

SYDNEY TAR PONDS AGENCY

*Annual Accountability Report For
The Fiscal Year 2005-2006*

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Accountability Statement

The accountability report of the Sydney Tar Ponds Agency for the year ended March 31, 2006, is prepared pursuant to the Provincial Finance Act and government policies and guidelines. These authorities require the reporting of outcomes against Sydney Tar Ponds Agency business plan information for the fiscal year 2005-2006. The reporting of Sydney Tar Ponds Agency outcomes necessarily includes estimates, judgements and opinions by Sydney Tar Ponds Agency management.

We acknowledge that this accountability report is the responsibility of Sydney Tar Ponds Agency management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the Sydney Tar Ponds Agency business plan for the year.

Crown Corporations

Minister

Minister

Acting CEO

Board Chair

CEO

Accountability Report 2005-2006
Sydney Tar Ponds Agency

Mission

To focus Nova Scotia's efforts in the Muggah Creek watershed cleanup project, and to make the most effective use of provincial resources in cooperation with the federal government and community partners.

Sydney Tar Ponds Agency's mission has been expanded to include community partners. This expanded mission recognizes the importance of the community in the cleanup plan. Community input in the cleanup plan is formalized through the Community Liaison Committee.

Strategic Goals

The Sydney Tar Ponds Agency's (STPA) strategic goals as articulated in its 2005-2006 Business Plan are:

In the capacity of lead agency, for the implementation of the previous cost share agreement and the recently signed Memorandum of Agreement between government partners, implement projects and initiatives in the pursuit of the cleanup of the Muggah Creek watershed, at the direction of the Management Committee;

On behalf of Nova Scotia, engage the federal government in finalizing negotiation of a renewed cost share agreement for the final cleanup of the Muggah Creek watershed;

Communicate effectively with the public, both directly and through the media, about steps being taken to clean up the Muggah Creek watershed, and co-ordinate these communications with appropriate provincial departments and agencies, the federal government and appropriate community stakeholders, such as the recently created Community Liaison Committee;

Effectively deploy and co-ordinate provincial resources in the Muggah Creek watershed cleanup and, where appropriate, support the decommissioning of the Sydney Steel plant, through cooperative activities with Sysco and Sydney Environmental Resources Limited (SERL); and

Optimize the working interface between the federal government and appropriate community stakeholders in the cleanup of the Muggah Creek watershed and related properties.

Priorities

1. Contract Management

BUSINESS PLAN PRIORITY	RESULTS ACHIEVED
<p>Actively participate in and facilitate the management decision making process as part of the joint funding agreement between government partners respecting the Muggah Creek watershed cleanup.</p>	<ul style="list-style-type: none"> - Participated in meetings and discussions which led to the successful negotiation and signing of the Interim Cost Share Agreement with the Government of Canada. - Ongoing participation in meetings with the Government partners including the operations Advisory Group and the Technical Working Group. - Committee formation and related terms of reference 75% complete at end of fiscal year.
<p>In the capacity of lead agency, initiate and manage projects for which Nova Scotia has contract responsibility.</p>	<ul style="list-style-type: none"> - Caused the Victoria Road Watermain project to be completed under the direction of the Cape Breton Regional Municipality. - Ongoing management of the Coke Ovens Brook Realignment and site air monitoring projects. - Continued the design of the other Preventative Works Projects including the Battery Point Barrier and the Sysco Cooling Pond. - Environmental Impact statement

	100% complete.
Cause projects to be implemented in a cost effective and timely manner in keeping with agreed upon schedules.	<ul style="list-style-type: none"> - Continued preventative works projects within budget envelopes and consistent with a time frame to complete these before the end of the Interim Cost Share Agreement. - Completed the Environmental Impact Statement and submitted the same to the Environmental Assessment Panel on schedule. Responded to all Panel inquires within the recommended time frames.

