

## **Premier Ball Speaking Notes: Marine Protected Areas Panel**

### **May 8, 2018 – Check Against Delivery**

Good day and thank you for this opportunity to present on behalf of the people of Newfoundland and Labrador.

I'm pleased today to be joined by my Honorable Colleagues, Minister of Natural Resources Siobhan Coady and Minister of Fisheries and Land Resources Gerry Byrne.

Our province exists because of our connection to the ocean.

When people first settled here, it was because of the ocean and the wonderful resources that it provides.

To this day, our communities are still scattered across our rugged coastline – located in places offering the best access to our harbours and inlets.

There is no Newfoundland and Labrador without the ocean and our connection to it.

It is who we are.

Newfoundland and Labrador has a coastline of more than 29,000 kilometers – which is the most of any Canadian province and 3,000 kilometers more than province number two, British Columbia.

The vast importance of the ocean to our economy is witnessed in many industries such as fishing and aquaculture, oil and gas, tourism, transportation and ship building.

With 29,000 kilometers of coast line, and about 90% of our population living by coastal waters, decisions involving the oceans and what happens there has a disproportionate impact on this province. It is arguably more important to us than to any other province in Canada.

For centuries our provincial economy was based on the cod fishery, but today our economy consists of a diversified fishery, oil and gas sector, tourism, ocean technology and aquaculture industries.

These industries are vital to our provincial economy, allowing Newfoundland and Labrador to continue to contribute to the Canadian economy as the only Atlantic Province not receiving equalization from the Federal Government.

The panel may not be aware, but Newfoundland and Labrador is in a fiscal position that's very different than that of our maritime neighbours.

While for all the other provinces (Quebec and the Maritimes), equalization allows them to have balanced budgets and much more fiscal flexibility, this is not the case for our Province.

So the management of the oceans and the critically important industries to our economy are unequalled in importance to us.

Since 2008, Newfoundland and Labrador has paid its own way, being classified by the Federal Government as a “Have” province.

The revenue from our offshore industry contributes significantly to the federal coffers and we have remained diligent in identifying opportunities and utilizing this resource for the benefit of not only ourselves - but for Canada as a whole.

Up and until the end of 2016, our province contributed an estimated \$13 billion to the federal government from all offshore oil and gas projects combined.

And an additional \$12 billion is expected to accrue to the federal government from 2017 to the end of the projected field life of our current projects.

Though we’ve had unprecedented fiscal challenges over the past few years, due to global commodity pricing, our province is proud to contribute to the Canadian economy and steadfast in our desire to reach economy security in the years to come.

## **Brief Snapshot of Provincial Economy:**

As I mentioned, we've had our fair share of fiscal challenges in the last number of years. For instance, when we formed government in 2015, our projected budget deficit was \$2.7 Billion – which for a population of just over 500,000 is not sustainable to say the least.

Over the past 3 years, we have been able to close this gap and our current budget deficit is now \$683 Million – with a creditable plan to return to surplus in 2022-2023.

Our main economic indicators are starting to turn in the right direction as we all feel that the worst is finally behind us and our province is on the right track.

However, there is still substantial risk moving forward, especially when it comes to uncertainty in our ocean economy, which is a main driver of our provincial economy.

For instance, our seafood sector is a significant driver of economic activity in Newfoundland and Labrador and continues to be an important source of employment, particularly in rural areas.

The total value of seafood production remained high in 2017 at around \$1.3 billion and employs over 16,000 people.

And our vision for sustainability and growth for Newfoundland and Labrador, The Way Forward, outlines several initiatives in support of the seafood sector going forward, including growth targets for the aquaculture industry and enhanced industry/government partnerships.

Newfoundland and Labrador's oil and gas industry contributed \$4.3 billion to nominal GDP in 2016, accounting for 15.1% of the provincial total.

Direct employment in the oil and gas industry was approximately 5,300 person years in 2017 and represented 2.3% of total employment in the province.

There are currently four projects producing oil in the province's offshore area: Hibernia, Terra Nova, White Rose and Hebron.

And not only are we succeeding in this industry, we are producing our oil with significantly less emissions.

Currently our offshore produces 12kgs of CO2 equivalence - which is 30% less than the world average and we emit 70% less emissions than the oils sands of Alberta.

Less carbon in the barrel means responsible production, and we are at the very forefront.

On February 19, 2018, the Provincial Government released Advance 2030 – A Plan for Growth in Newfoundland and Labrador’s Oil and Gas Industry. The plan identifies actions to be taken to spur the continued growth and development of the oil and gas industry.

By working collaboratively with industry players, the Provincial Government envisions that by 2030, there will be shorter times between discovery and production; a robust and innovative global supply and service sector; the beginning of commercial gas production; and a world-class energy cluster comprising renewable and oil and gas energy sources.

Also by 2030, the Government envisions over 100 new exploration wells drilled, multiple basins producing over 650,000 barrels of oil equivalent per day and direct operational employment of more than 7,500 people.

Exploration is also of tremendous value to our oil and gas industry, as well as providing the leads for our next big development.

Relative to other offshore jurisdictions, such as the UK and Norway, NL remains relatively unexplored with less than 7% of our offshore area currently licensed.

A number of companies have proposed long-term exploration programs for the offshore and submitted project descriptions to the Canadian Environmental Assessment Agency (CEAA).

