



Freshwater Fish Marketing Corporation

Corporate Plan FY2024/25 to FY2028/29

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1.0 Executive summary

The Freshwater Fish Marketing Corporation (FFMC) has played a pivotal role in meeting the unique needs of Canada's commercial inland fishery for 55 years. FFMC remains focused on its vision of being the industry leader in marketing Canadian premium-quality freshwater fish products from Lake to Plate® whose purpose remains true to its 1969 legislated mandate through its current mission statement: *To maximize long term returns to commercial fish harvesters through securing supply, creating an orderly market, promoting international markets, and increasing trade in freshwater fish.*

Since the withdrawal of successive jurisdictions from the *Freshwater Fish Marketing Act (FFMA)* between 2011 and 2017, the Government of Canada has engaged with fish harvesters, communities, and industry stakeholders about FFMC's future. In November 2023, the Government of Canada announced that it plans to transform the Corporation through an open, transparent, and competitive process that will aim to engage partners and stakeholders, promote reconciliation with Indigenous Peoples and encourage market access for rural and remote commercial fish harvesters.

Until the Government of Canada divests of the Corporation, FFMC will continue to fulfill its role in Canada's freshwater fishing industry and pursue its legislated mandate through the strategies and objectives identified in this corporate plan. FFMC's overarching strategic initiatives are:

- **trusted brand of choice:** continue to be the trusted, preferred partner for fish harvesters and customers.
- **operational excellence:** efficient processes, state of the art systems in logistics and supply chain management.
- **culture of performance:** confidence, optimism, and a sense of team supported by transparent communication.
- **diversify revenue:** leverage core competencies in logistics, custom processing to access new sources of revenue.
- **maintain value:** maintain the value of FFMC for the Government of Canada through transformation.

Financial Plan

FFMC's projected operating budget for FY2024/25 is \$76.1 million based on sales revenue of \$73.8 million. Total payments to fish harvesters are forecast to reach \$33.4 million or 45% of sales revenue. Planned retained earnings are \$10.0 million on April 30, 2025. Forecasted total comprehensive loss is \$(2.3) million.

Capital budget

The Corporation expects to spend \$5.4 million on capital investments in FY2024/25.

Borrowing Plan

The aggregate principal amount of borrowings outstanding in FY2024/25 will not at any time exceed \$47.6 million, which is below the maximum statutory limit of \$50 million.

2.0 | Overview

2.1 Corporate mandate

The Freshwater Fish Marketing Corporation (FFMC, the Corporation, or Freshwater) is a federal Crown corporation established in 1969 under the *Freshwater Fish Marketing Act (FFMA)*, for the purpose of marketing and trading in fish, fish products, and fish by-products in and outside Canada. The Corporation must conduct its operations on a financially self-sustaining basis, without parliamentary appropriations.

The Corporation purchases all fish legally caught and offered for sale in its mandate regions, which encompass Alberta and the Northwest Territories. These jurisdictions participate under agreements with the Government of Canada. The Corporation also purchases fish outside its mandate regions from individual fish harvesters or commercial fish cooperatives—specifically, from Saskatchewan and Manitoba, which were signatories to agreements with the Government of Canada until Saskatchewan withdrew from the *FFMA* in 2012 and Manitoba withdrew in 2017.

FFMC achieves its purpose by focusing on the specific activities set out in the *FFMA* and priorities set by the Government of Canada, which are:

- marketing fish in an orderly manner;
- promoting international markets for fish;
- increasing interprovincial and export trade in fish; and
- increasing returns to commercial fish harvesters.

2.2 Public policy role

With the withdrawal of successive jurisdictions from the *FFMA*, since 2017 the Government of Canada has engaged with fish harvesters, communities, and industry stakeholders about the future of the FFMC. In November 2023, the Government of Canada announced that it plans to transform the Corporation through an open, transparent, and competitive process that will aim to will engage partners and stakeholders, promote reconciliation with Indigenous Peoples and encourage market access for rural and remote commercial fish harvesters. Further information is available at:

<https://www.dfo-mpo.gc.ca/fisheries-peches/initiatives/freshwater-marketing-commercial-poisson-eau-douce-eng.html>

2.3 FFMC Vision, Mission and Values

FFMC Vision

- To be an industry leader of premium-quality freshwater fish products through efficient supply chain management, value-added processing, and effective marketing.

FFMC Mission

- To maximize long-term returns to commercial fish harvesters through securing supply, creating an orderly market, promoting international markets, increasing trade in freshwater fish, and supporting the following continuing principles:

- Enable access to international markets;
- Maximize returns to stakeholders; and
- Support the long-term viability of the inland fishery in Canada.

FFMC Values

- **Fairness and respect for all:** Treating everyone with dignity and respect are principles guiding all the work we do.
- **Open, honest, and accountable relationships:** We will continue to be transparent and report on the results of our successes and failures.
- **Fisher-focused:** We will continue to develop our relationships with fish harvesters across western and northern Canada.
- **Teamwork and innovation:** We will invest and develop through collaborative efforts.

2.4 Main activities, principal programs, and financial condition

The following is a description of FFMC's main activities:

Providing access to world markets for Canada's inland fish harvesters — FFMC's reach extends worldwide in both food service and retail marketing channels. Freshwater is one of the world's largest and most consistent suppliers of wild-caught Walleye, Lake Whitefish, mullet, and northern pike. Freshwater provides Canadian fish harvesters access to global markets while reducing their risk by hedging foreign currency sales and managing receivables. Although FFMC is a limited player in the global fish and seafood market, the Corporation is a brand leader in several foreign markets.

Ensuring food safety and quality assurance for Canadian freshwater fish — FFMC's stringent handling, transportation, and processing standards ensure all products meet regulatory requirements. FFMC works closely with the Canadian Food Inspection Agency (CFIA) and customers to ensure its processing facility meets federal and customer requirements for food safety and quality.

Supporting fish harvesters, employees, and customers throughout the supply chain — Commercial fishing is often one of the few primary economic opportunities available in the many remote and northern communities FFMC serves. In many communities where Freshwater operates delivery points, the fishery is the main opportunity for economic development. Many of these communities are predominantly Indigenous (First Nations and Métis). FFMC's presence fosters independent business ownership, increases employment in rural and remote regions of Canada and promotes other direct and indirect economic benefits for fish harvesters, their families, and the wider communities in which they live.

Supporting the sustainability of freshwater fish stocks — Canadian freshwater fish, by virtue of the remote lakes from where they are caught, are an abundant resource. All species are wild caught from freshwater lakes in northern and western Canada. FFMC works with and supports regulators and governments to help monitor and contribute to maintaining long-term sustainable fish populations.

