the WTO found that the Government of Australia's ban on the importation of uncooked salmon was not justifiable on several counts. In February 1999, a WTO arbitrator determined that Australia had until July 6, 1999, to implement the WTO rulings. Australia must negotiate mutually acceptable compensation with Canada or ultimately remove its ban on the importation of uncooked salmon.

### **Corporate Services**

Corporate Services has contributed to the Department's mandate by consistently improving the quality and delivery of its services, investing in its human resources and by providing strategic solutions to enhancing the DFO mandate.

Corporate services looks at creating a simplified and stimulating work environment for its employees and ensures that its clients experience added value in the quality of service they receive.

Corporate Services has been working diligently towards implementing specific, direct actions to fulfil its Vision and to establish a new direction for Corporate Services consistent with the modern comptrollership initiative.

By improving its own service delivery process, Corporate Services is providing improved service delivery to program organizations.

The desire for Corporate Services to improve on its customer service delivery, reducing unnecessary workload and improving employee morale, began with a new Vision statement developed at the National Corporate Services Workshop held last fall. The organization is making positive changes and taking steps, including the establishment of an investment fund, for specific project initiatives that will further the objectives of the Vision.

#### **Did You Know?**

- The DFO Libraries catalogue, WAVES, is now available on the DFO Internet site. Anyone accessing the site can now obtain bibliographic information about the published and unpublished literature relating to fisheries, aquatic sciences and nautical sciences currently in the collections in the 12 DFO Libraries.
- The Maritimes Informatics team played a key role in supporting the Swissair disaster teams by quickly installing and maintaining an Emergency Response Centre.

As we move forward with the implementation of the Corporate Services Vision, it will become evident that these initiatives will serve Canadians by enabling program organizations to provide better and more direct service delivery to their customers, clients and Canadians at large.

**Did You Know?**

- The Department of Fisheries and Oceans holds the record for the largest ATIP request nationwide. In responding to the Kemano Completion Project request a few years ago, the Department released 123,460 pages.

In support of its client base, Corporate Services provides the tools and informatics infrastructure needed to assist DFO managers in conducting their day-to-day business. With this support, managers are able to better manage assets and inventories and make well-informed decisions on the management of their human resources based on activities and resource consumption, all of which benefit both the Department and ultimately all Canadians.

An Informatics Governance Framework is being established to ensure that the major decisions on DFO's information and information technology are planned, reviewed, prioritized, and funded in ways that align these investments with the business objectives and priorities of the Department and increase the value for money.

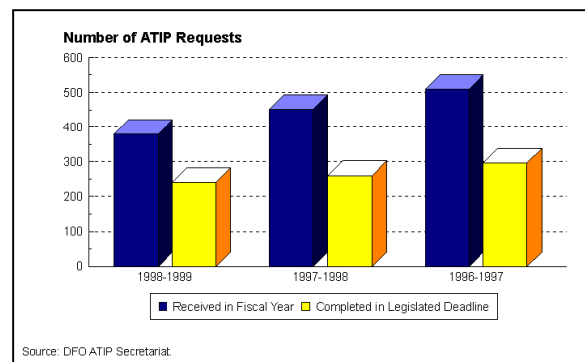
The decision to become Financial Information Strategy (FIS) ready by April 1, 2001, will also be a benefit to Canadians. The objective of the FIS is to mirror the accounting procedures of the federal government with those of the private sector, therefore making them more comprehensible to Canadians.

A major project was undertaken to re-engineer the finance and administration business process practices in order to simplify operations, reduce the paper burden and minimize the workload. Implementation has been initiated this fiscal year.

Improved, more comprehensive planning processes were established and greatly contributed to support better informed decision making on the timely and effective allocation of both financial and human resources. There are many other important planning exercises including the Long Term Capital Plan exercise for which one of the key elements is a proposed divestiture strategy to plan for the elimination of real property holdings that are considered non-essential to the delivery of DFO programs. By doing away with these property holdings, the Department will replace the cost of unnecessary infrastructure with investment in more important departmental priorities.

Although the majority of our services are internal to the Department, the Access to Information and Privacy Secretariat (ATIP) provides a direct service to Canadians by responding to access and privacy requests.

The ATIP Secretariat responded to 240 of 380 requests (63.2%) within legislated deadline, an improvement of 5.6% over the last fiscal year. In responding to requests under the *Access to Information Act*, the



ATIP Secretariat reviewed a total of 104,496 pages in the last fiscal year — 22,425 (27.32%) more than the previous fiscal year. Therefore, even though requests are getting more voluminous, response time to Canadians has improved compared to previous years.

The development of sector and functional community Human Resources plans gave sectors more experience with HR planning and more insight into the nature of the recruitment, rejuvenation, representation and reskilling issues they face. For example, DFO's workforce is ageing, particularly in the management and senior staff cadres, and it does not have sufficient bench strength to replace upcoming retirements with experienced people at these levels. As the Department moves to become an "employer of choice", it will need to give particular attention to external recruitment, internal selection, training and development, and retention to ensure that its future leadership needs are met. To facilitate this effort, Corporate Services' HR Directorate is working with departmental management to establish a leadership and career development strategy and supporting tools.

### **Communications**

- ❑ Promoted awareness and support for the Department's policy and program initiatives as follows:
  - Planned and co-ordinated communications of major initiatives such as the Pacific Salmon Treaty, fishing licence retirement programs on both coasts and new boating safety regulations to ensure that Canadians are provided with current information on these programs.
  - Developed a Strategic Communications Plan for the Department, linking communications objectives with the broader goals of the government as a whole, to ensure that Canadians receive effective information on new initiatives.
  - Expanded the DFO Internet and Intranet sites to publicize departmental programs and services both internally and externally to provide Canadians with up-to-date information.

### **Review**

Impacts of reviews in 1998-1999 included improving the potential benefits and assessments of risks of DFO initiatives; suggesting improvements to planning processes, workload analyses and organizational options; and improving Service Standards and Performance Measurement Frameworks.

### **Key Independent Review**

Based on the findings of the 1995 Corporate Services Redesign, the Corporate Services management team established a new corporate vision focused on more client service delivery, reduction in workload and improved morale. The Strategic Issues Branch continues to co-ordinate action plans specific to the initiatives designed to implement the Vision.

Other reviews include the Management of Information Technology, currently underway. The review to evaluate DFO's employment systems, policies and practices to ensure that they support the achievement of employment equity requirements will be completed early in fiscal year 1999-2000.

# 4 Consolidated Reporting

## 4.1 Sustainable Development

Since the tabling of *Sustainable Development: A Framework for Action*, the Department's sustainable development strategy, DFO has moved towards enshrining conservation as a key touchstone for departmental activities. It has begun to see progress on the goals identified in the strategy and, perhaps more importantly, has begun to put in place tools that will position DFO as a leader on the domestic and international front.

Within the Department, a National Environmental Co-ordinating Committee has been established to provide leadership on environmental policy. It will also assist in the selection of the operational priorities for remediation. The group has produced discussion papers that will form the basis for the implementation of an Environmental Management Framework, with a risk assessment approach, that will allow the Department to rank for action the challenges it identifies as being of highest priority.

The *Oceans Act* commits the Government of Canada to adopt a new approach to management and planning of activities occurring in or impacting on marine ecosystems. It is founded on an ecosystem-based approach to integrated management of ocean development and of conservation activities. The precautionary approach in decision making, and involvement of other jurisdictions and interested parties, are key building blocks of this new management approach.

For information regarding the details of DFO's performance against the goals established in the sustainable development strategy, refer to the departmental Internet site at <http://www.dfo-mpo.gc.ca>. When you log in, refer to Departmental Publications, Sustainable Development Update.

### Goals

- Greening our operational activities
- Making green smart decisions
- Understanding our oceans and freshwater ecosystems
- Managing and protecting our fisheries resources, maritime environment and aquatic resources
- Maintaining maritime safety
- Facilitating maritime trade, commerce and ocean development

## 4.2 Regulatory Initiatives

<b>Business Line</b>	<b>Purpose of Legislative or Regulatory Initiative</b>	<b>Expected Results</b>	<b>Performance Measurement Criteria</b>	<b>Results Achieved</b>
<i>Fisheries and Oceans Science</i>	<b><i>Fish Health Protection Regulations (FHPR)</i></b> <ul style="list-style-type: none"> <li>Draft amendments.</li> </ul>	<ul style="list-style-type: none"> <li>FHPR in line with current international standards and regulatory procedures.</li> </ul>	<ul style="list-style-type: none"> <li>Higher science-based credibility of FHPR.</li> </ul>	<ul style="list-style-type: none"> <li>Delayed because of lack of funds to implement major component of FHPR.</li> </ul>
<i>Rescue, Safety and Environmental Response</i>	<b><i>Pleasure Craft Sewage Pollution Prevention Regulations</i></b> <ul style="list-style-type: none"> <li>Amendment to list of sites for designation under regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Improved water quality to foster tourism, protect shellfish, and increase enjoyment of all users.</li> </ul>	<ul style="list-style-type: none"> <li>To be developed.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing.</li> </ul>
	<b><i>Small Vessel Regulations</i></b> <ul style="list-style-type: none"> <li>Safety equipment requirements and plate requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Improved safety for boaters.</li> </ul>	<ul style="list-style-type: none"> <li>To be developed.</li> </ul>	<ul style="list-style-type: none"> <li>Completed. New regulations effective April 1, 1999.</li> </ul>
	<b><i>Small Vessel Regulations</i></b> <ul style="list-style-type: none"> <li>Improvement of licensing system for identification of small vessels and owners.</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>A policy decision was taken not to change the existing boat licensing system.</li> </ul>
	<b><i>Small Vessel Regulations</i></b> <ul style="list-style-type: none"> <li>Improvement of recreational boat operation safety through operator education.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced number of boating incidents.</li> </ul>	<ul style="list-style-type: none"> <li>To be developed.</li> </ul>	<ul style="list-style-type: none"> <li><i>Competency of Operators of Pleasure Craft Regulations</i> came into force on April 1, 1999.</li> </ul>
	<b><i>Small Vessel Regulations</i></b> <ul style="list-style-type: none"> <li>Rewriting of regulations to reflect new responsibilities of Minister of Fisheries and Oceans and Minister of Transport.</li> </ul>	<ul style="list-style-type: none"> <li>Align authority with new departmental responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>Required to streamline processes.</li> </ul>	<ul style="list-style-type: none"> <li>Completed. New regulations effective April 1, 1999.</li> </ul>

