

NOVA SCOTIA LANDS INC.

**ANNUAL ACCOUNTABILITY REPORT
FOR THE FISCAL YEAR 2013-2014**

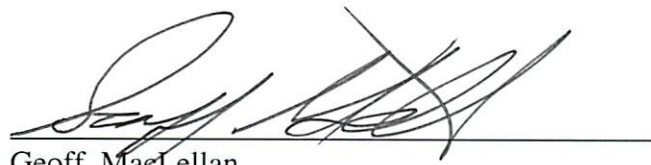
TABLE OF CONTENTS

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, 2014, 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 2013-2014. 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.



Geoff MacLellan

Minister, Department of Transportation and Infrastructure Renewal



Gary Campbell

President, Nova Scotia Lands Inc.

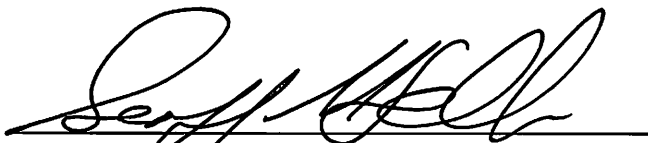
2.0 Message from Nova Scotia Lands Inc.

I am pleased to present Nova Scotia Lands Inc.'s Accountability Report for the 2013-2014 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,

A handwritten signature in black ink, appearing to read 'Geoff MacLellan', written over a horizontal line.

Geoff MacLellan

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 2013-2014 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, during the 2013-2014 fiscal year, was the Minister of Transportation and Infrastructure Renewal. The responsibility for NSLI was transferred to the Department of Internal Services on April 1, 2014. 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 2013-2014 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 via files on a number of different portfolios, including the Sysco provision, Bowater file, and the MV Miner file.

The work of NSLI includes 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 Rehabilitation

The Phase III ESA in the tank farm area has not been completed. It has been deferred until the area is used, in the future. All known contaminated areas have been remediated, except the tank farm area. The bioremediation of the high dump sludge area has been completed. General maintenance and monitoring well checks are ongoing. The slag quarry continues to operate. The air monitoring and groundwater sampling continues.

Former Sysco Site Redevelopment

The final grading and levelling of the ore field area has been deferred pending potential sale of property.

Support to the Tar Ponds and Coke Ovens Project

Management support on the Coke Ovens site for grading and capping has ceased now that capping is complete. The federal/provincial Project Management Committee has been disbanded. The NSLI landfill cell has been capped. Work of the co-chair of the Environmental Management Committee has been completed.

NS Sites Review and Prioritization

Continue to meet with those with vested interests (Natural Resources, Public Works and Government Services Canada, etc.) who may have knowledge of the sites and may have already identified problems or have had assessments done. Work with other Government departments on cleanup and redevelopment of Provincial sites.

Environmental Assessment, Remediation and Redevelopment of Other Sites

New physical assessments have been done on the MV Miner. Continue other ongoing assessments at Bowater and Pictou Wharf. The Long Term Maintenance Program on the STPA site has been put in place. NSLI continues to manage redevelopment at the Pictou Wharf. Assisting in management and redevelopment of the Bowater site into a commercial park continues.

Sydney River Water System

Management of the Sydney River Dam and fish ladder as well as the Grand Lake dam and fish ladder continues.

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 2013-2014 Business Plan included the following targets.

The status of these targets is:

Outcome	2013-2014 Target	Status
Continue with final environmental site assessments	100%	Deferred until future land sale.
Long Term Monitoring Plan of STPA site	100%	Completed and active
Manage operation of contaminated material cell	100%	All material placed and capped
Coke Ovens capping engineering oversight	100%	Complete
Coke Ovens CO6B South	100%	Capping completed
Coke Ovens CO6A North	100%	Capping completed
Pictou Wharf redevelopment	100%	Utilities upgrades complete, fender contracts deferred
Identify health and safety issues	All main H & S issues dealt with	Complete
Manage Bowater(Renova)site	100%	Demolition 80% complete
Commercial activity on Renova wharf	100%	Ongoing, currently have one client

6.0 Financial Results

	Budget 2013/14 (\$000s)	Actual 2013/14 (\$000s)	Variance (\$000s)
Revenue:			
Management Fee from HCPI	100	91	(9) ¹
Other	5569	4528	(1041) ²
Total Revenue	5669	4619	(1050)
Expenses:			
Payroll	1210	1032	(178) ³
General and Administrative Expenses	496	248	(248) ⁴
Project Management	90	100	10 ⁵
Security Services	115	137	22 ⁶
Site Reconstruction Cleanup and Containment	3714	2878	(836) ⁷
Total Expenses	5625	4395	(1230)
Recovery from Sysco	4071	2548	(1523)
Net Income	44	224	(180)

¹ Management Fee: Best estimate at time.

² Other: Some projects deferred, Pictou wharf Fender contract, LTMM not in place until end of year. Renova site management, \$275,000

³ Payroll: Best estimate at time, two employees at Renova not hired until end of summer.

⁴ General and Administrative Expenses: Travel down; project costs transferred to Renova, TIR took over some of the Pictou wharf charges.

⁵ Project Management: Best estimate at time

⁶ Security Services: All security costs other than the expenses relating to NLSI are recoverable – i.e. STPA is recoverable, \$57,000 recovered.

⁷ Site Reconstruction: Road paving budget turned over to CBRM, saving of \$500,000; North Amenities Maintenance building deferred, a saving of \$150,000.; ore field grading and levelling deferred, \$100,000.; South sub decommissioning deferred, \$70,000