Orderly market and price maintenance — Freshwater buys all fish offered for sale either through its mandate or through fish-purchase contracts. FFMC balances wild-caught supply with market demand. For example, FFMC sells most of its products frozen, coordinating supply with demand and increasing returns to fish harvesters.

Investing in processing infrastructure to meet fishery and market needs — FFMC has invested nearly \$20 million since 2010 in infrastructure, processing equipment and systems to add value to products and ensure food processing standards.

FFMC's activities are consistent with the Government of Canada's priorities. Additional details on FFMC's main activities, principal programs and financial condition are available in our most recent annual report at <https://www.freshwaterfish.com/reports/>.

3.0 | Operating environment

3.1 Economic outlook

Global growth is set to remain challenging, with the impact of monetary policy tightening, weak trade, and subdued business and consumer confidence continuing to impact the Corporation. The economies where FFMC conducts business continue to confront both low growth and elevated inflation, although lower than 2023 peaks. The Organization for Economic Co-operation and Development projects that global GDP growth will slow to 2.7% in 2024 with slight improvement to 3.0% in 2025. Consumer price inflation is expected to continue to ease gradually back towards central bank targets in FFMC's sales markets by 2025, as economic pressures moderate. Geopolitical tensions remain a key source of uncertainty, particularly in the Middle East and in Ukraine where FFMC has customers.

3.2 External environment

FFMC transformation

With the withdrawal of successive jurisdictions from the *FFMA*, since 2017 the Government of Canada has engaged with fish harvesters, communities, and industry stakeholders about the future of the FFMC. In November 2023, the Government of Canada announced that it plans to proceed with the Corporation's transformation through an open, transparent, and competitive process that will aim to engage partners and stakeholders, promote reconciliation with Indigenous Peoples and encourage market access for rural and remote commercial fish harvesters. Further information is available at:

<https://www.dfo-mpo.gc.ca/fisheries-peches/initiatives/freshwater-marketing-commercial-poisson-eau-douce-eng.html>

Great Lakes fish supply

Increased market supply of Walleye continues to place downward pressure on selling prices for this species. Lake Erie Walleye is being aggressively sold in all FFMC's U.S. markets.

The open fish buying market in Manitoba and Saskatchewan

The competitive intensity for fish supply in Manitoba and Saskatchewan continues to grow.

The effect of climate change on the fishery

Climate change is affecting the health of many freshwater lakes from where FFMC buys fish because of fluctuations in water temperature, species composition, spawning patterns, and the timing and variations in fishing seasons compared to historical trends. In Manitoba in 2023, spring and fall fishing seasons were condensed with most fish delivered in the last weeks of the fall season in late October. El Niño may have also contributed to changes in fish deliveries in 2023. The volatility of climate change inserts additional risks into FFMC's operations and business plan.

Revitalization strategy for Great Slave Lake

The Government of the Northwest Territories (GNWT) entered into an agreement with FFMC in May of 2023 to operate the NWT's new fish processing facility in Hay River. FFMC is tasked with staffing the facility and building local capacity to operate the plant. The three-year agreement provides a transitional period in which FFMC will build capacity in the new plant's workforce and capability.

3.3 Internal environment

People and operations

FFMC employs full-time production staff, adding to its workforce during peak delivery periods in June, September, and October. Total employment reaches 425 people during FFMC's peak season. FFMC receives fish at 56 delivery points from over 1,300 fish harvesters. Fish are graded by 38 contracted agents and 8 corporate-owned field agencies. FFMC has roughly 60 management, processing support, selling, and administrative staff. On average, over the next five years, 251 annual equivalent employees will support the purchasing, processing, administration, and marketing of freshwater fish. FFMC's human resource strategy contributes to the success of the organization by providing the guidance and support required to deliver best practices in the human resources field.

Health and safety

The Corporation demonstrates health and safety leadership by ensuring that:

- The Workplace Health and Safety Committee (WHSC) is active and fulfills its mandate;
- FFMC's internal occupational health and safety systems are following requirements under Occupational Health and Safety (OHS) Regulations of the Canada Labour Code Part II;
- There is continuous improvement through the annual scheduled review of OHS system programs and associated safe operating procedures, ensuring education and consistent enforcement of these programs throughout all levels of the Corporation;
- A forum exists to bring forth, discuss, and resolve all occupational health and safety concerns or complaints from FFMC employees in a timely manner, and establish realistic actionable solutions and timelines for resolution;
- All WHSC members actively participate in the implementation review, planning, and amendment to work processes and procedures that may impact occupational health and safety;
- A monthly schedule ensures that a workplace inspection occurs at least once during the fiscal year; and
- An elevated level of communication between the WHSC Committee and FFMC senior leadership ensures action and accountability for all safety related matters.

Labour relations

FFMC engages in positive, mutually respectful relationships with its unions to enable the Corporation and its employees to be more successful. Regular labour management meetings are held between FFMC and union leadership to discuss issues and strategies and share information.

The Public Service Alliance of Canada (PSAC) represents five power engineers at FFMC. Unifor represents fish processing and plant maintenance employees at the Corporation, constituting the majority of FFMC's work force.

In April 2024, FFMC concluded its contract negotiations with Unifor. The renewed collective agreement expires in February 2027. In June 2024 FFMC renewed its collective agreement for 3 years with PSAC.

Employee engagement and enablement

FFMC provides guidance and empowers employees to continue to learn, develop, and have opportunities for necessary training to realize success. FFMC's employees are knowledgeable and experienced in their respective fields and within the industry. The Corporation invests in training to ensure that employees succeed at meeting FFMC's goals. FFMC administers mandatory ethics, respectful workplace and health and safety training regularly. The Corporation's compensation and benefits strategy is competitive and equitable in local labour markets to attract competent staff.

3.4 External reviews

The Office of the Auditor General of Canada in 2017 conducted a Special Examination to determine whether the Corporation's practices ensured that assets are safeguarded, that resources were managed economically and efficiently, and that operations were conducted effectively. Overall, the report found weaknesses and deficiencies in the oversight and management of the Corporation and in the way operations were conducted. Freshwater's Board of Directors accepted all four recommendations and have implemented corrective actions to address the concerns identified. The 2017 Special Examination and the Corporation's action plan in response are available on FFMC's website:

<https://www.freshwaterfish.com/wp-content/uploads/2021/06/SPECIAL-EXAM-Freshwater-Fish-Marketing-ENG-Mar15-2017-FINAL.pdf>

<https://www.freshwaterfish.com/wp-content/uploads/2021/08/Special-Exam-Detailed-Action-Plan-PACP-CHART.pdf>

4.0 | Objectives, activities, risks, expected results and performance indicators

4.1 Objectives and activities

FFMC continues to advance its five strategic objectives and supporting initiatives to support Canadian inland fish harvesters. The Corporation's overarching goal is to maintain its role in Canada's freshwater fishery for the Government of Canada through the transformation process utilizing the following key strategies:

- **trusted brand of choice:** continue to be the trusted, preferred partner for fish harvesters and customers.
- **operational excellence:** efficient processes, state of the art systems in logistics and supply chain management.
- **culture of performance:** confidence, optimism, and a sense of team supported by transparent communication.
- **diversification of revenue:** leverage core competencies in logistics, custom processing to access new sources of revenue.
- **maintaining value:** maintain the value of FFMC for the Government of Canada through transformation.