## Regulatory Initiatives (continued)

Business Line	Purpose of Legislative or Regulatory Initiative	Expected Results	Performance Measurement Criteria	Results Achieved
<b>Rescue, Safety and Environmental Response (continued)</b>	<b>Chemical-spill Response Regulations</b> <ul style="list-style-type: none"> <li>New regulations respecting response to chemical spills by ports, chemical handling facilities and vessels.</li> </ul>	<ul style="list-style-type: none"> <li>Improved public safety and protection of the environment. Effective response and co-ordination to marine chemical spill incidents and emergencies.</li> </ul>	<ul style="list-style-type: none"> <li>Effectiveness of response — to be developed.</li> </ul>	<ul style="list-style-type: none"> <li>Marine Chemical Emergency Response (MCER) Pilot Project proposal in support of the regulatory initiatives is being led by CCG Pacific Region. The results of this work will serve to expedite the development of national MCER regulations and standards.</li> </ul>
	<b>Boating Restriction Regulations</b> <ul style="list-style-type: none"> <li>New provisions imposing age restrictions linked to vessel horsepower.</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced safety on waterways.</li> </ul>	<ul style="list-style-type: none"> <li>To be developed.</li> </ul>	<ul style="list-style-type: none"> <li>Completed. New regulations effective April 1, 1999.</li> </ul>
	<b>Boating Restriction Regulations</b> <ul style="list-style-type: none"> <li>Annual amendments.</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced safety on waterways.</li> </ul>	<ul style="list-style-type: none"> <li>To be developed.</li> </ul>	<ul style="list-style-type: none"> <li>Annual amendments required to keep increased traffic under control.</li> </ul>
<b>Fisheries Management</b>	<b>Atlantic Fishery Regulations, 1985</b> <ul style="list-style-type: none"> <li>Re-write.</li> </ul>	<ul style="list-style-type: none"> <li>Provide more flexible management tools, introduce new management tools and generally up-date.</li> </ul>	<ul style="list-style-type: none"> <li>To be developed.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing. Delayed as priority had been with initiatives to amend the <i>Fisheries Act</i>.</li> </ul>
	<b>Fishery (General) Regulations</b> <ul style="list-style-type: none"> <li>Various administrative amendments, including the delegation of authorities for making variation orders to fisheries management directors.</li> </ul>	<ul style="list-style-type: none"> <li>Increase downward delegation of fisheries management decisions, especially the ones deemed routine.</li> </ul>	<ul style="list-style-type: none"> <li>To be developed.</li> </ul>	<ul style="list-style-type: none"> <li>Delayed as priority had been with amendments to the <i>Fisheries Act</i>. The new <i>Fisheries Act</i> was also to cover variation order powers.</li> </ul>

## Regulatory Initiatives (continued)

Business Line	Purpose of Legislative or Regulatory Initiative	Expected Results	Performance Measurement Criteria	Results Achieved
<b>Fisheries Management (continued)</b>	<b>Fishery (General) Regulations</b> <ul style="list-style-type: none"> <li>• Certification of dockside monitoring corporations.</li> </ul>	<ul style="list-style-type: none"> <li>• Improved catch monitoring services and more accurate landings information.</li> </ul>	<ul style="list-style-type: none"> <li>• Internal audit 2000-2001.</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of quality standards through Canadian General Standards Board.</li> </ul>
	<b>Marine Mammal Regulations</b> <ul style="list-style-type: none"> <li>• Review of sealing regulations and reflect Arctic land claim agreements.</li> </ul>	<ul style="list-style-type: none"> <li>• More accurately reflect the changing management approach for marine mammals, especially seals. Provide a more flexible approach to fisheries management.</li> </ul>	<ul style="list-style-type: none"> <li>• To be developed.</li> </ul>	<ul style="list-style-type: none"> <li>• Delayed pending thorough consultations with stakeholders in 1999-2000.</li> </ul>
	<b>Coastal Fisheries Protection Regulations</b> <ul style="list-style-type: none"> <li>• To allow exemption from port access restrictions for U.S. fishing vessels other than those fishing for Pacific salmon and Pacific hake to enter Canadian ports and effectuate ship repairs.</li> <li>• To implement the United Nations (UN) Fisheries Agreement and other fisheries treaties and arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>• Allowed West Coast shipyards to generate employment and income from lucrative U.S. business opportunities.</li> <li>• Allow Canada to ratify and implement the UN Fisheries Agreement.</li> </ul>	<ul style="list-style-type: none"> <li>• New contracts negotiated by Canadian shipyards.</li> <li>• Ratification of UN Fisheries Agreement.</li> </ul>	<ul style="list-style-type: none"> <li>• Completed new regulations, effective August 19, 1998.</li> <li>• Scheduled for approval by the Special Committee of Council on July 27, 1999, and ratification early August 1999.</li> </ul>
	<b>Pacific Fishery Regulations, 1993</b> <ul style="list-style-type: none"> <li>• Implement a new licence fee schedule for commercial geoduck, sablefish and halibut.</li> </ul>	<ul style="list-style-type: none"> <li>• To remove the licence fee offsets provided to commercial geoduck, sablefish and halibut fishers since 1996, and introduce a progressive licence fee formula in these fisheries.</li> </ul>	<ul style="list-style-type: none"> <li>• Overall annual revenue increase of approximately \$733,000, using 1998 quotas.</li> <li>• Fairness and equity, on a national basis, in the application of a progressive licence fee formula.</li> </ul>	<ul style="list-style-type: none"> <li>• Revenues from the regulatory changes in geoduck, sablefish and halibut licence fees increased by \$1.46 million this year compared to last year.</li> </ul>



### 4.3 Year 2000 Initiatives



The Department has identified its Government Wide Mission Critical (GWMC) functions and its Department Wide Mission Critical (DWMC) functions, and has adopted a Continuous Risk Management approach to ensure that it can deliver its mission critical functions despite the Year 2000 challenge.

For GWMC functions, which have implications for the safety and health of Canadians and the environment, a risk averse strategy was taken. Specifically, all vulnerable assets were assessed and those that would be affected by the Year 2000 date issue were renovated or replaced. In addition, contingency plans were developed to cover the eventuality that an unexpected failure, or the failure of a dependency, could occur. In this manner, the Department could ensure that it could deliver all of its GWMC business functions, either through existing equipment and systems or through work-arounds or contingencies, despite the Year 2000 challenge.

As of the end of June, the Department was 99.9% complete for GWMC equipment and applications, and contingency plans were complete. Therefore, as of June 30, 1999, the Department had met its Operational Sustainability target.

For DWMC functions, which have no impact on health and safety or the environment, it was possible to accept a certain degree of risk in the interests of reducing assessment costs. Therefore, those assets on which DWMC functions depend were identified, and decisions were made as to which must be assessed and renovated before the critical Year 2000 dates. They were then scheduled for assessment and renovation. Other DWMC assets were designated for “fix on failure”. These decisions were based on a comprehensive Business Impact of Failure analysis. Contingency plans were developed to cover the eventuality that critical functions could be affected by failure of an asset or of a dependency.

The Department was at 93% completion for DWMC essential equipment and applications, and contingency plans were complete. Despite the excellent progress, some application renovation projects were not completed by June 30. Work is being continued on these systems with a view to completing them before the end of 1999, and progress is being tracked closely. In addition, work-arounds and contingency plans will ensure that the business functions can be delivered even if the renovation work is not complete. Thus, DFO is confident that it will be able to continue to deliver all of its critical functions despite the Year 2000 date issue.

As part of its Continuous Risk Management approach, project risks are assessed on a regular basis, and special risk assessments have been commissioned on two occasions. In addition, a verification and validation process has been implemented. Finally, there has been a series of independent audits. These actions, and remedial work triggered by them, further support the conclusions reported in the preceding paragraphs.

The primary emphasis for the remainder of the Year 2000 project is on undertaking the work to permit the implementation of the Contingency Plans if they become necessary.

## 4.4 Materiel Management

The Department of Fisheries and Oceans has implemented policies on the management of assets and inventories. These policies state that owners of inventory must ensure that full life-cycle costs are considered for current and future items in inventory and must take into consideration the four phases of Life-Cycle Management.

The Department has conducted a complete inventory review exercise and reduced inventory holdings by 22%. Total warehouse and storage space was reduced by 21%, from 173,000 square metres to 136,000 square metres.

In April 1997, the Department implemented an integrated financial and materiel management system including fully functional modules for purchasing, inventory and assets management. DFO is currently in the second year of a 30-month project to physically verify and bar code all departmental assets. To ensure the integrity of the database, the verification process will pick up assets not previously recorded and adjust the current database by reducing equipment write-offs. Once the verification records are reconciled, the financial and materiel management system's depreciation tables will be run to have the database compliant with the Financial Information Strategy and accrual accounting. To date, the Department has verified approximately 40% of its currently recorded assets. The project will be completed by December 2000.

