



Port of Sydney Development Corporation Strategic Plan

2018 - 2020



- 1** Background
- 2** **The Current Environment**
Cruise Business, Economic Impact and Challenges
Predicted Cruise Traffic
- 5** **Looking to the Future**
- 6** **Our Vision**
- 7** **Our Mission**
- 8** **Our Values**
- 9** **Strengths and Opportunities of the Port**
- 11** **Key Result Areas and Strategic Objectives**
- 16** **Measuring Our Success**



Background

The Port of Sydney Development Corporation (PSDC) was established in 2015 to replace Sydney Ports Corporation. The organization is a self-sustaining corporation and has a mandate which includes the Sydney Marine Terminal and related commercial business, as well as the marketing and development of Sydney Harbour.



The Sydney Marine Terminal and specifically the Joan Harriss Cruise Pavilion was constructed to sustain the cruise business and to compete with other Atlantic Ports in the cruise industry.

The Port of Sydney Development Corporation (PSDC) is governed by a Board of Directors who provide direction to the CEO and develop the strategic direction for the organization.

The Current Environment

The Port of Sydney Development Corporation manages and operates the Sydney Marine Terminal. Included in this operation is the Joan Harriss Cruise Pavilion, a 100 plus metre south dock, a 294-metre dock to the west of the Terminal, and a soon to be constructed 360-metre north dock. The Port of Sydney currently has three main sources of income, including:

- ▶ Cruise vessel visitation
- ▶ Fuel tankers and other vessels
- ▶ Event, market and tenant revenue

With revenues of \$2.3 million and expenses (excluding depreciation) at \$2.2 million (2017), the Port of Sydney is self-sustaining and a valuable asset to the community.

The Port employs 18 people during peak season (April to end October).

Cruise Business, Economic Impact & Challenges

Cruise traffic is the main source of revenue for the Port, growing to approximately \$1 million in passenger tax alone for the 2017 season. Cruise activity is highly concentrated in the period between mid-August and late October (fall colours cruises), compounding the demand for berth capacity by the cruise industry.

Cruise activity in the Cape Breton region is a significant economic driver. In 2017 there were 82 ships that called with 168,269 passengers and crew arriving in Sydney. Economic impact was estimated in excess of \$50 million. Excursions in the Port of Sydney are some of the best in Atlantic Canada and include multicultural experiences. Cruise spending is a critical factor in the success of many seasonal vendors and on-land excursions.

The combination of steady cruise business growth and the concentration of cruise activity, especially during the mid-week period combined with the regular use of the cruise berth for important fuel supply functions, has resulted in berth use scheduling conflicts, particularly during the fall peak cruise season. In 2016, seven ships called that needed anchor and this number increased to 16 in 2017. Anchoring is not favoured by cruise operators resulting in lost Port revenues and reduced passenger spending.



Predicted Cruise Traffic

Cruise traffic projections over the next few years are difficult to accurately predict as the industry is quite cyclical. There are several factors which could impact cruise line decisions in planning itineraries. For the years 2018 and 2019 projections indicate that the industry in Sydney will remain strong. The vision for the Port of Sydney includes continued growth of the fall cruise season with a focus on growth of the spring and summer markets. Increased destination awareness and opportunities through the Atlantic Canada Cruise Association (ACCA) with Canada New England (CCNE) provide opportunities for growth. For 2019 the issue of tendering will be greatly minimized with the addition of a second berth which provides the Port an opportunity to market its new berthing capacity. This will increase visitation to the Port.



Looking to the Future

The vision, mission and values are basic precepts and guiding principles that drive the organization. A unifying vision, a meaningful mission, and adherence to basic values serve to set direction and inspire commitment to the Port of Sydney Development Corporation's future.

Our Vision

To be a leading Atlantic Gateway multimodal hub, operating as a vibrant partner in the global supply chain and committed to the economic development and growth of the Port.



Our Mission

To support, promote and develop the harbour and related infrastructure with a view of growing the economy of the Cape Breton Regional Municipality.

In its advocacy role, the Port of Sydney Development Corporation will strive to create the 'conditions for success' with the aim of optimizing the Port's economic development prospects. The PSDC fulfills its mission through the following responsibilities:

To manage and operate the Port of Sydney in the Cape Breton Regional Municipality, Nova Scotia including the Sydney Marine Terminal;

To develop, build or acquire infrastructure needed for the operation, promotion or economic development of the Port of Sydney and/or its facilities;

To advocate for and assist private enterprise to grow the Port;

To efficiently and effectively manage and administer personnel and infrastructure assets under its care;

To foster a healthy relationship with all levels of government as well as other key stakeholders;

To maintain a close working relationship with Indigenous partners;

To actively market the advantages of using Sydney as a Port of Call;

To promote business development and investments in the Port of Sydney and related businesses; and

To provide an effective and robust communications and outreach plan for the Port of Sydney.

Our Values

Values clarify what we believe in, what we stand for, and how these beliefs are translated into action when we are conducting business and dealing with employees, clients, and stakeholders.

Board members and employees at the PSDC will be guided by these values including, but not limited to:

▶ Honesty and Integrity

▶ Inclusiveness

▶ Quality

▶ Respect

Strengths and Opportunities of the Port

The Port of Sydney Development Corporation as an organization has many strengths. It is our intention to capitalize on those strengths to grow the Port. The PSDC has examined the current landscape in which it operates. We have identified the following strengths which have allowed us to be successful.