4.2 Risk overview

FFMC uses its risk management framework as a crucial mechanism for both mitigating the risks faced by the Corporation and identifying future opportunities. The mechanism ensures that risks are identified, assessed, managed, monitored, and reported on in a comprehensive manner. Management considers risks and opportunities at all levels of decision-making.

The Corporation's performance is influenced by factors including competitive pressures, economic conditions, volatility of fish deliveries and conditions in the markets where FFMC sells its products. Also, as a Crown corporation governed under a legislative framework, FFMC's performance could be impacted by changes to shareholder objectives or directions given by governing bodies. By systematically integrating risk management as a key process across the Corporation, FFMC strives to create value for fish harvesters and to compete effectively in world markets. FFMC's seven major categories of risk are demand, strategic, financial, operational, people, resource supply and climate change.

Strategic risk is risk that prevents the Corporation from achieving its operating and strategic objectives. The external environment is monitored to discern if strategic changes are required to address emerging risks. Potential strategic risks are identified and assessed to risk criteria. The critical strategic risk in FY2024/25 is that FFMC remains a going concern as the Government of Canada solicits expressions of interest and reviews proposals for the divestiture of the Corporation.

Demand risk is the potential for monetary loss due to differences between forecasted and actual customer revenue and volume. Sales volume and sales revenue forecasts may be impacted by many components including economic changes in markets where FFMC sells its fish, the financial position of customers, prices of alternative proteins relative to freshwater fish, and changing food service and retail consumer tastes and expectations. These and other demand risks could result in lost profit and unrealized sales opportunities for the Corporation, affecting inventory levels, processing efficiency and achievement of strategic objectives.

Financial risk as the term suggests is risk that involves monetary loss caused by elements impacting FFMC that may include market risk (foreign exchange risk and interest rate risk), credit risk (accounts receivable) and liquidity or cash flow risk.

Operational risk is risk associated with internal resources, systems, and processes used by the Corporation. The key operational risks facing FFMC include inherently inefficient practices, particularly the implementation of round fish

processing and roe extraction used in FFMC’s Winnipeg plant, aging plant infrastructure, the diversity and forms of species purchased, and the complexity of products sold.

People risk is the risk that employees do not follow FFMC’s procedures, processes, and policies, deviating from expected behaviour in a way that could damage the Corporation’s performance and reputation. FFMC maintains a governance structure that includes policies and procedures to guide employee conduct. Deteriorating employee satisfaction could lower motivation and engagement. A loss of organizational knowledge and skills due to employees leaving the organization without an effective succession plan is also a significant risk. Renegotiation of collective agreements with Unifor and PSAC also raises some risks.

Resource supply risk refers to a material change in the volume of fish deliveries to FFMC. Competition for fish supply in the open market is fierce. Additional factors include but are not limited to the population and biomass of specific species, the state of freshwater fish stocks in FFMC’s supply area lakes, and limitations on catch levels determined by annual administered quotas.

Climate change risk is the risk that long-term shifts from changes in temperatures and weather patterns impact fish volumes and the sustainability of fish species throughout FFMC’s supply area. FFMC’s freshwater fish supply chain will experience disruptions in the future related to the permanence of a changing climate.

4.3 Expected results and key performance indicator overview

FFMC uses a strategic management model as a framework to evaluate its performance and to define the major activities under critical business outcomes.

Outcome	Initiative	Performance indicator	FY 2024/25 target	FY 2028/29 target	Data strategy
Maintain value	Meet planned operational and financial commitments	Total comprehensive income/(loss)	\$(2.3) million	\$(0.84) million	Annual data from FFMC's financial systems
		% return to fishers	45.0%	44.0%	Annual data from FFMC's financial systems
		Retained earnings	\$10 million	\$4.3 million	Annual data from FFMC's financial systems
		Reduce expenses	Meet FY2024/25 operating plan of \$76.1 million	Meet FY2028/29 operating plan of \$84.2 million	Annual data from FFMC's financial systems
		Gross and net sales revenue	Meet FY2024/25 sales target of \$73.8 million	Meet FY2028/29 sales target of \$83.4 million	Annual data from FFMC's financial systems
		Direct labour efficiency	Meet planned FY2024/25 direct labour efficiency levels	Meet planned FY2028/29 direct labour efficiency levels	Annual data from FFMC's enterprise requirements planning systems
		Operational costs per kg	Meet planned FY2024/25 operational costs per kg	Meet planned FY2028/29 operational costs per kg	Annual data from FFMC's enterprise requirements planning systems
		Initial payments to fishers	\$33.4 million	\$36.9 million	Annual data from FFMC's financial systems
		Fish deliveries	10.6 million kilograms	10.8 million kilograms	Annual data from FFMC's fish purchases system
		Employee attendance	2% improvement over FY2023/24 actual	10% improvement over FY2024/25 actual	Annual data from FFMC's human resources systems
		Inventory level	Meet planned inventory targets	Meet planned inventory targets	Annual data from FFMC's financial systems

References to kilograms are in round equivalent weight (REW). REW is commonly used in the industry and is the weight of the fish as it was pulled from the water.

5.0 | Financial overview

Expected results for the plan period FY2024/25 to FY2028/29

As discussed in section 4.0, five strategic initiatives support FFMC's vision and mission. These initiatives and the corresponding strategic objectives form the basis for the financial plan. All other sections of the corporate plan form an integral part of the financial plan and should be read in full to obtain a comprehensive understanding of the projected financial results.

The financial plan and key assumptions reflect FFMC's assessment of the Canadian inland commercial freshwater fishery as outlined in section 3.0. The overall outlook for the fishery that FFMC supports in Canada will become increasingly demanding over the planning period.