New or replacement costs for mission critical assets for the Department (vessels and helicopters) are planned through the Long Term Capital Planning process. Most life-cycle costs are captured through our Financial and Materiel Management System. The Canadian Coast Guard — Core Fleet Study (currently under way) will assess risks and related financial impacts for critical assets and will determine the core fleet plan of the future. The results from this study should be available in the fall of 1999. The Canadian Coast Guard Maintenance Information Management System which is currently in development will provide needed information to facilitate planning and budgeting for replacement, repairs, refits to vessels, facilities, telecommunications and navaid equipment. The main areas of concern at the present time are budget restrictions and resources required to maintain an ageing fleet of vessels.

## 5 Financial Performance

The following financial tables provide information on:

- ❑ Planned Spending at the beginning of the year as reported in the *1998-99 Estimates: A Report on Plans and Priorities*;
- ❑ the level of spending approved by Parliament reflecting priority changes and technical adjustments (Total Authorities); and
- ❑ actual 1998-1999 expenditures as reported in the Public Accounts (1998-1999 Actual Expenditures).

The Department was authorized to spend \$396.6 million more than the planned spending mainly due to supplementary resources in the amount of \$335 million received for the Canadian Fisheries Adjustment and Restructuring measures (CFAR) to respond to fisheries issues on the East and West Coasts and \$37.9 million received for Year 2000 compliance requirements.

The actual expenditures of the Department were \$114.7 million lower than our total authorities mainly due to a lapse of \$88 million in CFAR. The Department has the authority to carry-forward these lapsing CFAR resources to fiscal year 1999-2000.

The following is a list of the financial tables applicable to the Department which are included in this document:

- ❑ Table 1: Financial Requirements by Authority
- ❑ Table 2: Departmental Planned versus Actual Spending by Business Line
- ❑ Table 3: Historical Comparison of Departmental Planned versus Actual Spending by Business Line
- ❑ Table 4: Comparison of 1998-1999 Planned Spending and Total Authorities to Actual Expenditures by Organization and Business Line
- ❑ Table 5: Respendable Revenues by Business Line
- ❑ Table 6: Non-Respendable Revenues by Business Line
- ❑ Table 7: Statutory Payments
- ❑ Table 8: Transfer Payments by Business Line
- ❑ Table 9: Capital Spending by Business Line
- ❑ Table 10: Capital Projects over \$1,000,000 by Business Line
- ❑ Table 11: Loans, Investments and Advances by Business Line
- ❑ Table 12: Contingent Liabilities

**Table 1: Financial Requirements by Authority**

(millions of dollars)		1998-1999		
		Planned Spending	Total Authorities	Actual
Vote	Fisheries and Oceans			
1	Operating expenditures	793.7	905.9	873.8
5	Capital expenditures	127.5	118.6	114.6
10	Grants and contributions	41.6	327.0	249.4
(S)	Minister of Fisheries and Oceans — Salary and motor car allowance	—	0.1	0.1
(S)	Liabilities under the <i>Fisheries Improvement Loans Act</i>	0.2	—	—
(S)	Contributions to employee benefit plans	88.8	93.3	93.3
(S)	Federal Court Awards	—	0.2	0.2
(S)	Refunds of amounts credited to revenues in previous years	—	0.3	0.3
(S)	Spending of proceeds from the disposal of surplus Crown assets	—	3.0	2.0
<b>Total</b>		<b>1,051.8</b>	<b>1,448.4</b>	<b>1,333.7</b>
Subsequent adjustments		22.6	—	—
<b>Total Department</b>		<b>1,074.4</b>	<b>1,448.4</b>	<b>1,333.7</b>

**Table 2: Departmental Planned versus Actual Spending by Business Line**

(millions of dollars)				Voted	Subtotal:	Statutory	Total	Less:	Total Net
Business Line	FTEs	Operating	Capital	Grants and Contributions	Gross Voted Expenditures	Grants and Contributions	Gross Expenditures	Respendable Revenues*	Expenditures
<b>Fisheries and Oceans</b>									
Science	1,146	117.0	—	1.0	118.0	—	118.0	—	118.0
<i>Total authorities</i>	<i>1,146</i>	<i>122.5</i>	<i>—</i>	<i>1.8</i>	<i>124.3</i>	<i>—</i>	<i>124.3</i>	<i>—</i>	<i>124.3</i>
<b>Actuals</b>	<b>1,153</b>	<b>129.6</b>	<b>0.4</b>	<b>1.8</b>	<b>131.8</b>	<b>—</b>	<b>131.8</b>	<b>—</b>	<b>131.8</b>
<b>Habitat Management and Environmental Science</b>									
	446	46.8	—	—	46.8	—	46.8	—	46.8
<i>Total authorities</i>	<i>446</i>	<i>56.4</i>	<i>—</i>	<i>1.2</i>	<i>57.6</i>	<i>—</i>	<i>57.6</i>	<i>—</i>	<i>57.6</i>
<b>Actuals</b>	<b>449</b>	<b>65.1</b>	<b>—</b>	<b>1.2</b>	<b>66.3</b>	<b>—</b>	<b>66.3</b>	<b>—</b>	<b>66.3</b>
<b>Fisheries Management</b>									
	1,367	172.0	—	42.8	214.8	0.2	215.0	—	215.0
<i>Total authorities</i>	<i>1,367</i>	<i>204.5</i>	<i>0.1</i>	<i>320.1</i>	<i>524.7</i>	<i>—</i>	<i>524.7</i>	<i>—</i>	<i>524.7</i>
<b>Actuals</b>	<b>1,375</b>	<b>190.8</b>	<b>2.1</b>	<b>242.5</b>	<b>435.4</b>	<b>—</b>	<b>435.8</b>	<b>—</b>	<b>435.8</b>
<b>Fleet Management</b>									
	564	78.3	66.4	—	144.7	—	144.7	—	144.7
<i>Total authorities</i>	<i>564</i>	<i>79.1</i>	<i>66.4</i>	<i>—</i>	<i>145.5</i>	<i>—</i>	<i>145.5</i>	<i>—</i>	<i>145.5</i>
<b>Actuals</b>	<b>567</b>	<b>92.3</b>	<b>48.8</b>	<b>—</b>	<b>141.1</b>	<b>—</b>	<b>141.1</b>	<b>0.8</b>	<b>140.3</b>
<b>Marine Navigation Services</b>									
	1,055	98.7	22.0	—	120.7	—	120.7	28.2	92.5
<i>Total authorities</i>	<i>1,055</i>	<i>107.6</i>	<i>23.8</i>	<i>—</i>	<i>131.4</i>	<i>—</i>	<i>131.4</i>	<i>28.2</i>	<i>103.2</i>
<b>Actuals</b>	<b>1,061</b>	<b>118.7</b>	<b>6.1</b>	<b>—</b>	<b>124.8</b>	<b>—</b>	<b>124.8</b>	<b>29.6</b>	<b>95.2</b>
<b>Marine Communications and Traffic Services</b>									
	748	62.3	11.7	—	74.0	—	74.0	0.5	73.5
<i>Total authorities</i>	<i>748</i>	<i>63.0</i>	<i>9.6</i>	<i>—</i>	<i>72.6</i>	<i>—</i>	<i>72.6</i>	<i>0.5</i>	<i>72.1</i>
<b>Actuals</b>	<b>753</b>	<b>59.5</b>	<b>2.8</b>	<b>—</b>	<b>62.3</b>	<b>—</b>	<b>62.3</b>	<b>0.7</b>	<b>61.6</b>
<b>Icebreaking Operations</b>									
	437	51.7	—	—	51.7	—	51.7	23.6	28.1
<i>Total authorities</i>	<i>437</i>	<i>57.4</i>	<i>—</i>	<i>—</i>	<i>57.4</i>	<i>—</i>	<i>57.4</i>	<i>23.6</i>	<i>33.8</i>
<b>Actuals</b>	<b>440</b>	<b>46.3</b>	<b>—</b>	<b>—</b>	<b>46.3</b>	<b>—</b>	<b>46.3</b>	<b>8.5</b>	<b>37.8</b>
<b>Rescue, Safety and Environmental Response</b>									
	1,141	108.5	—	3.2	111.7	—	111.7	0.1	111.6
<i>Total authorities</i>	<i>1,141</i>	<i>108.5</i>	<i>—</i>	<i>3.1</i>	<i>111.6</i>	<i>—</i>	<i>111.6</i>	<i>0.1</i>	<i>111.5</i>
<b>Actuals</b>	<b>1,148</b>	<b>92.8</b>	<b>0.6</b>	<b>3.1</b>	<b>96.5</b>	<b>—</b>	<b>96.5</b>	<b>0.3</b>	<b>96.2</b>
<b>Hydrography</b>									
	324	26.0	—	—	26.0	—	26.0	—	26.0
<i>Total authorities</i>	<i>324</i>	<i>27.3</i>	<i>—</i>	<i>0.1</i>	<i>27.4</i>	<i>—</i>	<i>27.4</i>	<i>—</i>	<i>27.4</i>
<b>Actuals</b>	<b>326</b>	<b>30.4</b>	<b>2.5</b>	<b>0.1</b>	<b>33.0</b>	<b>—</b>	<b>33.0</b>	<b>—</b>	<b>33.0</b>
<b>Harbours</b>									
	87	42.0	12.7	—	54.7	—	54.7	—	54.7
<i>Total authorities</i>	<i>87</i>	<i>42.7</i>	<i>12.6</i>	<i>0.5</i>	<i>55.8</i>	<i>—</i>	<i>55.8</i>	<i>—</i>	<i>55.8</i>
<b>Actuals</b>	<b>88</b>	<b>38.9</b>	<b>18.7</b>	<b>0.5</b>	<b>58.1</b>	<b>—</b>	<b>58.1</b>	<b>—</b>	<b>58.1</b>
<b>Policy and Internal Services</b>									
	1,254	150.7	14.7	0.4	165.8	—	165.8	2.3	163.5
<i>Total authorities</i>	<i>1,254</i>	<i>188.5</i>	<i>6.1</i>	<i>0.2</i>	<i>194.8</i>	<i>—</i>	<i>194.8</i>	<i>2.3</i>	<i>192.5</i>
<b>Actuals</b>	<b>1,262</b>	<b>148.4</b>	<b>32.6</b>	<b>0.2</b>	<b>181.2</b>	<b>—</b>	<b>181.2</b>	<b>3.2</b>	<b>178.0</b>
<b>Total Planned Spending</b>									
	8,569	954.0	127.5	47.4	1,128.9	0.2	1,129.1	54.7	1,074.4
<i>Total authorities</i>	<i>8,569</i>	<i>1,057.5</i>	<i>118.6</i>	<i>327.0</i>	<i>1,503.1</i>	<i>—</i>	<i>1,503.1</i>	<i>54.7</i>	<i>1,448.4</i>
<b>Actuals</b>	<b>8,622</b>	<b>1,012.8</b>	<b>114.6</b>	<b>249.4</b>	<b>1,376.8</b>	<b>—</b>	<b>1,376.8</b>	<b>43.1</b>	<b>1,333.7</b>
<b>Other Revenues and Expenditures</b>									
Non-Respendable Revenues**									(56.8)
<i>Total authorities</i>									<i>(56.8)</i>
<b>Actuals</b>									<b>(59.8)</b>
<b>Cost of services provided by other departments</b>									57.2
<i>Total authorities</i>									<i>57.0</i>
<b>Actuals</b>									<b>57.0</b>
<b>Net Cost of the Program</b>									1,074.8
<i>Total authorities</i>									<i>1,448.6</i>
<b>Actuals</b>									<b>1,330.9</b>
Note: Numbers in regular typeface denote Planned Spending as per the 1998-99 Estimates: A Report on Plans and Priorities; those in italics denote Total Authorities; numbers in bold denote Actual Expenditures.									
* These revenues were formerly called "Revenues Credited to the Vote".									
** These revenues were formerly called "Revenues Credited to the Consolidated Revenue Fund (CRF)".									

