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Chair

Mr. Ken McDonald

Standing Committee on Fisheries and Oceans

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• (1530)

[English]

The Chair (Mr. Ken McDonald (Avalon, Lib.)): Good afternoon, everyone.

Pursuant to Standing Order 108(2), we're studying the current state of the Department of Fisheries and Oceans' small craft harbours.

Welcome, everybody, here this afternoon.

I want to give a special welcome to some departmental officials. We have Sylvie Lapointe, assistant deputy minister, fisheries and harbour management, who's been here twice in one week. That's probably a record. As well, we have Denise Frenette, Director General, Small Craft Harbours.

We'll get started with your opening statements before we get into questioning. Go ahead when you're ready. You have seven minutes or less.

Ms. Sylvie Lapointe (Assistant Deputy Minister, Fisheries and Harbour Management, Department of Fisheries and Oceans): Thank you, Mr. Chair. I'm pleased to be here today to speak to you about the Department of Fisheries and Oceans' small craft harbours program.

[Translation]

I understand that, as part of your study, you have toured small craft harbour facilities in different parts of the country and that you have heard from various stakeholders. We look forward to seeing your study, and we thank the committee for the opportunity to contribute to the work you are doing.

[English]

Before taking your questions, I would like to share with you some information about our program.

The small craft harbours program is important for Canada's economy because it provides critical support to the commercial fishing industry, which had landings valued at almost \$3.4 billion in 2016. In total, we are responsible for 1,008 harbours, 678 of which are what we call "core harbours". In other words, their main purpose is to support the fishing industry. The remaining 330 are used less by the industry or are recreational harbours.

Our job is to ensure that the harbours that are critical to the fishing industry are open and in good repair. We do this by carrying out

necessary repairs, maintenance, construction and dredging at the facilities in co-operation with local harbour authorities.

[Translation]

Another key objective of the program is to transfer ownership of designated harbours to third parties, particularly the non-core facilities I just mentioned. These divestitures are important because, as they are completed over time, the government is able to focus ongoing investments on harbours that are critical to the fishing industry.

[English]

We are working diligently to meet our mandate. Between 2008-09 and 2017-18, the Government of Canada provided the small craft harbours program with approximately \$820 million in temporary funding, in addition to its regular annual budget of approximately \$92 million. Temporary funding measures have been critical to improving the quality of facilities at core fishing harbours, resulting in an increase of facilities that are in fair or better condition from 73% to 87% between 2011 and 2018.

In budget 2018, the Government of Canada announced an additional investment to the program of \$250 million over two years to accelerate repair and maintenance work at core small craft harbours across the country, and to divest non-core harbours through transfers to interested parties. To date, work has begun on 85% of the 189 projects that will be funded through budget 2018. This is in addition to the 104 projects being carried out this year with funding from the program's regular operating budget.

Despite our success, it is important for us to give you our perspective on the challenge posed by the temporary nature of this funding. While these funding measures accorded to the program have been critical to improving the quality of facilities at core harbours, their temporary nature has made it challenging for the program to make sound, longer-term decisions.

• (1535)

[Translation]

While these funding measures accorded to the program have been critical to improving the quality of facilities at core harbours, their temporary nature has made it challenging for the program to make sound, longer-term decisions. I know that you've heard about this challenge from others as well, as you've gathered evidence for your study.

In closing, I would like to say that one of the keys to the program's success is its strong collaboration with the 5,000 volunteers that represent the 565 harbour authorities we work with across the country.

[English]

Harbour authority officials are on the ground, managing day-to-day operations on core harbours throughout the country. The input they provide to us through their knowledge and experience makes them invaluable partners.

This year marks the 30th anniversary of the harbour authority program. Over that time, the contribution of harbour authorities to the small craft harbours program has been significant. They collect an estimated \$24 million annually in revenues, which is reinvested into their harbours to defray operating and routine maintenance costs and to pay their staff. Harbour authority volunteers nationally contribute the equivalent of 70 full-time equivalents toward harbour operations. These very significant local contributions, valued at approximately \$5.3 million per year, would otherwise fall on the small craft harbours program. The total estimated volunteer and user contributions are calculated at approximately \$29.3 million per year.

Harbour authorities will continue to be the key to the success of the small craft harbours program moving forward.

Once again, thank you for the opportunity to meet with you today. We would be happy to answer any questions you may have.

The Chair: Thank you, Ms. Lapointe.

Before we start with the questioning, I'd like to recognize a sub for today from the government side, Ms. Khalid, from Mississauga—Erin Mills. Welcome to FOPO.

Starting now with the questioning, on the government side, for seven minutes or less, we have Mr. Hardie.

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Thank you, Mr. Chair.

Speaking of recognition, I'd also like to recognize in our gallery today some of our independent fishers from British Columbia, some of whom have appeared here before to great effect. I know that we have some issues about owner-operator and fleet separation that we're looking forward to discussing with them. I think everybody would join me in the hope that this gets to be done face to face in British Columbia, where we'll get a chance to hear as many people as possible who have experience on the water.

On the whole issue of our small craft harbours, we were able to make a fascinating visit to British Columbia and to central Canada, and my colleagues were out on the east coast. It seems that the amazing amount of money that comes in on temporary fixes cumulatively adds up to a tremendous amount of money but doesn't get the effect it needs because everything that's being done is of a patchwork nature. Sometimes the repairs are so interim they in fact don't really hold up all that well and in the long run we end up spending a lot more than we need to get these small craft harbours in good shape.

Can you comment on that? What needs to change?

Ms. Sylvie Lapointe: It certainly has been a challenge to manage the program with temporary funding, although we have received significant amounts of it. It does put us in a situation where it's difficult to do that longer-term planning process, and it's challenging just in terms of keeping staff on board. With temporary funding, we can hire only temporary folks. Every time the program nears the end, those folks tend to move on and then we're starting from scratch every time. It is a challenge.

For the major capital projects, we try to plan five years out and prioritize the work. We have a rigorous process in terms of peer review and prioritization criteria, based on safety as the primary criterion, but then also looking at operational needs and what the needs are from a socio-economic perspective.

● (1540)

Mr. Ken Hardie: In the interests of getting a couple more questions in, I'll get right to the point. What I've heard is that the A-base funding is probably going to be a lot more efficient in terms of delivering the ability to plan in advance and to get more sustainable work done to make sure these harbours are kept up to speed. That's basically what it comes down to.

Cumulatively, we're spending the money anyway. We may as well have a good amount, committed for a long period of time, so the work can be planned and scoped accordingly and we're not just doing the patchwork.