These programs could result in up to 85 exploration and delineation wells over the next 12 years.

### **Ocean Supercluster:**

And there are other exciting things happening within our ocean industries, none more important than the recently announced Atlantic Ocean Supercluster.

This is an industry-led initiative focused on building upon Canada's world-class ocean-related business activity, research capacity, and proven technology expertise.

Working with industry partners from fisheries, oil and gas, transportation and more, the Atlantic Ocean Supercluster has a goal to:

- Provide more cost-effective characterization of the ocean environment, from a one-time assessment perspective to near-real-time operational monitoring.
- Strengthen links between ocean-based value chains and providers of enabling technologies
- Develop, deploy, and export innovative technology platforms applicable to multiple ocean industries
- Fill capability gaps in the innovation ecosystem through the attraction, recruitment, training, and retention of diverse, highly qualified personnel

- Extend the global reach, attraction, network and market opportunities for Ocean Supercluster partners
- Address global challenges related to sustainability, reducing carbon foot-print and improving energy efficiency

### **Basic Argument:**

So as you can see, we have a lot riding on our oceans industries and the value that they are providing to the people of our province, and Canada as a whole.

This brings me to the process that the Panel is here to talk about today. Let me get right to my point –we require certainty that any future decisions are made on the basis of a **collaborative, predictable, timely approach based on good science.**

I will remind the panel that a sophisticated national and international write-in campaign is not good science.

In 2016, we were pleased to see the Prime Minister announce the National Oceans Protection Plan .

He noted that it is vital for Canada to have a plan to ensure that our coasts are protected in a modern and advanced way that ensures environmental sustainability, safe and responsible commercial use, and collaboration with coastal and Indigenous communities.

That's why it's so important to get this right, as the current uncertainty that this process has caused is stranding investment and throwing into doubt if indeed we are open to innovation and development within our fundamental industries.

And it's not as if the province of Newfoundland and Labrador is not willing to work together on the Federal Government's goals of 10 percent of its waters protected.

Newfoundland and Labrador has contributed about 22% of Canada's existing protected marine areas, with about 8% of Canada oceans now protected.

If the proposed Laurentian Channel MPA is designated, more than 10% of Newfoundland and Labrador waters will be protected, and we will have helped Canada meet its 2020 targets in our ocean bioregion. We have made our contribution.

In fact, we've been an active participant in this initiative since 2010. However, today we need to be a part of the decision, and we need to ensure that decisions are based on good science and good economic benefit over the long term for our residents.

For instance, in 2011, the Government of Newfoundland and Labrador entered into a collaborative process regarding the proposed formation of the Laurentian Channel Marine Protected Area Regulations.

Development of these Regulations was a collaborative process in which the Newfoundland and Labrador government was a member of the Advisory Committee that aided in their development.

An evidence-based compromise that balanced conservation objectives while not unduly constraining development formed the basis of the proposed Regulations.

However, after this compromise was reached, DFO received feedback from various groups opposed to allowing oil and gas activity within the MPA resulting in the federal government proposing to reverse its position and announce its intention to prohibit oil and gas activity under the Regulations.

Letter writing campaigns by special interest groups should not override years of collaborative work and evidence-based, balanced conclusions. Such behavior in this situation leads to significant uncertainty in our many ocean industries and undercuts the many gains we are striving to make.

We want an ocean economy of the future that is based in innovation, science and collaboration and this is our focus going forward.

And for this to occur, the Province of Newfoundland and Labrador, with more coastline than any other province has to be at the table and has to be respected.

For instance, just a few months ago the Federal Government signed an agreement in Labrador with NG on ocean management which includes an area that the CNLOPB clearly has jurisdiction.

These are not the kind of decisions that the Provincial Government should be finding out about at the last minute. We need to be at the table.

As a province, we've been through a lot. But we're turning the corner and can see a bright future ahead.

To get there we need innovation, we need development, and we need a partner, in DFO, that takes our concerns seriously and works with us.

The ocean economy is too important to our province, to our people. It's why we're here. It's our home. It's our future.

I would now like to introduce Minister Coady to provide more details on Advance 2030 and ongoing and planned exploration activity.

## **Premier Ball Closing Notes: Marine Protected Area Panel**

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Thank you.

And again, thank you to the panelists for the opportunity to present on behalf of the people of Newfoundland and Labrador.

I'd also to acknowledge the presentations made by Minister Coady and Minister Byrne who have been tireless advocates for our province.

These discussions are incredibly important moments in our collective history.

And we must recognize that.

The wellbeing of the people of our province is intrinsically tied to the ocean.

It sustains us.

It drives us to innovate.

It is the stage and the score of our very culture.

As I've said time and time again, the environment and the economy do not, and should not, operate exclusive to one another.

We do not need to shut down the economy to be good stewards of our oceans.

And we do not need to put our oceans at risk to draw from the resources it holds.

What we do need is to engage in respectful, sustainable process – something this province has been doing very successfully since we began developing our offshore resources.

The ocean and its challenges and opportunities are rarely overcome by a single person rowing alone.

We must work together and utilize our best science.

We must act safely and responsibly.

We must engage and listen, but also be heard.

I want to reassure you that our province and its people have the greatest respect for our oceans and we will continue to treat it with the respect it deserves - while investing in innovation to continue to responsibly grow our economy for the benefit of Newfoundland and Labrador and indeed all of Canada.