STRENGTHS

Strategically located on the eastern seaboard of North America

Protected ice-free harbour and unrestricted access-air and water draft

Sheltered headland providing safe harbour for vessels

Strong relationship with Atlantic Canada Cruise Association & Canada New England

Iconic marine terminal

Skilled workforce

Recent approval of construction of second berth

Indigenous partnerships on projects and governance

Available land for development

Harbour dredged to accommodate ultra- large container vessels

OPPORTUNITIES

Second berth construction in 2018

Acquiring ownership of the harbour from Transport Canada

Advocate for supply of marine fuel

Onsite cold storage facility

Industrial and bulk cargo to second berth

Foreign trade zone designation

Project cargo

Boardwalk and waterfront development

Reconfiguration of spaces in the Joan Harriss Cruise Pavilion

Multi-purpose office space

New navigational aids installation by Canadian Coast Guard

Small cruise potential and homeporting



Looking Forward

Identifying strengths and opportunities is an important component of the strategic planning process. This step in the process provides critical information on strategic issues and priorities for PSDC.

It provides the organization with an opportunity to compare “what is” with “what should or could be”. The following section focuses on the “where we want to be” - our vision of the PSDC in the years to come.

The recent success of the Port of Sydney has largely been because of extensive cruise ship activity. Second berth construction will further enhance the growth of the industry. The Port will continue to monitor the local environment and also the global context. International issues that arise within the shipping industry may impact local opportunities. Consequently, proper planning and two-way communications are instrumental to our continued success.

Key Result Areas and Strategic Objectives

Based on our strategic assessment and our vision, mission and values, the PSDC has identified seven key result areas. These key result areas will be addressed by way of strategic objectives applied over a three-year framework. Results will be tracked through an accountability process as well as through the PSDC's business plan.

KEY RESULT AREAS

- 1 Organization Sustainability, Growth and Development
- 2 Financial Management and Governance
- 3 Facilities and Support
- 4 Quality Assurance and Performance Management
- 5 People and Human Resources
- 6 Reputation Management and Communications
- 7 Health, Safety, Security and The Environment

Strategic Objectives: Port of Sydney Development Corporation

AREA 1: Organizational Sustainability, Growth and Development

STRATEGIC OBJECTIVES:

Sustain current cruise traffic and attract more calls as second berth comes on stream.

Consult with stakeholders such as Indigenous partners, CBRM and Transport Canada to commence the process to acquire the harbour bottom.

Advocate for the installation of navigational aids in Sydney Harbour.

Advocate for a container terminal in Sydney Harbour including upgrade of existing rail line.

Grow non-cruise traffic at the Port including the transport of goods and project cargo.

Develop a marketing strategy to capitalize on foreign trade zone designation.

AREA 2: Financial Management and Governance

STRATEGIC OBJECTIVES:

Operate the Port of Sydney to ensure it is sustainable, in a solvent position and where possible to grow revenues.

Implement best financial practices in operating PSDC by following Public Sector Accounting Standards (PSAS) and by achieving a clean audit opinion.

Ensure board appointments and committee structures are consistent with effective Governance processes.



AREA 3: Facilities and Support

STRATEGIC OBJECTIVES:

To ensure that PSDC's physical infrastructure meets both the current and near future needs of the corporation and incorporates environmentally friendly practices where possible.

To ensure that PSDC's Information Technology infrastructure meets both current and future needs.

AREA 4: Quality Assurance and Performance Management

STRATEGIC OBJECTIVES:

Develop, implement and maintain PSDC validation and quality assurance standards aimed at ensuring the Port remains relevant and effective.

Develop a risk management strategy.

AREA 5: People and Human Resources

STRATEGIC OBJECTIVES:

To ensure PSDC has the right people with the right skills for current and future operations.

To implement human resource policies which would support PSDC as an employer of choice.

Promote a culture of excellence throughout the organization.

Encourage diversity of individuals and a practice of inclusion for staffing.

AREA 6: Reputation Management and Communications

STRATEGIC OBJECTIVES:

Develop and execute a well defined communications strategy to ensure increased public awareness of Port activities.

Develop and implement a defined process for community outreach to increase transparency.

Develop an internal marketing committee to identify strategies to effectively market the Port.

AREA 7: Health, Safety, Security and The Environment

STRATEGIC OBJECTIVES:

Operate the Port in a safe and secure manner.

Ensure safety, security and environmental practices are compliant with provincial and federal standards.

Investigate and adopt new and innovative green technologies which make the Port more competitive.



Measuring Our Success

This plan has outlined the strategies that are necessary in the next two to three years and beyond, if we are to achieve our key results.

An essential part of this process is accountability. In being accountable we intend to track and report on our performance, including progress in our key result areas.

To measure our results, the PSDC will undertake the following key activities:

Conduct annual general meetings open to the public. Audited financial statements along with reports from operations and infrastructure will be presented and compared to planned results. The public will be invited to pose questions.

Economic impact reports will be commissioned and prepared by independent bodies. This will establish baseline economic impact and track economic growth in Port activities in a consistent manner.

Annual anonymous surveys will be completed by all employees. This will allow the board to evaluate how the Port is progressing towards becoming an employer of choice.



Finally, this strategic plan will be reviewed annually by the Board of Directors and changes or revisions will be made as necessary. This plan becomes a “Blueprint for the Future” providing a guide for management and board members and documenting the priorities for growth.



Port of
Sydney
CANADA

PORTOFSYDNEY.CA