Ms. Sylvie Lapointe: As I noted, our A-base funding is \$92 million, and that hasn't changed since 2009. As you can imagine, the cost of almost everything has gone up since then, as well as the demand for more investment.

Mr. Ken Hardie: Sure.

In our visits, we had a chance to speak with many of the volunteer port authorities. They are working very hard, but they also profess to have some difficulties and challenges as a volunteer group in having the capacity, the knowledge and the background to actually assist with coming up with the right plans, the right operating regimes, etc., in these small craft harbours.

Is there anything in place that would help them with that capacity in terms of training or in terms of bringing in people with expertise who could assist them, even on a temporary basis, in the planning of something big for their harbour?

Ms. Sylvie Lapointe: We do engage with the harbour authorities on a regular basis, as well as bringing them all together during various times of the year, where we try to provide them with as much information and capacity-building training as possible to help them with some of the challenging issues they have to deal with.

Mr. Ken Hardie: How do they access that? Do they simply ask?

Ms. Sylvie Lapointe: No. We actually proactively go out and engage with them and bring them once a year. We just had a meeting of the national harbour authorities in the fall, where we brought them together and had really good sessions with them to give them the information and expertise they need.

Mr. Ken Hardie: I have one final question.

A common theme that we hear in a lot of our studies is that in the transactions between DFO and local people there is a relative absence of local knowledge in some of the final decisions that are made. Local people feel they're there and they know the landscape. They know, in this case, the needs of their harbours, and sometimes what they end up getting is something quite different from what they believe would be effective. We've had anecdotal information that sometimes what is delivered actually didn't work as well as what they had asked for.

Where there is a difference between what they recommend and what is delivered, is there any transparency? Is there any reason given to them why they would do something else, instead of what the local people have advised?

Ms. Sylvie Lapointe: We have really good contacts with local folks. As you've described, they have on-the-ground operational expertise. We consult with them in terms of the types of projects we're considering, as well as the design of those projects.

Sometimes what ends up happening is maybe not exactly what they would have expected, but that's sometimes due to the fact that we have financial limitations, or we have other considerations such as environmental regulations and restrictions that we need to take into account.

Mr. Ken Hardie: It would be useful if there was follow-up so they truly understood why what they thought was very sound advice didn't appear to have been followed.

Ms. Sylvie Lapointe: We believe we have good relationships with the harbour authorities at the local level, but of course we can always do better.

Mr. Ken Hardie: Yes. In some cases, there's a fairly constant turnover in personnel at certain levels. The harbour authority will have a relationship with somebody in small craft, but then that person gets rotated through or promoted, and they have to basically start all over again. There's that lack of continuity on the relationship side that gets in the way of the overall satisfaction of the harbour authorities.

Ms. Sylvie Lapointe: Yes. It's hard to keep the same staff in the same positions for any length of time these days. People are mobile and they move around pretty quickly, but your point is well taken in terms of the importance of the relationship at the local level with the harbour authorities.

The Chair: Thank you, Mr. Hardie.

Now we move to Mr. Arnold on the Conservative side, for seven minutes or less, please.

Mr. Mel Arnold (North Okanagan—Shuswap, CPC): Thank you, Mr. Chair.

Thank you for being here, Ms. Lapointe and Ms. Frenette.

I'm going to carry on with what Mr. Hardie was discussing here, which was the design and reconstruction or improvement phase. This is sometimes happening. I'm not saying it happens in every case, but we saw instances of it when the committee travelled to the five provinces on the Atlantic side.

I did some travel this summer, including to a harbour in southwest Nova Scotia, Wedgeport Harbour. The small craft harbour authority

had come in and built a breakwall in the harbour. Because of where they had put it, they had basically blocked off about 300 feet of usable dock space, so there was no room to bring a larger vessel in there. You could have brought in a 12-foot car topper safely, but anything bigger than that and you would have basically been on the ground along 300 feet of usable dock space.

How can that be explained to the small craft harbour branch and the designers and so on? We saw example after example like that.

• (1545)

Ms. Denise Frenette (Director General, Small Craft Harbours, Department of Fisheries and Oceans): To Sylvie's point, we have regular communications with the harbour authority. When it is time to design, there should be engagement, and that is factored in, but the engineers also have to ensure they do the work in accordance with the codes and regulations they have to abide by. We can certainly look into enhancing our communication and conveying the message you're conveying to us today to the staff, to ensure there's proper communication.

We have qualified engineers, and my sense is that they're doing their best to meet the operational requirements and meet the code, as well as ensuring that we stay within our financial capacity to deliver the project.

I would bring it back to the issue of the long-term funding and better planning. If we had more stable funding, it would allow us to find longer-term solutions for some of our harbours. Those would be areas that could help us in this situation.

Mr. Mel Arnold: Thank you.

It's alarming to me, as someone responsible to the taxpayers, to see this happening over and over again. This was a blatant case of obviously an engineer who hadn't talked to local fishermen or hadn't talked to the local harbour authority to understand what they were doing, building a breakwall and blocking off probably 300 feet or more of possible docking space from a harbour that is already squeezed for docking space. It was mind-boggling.

Thank you for some of your numbers on what has been provided for temporary funding, short-term funding and so on, and the improvements that are being made.

Can you tell me if there is any other resource sector in Canada where this type of government investment ratio would be similar? Is there another resource or industry where the government input was \$820 million just from 2009 to 2018? That was in temporary funding. We can add up the total funding that was there as a full-time or a permanent spot as well.

What other sector would see that type of ratio of input?

Ms. Sylvie Lapointe: I'm not aware of other examples, but we could certainly look into that and get back to the committee.

Mr. Mel Arnold: Thank you.

You mentioned in your presentation just now that you have worked on maintaining the core small craft harbours. For those that are non-core, you basically look at divestiture, if there's an interest.

What happens if you are looking to divest a harbour and there is no local interest in taking it over? What happens to those harbours that you're trying to divest and nobody wants?

• (1550)

Ms. Sylvie Lapointe: Depending on their state, sometimes they get demolished or they remain in our portfolio and our footprint.

Mr. Mel Arnold: Do you have any idea of the number of those?

Ms. Sylvie Lapointe: We have 330 non-core harbours. I'm not sure how many don't have people identified to take them over.

Ms. Denise Frenette: I wouldn't have that number off the top—

Mr. Mel Arnold: Could you provide it to us, please? Thank you.

We also saw instances of infrastructure that had been designed... This was multi-million dollar infrastructure that was basically destroyed by ice and sloughing almost within the first year of its being put in place, and there seems to be no accountability. There are discrepancies as to who is responsible—whether it's the designers, the engineers or the companies that did the work.

