

VOLUME VII
CHAPTERS 9.3 To 11

WHITES POINT QUARRY & MARINE TERMINAL

**ENVIRONMENTAL
IMPACT
STATEMENT**



9.3.9 Economy – Whites Point Quarry and Marine Terminal

Introduction

Rural Canadians consider economic challenges as among the most pressing challenges facing their communities (Government of Canada 2001 Ref. 118). “In particular, a lack of permanent and well-paying jobs, and the corresponding impact on incomes, places considerable pressure on the sustainability of rural communities. Many of the economic issues facing rural communities are common throughout rural Canada, but are exacerbated in Nova Scotia by its relatively weak economic performance in relation to the Canadian average” (RCIP Project 2003 Ref 96).

The proposed Whites Point quarry and Marine Terminal is located on Digby Neck in Digby County, Nova Scotia. Digby Neck constitutes the local economic area of influence for the quarry which lies within the broader regional economic area of Digby County. Digby Neck is a narrow peninsula between the Bay of Fundy and Saint Mary’s Bay leading to two islands (Long Island and Brier Island). Traditionally, the Digby Neck and Islands economy has been highly dependent upon the fishing industry as its primary source of economic activity.

Many coastal communities in Nova Scotia are facing changing economic conditions, Digby Neck/Islands are no exception. These changes are being induced by several factors including a rationalization of the fishing industry, a general lack of economic diversification and growth, an aging population and deteriorating service infrastructure, especially community wharves. Further complicating these structural industry factors are two general population trends: increasing migration to urban areas and a low birth rate. As a result, rural areas are becoming hard-pressed to retain youth and to rejuvenate stagnating economies.

9.3.9.1 Research

An economic profile of the regional and local area of the Whites Point quarry and Marine Terminal was compiled in 2005 – see – Gardner Pinfold Consulting Economists Ltd. “Digby Neck/Islands Economic Profile”. December 2005 **Ref. Vol. VI, Tab 32**. This study investigated general economic indicators and focused on two industry sectors – the fishery and tourism. The fishery and tourism were identified as key industries throughout the community consultation process. These two sectors will be discussed in detail in subsequent sections of this EIS.

The economic impact of the proposed quarry and marine terminal utilized the EcoTec Economic Impact Model. This state of the art model is a privatized version of the Statistics Canada Interprovincial Input-Output Model. Input-Output analysis simulates how various sectors of the economy interact through the purchase or supply of goods and services. The model provides a means to estimate economic changes that result from new economic activity. In this case, the establishment of a quarry at Whites Point is assumed to be the economic change.

9.3.10 Economy - Fishery

Generally, during the past years, the number of fishers and the number of vessels in the province have both declined. However, the value and tonnage of commercial landings have risen substantially since 1995. This indicates that after the recent rationalization in the fishing industry, the economic benefits of the industry are now being shared by fewer people (RCIP Project 2003 Ref. 96). One exception to the above trend is the lobster fishery. During the past 10 to 15 years, the landed value and number of lobster fishers have maintained a similar pattern. This indicates there has been a constant distribution of benefits over time. Moreover, at present, this industry sector has maintained economic stability.

The Bay of Fundy supports a fixed and mobile gear commercial fishery for groundfish (the more common species include cod, haddock, and pollock); pelagic species such as herring and mackerel; crustaceans (primarily lobster); molluscs (primarily scallop); and local harvesting of sea plants in the area of the proposed Whites Point Quarry and Marine Terminal. Localized harvesting of periwinkles, sea urchins, and more recently an experimental sea cucumber fishery is also carried out in this area of the Bay. Without question, the fishery represents the mainstay of the economy on Digby Neck/Islands. Although the fishery is not as dominant as it once was, it still accounts for the largest source of employment and income for fish harvesters and fish processing workers. The most lucrative sector is the lobster fishery.

Commercial fishing activities are presently occurring on land and water in the vicinity of the proposed Whites Point Quarry. Lobster, herring and sea cucumbers were observed being harvested during the spring and summer of 2002 in the near shore waters in the Bay of Fundy. Traditional community knowledge investigations indicate the once popular herring weir fishery has experienced a steady decline. Historically, a weir was located at Whites Cove but is presently non-existent. Eleven weirs presently exist along the coast of Digby Neck (Bay of Fundy and Saint Mary's Bay) however, only six are active. Again, traditional community knowledge attributes the demise of the herring weir fishery is due to changing technology and the large herring seiner boats that "stalk" the mouth of the Bay of Fundy. The nearest weir is located at Sandy Cove West, approximately four kilometres from Whites Point. Local harvesting of periwinkles was also observed in the intertidal zone. No commercial sea plant harvesting leases are presently issued for this particular section of coastline, (personal communication: Justin Houston, Coastal Zone Coordinator, Nova Scotia Department of Fisheries and Agriculture – June 2005). Traditional community knowledge consultations indicate local harvesting of dulse does occur. Commercial fisheries in the Bay of Fundy for Atlantic salmon were closed after the 1984 season. However, local commercial fisheries for shad, herring and gaspereau in gillnets and herring weirs; and interprovincial herring seiners have remained open and are required to release any Atlantic salmon by-catch dead or alive. Land and water based aquaculture operations are also present on Digby Neck and in the adjacent waters of the Bay of Fundy and Saint Mary's Bay.

A final indicator of tourist visitation is the Visitor Information Centre Statistics published by the Evangeline Trail Tourism Association for the Visitor Information Centre at Tiverton.

<u>Year</u>	<u>Statistics</u>
1999	4,994
2000	3,698
2001	4,388
2002	14,268
2003	2,946
2004	2,606

This data shows an anomalous year in 2002 which is not supported by other data presented previously.

9.3.14.2 Analysis

The above tourism statistics provide insight into the scale of the existing tourism industry on Digby Neck/Islands. During the past ten years (1996-2005) the number of rooms available on Digby Neck/Islands has almost doubled from 49 in 1996 to 84 in 2005. A major indicator of the performance of the tourism industry is the number of rooms sold. On Digby Neck/Islands, the number of rooms sold during the peak tourist season (June – September) averaged about 5,000 room nights during 2000 to 2004 as compared to 59,000 for the whole of Digby County. This number of room nights sold during peak season has remained fairly constant during the past five years in Digby County and on Digby Neck/Islands. Digby Neck/Islands represents 6.9% of the room nights sold in Digby County.

Another indicator of performance of the accommodation sector of the tourism industry is occupancy rate. The average occupancy rate for Digby Neck/Islands (2000 – 2004) during peak season was 54.2% as compared to 64.9% for Digby County. This would indicate a lower capture rate on Digby Neck/Islands which could be due to a variety of reasons.

A primary tourist attraction on Digby Neck/Islands is whale and seabird cruises (adventure tours). In the early 1990s, the fishing industry was undergoing a rationalization due to the decline of the groundfish industry. A government funded program – the TAGS program – was put in place to encourage fishermen to seek other types of employment and leave the fishing industry to reduce capacity. For many coastal communities the TAGS program offered alternatives to fishing while creating opportunities for people in the fishing industry to use their skills, knowledge, and equipment in a “new” sustainable business. The tourism sector fit this new opportunity specifically whale and seabird cruises as well as campgrounds and fixed roof accommodations. Adventure tours by the mid 1990s began its own rationalization and by 1997 an over supply of adventure tour operators versus demand came into question – see – The Economic Planning Group of Canada 1997, Ref. 173. In 2004 there were ten adventure tour operators on Digby Neck/Islands. This number of operators has remained fairly constant for the previous five years. Although one whale and seabird cruise operator has