Appendix 1 – Ministerial mandate letter or direction

FFMC mandate letter

In November of 2023, the Government of Canada announced its decision to move forward on the transformation of the FFMC through an open and transparent competitive process. The competitive process began with a solicitation of interest in early 2024, and will be followed by a bid solicitation process. Bidding criteria for the competitive process will be developed with an aim to promote continued market access for rural, remote, and isolated harvesters, and to promote reconciliation, among other considerations that will be informed through consultation and engagement with Indigenous governments and organizations and industry.

The mandate of the FFMC will continue to the end of transformation. The *FFMA* includes provisions specifically addressing the role of the Corporation in the freshwater fishing industry in Canada. The *FFMA* states that FFMC should market fish in an orderly manner, increase returns to fish harvesters, promote international markets, and increase interprovincial and export trade in fish. FFMC will continue its commitment to maintain the value through to the transformation of the Corporation and meet its legislated mandate.

Appendix 2 - Corporate governance structure

Board of Directors

Freshwater is committed to maintaining a strong governance framework that guides our leadership and strengthens the reputation and value that we have earned across global and domestic markets. We are committed to our legislated mandate, and to maintain the Corporation's role in the western and northern Canadian fishery for the Government of Canada.

The Board of Directors (the Board) has overall responsibility to oversee the management of the Corporation's business and affairs. In exercising its powers and performing its duties, the Board acts honestly and in good faith with a view to the best interests of the Corporation, which involves considering the interests of fish harvesters, employees, and our sole shareholder, the Government of Canada, in accordance with our governing by-laws and applicable legislation.

To fulfill its stewardship responsibilities, the Board establishes and approves Freshwater's strategic direction through a five-year Corporate Plan, and reviews and approves major strategies and goals. It exercises due diligence by assessing risks and opportunities, ensuring the integrity of financial results, and providing timely reports to the Government of Canada.

The Board has eight available positions and as of January 31, 2024, consisted of seven Directors, including the President. While Alberta is a participating province under the *FFMA*, the Alberta director position remains vacant because Alberta closed its commercial fishery in 2014. The Board and its Committees hold in camera sessions at each of their meetings without the presence of management. From May 1, 2023, to January 31, 2024, the Board met 7 times.

Governance framework

In addition to the Board, FFMC's governance framework includes two standing committees to guide corporate decision-making, the Governance committee and the Audit and Risk Committee. The Board and its committees may hire independent advisors as necessary to discharge their duties and responsibilities.

The Governance Committee is responsible to assist the Board in its oversight duties by evaluating and recommending to the Board corporate governance practices applicable to the Corporation. The Governance Committee, among other things, helps the Board to ensure that FFMC management has established appropriate policies and procedures, and that they follow appropriate and best practices, respect the spirit and intent of relevant government guidance and goals, and comply with applicable legislation. The Committee also leads the Board in its review and assessment of the Board's performance.

The Audit and Risk Committee is responsible to assist the Board in discharging its oversight duties relating to risk management, internal controls, financial reporting, the internal and external audit processes, FFMC's system of internal controls, compliance with FFMC's Foreign Exchange Hedging Policy, and compliance with laws and regulations.

Both committees of the board report the results of their activities to the board on a regular basis.

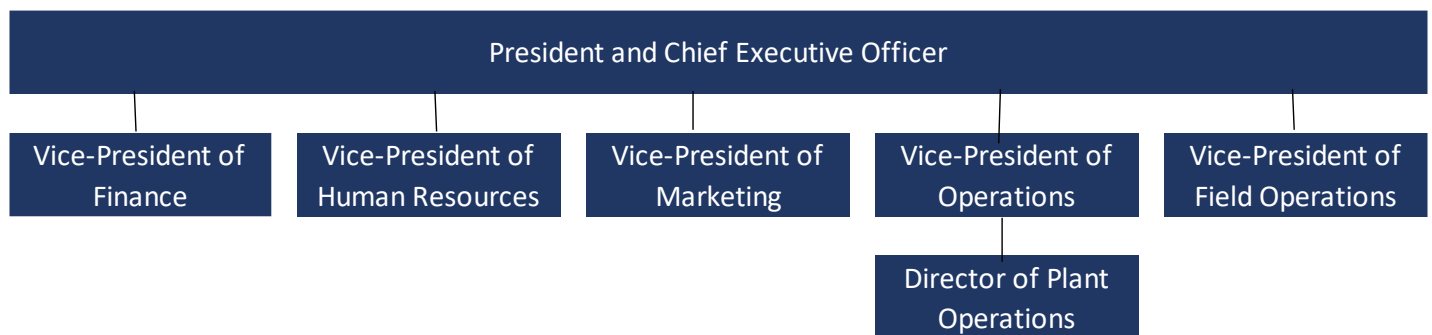
FFMC reimburses Board members for all reasonable out of pocket expenses incurred while performing their duties related to FFMC, including travel, accommodation, and meals. FFMC posts associated travel and hospitality expenses for Board members and senior leadership on its website monthly. The Corporation conducts weekly operational reviews, with senior management focusing on operational key performance indicators (KPI's) that include fish deliveries, material yield, labour efficiency, inventory management, accident frequency, absenteeism, and overtime levels. Progress against the Corporation's strategic goals is monitored and appropriate follow-up action is taken to meet

the objectives of FFMC’s strategic plan. Comprehensive monthly performance reviews with senior management and quarterly reviews with the Board focus on financial and species performance, field operations, fish deliveries, marketing performance, processing operations and human resources.

While the President receives an annual salary, the Chair of the Board earns an annual retainer and a per diem set by the Governor-in-Council pursuant to the *Financial Administration Act (FAA)*. Directors earn a per diem also set by the Governor-in-Council in accordance with the *FAA*.

Board member	Term	Committee membership	Committee meeting attendance to 2024.01.31	Board meeting attendance to 2024.01.31	Retainer (A)	Per diem (B)	Total remuneration (A+B)	Travel and related expenses
Karlene Debance	2021-07-01 - 2025-06-30	Governance	3/3	7/7	\$ -	\$ 2,200	\$ 2,200	\$ -
Thomas Colosimo	2019-06-19 - 2026-06-18	Governance	3/3	7/7	\$ -	\$ 2,200	\$ 2,200	\$ 4,660
Vincent Crate	2019-06-19 - 2025-09-14	Audit and Risk	3/3	6/7	\$ -	\$ 2,200	\$ 2,200	\$ 600
Dana Gregoire	2018-06-29 - 2025-12-14	Governance	3/3	7/7	\$ -	\$ 2,200	\$ 2,200	\$ 3,420
Stanley Lazar	2017-04-12 -	The CEO is not a member of any specific Committee		7/7	The CEO does not receive separate remuneration for duties as a Board member			
Micah Melnyk	2018-06-29 - 2025-12-14	Audit and Risk	3/3	7/7	\$ -	\$ 2,200	\$ 2,200	\$ 3,410
Kevin Stringer	2022-11-01 - 2024-10-31	Audit and Risk	3/3	7/7	\$ 3,750	\$ 2,200	\$ 5,950	\$ 3,601

Senior Leadership Team (SLT)



The SLT consists of the President and CEO, five Vice-Presidents and one Director. Members of the SLT conduct themselves according to FFMC’s Code of Conduct and Conflict of Interest policies as well as ethical standards of business and professional and personal conduct. Information about the SLT is available on the Corporation’s website at <https://www.freshwaterfish.com/leadership/>.