How many examples are there of infrastructure that has been rebuilt and has failed within the first two years? Can you provide us with a number?

Ms. Sylvie Lapointe: We don't have those numbers on us. We would have to go back and take a look. We can certainly provide you with that information.

Mr. Mel Arnold: Can you provide us with those as soon as possible, before we finish this study?

Ms. Sylvie Lapointe: Yes. I understand you're concluding your study.

Mr. Mel Arnold: I will pass on the rest of my time for now, unless Mr. Doherty wants it.

Mr. Todd Doherty (Cariboo—Prince George, CPC): Absolutely.

Sorry for being late, folks. I was meeting with the minister.

Part of the testimony we've heard previously is that harbour authorities are pretty well run by volunteers, and that they lack the capacity and at times the understanding of the responsibility that comes with being a director of a harbour authority or even the work that goes into maintaining that.

What type of training or programs does the department offer to harbour authorities in terms of their board of directors as well as any volunteers?

The Chair: Give a very brief answer, please.

Ms. Sylvie Lapointe: We do have engagement with harbour authorities. There are a number of ways we provide that capacity.

Mr. Todd Doherty: Do you mean engagement or training?

Ms. Sylvie Lapointe: We provide training as well, and certainly information sharing. We get together with harbour authorities once a year and have a week-long session with them where we provide all kinds of information to them, as well as training.

Mr. Todd Doherty: There are 560—

The Chair: Thank you. We will have to get that in the next round of questions, Mr. Doherty, if you don't mind.

Now we'll go to Mr. Donnelly, for seven minutes or less, please.

Mr. Fin Donnelly (Port Moody—Coquitlam, NDP): Thank you, Mr. Chair.

Welcome to our departmental officials. Thank you for being with us and providing your testimony.

Just before I get into it, I'd like to mention that yesterday was World Fisheries Day. I'd like to acknowledge that we do have the independent fish harvesters, a lot of young fishermen with hopefully a bright future, presenting to us on how important it is that we, certainly on the standing committee, address some of the issues they have brought forward. We're hoping to look at doing a licence review and talking about some of the issues they're concerned about. They've raised the issue of owner-operator on the west coast, for instance, and hopefully we'll get a chance to travel to the coast to meet them and hear directly what their concerns are.

So thanks for being here and sharing your concern.

I've heard a good overview of the status of small craft harbours: 1,008 harbours in the country, 678 core harbours and 330 non-core harbours. We know the players involved: DFO, Public Works and the harbour volunteers. We know the fiscal concerns; you've given an overview of capital and ongoing or maintenance.

In terms of capital, we've heard about the five-year plans, the rigorous process, the socio-economic interests. We had some other officials at the committee a few weeks back. I asked one of them at that time if there had been a study of the core harbour facilities that looked at the fiscal needs for their capital replacement plans. He wasn't able to answer that question.

I'm wondering if the department has taken a look at it. As was stated earlier, there is a lot of temporary money injected, and that would be problematic or difficult at best for planning for some of the needs. As you mentioned, Ms. Frenette, it's over decades that we're looking at trying to solve the problem of investing in these harbours.

Has the department attempted to do a study to take a look at what the fiscal needs are in the near or even longer-term future in how we address the funding that's obviously needed to make the fix on these harbours?

• (1555)

Ms. Sylvie Lapointe: We have actually conducted a study. It was back in 2013, and we looked at the data that we had. Our estimation was that we would require \$600 million over 10 years to just address rust-out and operational requirements at core fishing harbours to bring them up to fair or better condition.

That doesn't include, though, the additional pressures that the program is facing, particularly with respect to dredging. That's in large part due to climate change, the larger vessels that we're seeing, as well as increased harbour users, such as the aquaculture industry. But that's the best estimate that we've come up with.

Mr. Fin Donnelly: Okay, so that's a decade. The study was done in 2013. So was it for the 2014-24 period?

Ms. Sylvie Lapointe: That would be my understanding, yes.

Mr. Fin Donnelly: And did the government act on that? You've mentioned amounts over certain fiscal years. How much of that has been injected into that 10-year plan?

Ms. Sylvie Lapointe: We have gotten several rounds of infrastructure funding, as well as the latest budget 2018 funding, which would have taken some of this into consideration. We've also estimated, though, that to be able to do a lot of the operational work that we do on a yearly basis, we would pretty much have to double our A-base funding.

Mr. Fin Donnelly: I think what you're saying is that government hasn't kept up to what the study has suggested needs to happen to even address the current problems, identified back in 2013, let alone the new and emerging challenges of climate change, bigger boats, etc.

Ms. Sylvie Lapointe: They've tried to do it through temporary funding of two or three years in length.

Mr. Fin Donnelly: If we include the temporary funding, are we 50% through this plan, or 75%, or 25%? Do you have an idea of where we are on that?

Ms. Denise Frenette: We don't have data from 2013 to today, but as Sylvie mentioned, the condition of our harbours between 2011 and 2018 went from 73% to 87% in fair or better condition. The temporary funding has helped us to improve the conditions. It hasn't met all the needs, but it has been helpful to address the situation.

Ms. Sylvie Lapointe: Certainly the budget 2018 funding has a focus on divestiture, so that's going to help us meet our objectives there as well.

Mr. Fin Donnelly: I have two questions.

First, I would like to see that once we set a 10-year plan, we focus on whether or not the government is achieving it. I appreciate your comments that the funding has helped. Sure, it's helped; it's getting better and we're three-quarters of the way to improving some of those facilities.

What about all the facilities? It is a difficult challenge. It's a big country, and 1,000 harbours are a big commitment. However, to keep governments on track over the years, over decades really, I think we need a measurement to come back and say that we're halfway through this 10-year plan. Maybe that's a recommendation this committee could put forward.

There is also the changing nature of divestiture. In some core harbours, local arrangements are made with either first nations or municipalities. We certainly heard from municipalities and some nations that it's difficult to assume these assets without enough funding or training to be able to keep up with the demands that the government is facing.

• (1600)

The Chair: Thank you, Mr. Donnelly. We're way over time.

Mr. Fin Donnelly: Okay. I'll keep going in the next round.

The Chair: We'll now go back to the government side. We have Mr. Fraser for seven minutes or less, please.

Mr. Colin Fraser (West Nova, Lib.): Thanks very much, Mr. Chair.

Thank you to both our guests today for being here and sharing their thoughts.

In your presentation, I noticed that you talked about an increase from 2011 to 2018 in the percentage of small craft harbours that are now considered in the fair or better category, an increase from 73% to 87% during that period of time.

Can you help me understand how that determination is made, of whether a small craft harbour is in fair or better condition? If a document exists to define these things, can you provide it to the committee?