**Table 3: Historical Comparison of Departmental Planned versus Actual Spending by Business Line**

<b>(millions of dollars)</b>					
<b>Business Line</b>	<b>Actual 1996-97*</b>	<b>Actual 1997-98</b>	<b>Planned Spending 1998-99</b>	<b>Total Authorities 1998-99</b>	<b>Actual 1998-99</b>
Fisheries and Oceans Science	128.2	116.4	118.0	124.3	131.8
Habitat Management and Environmental Science	50.9	48.2	46.8	57.6	66.3
Fisheries Management	335.2	223.7	215.0	524.7	435.4
Fleet Management	129.1	123.8	144.7	145.5	140.3
Marine Navigation Services	128.6	140.8	92.5	103.2	95.2
Marine Communications and Traffic Services	75.3	73.4	73.5	72.1	61.6
Icebreaking Operations	49.2	41.0	28.1	33.8	37.8
Rescue, Safety and Environmental Response	135.4	104.6	111.6	111.5	96.2
Hydrography	34.8	34.0	26.0	27.4	33.0
Harbours	55.8	58.0	54.7	55.8	58.1
Policy and Internal Services	171.3	187.6	163.5	192.5	178.0
<b>Total</b>	<b>1,293.8</b>	<b>1,151.5</b>	<b>1,074.4</b>	<b>1,448.4</b>	<b>1,333.7</b>
* The Fish Product Inspection business line was transferred to the Canadian Food Inspection Agency effective April 1, 1997. For comparative purposes, this business line was excluded from the 1996-1997 actuals.					

**Table 4: Comparison of 1998-1999 Planned Spending and Total Authorities to Actual Expenditures by Organization and Business Line**

Business Line	Sector						Total	% of Total
	ADM, Marine/ Commissioner, CCG	ADM, Science	ADM, Oceans	ADM, Fisheries Management	ADM, Policy	Executive and ADM, Corporate Services		
Fisheries and Oceans	—	118.0	—	—	—	—	118.0	
Science	—	<i>124.3</i>	—	—	—	—	<i>124.3</i>	
	—	<b>131.8</b>	—	—	—	—	<b>131.8</b>	<b>9.9%</b>
Habitat Management and Environmental Science	—	—	46.8	—	—	—	46.8	
	—	—	<i>57.6</i>	—	—	—	<i>57.6</i>	
	—	—	<b>66.3</b>	—	—	—	<b>66.3</b>	<b>5.0%</b>
Fisheries Management	—	—	—	203.2	11.8	—	215.0	
	—	—	—	<i>220.3</i>	<i>304.4</i>	—	<i>524.7</i>	
	—	—	—	<b>220.4</b>	<b>215.0</b>	—	<b>435.4</b>	<b>32.6%</b>
Fleet Management	144.7	—	—	—	—	—	144.7	
	<i>145.5</i>	—	—	—	—	—	<i>145.5</i>	
	<b>140.3</b>	—	—	—	—	—	<b>140.3</b>	<b>10.5%</b>
Marine Navigation Services	92.5	—	—	—	—	—	92.5	
	<i>103.2</i>	—	—	—	—	—	<i>103.2</i>	
	<b>95.2</b>	—	—	—	—	—	<b>95.2</b>	<b>7.1%</b>
Marine Communications and Traffic Services	73.5	—	—	—	—	—	73.5	
	<i>72.1</i>	—	—	—	—	—	<i>72.1</i>	
	<b>61.6</b>	—	—	—	—	—	<b>61.6</b>	<b>4.6%</b>
Icebreaking Operations	28.1	—	—	—	—	—	28.1	
	<i>33.8</i>	—	—	—	—	—	<i>33.8</i>	
	<b>37.8</b>	—	—	—	—	—	<b>37.8</b>	<b>2.8%</b>
Rescue, Safety and Environmental Response	111.6	—	—	—	—	—	111.6	
	<i>111.5</i>	—	—	—	—	—	<i>111.5</i>	
	<b>96.2</b>	—	—	—	—	—	<b>96.2</b>	<b>7.2%</b>
Hydrography	—	26.0	—	—	—	—	26.0	
	—	<i>27.4</i>	—	—	—	—	<i>27.4</i>	
	—	<b>33.0</b>	—	—	—	—	<b>33.0</b>	<b>2.5%</b>
Harbours	—	—	—	—	—	54.7	54.7	
	—	—	—	—	—	<i>55.8</i>	<i>55.8</i>	
	—	—	—	—	—	<b>58.1</b>	<b>58.1</b>	<b>4.4%</b>
Policy and Internal Services	—	—	—	—	14.8	148.7	163.5	
	—	—	—	—	<i>26.4</i>	<i>166.1</i>	<i>192.5</i>	
	—	—	—	—	<b>28.3</b>	<b>149.7</b>	<b>178.0</b>	<b>13.3%</b>
TOTALS	450.4	144.0	46.8	203.2	26.6	203.4	1,074.4	
	<i>466.1</i>	<i>151.7</i>	<i>57.6</i>	<i>220.3</i>	<i>330.8</i>	<i>221.9</i>	<i>1,448.4</i>	
	<b>431.1</b>	<b>164.8</b>	<b>66.3</b>	<b>220.4</b>	<b>243.3</b>	<b>207.8</b>	<b>1,328.6</b>	<b>100.0%</b>

Note: Numbers in regular typeface denote Planned Spending, as per *the 1998-99 Estimates: A Report on Plans and Priorities*; those in italics denote Total Authorities; numbers in bold denote Actual Expenditures.

**Table 5: Respendable Revenues by Business Line**

<b>(millions of dollars)</b>					
<b>Business Line</b>	<b>Actual 1996-97</b>	<b>Actual 1997-98</b>	<b>Planned Revenues 1998-99</b>	<b>Total Authorities 1998-99</b>	<b>Actual 1998-99</b>
Fisheries and Oceans Science	—	—	—	—	—
Habitat Management and Environmental Science	—	—	—	—	—
Fisheries Management	—	—	—	—	—
Fleet Management	2.0	2.1	—	—	0.8
Marine Navigation Services	17.3	26.9	28.2	28.2	29.6
Marine Communications and Traffic Services	1.8	0.9	0.5	0.5	0.7
Icebreaking Operations	5.6	6.9	23.6	23.6	8.5
Rescue, Safety and Environmental Response	0.6	0.5	0.1	0.1	0.3
Hydrography	—	—	—	—	—
Harbours	—	—	—	—	—
Policy and Internal Services	1.8	2.8	2.3	2.3	3.2
<b>Total Respendable Revenues</b>	<b>29.1</b>	<b>40.1</b>	<b>54.7</b>	<b>54.7</b>	<b>43.1</b>

Note: These revenues were formerly called "Revenues Credited to the Vote".

**Table 6: Non-Respendable Revenues by Business Line**

<b>(millions of dollars)</b>					
<b>Business Line</b>	<b>Actual 1996-97*</b>	<b>Actual 1997-98</b>	<b>Planned Revenues 1998-99</b>	<b>Total Authorities 1998-99</b>	<b>Actual 1998-99</b>
Fisheries and Oceans Science	0.1	0.6	0.5	0.5	0.7
Habitat Management and Environmental Science	—	—	—	—	—
Fisheries Management	44.1	48.4	50.7	50.7	43.3
Fleet Management	—	—	—	—	—
Marine Navigation Services	0.6	—	0.6	0.6	0.1
Marine Communications and Traffic Services	—	—	—	—	—
Icebreaking Operations	—	—	—	—	—
Rescue, Safety and Environmental Response	—	—	—	—	—
Hydrography	2.3	2.7	2.8	2.8	2.9
Harbours	3.4	2.9	2.0	2.0	2.3
Policy and Internal Services	0.2	0.1	0.2	0.2	0.1
<b>Sub-total</b>	<b>50.7</b>	<b>54.7</b>	<b>56.8</b>	<b>56.8</b>	<b>49.4</b>
Unplanned**	37.8	10.2	—	—	10.4
<b>Total Non-Respendable Revenues</b>	<b>88.5</b>	<b>64.9</b>	<b>56.8</b>	<b>56.8</b>	<b>59.8</b>

Note: These revenues were formerly called "Revenues Credited to the Consolidated Revenue Fund".