2. Communications

BUSINESS PLAN PRIORITY	RESULTS ACHIEVED
<p>Develop and execute a plan, in co-operation with the federal government, for communicating effectively with the public, both directly and through the media, about steps being taken to clean up the Muggah Creek watershed.</p>	<ul style="list-style-type: none"> - Completed a joint communications plan including activity schedules and cost estimates. - Received Project Management Committee approval of communications plan via Authorization Memorandum 2005-02. - Developed monitoring plan facilitated via Omnibus polls to gauge public acceptance for the cleanup team and plan.
<p>Take a lead role in deliberations of the Intergovernmental Technical Working Group.</p>	<ul style="list-style-type: none"> - Chaired regular quarterly meetings of the technical working group to increase understanding of the cleanup plan amongst committee members and representative agencies.
<p>Initiate, monitor, and respond to media coverage of issues relating to the Muggah Creek watershed clean-up.</p>	<ul style="list-style-type: none"> - Monitored media coverage, contacted media representatives, prepared news releases and responded to media inquiries on an “as needed” basis.
<p>Work co-operatively with the federal government and relevant community stakeholders in the activities of the Community Liaison Committee.</p>	<ul style="list-style-type: none"> - Continued regular monthly meetings of the Community Liaison Committee with very detailed minutes being produced. - Had Community Liaison Committee members included in North American environmental cleanup site tour.

3. Funding

BUSINESS PLAN PRIORITY	RESULTS ACHIEVED
Engage government partners in negotiations for the purpose of producing a second generation funding agreement for the cleanup phase of the Muggah Creek watershed, on the basis of the May 2004 Memorandum of Agreement.	- Successfully negotiated an Interim Cost Share Agreement for the first 3 year period, \$42 million portion, of the cleanup plan.
Insure that the provincial financial participation in the actual cleanup phase of the sites is based on total agreed amounts outlined in the MOA.	- STPA has been staffed with professional individuals to insure the financial participation of both levels of government is consistent with the intent of the MOA. This professional staff includes a Corporate Services Division with a professional accountant.

4. Support to Sydney Environmental Resources Limited and SYSCO

BUSINESS PLAN PRIORITY	RESULTS ACHIEVED
Foster frequent and regular internal communications between STPA, SERL and Sydney Steel Corporation.	- Communicated regularly with SERL and SYSCO officials. This communication has been facilitated through an executive director who has responsibilities across all 3 organizations.
Review and rationalize the potential for support by SERL in cleanup activities.	- During the year the potential for support by SERL in cleanup activities was extensively reviewed. The reality of the federal government involvement in the cleanup of the Tar Ponds and Coke Ovens sites has led to the determination that this involvement will be very limited.

5. Coordination

BUSINESS PLAN PRIORITY	RESULTS ACHIEVED
Foster frequent and regular internal communication among relevant provincial agencies.	<ul style="list-style-type: none"> - Held regular weekly staff meetings including an executive director of Transportation and Public Works. - Met quarterly with representatives of all provincial departments and agencies having an interest in the Tar Ponds and Coke Ovens Site Cleanup. - Briefed Ministers and Cabinet as required.
Facilitate strategic planning to ensure effective provincial input.	<ul style="list-style-type: none"> - Prepared and executed strategic and operational plans.
Develop and implement a broadly based communications plan.	<ul style="list-style-type: none"> - Completed a joint communications plan including activity schedules and cost estimates.
Advance strategic and timely recommendations to key government decision makers.	<ul style="list-style-type: none"> - Advanced recommendations to Minister and Cabinet on numerous issues, the structure of the agency staff complement, a procurement policy for the agency and the terms and conditions of an Interim Cost Share Agreement with the Government of Canada.

Financial Results

Sydney Tar Ponds Agency Financial Information \$(000)				
Expenditure Category	Budget 2004/05	Forecast 2004/05	Budget 2005/06	Actual 2005/06
Program Expenses - Non Salary	\$1,816	\$1,643	\$353	\$11,281
Salaries and Benefits	\$ 483	\$ 493	\$336	\$ 941
Total Program Expenses	\$2,299	\$2,136	\$689	\$12,222
Recoveries*	\$ 899	\$ 893	\$689	\$12,222
Net Program Expenses	\$1,400	\$1,243	\$0	\$0
Funded Staff (FTE)	6	6	4	11.9

*Source of recoveries: Muggah Creek Remediation Fund 40%

Interim Cost Share Agreement 60%

The Interim Cost Share Agreement with the Federal Government was not signed until the fall of 2005. Therefore, the expenditure budget included in the business plan for 2005/06 fiscal year only contemplated departmental resources. The significant variance in actual amounts vs. budget is a result of moving forward with the cleanup plan, once successful negotiation of the Interim Cost Share Agreement concluded.