Appendix 3 - Financial statements

Annual Statement of Comprehensive Income

FRESHWATER FISH MARKETING CORPORATION Annual Statement of Comprehensive Income (Loss) ('000's)	Forecast FY 2023/2024 1/May/2023 30/Apr/2024	Budget FY 2024/2025 1/May/2024 30/Apr/2025	Plan FY 2025/2026 1/May/2025 30/Apr/2026	Plan FY 2026/2027 1/May/2026 30/Apr/2027	Plan FY 2027/2028 1/May/2027 30/Apr/2028	Plan FY 2028/2029 1/May/2028 30/Apr/2029
Delivered weight to customers (Kgs.)	5,221	6,169	6,286	6,349	6,362	6,298
Revenue	71,170	73,836	76,589	78,729	81,068	83,356
Cost of Sales						
Opening inventory of processed fish products	13,725	14,835	15,270	15,559	15,714	15,746
Fish purchases	34,303	33,392	34,728	35,776	36,134	36,857
Plant operating expenses	33,362	34,171	34,513	35,904	36,622	37,720
Depreciation of production assets	1,712	1,680	1,678	1,645	1,612	1,564
	83,102	84,078	86,189	88,883	90,082	91,886
Less ending inventory of processed fish products, net of write downs	-14,835	-15,270	-15,559	-15,714	-15,746	-15,588
	68,267	68,808	70,630	73,169	74,336	76,298
Gross profit on operations	2,903	5,028	5,959	5,560	6,732	7,058
Marketing and administrative expenses						
Salaries and benefits	3,249	3,384	3,519	3,555	3,590	3,626
Agent commissions, advertising and promotions	1,548	1,666	1,696	1,721	1,739	1,789
Other administrative costs	1,878	1,775	1,775	1,775	1,775	1,775
Finance costs	1,314	1,181	1,146	1,088	1,012	904
	7,989	8,006	8,136	8,139	8,116	8,094
Other income and expenses						
	-128	83	83	83	83	83
	7,861	8,089	8,219	8,222	8,199	8,177
Profit before provision for final payment and income tax	-4,958	-3,061	-2,260	-2,662	-1,467	-1,119
Provision for final payment	0	0	0	0	0	0
Income tax expense (recovery)	-1,240	-765	-565	-666	-367	-280
	-1,240	-765	-565	-666	-367	-280
Total comprehensive income (loss)	-3,718	-2,296	-1,695	-1,997	-1,100	-839

Annual Statement of Financial Position

FRESHWATER FISH MARKETING CORPORATION Annual Statement of Financial Position ('000's)	Forecast FY 2023/2024 30/Apr/2024	Budget FY 2024/2025 30/Apr/2025	Plan FY 2025/2026 30/Apr/2026	Plan FY 2026/2027 30/Apr/2027	Plan FY 2027/2028 30/Apr/2028	Plan FY 2028/2029 30/Apr/2029
ASSETS						
Current						
Cash	1,500	1,500	1,500	1,500	1,500	1,500
Accounts receivable	13,295	8,619	9,191	9,447	9,728	10,003
Income taxes receivable	1,000	1,700	2,265	2,931	3,297	3,577
Inventory	16,535	16,970	17,259	17,414	17,446	17,288
Prepaid expenses	231	231	231	231	231	231
	<u>32,561</u>	<u>29,020</u>	<u>30,445</u>	<u>31,523</u>	<u>32,202</u>	<u>32,599</u>
Non-current						
Property, plant and equipment	22,165	25,501	26,501	27,501	28,501	29,501
Intangible assets	149	149	149	149	149	149
	<u>22,314</u>	<u>25,650</u>	<u>26,650</u>	<u>27,650</u>	<u>28,650</u>	<u>29,650</u>
Total Assets	<u>54,875</u>	<u>54,670</u>	<u>57,095</u>	<u>59,173</u>	<u>60,852</u>	<u>62,249</u>
LIABILITIES AND EQUITY						
Current						
Accounts payable and accrued liabilities	4,000	5,040	5,000	5,250	5,500	5,750
Accrued obligation for employee benefits	570	579	579	579	579	579
Income taxes payable	-	-	-	-	-	-
Provision for final payment to fishers	-	-	-	-	-	-
Term Loan	6,789	5,856	4,923	3,990	3,057	2,124
Working Capital Loan	29,302	31,301	36,561	41,318	44,781	47,700
Provision for environmental liability	25	-	-	-	-	-
Derivative-related liabilities	166	166	-	-	-	-
	<u>40,852</u>	<u>42,942</u>	<u>47,063</u>	<u>51,137</u>	<u>53,917</u>	<u>56,153</u>
Non-current						
Deferred tax liabilities	1,648	1,648	1,648	1,648	1,648	1,648
Accrued obligation for employee benefits	108	108	108	108	108	108
	<u>1,756</u>	<u>1,756</u>	<u>1,756</u>	<u>1,756</u>	<u>1,756</u>	<u>1,756</u>
Equity						
Retained earnings	12,268	9,972	8,277	6,280	5,180	4,340
Total Liabilities and Equity	<u>54,875</u>	<u>54,670</u>	<u>57,095</u>	<u>59,173</u>	<u>60,852</u>	<u>62,249</u>

