

**NOVA SCOTIA LANDS INC.**

**ANNUAL ACCOUNTABILITY REPORT  
FOR THE FISCAL YEAR 2011-2012**

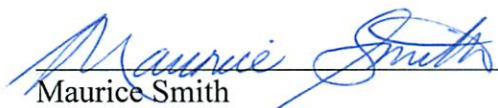
# TABLE OF CONTENTS

1.0	Accountability Statement.....	1
2.0	Message from Nova Scotia Lands Inc.....	2
3.0	Introduction.....	3
3.1	Report Structure .....	3
4.0	Priorities and Accomplishments .....	3
5.0	Performance Measures .....	5
6.0	Financial Results .....	7

## 1.0 Accountability Statement

The accountability report of Nova Scotia Lands Inc. (NSLI) for the year ended March 31, 2012, is prepared pursuant to the *Provincial Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the NSLI's Business Plan information for the fiscal year 2011-2012. The reporting of Nova Scotia Lands Inc. outcomes necessarily includes estimates, judgments and opinion by NSLI's management.

This accountability report is the responsibility of NSLI's management and is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in NSLI's Business Plan for the year.



Maurice Smith

Minister, Department of Transportation and Infrastructure Renewal



Gary Campbell

President, Nova Scotia Lands Inc.

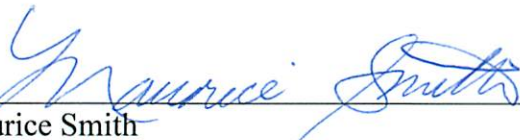
## 2.0 Message from Nova Scotia Lands Inc.

I am pleased to present Nova Scotia Lands Inc.'s Accountability Report for the 2011-2012 fiscal year. This report provides an overview of NSLI's priorities and accomplishments.

Nova Scotia Lands Inc. provides a variety of services to support the provincial government in decommissioning and redevelopment of the former Sydney Steel (Sysco) plant site and other former industrial lands. NSLI continues to work with levels of both provincial and federal government, in the administration of the cost share agreement for the cleanup of the Sydney Tar Ponds and Coke Ovens site.

I hope you will find the information helpful in understanding the NSLI's progress in remediation and redevelopment of provincial industrial properties.

Sincerely,



Maurice Smith

Minister, Department of Transportation and Infrastructure Renewal

## **3.0 Introduction**

The Annual Accountability Report is a report on the progress achieved by NSLI towards the goals, priorities, performance measures and financial targets established in the 2011-2012 Business Plan and are available at <http://www.nslands.ca>.

Nova Scotia Lands Inc. was established in August 2006 to finalize the decommissioning of the Sydney Steel (Sysco) plant, redevelop the 180 hectare (445 acres) site, assist in the remediation of the Sydney Tar Ponds and provide the Province with technical support in the remediation of other provincially owned contaminated sites. NSLI's mission is to prioritize for action, assess and, where necessary, remediate provincially owned properties, with the objective of returning these lands to reusable condition, with no substantial safety or environmental concerns.

As a Crown corporation, NSLI reports to a Board of Directors. The minister responsible for the Crown Corporation is the Minister of Transportation and Infrastructure Renewal. NSLI maintains its office at Sydney, Nova Scotia, along with a presence at the department's Head Office in Halifax.

### **3.1 Report Structure**

This report is organized into two main sections. The first section outlines NSLI's progress and accomplishments against the priorities identified in the 2011-2012 Business Plan. The next section provides details regarding performance measures and the results achieved. The financial results of Nova Scotia Lands Inc. are reported on in the Audited Financial Statements. These statements are available at <http://www.nslands.ca>.

## **4.0 Priorities and Accomplishments**

Nova Scotia Lands Inc. secures the majority of its funding from the Provision established in 2001 for the decommissioning of Sysco and the remediation of the Sydney Tar Ponds and Coke Ovens site.

The work of NSLI is closely aligned and integrated with the activities of Harbourside Commercial Park Inc. and the Sydney Tar Ponds Agency.

In addition to the ongoing activities that support the development of Harbourside Commercial Park and the remediation of the Sydney Tar Ponds, NSLI can report the follow accomplishments:

### Former Sysco Site Decommissioning

Demolition of the site infrastructure has been completed, with 50 structures demolished, and the environmental remediation of the property is well advanced. The majority of steel plant assets have been sold or disposed of. Some areas require continued environmental site assessment (ESA) studies and may need further remediation.

### Finalize Solidification (Hazco Contract)

The solidification at the Blast Furnace site is complete.

### Building Reuse

Fifteen buildings have been retained and redeveloped for reuse within Harbourside Commercial Park. All of the buildings have been either sold or leased.

### Sydney River Pumping Station

Decommissioning of Sydney River Pumping Station is complete.

### Phase II Site Remediation

An additional 22 hectares (55 acres) have now been remediated and have been transferred to Harbourside Commercial Park for sale or rental. Phase III (48.4 acres) is in the process of being transferred to Harbourside Commercial Park.

### Infrastructure Development

Extensive road, rail and other infrastructure systems have been completed on the former Sysco site. Phase III roads are now complete, soccer field/walking track has been open to the public.