\* The Fish Product Inspection business line was transferred to the Canadian Food Inspection Agency effective April 1, 1997. For comparative purposes, this business line was excluded from the 1996-1997 actuals.

\*\* The unplanned revenues credited to the Consolidated Revenue Fund in 1996-97 are mostly the result of the closure of the Fishing Vessel Insurance Program Account in the amount of \$27.3 million.



**Table 7: Statutory Payments**

<b>(millions of dollars)</b>					
<b>Business Line</b>	<b>Actual 1996-97</b>	<b>Actual 1997-98</b>	<b>Planned Spending 1998-99</b>	<b>Total Authorities 1998-99</b>	<b>Actual 1998-99</b>
Fisheries Management	—	—	0.2	—	—
<b>Total Statutory Payments</b>	—	—	0.2	—	—

**Table 8: Transfer Payments by Business Line**

<b>(millions of dollars)</b>					
<b>Business Line</b>	<b>Actual 1996-97</b>	<b>Actual 1997-98</b>	<b>Planned Spending 1998-99</b>	<b>Total Authorities 1998-99</b>	<b>Actual 1998-99</b>
<b>GRANTS</b>					
Fisheries and Oceans Science	0.2	—	—	—	—
Habitat Management and Environmental Science	—	0.1	—	—	—
Fisheries Management	—	—	—	—	—
Fleet Management	—	—	—	—	—
Marine Navigation Services	—	—	—	—	—
Marine Communications and Traffic Services	—	—	—	—	—
Icebreaking Operations	—	—	—	—	—
Rescue, Safety and Environmental Response	—	—	—	—	—
Hydrography	—	—	—	0.1	0.1
Harbours	—	—	—	—	—
Policy and Internal Services	—	—	0.2	0.2	0.2
<b>Total Grants</b>	0.2	0.1	0.2	0.3	0.3
<b>CONTRIBUTIONS</b>					
Fisheries and Oceans Science	—	1.1	1.0	1.8	1.8
Habitat Management and Environmental Science	0.5	0.4	—	1.1	1.1
Fisheries Management	157.5	49.1	43.0	320.1	242.5
Fleet Management	—	—	—	—	—
Marine Navigation Services	—	—	—	—	—
Marine Communications and Traffic Services	—	—	—	—	—
Icebreaking Operations	—	—	—	—	—
Rescue, Safety and Environmental Response	1.5	2.6	3.2	3.2	3.2
Hydrography	0.1	0.1	—	—	—
Harbours	0.1	0.1	—	0.5	0.5
Policy and Internal Services	0.1	0.1	0.2	—	—
<b>Total Contributions</b>	159.8	53.5	47.4	326.7	249.1
<b>Total Transfer Payments</b>	160.0	53.6	47.6	327.0	249.4

**Table 9: Capital Spending by Business Line**

<b>(millions of dollars)</b>					
<b>Business Line</b>	<b>Actual 1996-97*</b>	<b>Actual 1997-98</b>	<b>Planned Spending 1998-99</b>	<b>Total Authorities 1998-99</b>	<b>Actual 1998-99</b>
Fisheries and Oceans Science	—	—	—	—	0.4
Habitat Management and Environmental Science	—	—	—	—	—
Fisheries Management	—	—	—	0.1	2.1
Fleet Management	41.6	28.6	66.4	66.4	48.8
Marine Navigation Services	13.8	16.7	22.0	23.8	6.1
Marine Communications and Traffic Services	7.3	9.5	11.7	9.6	2.8
Icebreaking Operations	—	—	—	—	—
Rescue, Safety and Environmental Response	—	0.7	—	—	0.6
Hydrography	—	—	—	—	2.5
Harbours	20.3	16.7	12.7	12.6	18.7
Policy and Internal Services	11.4	29.2	14.7	6.1	32.6
<b>Total Capital Spending</b>	<b>94.4</b>	<b>101.4</b>	<b>127.5</b>	<b>118.6</b>	<b>114.6</b>
* The Fish Product Inspection business line was transferred to the Canadian Food Inspection Agency effective April 1, 1997. For comparative purposes, this business line was excluded from the 1996-97 actuals.					

**Table 10: Capital Projects over \$1,000,000 by Business Line**

<b>(millions of dollars)</b>						
<b>Business Line/ Province/ Project Description</b>	<b>Current Estimated Total Cost</b>	<b>Actual 1996-97</b>	<b>Actual 1997-98</b>	<b>Planned Spending 1998-99</b>	<b>Total Authorities 1998-99</b>	<b>Actual 1998-99</b>
<b>FLEET MANAGEMENT</b>						
<i>New Brunswick</i>						
CCGS <i>Louis S. St-Laurent</i> — Replacement of Propellers	2.0	—	—	1.6	1.6	0.5
CCGS <i>Cygnus</i> — Refit	10.2	—	4.4	6.2	—	5.8
CCGS <i>Sir William Alexander</i> — Crane Replacement	1.5	—	—	0.7	0.7	0.7
<i>Quebec</i>						
Fleet Data Integration — Quebec	2.3	0.7	0.5	0.5	0.5	0.5
<i>British Columbia</i>						
CCGS <i>Bartlett</i> — Capital Refit	3.9	—	—	3.9	3.9	1.9
<i>Headquarters</i>						
Fleet Restructuring — Two Air- Cushioned Vehicles	28.6	14.7	9.6	1.2	2.1	2.1
LAN Renewal	1.3	0.1	0.2	0.3	0.3	0.3
Electronic Equipment Stabilization	3.4	—	—	—	0.6	0.6
<i>Multi-province</i>						
Expand Flag/Datahail System	2.5	0.6	1.5	0.2	0.7	0.7
Chart-based Navigation Display System	5.9	1.6	2.1	1.2	1.2	1.0
Search-and-Rescue Lifeboat Replacement	46.3	5.1	4.3	6.0	6.0	3.3
Maintenance Management Information	7.9	—	0.1	6.9	6.9	2.6
Electronic Navigation Charts	2.7	—	0.1	1.0	1.0	0.2
GMDSS Equipment for CCG Vessels	3.4	—	—	—	2.3	2.3
<b>MARINE NAVIGATION SERVICES</b>						
<i>New Brunswick</i>						
Urgent Repair of Brickwork — Saint John	2.6	—	0.7	0.9	0.9	0.9
<i>Ontario</i>						
HF/DSC in Arctic	1.9	—	—	—	1.0	1.0
<i>British Columbia</i>						
Paint and Grit Blast — Victoria Facility	4.5	0.2	1.7	2.0	2.0	1.7
Construction of Hovercraft Hangar and Apron — Sea Island Base	4.0	—	0.7	2.2	2.2	2.6

**Table 10: Capital Projects over \$1,000,000 by Business Line (cont'd)**

<b>(millions of dollars)</b>						
<b>Business Line/ Province/ Project Description</b>	<b>Current Estimated Total Cost</b>	<b>Actual 1996-97</b>	<b>Actual 1997-98</b>	<b>Planned Spending 1998-99</b>	<b>Total Authorities 1998-99</b>	<b>Actual 1998-99</b>
<b><i>Multi-province</i></b>						
Differential GPS Navigation Service Network	11.3	2.4	1.0	—	2.1	2.1
Solarization of Seasonal Buoys	3.5	0.6	1.0	0.6	0.6	0.6
Aids Inventory and Maintenance Management System	1.9	0.5	0.7	0.1	0.1	0.1
Implementation of Five-year Buoy Initiative	2.9	—	1.1	0.6	0.6	0.6
Marine Aids Modernization (Phase I)	9.4	—	2.9	2.9	2.9	3.3
Environmental Assessment	2.3	—	—	—	2.1	2.1
Lightstation Services Project — Phase 2	3.2	—	—	—	0.3	0.3
<b>MARINE COMMUNICATIONS AND TRAFFIC SERVICES</b>						
<b><i>Quebec</i></b>						
Vessel Traffic Information System — Quebec	9.1	2.1	3.6	0.7	2.0	2.0
<b><i>British Columbia</i></b>						
Relocation of the Vancouver Marine Communications and Traffic Services Centre	5.4	—	1.9	3.4	3.4	1.0
Microwave Replacement — West Vancouver Island	1.3	—	0.4	0.6	0.6	0.5
<b><i>Multi-province</i></b>						
Integration of Marine Communications and Traffic Services	10.4	3.6	2.4	1.5	1.5	1.2
Computer-based Training for Marine Communications and Traffic Services	1.3	0.7	0.1	0.3	0.3	0.1
Implementation of GMDSS	10.7	—	—	—	0.2	0.2
<b>HARBOURS</b>						
<b><i>Newfoundland</i></b>						
Port de Grave — Harbour Redevelopment	5.9	1.9	1.5	1.7	1.7	1.7
Bay de Verde — Breakwater Extension	2.0	—	—	0.9	0.9	0.9
<b><i>Quebec</i></b>						
Neuville Breakwater Construction	1.3	—	1.0	0.3	0.3	0.3
St-Godefroi Wharf Reconstruction	1.5	—	1.0	0.5	0.5	0.5
<b>POLICY AND INTERNAL SERVICES</b>						
<b><i>Newfoundland</i></b>						
Northwest Atlantic Fisheries Centre — Roof Replacement	1.5	—	1.1	0.2	0.2	0.2
Southside CCG Base — Wharf Upgrading	6.7	—	—	0.2	0.2	0.2