Ms. Denise Frenette: In terms of how we do it, our engineers inspect the facilities. Then they assess the state of the facilities and categorize their condition.

It's an approach where each of the facilities at the harbour is assessed, and then there's an overall ranking of the conditions of the harbour. In other words, you might have a harbour where some facilities are in good condition, but maybe a wharf is in a worse condition. It's an overall assessment of the harbours.

Mr. Colin Fraser: Is there a protocol or a policy in place to follow with regard to how that determination is made?

Ms. Denise Frenette: There is a definition on how to rank the quality of the assets.

Mr. Colin Fraser: Would you be able to provide the committee with that information?

Ms. Denise Frenette: Yes.

Mr. Colin Fraser: Thank you.

At the same time that the percentage of small craft harbours in fair or better condition has increased, from 2011 to 2018, you say there has been no increase in the A-base funding. I assume that it's because of the one-time B-base funding increases that those improvements could be made.

Is that fair to say?

Ms. Denise Frenette: It's a combination of both, but it's primarily because of the B-base.

Mr. Colin Fraser: At the same time when those improvements to the state of repair have been made, we've seen huge challenges of increasing boat sizes, especially where I'm from, southwestern Nova Scotia, because of how well the fishery is doing.

Is it fair to assume that if we've been dealing with the state of repair of certain wharves and improving them, we haven't necessarily been able to keep up with the capacity issues of some wharves that may be in a good state of repair but don't have enough room?

Ms. Sylvie Lapointe: There are definitely a lot of overcrowding issues that we haven't been able to address.

Mr. Colin Fraser: I want to ask you about the issue of dredging. My understanding is that basically the small craft harbour budget, in total, is for wharves and breakwaters, keeping things in a good state of repair, dealing with capacity, but also dealing with dredging.

From your perspective, would it make any sense at all to have a different way of approaching that, with regard to dredging, since that can be different from a capital project?

Ms. Sylvie Lapointe: The dredging costs have definitely been increasing. I think they were about \$8.6 million last year. As I said, with the larger boats and the climate change effects that we're seeing, we're having to deal with a lot more unpredictable and emergency dredging situations. We're trying to work with the harbour authorities to better predict where we might get those types of instances and bring on board available contractors whom we can bring in very quickly on an emergency basis, but certainly your idea of having a separate envelope of funding is very interesting.

Mr. Colin Fraser: When you talk about emergency situations, in Atlantic Canada in particular there are only a couple of companies, I think, that do the dredging work. If one company is working on a project that may be taking all summer, leading up to the next fishing season or whatever the case may be, and they have to leave to go fix an emergency situation, it means that this job may not be done before the fishing season, and therefore it's put on the shelf for a little while, and then maybe there are other obligations.

Do you see an issue with the lack of contractors or companies that do the dredging work in order to fulfill the mandate of the small craft harbours for dredging?

• (1605)

Ms. Denise Frenette: It's true that there is limited capacity to do the dredging, but I haven't come across too many examples where we have run into situations with the contractor per se. It's more a challenge from the financial perspective to address the urgencies that pop up that weren't planned.

Mr. Colin Fraser: At the same time that other pressures have increased on the small craft harbours budget, with respect to dredging in and of itself, has there been an increase in the cost of getting environmental assessments done and the requirements and obligations on small craft harbours to deal with the material that's being dredged to be hauled away, for example?

Those increased costs mean that you can do less with the money you have. Is that right?

Ms. Sylvie Lapointe: You're right, and we do have some challenges there with waste disposal, in particular land-based disposal, where provinces such as Nova Scotia have enacted stricter regulations. That is an additional challenge for us as well.

Mr. Colin Fraser: You mentioned how climate change impacts the dredging aspect and increases the need for dredging when you have more fill. Currents are changing, and the water temperature affects all of these things due to climate change.

Can you talk a little bit about how you see that impacting the amount of dredging that needs to be done on a yearly basis?

Ms. Denise Frenette: We've looked at predicting how much the dredging costs could increase. We are seeing a move. As Sylvie mentioned, it costs us \$8.6 million, but we're predicting that this will

move up to \$21 million, so we are looking at projecting the requirements for dredging costs, and it is increasing.

Mr. Colin Fraser: Thank you.

I suspect that is my time. Thanks.

The Chair: You were right on the button. Thank you, Mr. Fraser.

Now we go back to the Conservative side, with Mr. Doherty for five minutes or less.

Mr. Todd Doherty: Thank you.

Thank you to our guests.

Our colleague Mr. Donnelly asked a question regarding the state of disrepair or repair. I think the answer was that, from 2013 until today, there is no data. Is that correct? There was a comment that was made, and I just want to give you an opportunity to—

Ms. Denise Frenette: I wouldn't say that. We update the data on the quality of our facilities on an ongoing basis, but I have to say to the committee that we are currently undertaking an exercise where we are going to be retaining a consultant to do another refresh of our data.

Mr. Todd Doherty: Okay, thank you.

Ms. Lapointe and Ms. Frenette, how long have you been with this department?

Ms. Sylvie Lapointe: I've been with the department since 2000.

Mr. Todd Doherty: Okay. Was that in this capacity?

Ms. Sylvie Lapointe: No.

Mr. Todd Doherty: Okay.

Ms. Frenette, how about you?

Ms. Denise Frenette: I just started in September of last year.

Mr. Todd Doherty: Okay, so you're fairly new to it.

Has there been an asset management plan that's been done?

Ms. Denise Frenette: Well, we haven't.... The data we have for 2013 was the beginning of an asset management plan. The information that we have on the condition of the facilities allows us to have good data to plan. The absence of A-based funding and stable funding has affected our ability to really plan strategically.

Mr. Todd Doherty: Okay, but you did say in earlier testimony that you do meet with harbour authorities once a year, and you stay in constant contact with them. Is that correct? That was the testimony we heard earlier.

Ms. Denise Frenette: Yes, and—

Mr. Todd Doherty: Sorry to cut you off. Ms. Lapointe and Ms. Frenette, you both would understand the condition of the harbours on an ongoing basis. Is that right?

Ms. Denise Frenette: Yes.

Mr. Todd Doherty: In the absence of scientific data, you would hear from them. Is that correct?

Ms. Denise Frenette: Yes.

Mr. Todd Doherty: It is frustrating for me.... Again, I apologize for coming in late. It's easy to say that more money would solve all the problems, yet you stand before us and say there's no data from 2013 until today. I don't know whether there's been data previous to that. We can stand up here and say that climate change has done this and we're seeing ongoing issues with that, but we have no data. It is a challenge for me when the department officials who come before us....