Annual Statement of Cash Flow

FRESHWATER FISH MARKETING CORPORATION

Annual Statement of Cash Flows

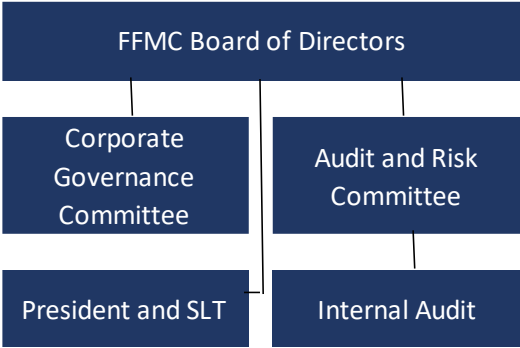
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	Forecast	Budget	Plan	Plan	Plan	Plan
	FY 2023/2024	FY 2024/2025	FY 2025/2026	FY 2026/2027	FY 2027/2028	FY 2028/2029
	1/May/2023	1/May/2024	1/May/2025	1/May/2026	1/May/2027	1/May/2028
	30/Apr/2024	30/Apr/2025	30/Apr/2026	30/Apr/2027	30/Apr/2028	30/Apr/2029
Operating activities						
Comprehensive income (loss) for the year	-3,719	-2,296	-1,695	-1,997	-1,100	-839
Add (deduct) items not affecting cash:						
Future tax expense (recovery)	0	0	0	0	0	0
Depreciation and amortization	1,764	1,764	1,789	1,814	1,839	1,864
Fixed asset retirements	0	0	0	0	0	0
Write-down of inventory	350	350	350	350	350	350
Increase (decrease) in net derivative-related liabilities	0	0	0	0	0	0
Increase (decrease) in provision for final payment to fishers	0	0	0	0	0	0
Net changes in non-cash working capital:						
Decrease (increase) in accounts receivable	-3,393	4,677	-572	-257	-281	-275
Decrease (increase) in inventories	-890	-785	-639	-506	-381	-193
Decrease (increase) in prepaid expenses	-1,162	0	0	0	0	0
Increase (decrease) in accounts payable and accrued liabilities	0	1,040	-40	250	250	250
Increase (decrease) in income taxes receivable/payable	-1,708	-700	-565	-666	-367	-280
Decrease in provision for environmental liability	0	-25	0	0	0	0
Increase (decrease) in obligation for employee benefits	-124	9	-166	0	0	0
Cash provided by (used in) operating activities	-8,882	4,034	-1,538	-1,011	310	878
Investing activities						
Additions to property, plant and equipment and intangible assets	-4,676	-5,100	-2,789	-2,814	-2,839	-2,864
Proceeds on disposal of property, plant and equipment	0	0	0	0	0	0
Cash used in investing activities	-4,676	-5,100	-2,789	-2,814	-2,839	-2,864
Financing activities						
Loans payable issued	12,583	1,722	5,260	4,758	3,462	2,919
Repayment of loans	-936	-656	-933	-933	-933	-933
Cash provided by (used in) financing activities	11,647	1,066	4,327	3,825	2,529	1,986
Increase (decrease) in cash during the year	-1,911	0	0	0	-0	-0
Cash at the beginning of the year	3,411	1,500	1,500	1,500	1,500	1,500
Cash at the end of the year	1,500	1,500	1,500	1,500	1,500	1,500

Appendix 4 – Risk and risk responses

The Board of Directors has overall responsibility for the establishment and oversight of the Corporation’s risk management framework. The Audit and Risk Committee assists the Board of Directors and is responsible for: review, approval, and monitoring of the Corporation’s risk management policies, including the development of a risk management program which involves establishing corporate risk tolerance; identifying and measuring the impact of various risks; and developing risk management action plans to mitigate risks that exceed corporate risk tolerance. The Audit and Risk Committee regularly reports to the Board of Directors on its activities.

Under the guidance of the Board of Directors and the Audit and Risk Committee, FFMC relies on effective leadership and engaged employees utilizing effective business tools and stakeholder engagement to ensure the disciplined execution of initiatives. It focuses on the identification and management of the key risks that could impact the achievement of FFMC’s strategic objectives. As part of its oversight process, the Audit and Risk Committee of the Board of Directors reviews Freshwater’s risk profile on a quarterly basis and actively contributes to the risk management process. FFMC’s risk management framework and practice are consistent with guidance issued by Treasury Board and are subject to review by internal audit. A register of risks is maintained and updated regularly; it evolves as new risks are identified and existing ones are mitigated.



Risks are identified with the assistance of external consultants through a thorough analysis of FFMC’s environment. Any existing mitigation to help reduce the likelihood or impact of the risk is considered and additional mitigation is identified where practicable for each risk. The risks and categories identified are not static and are reviewed regularly by the ARC. The review may identify new risks, may determine that risks have decreased through sufficient mitigation to reduce their likelihood or impact, or may determine that the risk level has increased due to changes in the environment. The ARC monitors management’s progress on implementing the mitigation plans for each risk. The ARC retains an external consultant to perform internal audits and report on management’s progress on risk mitigation plans.

Appendix 5 – Compliance with legislative and policy requirements

FFMC is governed by the *Freshwater Fish Marketing Act*. FFMC is also subject to other federal legislation. FFMC complies with Treasury Board policies, Governor in Council directives, ministerial directives, and other federal, provincial, and municipal legislation such as land titles, individual property, environmental protection, food safety, and occupational health and safety legislation. The following illustrates FFMC's efforts to comply with legislation and directives to which it is subject.

Access to Information Act

FFMC processes requests received under the *Access to Information Act*. FFMC posts summaries of all ATIP records released on its website at <https://www.freshwaterfish.com/reports/>. The public may make an access request in writing, by calling, or by emailing the FFMC ATIP co-ordinator at ATIP@freshwaterfish.com.

Employment Equity Act

FFMC is committed to building a workforce that reflects the diversity of the Canadian workforce. FFMC maintains policies to ensure equitable employment opportunities are provided to all applicants. Our staffing policy ensures that recruitment and selection rules and tools are non-discriminatory and that applications are reviewed and evaluated based on objective and established criteria. FFMC is an inclusive workplace that strives to attract, hire, and retain talent from diverse backgrounds.

Conflict of Interest Act

FFMC ensures that Directors annually review and affirm their commitment to and compliance with the *Conflict-of-Interest Act*, the Guidelines for Public Office Holders, and the *Freshwater Fish Marketing Act*, as well as FFMC's Code of Conduct policy through a formal process by providing conflict of interest declarations to Members.

Canadian Human Rights Act

FFMC conducts itself and provides experiences to its employees consistent with the expectations as set out in the *Canadian Human Rights Act*. FFMC has applicable policies such as a Code of Conduct, and policies pertaining to staffing, salary administration, violence in the workplace, harassment, and discrimination. FFMC also provides employees with a confidential means for disclosure through its Code of Conduct policy. FFMC's staffing and recruitment policies consider equal opportunity initiatives for women, Indigenous peoples, and members of visible minorities.

Official Languages Act

FFMC strives to meet its commitments and obligations under the *Official Languages Act* and endeavours to balance its mandate of operating on a financially self-sustaining basis with spending requirements for bilingualism and compliance with Parts IV, V, VI and VII of the legislation.