**Table 10: Capital Projects over \$1,000,000 by Business Line (cont'd)**

<b>(millions of dollars)</b>						
<b>Business Line/ Province/ Project Description</b>	<b>Current Estimated Total Cost</b>	<b>Actual 1996-97</b>	<b>Actual 1997-98</b>	<b>Planned Spending 1998-99</b>	<b>Total Authorities 1998-99</b>	<b>Actual 1998-99</b>
<b><i>Nova Scotia</i></b>						
Bedford Institute of Oceanography — Fish Lab Renovations	3.2	—	—	0.9	0.9	0.9
Bedford Institute of Oceanography — Water Supply Upgrade	3.1	—	—	2.1	2.1	2.1
Bedford Institute of Oceanography — <i>Labour Code</i> Compliance	1.8	—	—	0.3	0.3	0.3
Bedford Institute of Oceanography — Fume Hood and Ventilation Repairs	1.4	—	—	1.4	1.4	1.4
Bedford Institute of Oceanography — New Salt Water Supply	1.3	—	—	0.5	0.5	0.5
<b><i>New Brunswick</i></b>						
Gulf Fisheries Centre	2.8	—	0.6	0.7	0.7	0.7
Gulf Fisheries Centre — Interior Modifications	2.5	—	—	1.0	1.0	1.0
St. Andrews Biological Station — Short-term Plan	2.6	—	—	0.9	0.9	0.9
St. Andrews Biological Station — Electrical Upgrade	1.8	0.5	—	0.7	0.7	0.7
<b><i>Quebec</i></b>						
Maurice Lamontagne Institute — Roof and Skylight Repairs	1.6	—	0.7	0.9	0.9	0.9
Quebec CCG Base — Wharf Repairs	1.8	—	—	0.1	0.1	0.1
<b><i>Ontario</i></b>						
Experimental Lakes Area — Lab Reconstruction	2.2	—	—	1.0	1.0	1.0
<b><i>Manitoba</i></b>						
Freshwater Institute — CFC Removal	1.5	—	0.8	0.3	0.2	0.2
<b><i>British Columbia</i></b>						
Institute of Ocean Science — Wharf Repairs	1.6	—	—	0.1	0.1	0.1
Institute of Ocean Science — Roofing Mid-Life Replacement	2.5	—	—	0.4	0.4	0.4
Pacific Biological Station — Taylor Clemens Building Refit	1.8	—	—	0.1	0.1	0.1
Pacific Biological Station — 600-volt Upgrade	1.2	—	—	0.3	0.3	0.3
<b><i>Headquarters</i></b>						
Move CCG to Centennial Towers	1.2	—	—	1.2	1.2	1.2

**Table 11: Loans, Investments and Advances by Business Lines**

(millions of dollars)					
Business Lines	Actual 1996-97	Actual 1997-98*	Planned Spending 1998-99*	Total Authorities 1998-99*	Actual 1998-99*
Fisheries Management					
Freshwater Fish Marketing Corporation	4.2	—	—	—	—
<b>Total</b>	4.2	—	—	—	—
* Authority to borrow externally was obtained.					

**Table 12: Contingent Liabilities**

As of March 31, 1999, contingent liabilities estimated at \$32.2 million were outstanding against DFO:

- \$0.1 million relates to guarantees approved by the Governor in Council for loans under the *Fisheries Improvement Loans Act*. No new loans were issued during the 1998-1999 fiscal year. The reduction of \$0.1 million in the Department's liabilities under this Act is the result of repayments of loans to financial institutions by fishers.
- \$32.1 million relates to some 50 individual cases of pending or threatened litigation. Most of these claims are for loss of income, injuries sustained by persons and damages to property.

In addition, the Department has contingent gains estimated at \$43.2 million as of March 31, 1999, relating to four individual cases.

Although these cases are in various stages of litigation, it is not DFO policy to comment on their expected outcomes. They must, however, be recognized as potential liabilities or gains against the Crown and are therefore presented for information purposes only.

## 6 Other Information

### 6.1 Contacts for Further Information

#### Departmental Contacts

For more information, contact the following Communications personnel:

Region	Name	Telephone
Newfoundland	Lily Abbass	(709) 772-4328
Maritimes	A.-M. Lanteigne	(506) 851-7757
Gulf	A.-M. Lanteigne	(506) 851-7757
Laurentian	Marcel Thérien	(418) 648-7316
Central and Arctic	Sharon Leonhard	(204) 983-5108
Pacific	Athana Mentzelopoulos	(604) 666-0470
Headquarters	Jo-Anne Brisebois	(613) 990-0219

**Internet address:**

<http://www.dfo-mpo.gc.ca>

## 6.2 Legislation Administered by the Department of Fisheries and Oceans

<b>Statutes</b>	
<i>Atlantic Fisheries Restructuring Act</i> <sup>1</sup>	<i>R.S.C. 1985, c. A-14</i>
<i>Canada Shipping Act</i> <sup>2</sup>	<i>R.S.C. 1985, c. S-9</i>
<i>Coastal Fisheries Protection Act</i>	<i>R.S.C. 1985, c. C-33</i>
<i>Department of Fisheries and Oceans Act</i>	<i>R.S.C. 1985, c. F-15</i>
<i>Fisheries Act</i>	<i>R.S.C. 1985, c. F-14</i>
<i>Fisheries Development Act</i>	<i>R.S.C. 1985, c. F-21</i>
<i>Fisheries Improvement Loans Act</i>	<i>R.S.C. 1985, c. F-22</i>
<i>Fisheries Prices Support Act</i>	<i>R.S.C. 1985, c. F-23</i>
<i>Fishing and Recreational Harbours Act</i>	<i>R.S.C. 1985, c. F-24</i>
<i>Freshwater Fish Marketing Act</i>	<i>R.S.C. 1985, c. F-13</i>
<i>Great Lakes Fisheries Convention Act</i>	<i>R.S.C. 1985, c. F-17</i>
<i>National Energy Board Act</i> <sup>3</sup>	<i>R.S.C. 1985, c. N-7</i>
<i>Navigable Waters Protection Act</i>	<i>R.S.C. 1985, c. N-22</i>
<i>Oceans Act</i>	<i>S.C. 1996, c. 31</i>
<i>Resources and Technical Surveys Act</i> <sup>4</sup>	<i>R.S.C. 1985, c. R-7</i>

1. Certain sections of this Act are also the responsibility of the Ministers of Industry, Finance and State (Privatization and Regulatory Affairs).
2. The Minister of Fisheries and Oceans is responsible for certain parts of the Act while the Minister of Transport is responsible for others.
3. The Minister of Fisheries and Oceans may in some instances administer Section 108 of this Act.
4. The Minister of Fisheries and Oceans has some powers under this Act. However, those powers also exist in the *Oceans Act*.



## 6.3 Statutory Reports

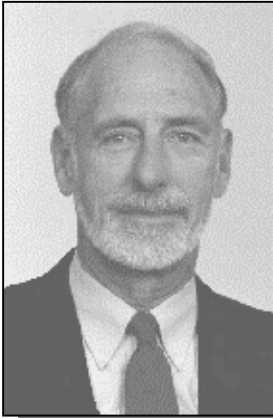
### **Statutory Reports**

*Atlantic Fisheries Restructuring*  
*Fish Habitat Protection and Pollution Prevention*  
*Fisheries Development*  
*Fisheries Improvement Loans*  
*Freshwater Fish Marketing Corporation Annual Report*  
*Marine Oil Spill Preparedness and Response Regime – Annual Report to Parliament*  
*Privacy and Access to Information*

*These documents are available from:*

***Fisheries and Oceans  
Publications Distribution  
200 Kent Street  
Ottawa, Ontario  
K1A 0E6***

## 7 Awards Received by the Department



Hon. David Anderson, former Minister of Fisheries and Oceans, was presented with the Atlantic Salmon Federation's International Award recognizing his achievement in the field of salmon conservation. When Minister Anderson accepted the award, he said he was doing so on behalf of DFO employees who are "on the front lines in the struggle to conserve stocks".

The Steelhead Society of British Columbia honoured former Minister David Anderson with the Cal Woods Memorial Award in recognition of his extraordinary efforts towards salmon conservation and restoration. In accepting the award, Minister Anderson honoured DFO employees across Canada, particularly in the Pacific Region, and dedicated the award to them for their support in protecting and conserving fisheries resources.

Dr. Richard Beamish, senior scientist and former Pacific Biological Station Director, has been awarded the Order of Canada. Known for his originality, Dr. Beamish developed and perfected more accurate methods of age determination for fish and revolutionized the philosophy of management of some valuable species of marine fish. Another major contribution is his discovery of how ocean climate conditions influence abundance of fish stocks, particularly salmon.



Robert Bergeron and Yolaine Maisonneuve, of Small Craft Harbours, Fisheries and Oceans, accepting an award for significant success in partnering with local communities to promote recreational harbour divestiture. Small Craft Harbours was selected as one of the winners of the 1998 Federal Real Property Awards in the category "Major Contribution to the Real Property Community by a Department".

Dr. Alex Herman (third from left), head of the Ocean Physics Section at the Bedford Institute of Oceanography, in Dartmouth, Nova Scotia, was presented a Federal Partners in Technology Transfer Award for the successful commercialization of his Optical Particle Counter, which measures plankton distribution. The technology has been successfully marketed by Focal Technologies Inc., a privately owned Canadian company involved in the development. The company has sold over 70 systems in a dozen countries, worth in excess of \$1.25 million.