Now I'm on a soapbox.

It is your department to manage. These are under your purview. Is that correct?

•(1610)

Ms. Sylvie Lapointe: Yes.

Mr. Todd Doherty: If there are issues such as antiquated small craft harbours or small craft harbours in need of repair, rather than relying on the volunteers to try to make it work, our department should be doing everything in its power to bring it up. Isn't that correct?

I have a simple question. Why are we sitting here today and hearing that there has been no data for five years?

Ms. Denise Frenette: I wouldn't say that there has been no data for five years. A fulsome assessment, where we have a number that captures the full inventory, the most up-to-date information, is from 2013, but—

Mr. Todd Doherty: Perfect. Let me cut you off. I'm sorry.

I'm sorry, guys. You have officers who are on the ground or officials who are on the ground. Is that correct?

Ms. Denise Frenette: Yes.

Mr. Todd Doherty: Yes. Are you hearing concerns from them on a daily basis with respect to our small craft harbours, Ms. Lapointe?

Ms. Sylvie Lapointe: Yes, we hear concerns. You know—

Mr. Todd Doherty: Are you unable to act on them, or...?

Ms. Sylvie Lapointe: We only have a limited pot of money, and we try to get to the ones that are the highest priority, which is based on safety—

Mr. Todd Doherty: I'm going to cut you off there.

Harbour authorities, again, are run by a volunteer base.

I know a little bit about divestiture of ports and airports. I'm going to speak freely about airports. When the Government of Canada divested itself of the airports, we had to build a business plan on how we were going to safely and securely run that airport. I would think that harbour authorities are supposed to do the same. Is that correct?

Ms. Sylvie Lapointe: Yes, that responsibility has been delegated to—

Mr. Todd Doherty: Are you providing any additional funds for them when they are talking to you about serious concerns about the state of their small craft harbours? You said you meet with them on an annual basis—

Ms. Sylvie Lapointe: On the ground our regional offices are in constant contact with the various harbour authorities.

Mr. Todd Doherty: Then we should have up-to-date data. Is that correct?

Ms. Sylvie Lapointe: I think you're misconstruing.

Mr. Todd Doherty: I don't think I am at all.

Ms. Sylvie Lapointe: When Denise said there was no data, we were talking about a specific assessment of how much money it would need over the next 10 years to be able to fully meet the requirements of the program, and that assessment was done in 2013.

Mr. Todd Doherty: Okay, so there hasn't been one done since 2013.

Ms. Sylvie Lapointe: That's correct.

Mr. Todd Doherty: Okay. Well, thank you for qualifying that for me.

Do I still have time?

The Chair: No.

Mr. Todd Doherty: That's too bad.

The Chair: You're actually well over.

Now we go back to the government side.

Mr. Morrissey, you have five minutes or less, please.

Mr. Robert Morrissey (Egmont, Lib.): Thank you, Mr. Chair.

I, too, want to acknowledge the young fishers who travelled I believe on their own means and found the resources to get to Ottawa. Last night, they very eloquently presented their case for the issues confronting them and that owner-operator works well on the east coast, which we acknowledge, and they'd like to see that on the west coast.

I truly hope we get the opportunity to travel to the west coast to hear more of what you have to say. Thank you for coming and presenting your case so well.

I have a few specific questions.

You listed 189 projects that were funded through budget 2018 and 104 projects that are being carried out this year. Could you provide us with a list of those projects and the estimated cost around them, provided the cost does not violate confidentiality or competitive information within the department? If you could provide the committee with those projects, I would appreciate it.

Ms. Sylvie Lapointe: We'd have to make sure in how we report out to you the value of the projects, that we're not, as you mentioned—

Mr. Robert Morrissey: I acknowledge that.

If it does, then just list the project—

•(1615)

Ms. Sylvie Lapointe: Yes.

Mr. Robert Morrissey: —without the dollar value.

You referenced the need for emergency response, emergency funds. Is there an itemized amount in your budget for dealing with emergency situations? They come up all the time.

Ms. Sylvie Lapointe: We do have a contingency fund of \$5 million that we put aside every year.

Mr. Robert Morrissey: Is that for all of Canada? Wow. I hope you don't have many emergencies. It's \$5 million.

Ms. Sylvie Lapointe: Half of it is already gone, I think.

Mr. Robert Morrissey: No doubt. I could spend that much in my riding. I'm amazed it's so small.

There's an issue I would like you to comment on.

Is there a common responsibility for maintenance—and I'll just reference Atlantic Canada—for the harbour authorities? What we found in travelling on the east coast, and the west coast to an extent as well, is that it's all over the board in terms of what some authorities are responsible for in their harbours. Are there common itemized expenses that harbour authorities are responsible for?

Ms. Denise Frenette: In the lease that we have with harbour authorities, it stipulates that they are responsible for the day-to-day management of facilities and minor maintenance work. It is true that some—

Mr. Robert Morrissey: That's pretty broad. It's all over the place. Really, I believe that's an issue small craft harbours should more clearly define to come up with a common.... Then it may drive—I have to be careful with this—a better realization of the cost for some of the users of these ports and an understanding of what may have to be contributed to keep it up.

My point is that sometimes the expectations are very high when nobody sees the bill, when government is responsible for it all. Outside of the lease, the agreement between authorities, there's no real clear.... For instance, it could be that the lights, the electricity is your cost, and items like that. It's not that specific, is it?

Ms. Denise Frenette: It's not that specific, no.

One of the things we're undertaking this year, and we've just set up a national committee, is a lease review. We will be looking into the lease, and we will be engaging with harbour authorities in this exercise.

Mr. Robert Morrissey: There was some concern that the \$250 million of new money brought in by our government may not all be spent because of the ability to gear up tenders and awards and get contractors. Can you comment on that?

Ms. Sylvie Lapointe: We have received the authority to spend less in 2018-19 and more in 2019-20, so we have that ability to ramp up and meet the expectations.

Mr. Robert Morrissey: You're confident that in roughly the two years \$250 million will get out—

Ms. Sylvie Lapointe: Yes, we just tend to break it down.

Mr. Robert Morrissey: Fishers will see it in their ports then.

Ms. Sylvie Lapointe: Yes.

The Chair: You have seven seconds.

Mr. Robert Morrissey: You referenced the issue of dredging and the environment. One of the parts I find frustrating in my province is that the provincial government will not allow sand to be moved onto the beach next to a harbour. It could be moved at no cost, but it's okay if it moves 100 feet into the channel at the harbour and then the Government of Canada spends \$300,000 to move it.