### Reuse of Slag Product

Through the establishment of a private sector company (Portside Aggregates), over 140,000 tonnes of slag aggregate is being sold into the local market and beyond.

### Coke Ovens Tar Cell Road Construction

Capping the cell has been completed, and a new signaled intersection has been built. Funding for this phase of the project was provided by the Federal-Provincial Sydney Tar Ponds and Coke Ovens Remediation Project Cost Share Agreement.

### Coke Ovens Site Capping

NSLI provided support to the STPA, by undertaking project management activities for the \$6 million capping of the Coke Ovens site project.

### Whitney Pier Heritage Trail

NSLI, in working with the Cape Breton Regional Municipality, has completed the development of the Whitney Pier Heritage Trail between the former Sysco site and the community of Whitney Pier.

### Industrial Water Supply

The major industrial water supply to the former Sysco plant and other industrial users had become a liability concern. NSLI developed a new \$8,000,000 process water system from Grand Lake which supplies water to the Harbourside Commercial Park facility. This system is critical for use of the former Sysco Wharf, the Tar Ponds project and the supply of coal to Nova Scotia Power Inc.'s Cape Breton power plants. The contract has been completed.

### DSME Trenton

NS Lands have managed hazards assessments and hazardous materials removal, demolition contracts, soil remediation and site preparation for Daewoo Shipbuilding and Marine Engineering.

### Environmental Assessment and Remediation of Other Sites

Complete physical assessments on selected sites and complete CCME-based environmental assessments on higher priority sites. Assessment is ongoing as required.

## **5.0 Performance Measures**

This section provides detailed information on the outcomes and performance measures of Nova Scotia Lands Inc.

Outcomes and measures outlined in the 2011-2012 Business Plan included the following targets. The status of these targets is:

<b>Outcome</b>	<b>2011-2012 Target</b>	<b>Status</b>
Continue with final environmental site assessments	100%	Complete

<b>Outcome</b>	<b>2011-2012 Target</b>	<b>Status</b>
Finalize solidification (Hazco) contract	Work complete	Complete
Remove final above-ground and under-ground piping	Complete removal activity	Complete
Continue soil remediation activities	Complete high dump area	50% Complete
Tar cell area remediated and redeveloped	Work completed	Complete
Manage operation of contaminated material	45%	Ongoing
Finalize two environmental assessment studies	Reports complete	Complete
Identify health and safety issues	All main H & S issues dealt with	Complete
Finalize construction and commission water supply	Water system in use	Complete
Shut down Sydney River system	Systems shut down and decommissioned	Complete



## 6.0 Financial Results

	<b>Budget 2011/12 (\$000s)</b>	<b>Actual 2011/12 (\$000s)</b>	<b>Variance (\$000s)</b>
Revenue:			
Management Fee from HCPI	105	121	16 <sup>1</sup>
Other	4053	8949	4,896 <sup>2</sup>
<b>Total Revenue</b>	<b>4158</b>	<b>9070</b>	<b>4,912</b>
Expenses:			
Payroll	1003	875	(128) <sup>3</sup>
General and Administrative Expenses	490	223	(267) <sup>4</sup>
Project Management	100	582	482 <sup>5</sup>
Security Services	95	88	(7) <sup>6</sup>
Site Reconstruction	4463	5483	1,020 <sup>7</sup>
Cleanup and Containment	2700	4774	2074 <sup>8</sup>
<b>Total Expenses</b>	<b>8851</b>	<b>12025</b>	<b>3,174</b>
<b>Recovery from Sysco</b>	<b>4878</b>	<b>3119</b>	<b>(1,759)</b>
<b>Net Income</b>	<b>185</b>	<b>164</b>	<b>(21)</b>

<sup>1</sup> Management Fee: Decrease in rental income and anticipated sale did not take place

<sup>2</sup> Other: Variance due to reimbursements from other projects, Coke Ovens and DSME Trenton. Unbudgeted projects and increases in projects realized after budget was submitted

<sup>3</sup> Payroll: A decrease in payroll is due to the elimination of 1.5 positions. One full time position was eliminated and half of the salary of another position is recoverable from STPA for work

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performed on their behalf.

<sup>4</sup> General and Administrative Expenses: Projects were deferred to 2012/13, put on hold etc.

<sup>5</sup> Project Management: An increase of \$482,000 in Management fees for C06 due to an increase in the scope of the work being performed. Management fees related to work performed in Trenton increased due to unplanned work realized after budget date. Completion of work to be carried out in 2012-13.

<sup>6</sup> Site Security: All security costs other than the expenses relating to NLSI are recoverable – i.e. STPA is recoverable, etc.

<sup>7</sup> Site Reconstruction: Variances due to site expenses for site remediation at Coke Ovens (C06) site and DSME Trenton. Recoverable from ACOA and STPA – increases in budgets

<sup>8</sup> Cleanup and Containment: Variances due to site expenses for site remediation at Coke Ovens (C06) site and DSME Trenton. Recoverable from ACOA and STPA – increases in budgets