Dr. Ora Johannsson, a zooplankton scientist at the Bayfield Institute in Burlington, Ontario, was honoured for co-authoring one of 1997's best papers in the journal *Transactions of the American Fisheries Society*. The paper's title is "Age and Growth of Alewives in the Changing Pelagia of Lake Ontario, 1978-1992". This study was distinct in simultaneously considering the physical and biological aspects of the Great Lakes environment.

Dr. Mohi Munawar (centre), a truly productive, dedicated and talented DFO phytoplankton research scientist based in Burlington, Ontario, is the fifth Canadian recipient in the past 25 years of the prestigious Anderson-Everett Award for Lifetime Achievement, awarded by the International Association for Great Lakes Research (IAGLR). Dr. Munawar has presented more than 60 papers at annual IAGLR conferences and organized 11 IAGLR symposia in addition to his impressive list of scientific publications.





Dr. David Rosenberg, of Central and Arctic Region Freshwater Institute, in Winnipeg, is the 1998 recipient of the Entomological Society of Canada Gold Medal Award. Dr. Rosenberg is recognized for his exceptional contributions to our understanding of the ecology of insects that live in fresh water and the impacts of human activities on rivers and wetlands. Dr. Rosenberg also has many publications to his credit.

The Self-locating Datum Marker Buoy (SLDMB) Project, headed by the Department of National Defence, Seimac Ltd., and the Canadian Coast Guard Project Team, supported by the National Search and Rescue Secretariat, won a gold medal for its excellence, leadership and innovation in management of information and technology in the public sector. Team members include (from left to right) Jim Hanlon, Seimac Ltd.; Mike Voigt, CCG; Ken Mah, Seimac Ltd.; Major Chuck Grenkow, DND; Cary Risley, DND; Ron Burke, Seimac Ltd.; and Don Mosher, DND. This award gives private industry an opportunity to acknowledge the work and dedication of government workers at all levels. The SLDMB has already been credited with saving a life.



# Annex A: Additional Information about the Department

The information presented in this annex provides the reader with additional information on the structure of the Department, its operations and the objectives of each of the business lines.

## A.1 Mandate

The Department of Fisheries and Oceans, on behalf of the Government of Canada, is responsible for policies and programs in support of Canada's economic, ecological and scientific interests in the oceans and freshwater fish habitat; for the conservation and sustainable utilization of Canada's fisheries resources in marine and inland waters; and for safe, effective and environmentally sound marine services responsive to the needs of Canadians in a global economy.

As outlined above, the Department's mandate is extremely broad. It covers:

- management and protection of the marine and fisheries resources inside the 200-mile exclusive economic zone;
- management and protection of freshwater fisheries resources;
- marine safety in areas of federal responsibility;
- facilitation of marine transportation;
- protection of the marine environment;
- support to other federal government institutions and objectives, as the government's civilian marine service; and
- research to support government priorities such as climate change and biodiversity.

Because of its broad mandate, DFO does not operate alone. Federal and provincial governments share jurisdiction in a number of areas related to the Department's mandate, and this is reflected in this report. Stakeholder participation and involvement are also essential, and are reflected in many of the elements of this document.

The mandate, departmental objectives, long-term priorities and goals, and business lines described in this document refer to those responsibilities that fall under federal jurisdiction.

## A.2 Description of the Department's Long-term Goals and Priorities

**Manage and Protect the Fisheries Resource:** To manage, protect and allocate living ocean resources supporting self-reliant fisheries by conserving Canada's fisheries resources and ensuring sustainable utilization.

**Manage and Protect the Marine and Freshwater Environment:** To achieve an integrated, cohesive approach to the management of the marine and freshwater environment through stewardship and protection of productive fish habitat and reduction in the risks and impacts of oil and chemical spills at sea.

**Understand the Oceans and Aquatic Resources:** To acquire, apply and communicate knowledge of Canada's oceans and marine and freshwater resources to support the activities of clients, partners and the operational branches of DFO.

**Maintain Maritime Safety:** To improve the safe use of the marine and freshwater environment to reduce the number and severity of incidents such as collisions and groundings, and to provide aid to persons in distress or imminent danger, thereby minimizing loss of life and damage to property.

**Facilitate Maritime Trade, Commerce and Ocean Development:** To develop the requisite policy and regulatory framework, and to provide the operational services and infrastructure that support commercially sustainable maritime industries.

In support of these long-term priorities, DFO is committed to:

- ❑ striving to continuously improve relations with its clients, involving clients more effectively in key decision-making processes, information sharing and program-delivery mechanisms; and
- ❑ making managers accountable for promoting an environment that provides clear direction and fosters mutual respect, teamwork and professionalism, while delivering quality service to clients, and in which all employees share responsibility for the renewal of the Department and for the development of their own careers.

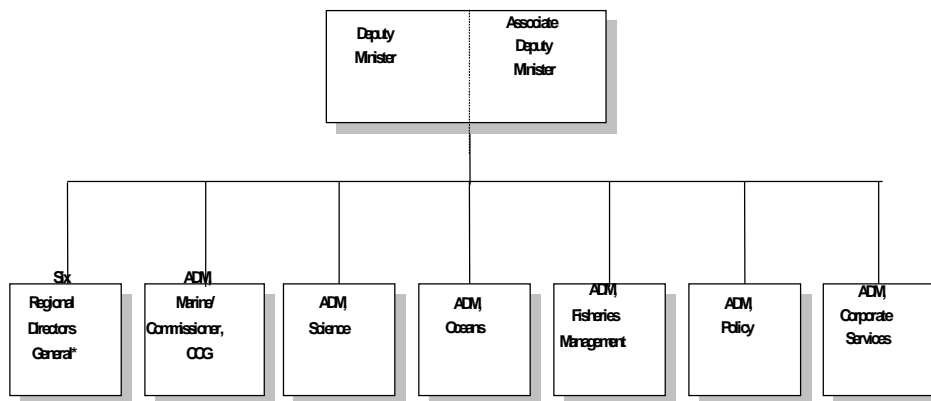
## A.3 Business Lines and Organization Composition

The Department has six Assistant Deputy Ministers (ADMs) responsible for 11 business lines. The Assistant Deputy Ministers are responsible for establishing national objectives, policies and procedures and standards for their respective business lines. The relationship between business lines and long-term priorities and goals is summarized in the following table.

**DFO Business Lines: Contribution to Departmental Priorities**

Business Line	Departmental Priorities								Accountable Manager
	Manage and protect fisheries resources	Protect marine and freshwater environment	Understand oceans and aquatic resources	Maintain maritime safety	Facilitate maritime commerce and ocean development	Improve client relations	Improve employees' work environment		
Marine Navigation Services		✓		✓	✓	✓	✓		ADM, Marine/ Commissioner, CCG
Marine Communications and Traffic Services		✓		✓	✓	✓	✓		
Icebreaking Operations		✓		✓	✓	✓	✓		
Rescue, Safety and Environmental Response		✓		✓	✓	✓	✓		
Fleet Management	✓	✓	✓	✓	✓	✓	✓		
Fisheries and Oceans Science	✓	✓	✓	✓	✓	✓	✓		ADM, Science
Hydrography			✓	✓	✓	✓	✓		
Habitat Management and Environmental Science	✓	✓	✓		✓	✓	✓		ADM, Oceans
Fisheries Management	✓	✓			✓	✓	✓		ADM, Fisheries Management*
Harbours		✓		✓	✓	✓	✓		ADM, Corporate Services
Policy and Internal Services	✓	✓	✓	✓	✓	✓	✓		ADM, Corporate Services ADM, Policy

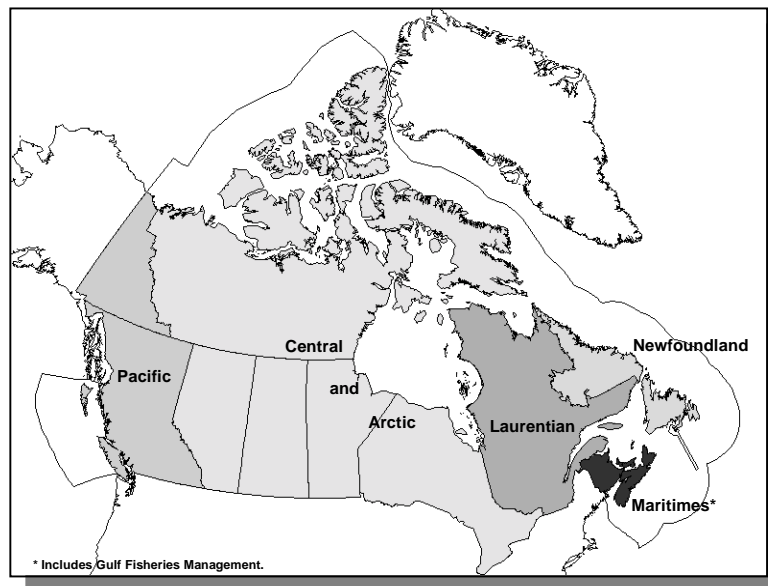
\* Within Fisheries Management, accountability for special capacity-reduction programs rests with ADM, Policy.



The Assistant Deputy Ministers (ADMs) are accountable to the Deputy Minister for the key results of the business lines for which they are responsible.

The program is delivered in the following five DFO regions and a Gulf Fisheries Management Region, each headed by a Regional Director General (RDG) in regional headquarters: Newfoundland Region — St. John's, Newfoundland; Maritimes Region — Halifax, Nova Scotia; Gulf Fisheries Management — Moncton, New Brunswick; Laurentian Region — Québec City, Quebec; Central and Arctic Region — Winnipeg, Manitoba; and Pacific Region — Vancouver, British Columbia. The RDGs are responsible for organizing and managing delivery of programs and activities in their regions in accordance with national and regional priorities and with national program performance parameters set for each program and activity. In short, their role is to mobilize the process and translate the strategic direction in actions at the field level.