Trade agreements

Trade agreements continue to provide potential export opportunities for FFMC. FFMC supports the key principles that underpin the spirit of applicable trade agreements. Corporate processes and policies support FFMC's ongoing obligation to ensure compliance with applicable trade agreements including the Comprehensive Economic Trade Agreement (CETA), the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) and the Canada-United States-Mexico Agreement (CUSMA).

Canada Labour Code Part II and the Canada Occupational Health and Safety Regulations

FFMC is committed to providing a safe and healthy work environment for its employees. FFMC has a health and safety policy and comprehensive health and safety programs to identify, assess and control workplace hazards. These safety programs and practices are developed with the participation of the joint health and safety committee, management, and employees.

Pay Equity Act

The overwhelming majority of FFMC's employees are represented by collective agreements that incorporate pay equity legislation. As FFMC renegotiates its collective agreements, compliance with pay equity legislation is reviewed to ensure compliance. For FFMC's non-represented employees, compensation structure, job analysis and job descriptions include pay equity legislation and GBA+ considerations. FFMC is currently engaging with a compensation consultant to ensure pay equity for all employees. The assessment is expected to be completed by April 30, 2024.

Government procurement obligations under trade agreements

FFMC maintains a corporate procurement policy to provide the Corporation with a flexible management framework that promotes the efficient, effective, open, fair, ethical, and transparent acquisition of goods and services while supporting its mandate and operational requirements.

Accessible Canada Act (ACA)

The *Accessible Canada Act* which aims to make Canada a barrier-free country by January 1, 2040, came into force in July 2019. The goal of *the ACA* is to proactively identify, remove, and prevent barriers in seven priority areas: employment, the built environment, information and communication technologies, communication other than information and communication technologies, procurement of goods, services, and facilities, the design and delivery of programs and services, and transportation. Under the *ACA*, FFMC reports to the public on the Corporation's policies and practices in relation to the identification and removal of barriers by publishing our Accessibility Plans, feedback processes and progress reports on our website. FFMC has established a process for receiving and dealing with feedback regarding the implementation of its Accessibility Plan. FFMC regularly monitors and evaluates feedback to incorporate into future Plans where possible.

Appendix 6 – Government priorities and direction

This appendix describes how FFMC’s priorities and activities align with government-wide priorities and highlights notable activities in key areas. Government-wide priorities are outlined in the Speech from the Throne and the Budget Plan. FFMC contributes to government-wide priorities in the following ways:

Transparent and open government

FFMC is accountable and transparent to its shareholder and its stakeholders. The corporation adheres to legislative requirements regarding transparency and practises proactive disclosure of information on an ongoing basis. FFMC publishes on its website all annual and quarterly financial reports as well as the proactive disclosure of travel and hospitality expenses of Board members and the Senior Leadership Team. Detailed information is available on our website.

Access to information

As a federal Crown corporation, FFMC is subject to the *Access to Information Act (ATIA)*. The *ATIA* creates an enforceable right of access to records under the control of a government entity in accordance with the principle that government information should be available to the public. By providing access to government information, the *ATIA* serves the important public interest of enabling public debate on the conduct of government institutions, strengthening the accountability of government to its citizens.

Privacy

Privacy is of vital importance to Canadians and controlling the collection, use and disclosure of personal information has become a pressing issue. FFMC is subject to the *Privacy Act*, which is administered by the Office of the Privacy Commissioner of Canada. Under the *Privacy Act*, FFMC must limit the collection, use and disclosure of personal information, provide appropriate security to guard against a loss or misuse of data and provide individuals with a right of access to the personal information that FFMC holds about them. Concerns or complaints about FFMC’s privacy practices or its compliance with the *Privacy Act* can be escalated to the federal government’s Privacy Commissioner, who acts as an independent authority to resolve privacy problems and oversee compliance with the *Privacy Act*.

Info Source

FFMC, along with all government institutions, is subject to the *Access to Information Act* and the *Privacy Act*. FFMC publishes an inventory of its information holdings as well as relevant details about personal information under its control. The Info Source inventory can assist the public in making an access to information or personal information request, or in exercising their privacy rights.

Code of Conduct and Ethics

Fairness, respect, and integrity are core values for FFMC. FFMC’s Code of Conduct guides how employees operate and sets out the process to report violations of this code.

Access to fish harvesters and Canadians

FFMC holds an annual public meeting to share financial and operational results as well as information on the future of the Corporation. The meeting is open and accessible to the public annually in November. FFMC continues to develop a strong network in the Canadian inland fishery. Regular fisher meetings are held with agents, co-operatives, and fish harvesters to share information and develop stronger working relationships. Through e-mail distribution and FFMC’s website, information is shared with fish harvesters that deliver fish to the Corporation.

Gender-based analysis plus

FFMC uses and considers GBA+ when developing policies, practices and negotiating collective agreements. Collective bargaining agreements for represented employees address gender-based biases and wage equality.

Approximately 46% of FFMC employees identify as women and are paid equal wages. 51% of FFMC employees have recently immigrated to Canada bringing a diversity of cultural backgrounds. 14% of men and 3% of women employed by FFMC are Indigenous. FFMC is committed to supporting a workforce that reflects the diversity of Canada's population. This includes continuously reviewing and revising FFMC policies, practices, and behaviours to ensure the Corporation does not discriminate against individuals or groups and operates with inclusiveness. During its annual reviews of corporate policies, GBA+ data is reviewed to ensure compliance.

Diversity and employment equity

Diversity means a rich pool of backgrounds, abilities, strengths, and schools of thought working together. As a federal Crown corporation, FFMC is committed to building a workforce that reflects the diversity of its industry and of the Canadian workforce. FFMC is a welcoming and inclusive workplace that attracts and retains talent from diverse backgrounds. FFMC's diversity strategy supports the Government of Canada's commitment to diversity, and FFMC is working toward having a workforce that reflects the diversity of the industry and communities our employees work in. FFMC's Board of Directors has two Directors who self-declare as Indigenous.

In terms of FFMC's broader diversity, our workforce includes 46% women, 16% Indigenous, 2% persons with disabilities and 40% members of visible minorities. Individuals can identify in more than one equity group and all disclosures are voluntary.

Sustainable development and greening government operations

Anaerobic Digestion of FFMC by-product waste

FFMC's pilot project to divert industrial volumes of fish by-product away from landfill ran from December 15, 2022, to July 28, 2023. Over the 7.5 months, Overton Environmental Enterprises hauled 71 loads of fish waste for a total volume of 1,158 metric tonnes from FFMC's Winnipeg processing facility to Portage la Prairie, Manitoba. OEE was successful in finding the correct compost formula, along with a suitable carbon source, to produce a nutrient rich final compost. In conjunction with the results from the composting pilot, In November 2023, FFMC signed a one-year memorandum of understanding with TotalEnergies (TE) to use our fish waste and wastewater sludge for TE to convert into biogas. TE is considering investing in an anaerobic digestion plant in Manitoba to convert organic waste materials into biomethane gas. In March 2024, TE is planning to complete its engineering design. In April 2024, TE plans to reach a final investment decision. TE's goal is a potential start of biogas operations in 2026.