Could we do a better job of coordinating with provincial governments on a more preventive approach to this? It happens a lot. There's no cost incurred in some of these areas. We have to be protective of the environment but, close to the harbour, a contractor would come in and gladly remove it if they could get environmental approval, but when it moves literally 100 feet into the channel of the harbour, it becomes an issue of several hundred thousand dollars.

The Chair: We'll have to try to get the answer.

That was a long seven seconds, Mr. Morrissey.

Mr. Robert Morrissey: He was counting me down in my ear.

The Chair: That didn't help, apparently.

We go back to the Conservative side.

Mr. Doherty, you have five minutes or less, please.

Mr. Todd Doherty: Thank you, Mr. Chair.

I want to offer our guests this comment. Where my frustration comes from is that, time and again, we have the department that comes before us and promises to do better. All the time. DFO's 2013 evaluation report on the small craft harbour program mentioned that the department had “recently launched a process to develop a Long-Term Strategy that will propose options for sustainability of the Small Craft Harbours program in the long term....” That's from the 2013 report.

The 2013 evaluation report on the small craft harbours program also said that the data on harbour performance and harbour facility conditions was not entirely up to date. It's been five years. That is a very long study, and it comes down to how much money you have. I have to question the management of it.

I'd like to know when this long-term study is going to be done and how much more money you're going to need to get it done. It's been five years since the 2013 evaluation report came forward. At one point, the buck has to stop.

You're in charge of this department. What do you have to say to that?

● (1620)

Ms. Sylvie Lapointe: There are a lot of things that we've not been able to address in terms of longer-term planning, because we've received these injections of short-term funding with deliverables in extremely tight timelines, capital projects, and bringing the small craft harbours up to a state where they're safe.

That has taken, honestly, a lot of our time. Every time the funding ends, we start from scratch all over again and have to deliver, within a very short period of time, significant projects and deliverables across the country.

Mr. Todd Doherty: I don't accept that as an answer.

I would offer this. Ultimately, as managers of a department, decisions have to be made. You have to manage your department and the assets accordingly. Lives matter about it. Safely and securely, you have to run those small craft harbours.

I'm going to pass the remainder of my time to my honourable colleague.

Mr. Mel Arnold: Thank you, Mr. Doherty.

Along that same line, on that 2013 evaluation report and the statement that there would be a long-term strategy completed, can you tell us if anything has been initiated?

Ms. Sylvie Lapointe: One of the things we looked at in the past is alternative delivery of the program. To date, we've been unable to find another delivery mechanism, other than the one that we have, that would be as effective or that would reduce the costs to the federal government. That is ongoing work that we continue to look

Mr. Mel Arnold: That's the end of the long-term planning?

Ms. Sylvie Lapointe: No.

Mr. Mel Arnold: What else has been initiated at least?

Ms. Sylvie Lapointe: We do five-year planning, which is what we're able to do right now.

Mr. Mel Arnold: Is five years long term?

Ms. Sylvie Lapointe: It's a longer term than one year.

As I say, we're extremely challenged with these sudden injections of significant funds and expectations that we will deliver projects in very short periods of time.

Mr. Mel Arnold: The same report also said, "Identify and test alternatives that will improve the program's affordability and long-term sustainability."

Could you please provide us with details on alternatives identified that might improve the delivery of the small craft harbours program? That was five years ago. There should have been something developed.

Ms. Denise Frenette: In terms of the service delivery models that were explored, they looked at the operations of all harbours using public and private partnerships. That was one option that was looked at. There was divestiture of all harbours and delivery of a new contribution program during the transition. Conversion to a special operating agency could have been an option, or the transfer of non-core harbours to Public Services and Procurement Canada or to Canada Lands.

Mr. Mel Arnold: You've looked at these possibilities, but has there been no action on any of them?

Ms. Denise Frenette: We've looked at those possibilities, but at the end of the day, because of the high carrying costs of the infrastructure and the low potential for generating revenue, the model we have in small craft harbours is still more costly.

• (1625)

Mr. Mel Arnold: It's going to carry on to be—

The Chair: Sorry, but we'll now go back to the government side.

Mr. Finnigan, go ahead for five minutes or less.

Mr. Pat Finnigan (Miramichi—Grand Lake, Lib.): Thank you, Mr. Chair.

I would also like to acknowledge and thank the group from B.C. for being here. I really appreciate your being here. I think of the future of fishing on the west coast. As you've heard from our side, we'd certainly like to visit you. I think we also heard from the NDP that they would certainly appreciate a visit. We're just hoping that the other party will do the same and we can pay you a visit.

[Translation]

Welcome, Ms. Lapointe and Ms. Frenette. Thank you for being with us today.

You said that the costs of dredging were increasing from \$8 million to \$21 million. Storms and other factors make it very difficult to predict the dredging costs from year to year. Should there be a separate budget for dredging? Is this something we should consider doing?

Ms. Denise Frenette: This would certainly benefit the program, because at present, the financial pressure from dredging is eroding our ability to undertake repair or construction projects. Indeed, it would be nice if there was a separate budget.

I would like to clarify something for the committee. The \$8.6 million we talked about is what is normally spent annually. That being said, the costs of dredging are increasing and, in recent years, we have spent a little more than that amount. We used temporary funding, which helped us to partially reduce the financial pressure associated with dredging. The \$8.6 million we talked about is the regular program. Costs are gradually rising to \$21 million.

Mr. Pat Finnigan: We know that climate change is causing much stronger storms. The storm in Newfoundland and Labrador last week almost moved the island, from what we've been told.

Is climate change always considered in every new construction or development project? Is this factor always measured?

Ms. Denise Frenette: We have developed a tool that enables us to assess or estimate the rise in water level. We take climate change into account in the design of the infrastructure we need to build.

Mr. Pat Finnigan: I will now talk about the closure of wharves or harbours. Closing a harbour or wharf is quite costly. Are there any facilities that would be less expensive to maintain or continue to operate? Is analysis done every time a harbour or wharf is considered for closure? Sometimes it would be easier to continue to develop or operate it.

Ms. Sylvie Lapointe: The harbours we are trying to divest are those that accommodate recreational boats or that do not fall within the mandate of the program. It was decided in 1995, I believe, that the mandate of the program would be limited to facilitating commercial fishing. That is why we have an obligation to divest ourselves of these harbours.

Mr. Pat Finnigan: In my riding, we are going to have a robot that will clean the inside of the harbour, between four landmarks, much like the robots that clean floors in homes today. This robot will be tested in Pointe-Sapin, and it will be a first, apparently. I don't think it's been done before, but it has to be done.

Are you aware of new technologies, such as this robot, that will dredge the seabed?