### DFO Regions





## **A.4 Objective of the Business Lines**

### ***Fisheries and Oceans Science***

Provides fisheries management and the industry with a reliable scientific basis for the conservation of marine, anadromous and freshwater fishery resources, and for the sustainable development of marine aquaculture; and scientific information on ocean and coastal waters and marine and freshwater ecosystems in support of environment and fish habitat management, integrated resource management, offshore development, climate prediction, marine services, coastal engineering, defence and shipping.

### ***Habitat Management and Environmental Science***

Protects and conserves the marine environment and fish habitat through an integrated management approach.

### ***Fisheries Management***

Manages Canada's fisheries co-operatively, with stakeholders, to conserve the resource and achieve sustainable use for the people of Canada.

### ***Fleet Management***

Provides efficient sea and air support to the DFO program areas of Marine Navigation Services; Marine Communications and Traffic Services; Icebreaking Operations; Rescue, Safety and Environmental Response; Fisheries and Oceans Science; Hydrography; and Fisheries Management.

### ***Marine Navigation Services***

Provides and ensures efficient operation of aids to navigation to assist mariners in determining their position in relation to land and hidden dangers, to reduce navigation risk and vessel transit time, in support of a safe and environmentally sound national marine transportation system.

### ***Marine Communications and Traffic Services***

Provides communications and traffic services for the marine community and for the benefit of the public at large to ensure: safety of life at sea in response to international agreements; protection of the environment through traffic management; efficient movement of shipping; and information for business and national interests.

### ***Icebreaking Operations***

Supports economic activities by: facilitating safe and efficient movement of marine traffic through ice-covered waters in the Arctic and in southern waters, which include the Great Lakes and East Coast of Canada; decreasing the risk of flooding in areas prone to or threatened by it as a result of ice build-up; and ensuring that northern settlements and military sites are resupplied annually.

### ***Rescue, Safety and Environmental Response***

Responsible for saving lives and protecting the marine environment.

***Hydrography***

Provides nautical information products for safe and efficient navigation in Canadian and bordering international waters.

***Harbours***

Keeps harbours critical to the fishing industry open and in good repair.

***Policy and Internal Services***

Supports the business lines outlined above by maintaining the infrastructure and service base required to provide staff with the information, technology and support needed to achieve the DFO vision and mission, in Canada and abroad, in a timely and cost-effective manner.

# Index

## A

Aboriginal Fisheries Strategy, 18  
Access to Information and Privacy, 50  
Aids to navigation, 35, 80  
Aquaculture, 9, 80  
Aquatic resources, 1, 2, 12, 17  
Arctic, 2, 10, 18, 24, 39, 43, 75, 79, 80  
Arctic Sealift, 39  
Assessment, 14, 18, 19, 31, 52, 56  
Atlantic, 2, 9, 13, 14, 20, 21, 24, 30, 31, 32, 39, 73  
Atlantic Canada Opportunities Agency, 13, 14  
Automated Identification System, 37

## B

Boating safety, 9, 48, 51

## C

Canadian Coast Guard, 22, 35, 39, 42, 44, 57, 75  
Canadian Code of Conduct for Responsible Fishing Operations, 3, 9, 31  
*Canadian Environmental Assessment Act*, 14, 19  
Canadian Fisheries Adjustment and Restructuring Program, 2, 13, 14, 26, 29, 32  
Canadian Hydrographic Service, 3, 19, 43, 44  
Canadian Marine Advisory Committee, 13  
Central and Arctic, 75, 79  
Charts, 43, 44  
Chemical spills, 77  
Climate, 9, 10, 25, 73, 76, 80  
Co-management agreements, 9, 29  
Commercial shipping, 43  
Communications, 8, 16, 37, 40, 41, 51, 78, 80  
Conservation, 1, 2, 9, 11, 13, 14, 15, 16, 17, 18, 20, 24, 25, 26, 27, 29, 30, 31, 32, 33, 41, 52, 73, 76, 80  
Consultations, 13, 24, 26, 32  
Contingent liabilities, 69  
Corporate Services, 49, 50, 51, 78

## D

Differential Global Positioning System, 36, 43

## E

Ecosystems, 9, 10, 11, 14, 26, 27, 52, 80  
Electronic charts, 43  
Environment, 1, 2, 10, 12, 13, 14, 15, 16, 18, 20, 22, 24, 27, 33, 35, 36, 37, 41, 44, 49, 56, 74, 76, 77, 80  
Expenditures, 23, 24, 26, 29, 33, 35, 37, 39, 41, 43, 46, 48, 58, 62

## F

Fish habitat, 1, 11, 14, 19, 27, 76, 77, 80  
Fish stocks, 2, 9, 24, 30, 31, 73  
Fisheries, 1, 2, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19, 20, 21, 24, 25, 26, 29, 30, 31, 32, 33, 41, 48, 57, 58, 69, 71, 73, 74, 76, 77, 78, 79, 80  
*Fisheries Act*, 14, 19  
Fisheries and Oceans Science, 8, 16, 19, 24, 25, 78, 80  
Fisheries Management, 8, 14, 16, 29, 30, 78, 79, 80  
Fisheries resource, 1, 2, 10, 11, 12, 16, 18, 24, 33, 41, 48, 73, 76, 77  
Fisheries Resource Conservation Council, 13, 25  
Fishers, 14, 30, 44, 69  
Fleet Management, 15, 16, 33, 34, 80

## G

Global Maritime Distress and Safety System, 38  
Great Lakes, 36, 74, 80  
Groundfish, 14, 20, 21, 32

## H

Habitat management, 27, 80  
Habitat Management and Environmental Science, 8, 16, 19, 26, 78, 80  
Harbour Authorities, 46  
Harbours, 1, 3, 16, 19, 22, 33, 35, 39, 41, 43, 46, 47, 73, 78, 81  
Human Resources, 13, 14, 51  
Human Resources Development Canada, 13, 14  
Hydrography, 16, 43, 78, 80, 81

## I

Icebreaking Operations, 1, 16, 39, 80  
Ice-covered waters, 39, 80  
Information Management, 33, 57  
Inland waters, 1, 11, 76  
Integrated Fisheries Management Plans, 29  
Integrated Management, 26

## L

Landed value, 21  
Laurentian, 79  
Legislation, 71  
Licence, 9, 32, 48, 51

## M

Marine Communications and Traffic Services, 8, 16, 37, 78, 80  
Marine conservation, 2, 14  
Marine environment, 14, 35, 36, 37, 44, 76, 80  
Marine Navigation Services, 8, 16, 35, 36, 80  
Marine Protected Areas, 2, 9, 26, 49  
Marine safety, 37, 38, 76  
Marine services, 11, 13, 15, 76, 80  
Marine Services Fee, 39  
Marine transportation, 13, 35, 76, 80

## N

National Recreational Boating Advisory Committee, 13  
*Navigable Waters Protection Act*, 19  
Navigation, 8, 14, 15, 16, 35, 36, 37, 43, 78, 80, 81  
Northern settlements, 80  
Northwest Atlantic Fisheries Organization, 2, 30

## O

*Oceans Act*, 13, 14, 17, 26, 27, 52  
Oceans Management Strategy, 13, 17, 18, 26, 48

## P

Pacific, 2, 9, 13, 14, 24, 25, 26, 29, 32, 48, 49, 51, 73, 79  
Pacific Fisheries Resource Conservation Council, 13, 25  
Pacific salmon, 14, 32  
Pacific Salmon Treaty, 2, 9, 29, 51  
Partnering, 3, 46, 47, 73  
Performance commitments, 1, 4, 5, 6, 7, 8, 16  
Plans and strategies, 12  
Policies, 1, 2, 11, 14, 31, 32, 51, 57, 76, 78  
Policy and Internal Services, 48, 81  
Pollution, 17, 19, 41, 42  
Pollution emergencies, 41  
Priorities, 9, 12, 16, 17, 18, 20, 23, 31, 33, 35, 37, 44, 46, 50, 52, 58, 76, 77, 78, 79  
Program improvements, 25, 27, 31, 34, 36, 38, 40, 42, 44, 47  
Protection, 2, 14, 15, 18, 19, 20, 24, 25, 27, 29, 30, 31, 33, 35, 37, 44, 48, 76, 77, 80  
Public awareness, 9

## R

Recreational boaters, 17, 43  
Recreational Harbour divestiture, 73  
Regional offices, 13  
Regulatory initiatives, 17, 53, 54, 55  
Rescue, Safety and Environmental Response, 8, 16, 17, 41, 78, 80  
Resource Management, 10, 13, 18, 20, 80

## S

Salmon, 2, 9, 14, 25, 26, 27, 29, 30, 32, 49, 51, 73  
Science, 8, 14, 16, 17, 18, 19, 24, 25, 26, 78, 80  
Scientific information, 24, 80  
Scientific understanding, 24  
Search and Rescue, 42, 75  
Service standards, 19, 47, 51  
Shellfish, 21  
Small Craft Harbours, 35, 73  
Spills at sea, 77  
Stock assessment, 14, 18  
Stock status, 19, 20, 24  
Stocks, 2, 9, 24, 30, 31, 73  
Sustainable development, 1, 17, 26, 52, 80  
Sustainable fisheries, 9

## T

Technology, 9, 10, 17, 33, 37, 38, 43, 48, 50, 51, 74, 75, 81

## U

United Nations, 9, 10, 48, 49

## V

Viability, 2, 14, 20, 21

## W

Waterways, 1, 3, 16, 22, 33, 35, 41, 43  
Western Economic Diversification, 13, 14

## Y

Year 2000, 24, 33, 35, 37, 43, 48, 56, 58  
Youth, 17