Veolia, FFMC and Norway House Fishermen's Co-Op (NWH)

NWH has existed for over 50 years and generates 200,500 lbs of annual fish waste which they dump back into Playgreen Lake in Manitoba. Fish waste generates high methane gas and nitrogen which converts to toxic ammonia. NWH is pursuing funding to support a sustainability initiative. In December 2023, FFMC connected Veolia with NWH to help coordinate and determine a possible partnership. Micro Anaerobic Digestion (AD) was selected as the best option. AD digestate can be used as landfill cover, or soil remediation.

Wastewater treatment (WWT) sludge disposal

FFMC was mandated by the City of Winnipeg to install a WWT unit to reduce our overstrength emissions of oil/grease, total Phosphates, total Nitrogen, total suspended solids (TSS), and biological oxygen demand (BOD). The process generates sludge and FFMC is pursuing an environmentally sustainable solution for disposal of this sludge. Currently, the most viable and quickest solution is composting; discussions have started with Overton Environmental Enterprise and Catapult Environmental on possible implementation of this option. Other options include field application, or as a Carbon source for other existing digestors.

Environmental and Social Governance Reporting

As a Crown corporation concerned about the future of freshwater fish stocks, FFMC understands the crucial role it plays in contributing to a viable fishing industry in Canada. FFMC is developing an environmental, social and governance (ESG) strategy to guide our contributions to the social and environmental issues facing Canada and the world. As part of ESG governance, FFMC's Board of Directors is providing oversight on ESG and climate strategies, performance, and disclosures. Following the policy direction included in the 2022-2023 federal budget, FFMC will implement climate related disclosures, written to the recommendations of the Financial Stability Board's Task Force on Climate Related Financial Disclosures (TCFD) framework. In supporting the TCFD, FFMC will provide information about climate governance, risk management, strategy, metrics, and targets to measure our accountability for climate action, starting with reporting on our fiscal year 2024-2025.

Indigenous issues – consultations

Consultations with Indigenous peoples are occurring due to FFMC's action to divest of its assets in Hay River, NWT. Supporting the social and economic inclusion of Indigenous peoples is a priority for the Corporation. FFMC's role in fostering the inland Canadian fishery includes ensuring that Indigenous communities and peoples have greater access to opportunities. Commercial fishing is often one of the few primary economic opportunities available to residents in the many remote and northern communities the Corporation serves. In many communities where Freshwater operates delivery points, the fishery is the only opportunity for economic development. FFMC's presence fosters independent business ownership and increases employment in rural and remote regions of Canada.

Safe and respectful workplaces

As a federal employer, FFMC has an obligation to provide a workplace that is civil, respectful, and free of harassment. FFMC is committed to providing a harassment-free workplace and endeavours to provide a work environment that is supportive of the dignity and self-esteem of every person. FFMC is also committed to providing a violence-free workplace where any act of violence is unacceptable and will not be tolerated.

Factors that may contribute to violence or harassment in the workplace that FFMC is made aware of or that are reported are dealt with or investigated. Any deliberate acts of violence and harassment in the workplace by an employee is subject to discipline.

FFMC maintains a workplace violence prevention and respectful workplace policy to ensure that employees and management understand that disciplinary action will occur for those who commit or contribute to workplace violence or harassment. Those employees subjected to violence or harassment in the workplace understand there are procedures for recourse and that assistance and counselling is available. Employees and management understand that everyone has a responsibility to report factors that may contribute to violence or harassment in the workplace and that all incidents of workplace violence and harassment must be reported.

FFMC is committed to resolving workplace violence and harassment situations to the best of our ability and, if they cannot be resolved, having a third party investigate to arrive at conclusions and recommendations for corrective action. FFMC is also committed to using the required resources to prevent and to respond to incidents of workplace violence and harassment and communicating to employees any factors contributing to workplace violence and harassment. FFMC provides support for employees affected by workplace violence and harassment and does what is practical to achieve a violence-free and harassment-free workplace.

Ethical and sustainable supply chains

FFMC is committed to upholding human rights and international labour standards. FFMC has policies that ensure goods produced by forced labour do not enter Canada and that operations are not contributing to human rights abuses. FFMC has set standards and norms that suppliers and sub-contractors of goods and services apply the highest ethical and sustainability standards across their supply chains.

Directive on Travel, Hospitality, Conference and Event Expenditures (DTHCEE)

Freshwater complies with the current DTHCEE and ensures compliance with Bill C-58 requirements, including the proactive disclosure of appropriate travel and hospitality expenses monthly. Controls include guidance and focused training, as well as oversight activities during the processing of claims.

Actual and projected travel and hospitality expenditures are in the following table:

TRAVEL AND HOSPITALITY	FY 2023/24 Plan	FY 2023/24 Forecast	FY 2024/25 Budget	FY 2025/26 Plan	FY 2026/27 Plan	FY 2027/28 Plan	FY 2028/29 Plan
Travel	315,000	284,075	300,000	300,000	300,000	300,000	300,000
Hospitality	25,000	19,980	20,000	20,000	20,000	20,000	20,000
Total Travel and Hospitality	340,000	304,055	320,000	320,000	320,000	320,000	320,000

Freshwater's travel expenditures involve supporting relationships with customers and fish harvesters. FFMC continues to ensure that travel, hospitality, conference, and event expenditures are prudently managed with probity and represent the most economic and efficient use of funds given the nature of the activity in relation to the achievement of its mandate.

COVID-19 vaccination mandate alignment

In the fall of 2021, FFMC met the expectations of the Government of Canada to fully align its vaccination mandate with the *Policy on COVID-19 Vaccination for the Core Public Administration, Including the Royal Canadian Mounted Police*. In June of 2022, the Government of Canada announced the suspension of the policy. At that time FFMC suspended the vaccination mandate requirement. FFMC is prepared to adjust to any changes as this mandate may evolve in the future.

Refocusing Government spending

In support of the Government of Canada's Budget 2023 announcement to reduce discretionary spending on consulting, professional services, and travel, FFMC committed to reducing those expenses by \$10,680 in FY2023/24 progressively increasing to \$135,100 in FY2027/28. Subsequent corporate plans, and quarterly and annual reports, will reflect these cost reduction commitments.