Ms. Denise Frenette: This is the first time I've heard about this robot. It's interesting. I'm looking forward to exploring this idea.

I don't have an example of new technologies, but it's certainly something we're going to study.

To reduce dredging needs, we will need a long-term plan for our structures. For example, we could examine the orientation and length of our breakwaters or consider other protective measures when configuring our harbours. This could help reduce the need for dredging.

• (1630)

Mr. Pat Finnigan: Thank you.

[*English*]

The Chair: Thank you, Mr. Finnigan.

Now we go to Mr. Donnelly, for three minutes or less, please.

Mr. Fin Donnelly: Thank you, Mr. Chair.

Ms. Lapointe, you mentioned that you've been with FOC for almost two decades. You've seen a lot of changes, certainly more than I have. I've been here for nine years.

I recognize the challenges that the department has had to face. For instance, from 2010 to 2015, the department faced severe cuts. Now, from 2015 on, you have a reverse problem of injection of funds.

I'm going back to that 2013 capital study. In your opinion, how much A-base funding would be needed to properly address the 10-year small craft harbours capital plan that was drafted in 2013?

Ms. Sylvie Lapointe: I think in terms of our A-base, what we've been saying is that doubling it would get us to a point where we could manage a lot of the challenges we have.

Mr. Fin Donnelly: That could be a recommendation this committee comes forward with, and that's very helpful. Sure, there needs to be more studies and more data. However, we've certainly heard, from travelling to both coasts and in central Canada, that there are common needs and there are more problems than there is money to fix them, even with the injection of temporary funding.

That's really helpful.

In the minute I have left, what would you say are the top three challenges that face our harbours?

Ms. Sylvie Lapointe: We talked about climate change. That's a huge issue not only in terms of keeping up with dredging requirements, but in dealing with, as was mentioned, intensity of storms and damage and repairs to our small craft harbours.

The second one I would say is that what we're seeing amongst the harbour authorities is that they're volunteers who have increasing

challenges and complex responsibilities. There's not a lot of renewal in terms of the volunteers we have.

I'll let Denise pick a third.

Ms. Denise Frenette: The overcrowding issue is something which we also need to address. That's very challenging, very costly. When we don't address the overcrowding issue, we run into some very challenging safety issues.

Mr. Fin Donnelly: We have a bold recommendation and have identified three major challenges.

Thank you very much.

The Chair: Thank you, Mr. Donnelly.

We've gone through our rounds of questioning. The departmental officials are here until five o'clock, so will we continue on with four-minute sessions to maybe get in as many as possible?

Some hon. members: Agreed.

The Chair: Mr. Hardie, you have four minutes or less, please.

Mr. Ken Hardie: Thank you, sir.

I have a couple of questions.

The initial focus was obviously on support for the fishing industry because of the economic benefits that brings to communities. We've certainly seen, though, especially in central Canada and on the Pacific coast, that the recreational side is in some cases even more beneficial to the community as far as the economics are concerned.

Would small craft harbours start to perhaps contemplate or even recommend that we expand our scope, in terms of the necessity and the economic benefits of including the recreational side?

Ms. Sylvie Lapointe: At this stage, with the challenges we face and the resources at our disposal, I don't think we'd be in a position to take on the additional piece around recreational activities. I also mentioned aquaculture as an increasingly interested industry that accesses our harbours.

• (1635)

Mr. Ken Hardie: Are they not factored in as well?

Ms. Sylvie Lapointe: They're not part of our mandate. As I mentioned, in 1995, the decision was made that the mandate of the program would really focus on supporting commercial fishing operations.

Mr. Ken Hardie: I imagine dredging is an issue in many places across Canada, but particularly on the east coast, with the increasing severity of the storms and the need, it appears, to dredge.

If you had the funding to do all the dredging that was necessary to keep things at least in a state of good repair, or even to make improvements to capacity, would the existing service provider be able to keep up or, had you the funding and the plan, would that in fact open the door for a second service provider to come in and basically expand the amount of that activity going on?

You haven't gone there yet, have you?

Ms. Denise Frenette: To be honest, I'm not quite sure I understand the question.

Mr. Ken Hardie: If you look at all of the dredging that could be done, both for a state of good repair and to make improvements, would there be more work available than the one service provider on the east coast is able to provide?

Ms. Denise Frenette: It depends on the capacity of the service providers we have currently. Certainly if we had more money, we would probably increase the dredging. Right now we are limited to just the pure safety and priority and—

Mr. Ken Hardie: Do you think they could keep up, or would it expand their business or create an opportunity for another business?

Ms. Denise Frenette: It would either expand their business or create an opportunity for another business.

The reason I'm hesitant is I don't necessarily have information on their current maximum capacity.

Mr. Ken Hardie: Okay, thank you.

That's good.

The Chair: Now to the Conservative side, we have Mr. Calkins, for four minutes or less.

Mr. Blaine Calkins (Red Deer—Lacombe, CPC): Thank you, Mr. Chair.

Given that this is my third or fourth time going through a small craft harbours report in this committee, I wasn't going to offer too much more insofar as what I know or don't know—or think I know or don't know—but I just had to pipe in today, and I want to thank the officials for being here.

I've often sat around this committee table and it wasn't necessarily made known to the public that we could probably just dust off the previous three versions of the small craft harbours report, change the date and the names of the people who did it, and we would basically be in the same place.

That's not a reflection of anything other than just the situation we're in. We are continually trying to address the problem with the same kind of thinking that we've been trying to address the problem with for years and years now. That's not the fault of anybody at this table.

I want to talk a bit about fleet, and the fleet changing. What information do we have insofar as the changing of the fleet is concerned? We've had authorities and people from fishing organizations coming here saying that there are craft that are basically taking up three times the footprint of existing craft right now.

Can you give the committee some insight into the consolidation of the fleet? Are we getting fewer but bigger boats? Are we getting more boats that are bigger boats? Do we have any information on that fleet consolidation, and how rapidly the fleet is actually changing?

Ms. Sylvie Lapointe: The fleet changes would depend on which fishery you were talking about. If we were to take an example in the area of southwest Nova Scotia and the lobster fishery, we're not getting more boats, but we are getting larger boats, for sure.

Mr. Blaine Calkins: Do those larger boats have a different capacity for fishing? They would probably have longer ranges and the ability to stay out longer at sea. Would that be correct?

Ms. Sylvie Lapointe: They would have more efficient fishing capacity.

Mr. Blaine Calkins: I live in Alberta—don't hold that against me—but I'm very interested in fisheries. My background is fisheries and aquatic sciences. This is the stuff I love to talk about.

I grew up on a farm, and the Government of Canada doesn't own a single piece of infrastructure between the farm gates on my farmer's land and the port of Vancouver. I also represent people who are in the forestry industry, and the Government of Canada doesn't own a single piece of infrastructure between where that tree is taken down and the port in Vancouver, if that piece of lumber or any of the product is actually being shipped to an export market or even used in a domestic marketplace.

I can go through just about every other natural resource sector we have in Canada, and I can say... I'm not going to say the Government of Canada doesn't from time to time help those sectors, but it does not actually own any infrastructure. It doesn't own the grain-buying terminals. It doesn't own the railway companies. It doesn't own any of those things.

This seems to be the only industry that I'm aware of in Canada where the Government of Canada actively owns and manages infrastructure. I'm wondering if, from a paradigm perspective, there is an opportunity for the industry to take a more active role in ownership of the industry assets that it needs.

When I see fishermen come to the table and say they are getting rid of their smaller boats and building these large multi-million dollar boats, and when I see Clearwater and other processing companies expanding their operations, I'm wondering why the Government of Canada is doing this. Is there not some other perspective that we can look at this problem from by getting the Government of Canada out of the business of actually owning the infrastructure and simply providing support where necessary from time to time?

Has that ever been discussed or looked at inside the department?

• (1640)

Ms. Sylvie Lapointe: Yes, it has, several times. I think as Denise mentioned, we've looked at alternatives to deliver the program. The challenge is that there are very few parties interested in taking on this kind of responsibility for a structure that's—

Mr. Blaine Calkins: I don't know anybody who comes to the Government of Canada and says they will gladly pay for what it is currently paying for if it will just give them the chance. They do so because they would have to out of necessity of building the industry and building the capacity.

The Government of Canada started this a long time ago, but now maybe it's time to think about this differently. I'm not suggesting that the Government of Canada can't help in that transition, but I think there's an opportunity to do things smarter and I'm just hoping the report will go down that road. I understand it's a very difficult question, but I'm wondering if it's possible.

Ms. Sylvie Lapointe: You raise a valid point. As I say, we have looked at it before, and that's something we continue to look at. In terms of the industry contributing more to the costs of the operations of the harbour, they do pay fees to the harbour authorities and there are certainly opportunities there for those fees to be increased, which would help in the day-to-day maintenance of the harbour.

The Chair: Mr. Donnelly, you have four minutes or less, please.

Mr. Fin Donnelly: Thank you, Mr. Chair.

I'd like to continue on the same conversation that my colleague brought up. He talked about a potential corporate model. Has the department thought about a co-op model as well, working with independent fish harvesters, for instance, to find out if divesting these assets to some kind of a co-op model or a community-based model might work?

Ms. Sylvie Lapointe: We've looked at a public-private partnership. I'm not sure if that was an actual co-op model. We looked at, as well, a special operating agency. As I say, we do continue to look at those alternatives, and we'd certainly be interested in any suggestions or ideas that the committee has.

Mr. Fin Donnelly: We did talk to a number of municipalities, but I think they're more interested in recreational use than fishing. We did talk to—at least on the west coast, I remember—some first nations that were interested in fishing. Perhaps that model could be looked at.

Could I back up a step and ask why somebody would want to accept these assets? I would assume there is already infrastructure that they could take advantage of. It's there. The question is whether the income or revenue is available to upgrade or maintain these assets.

Ms. Sylvie Lapointe: As you've noted, there is definitely more of an interest in taking on some of the recreational harbours and making them more of a marine infrastructure, where the municipality that takes it on board can actually generate some significant revenue. The first nations piece is something we are actively looking at, but again, I think our initial sense is that if first nations were to take this on board, their expectation would be that there would be some ongoing continued financial support from the government. That is an area we're exploring.

Mr. Fin Donnelly: Ms. Frenette, did you want to comment?

Ms. Denise Frenette: Yes.

I would mention that we don't invest in upgrades for harbours that we consider non-core harbours. We try to make sure they continue to be safe, and sometimes it may mean that we have to block off access if we can't do the repairs. Sometimes there is an interest from the community to get those properties, because when we divest we put them back into a state of good repair, and then they have a better asset for their community. They can continue on, as Denise said, to do activities that may yield more economic benefit for their community.

• (1645)

Mr. Fin Donnelly: Have I time for another question?

I have one minute. Okay.

The Chair: Almost....

Mr. Fin Donnelly: I'll get started, and maybe if there's another final round, you can finish.

Along the same line, how can the federal government best assist those communities that wish to accept the harbour and those assets? In other words, once divestiture has happened, what's the best role that the government could play in making sure they succeed?

Ms. Denise Frenette: Right now we don't have a role after the divestiture, but one thing I can say to the committee is we do transfer the asset in a state of good repair. When they get the asset, it is in good condition and the upkeep should be relatively easy for a number of years.

Mr. Fin Donnelly: You also have a lot of knowledge from harbour authorities that could be transferred to these folks, who may not have that knowledge. That may be something to think about going forward.

The Chair: Thank you, Mr. Donnelly.

Back to the government side, we go to Mr. Fraser, for four minutes or less, please.

Mr. Colin Fraser: Thanks, and I'll share my time with Mr. Morrissey.

I just want to pick up on a point that was raised earlier by Mr. Calkins regarding the capacity issue at our small craft harbours.

I know it depends on what fishery we're talking about as far as what's going on with the consolidation of fleets, or whatever is concerned. There are a number of lobster fishermen in southwestern Nova Scotia, obviously, who want larger boats because they want live wells on their boats in order to have a better quality product when they sell their lobsters. They want to have a safer boat. They want to be able to have a more efficient boat, to be able to put all their lobster traps on in one run, or do a double run in a day.

All of this comes back, though, I think, to the point of the A-base funding, in order to plan long term to deal with some of these capacity issues. I'm glad you raised the issues today with regard to long-term, stable funding in A-base, and the fact that there hasn't been an increase in nine years. I think that's important.

One thing that was raised earlier was with regard to working with the local harbour authority and some of the knowledge on the ground at these wharves in order to make sure that we're not missing an opportunity to have future room for capacity. The issue at the Wedgeport harbour was raised, and the fact that they put a breakwater in a place that didn't allow for floating docks to be put in and have added capacity maybe in the future.

When the final engineering plan is done for work at a small craft harbour, is the harbour authority in on that final engineering plan? Do you think there would be any opportunity to have them actually have a look at it before final approval is given or is that consultation done earlier on, and they don't actually know what's going to happen in the final result?

Ms. Denise Frenette: My understanding on how it works is that when the final design is done, it would be shared and discussed with the harbour authority. I can't say with certainty that this is done 100% of the time, but it would be my expectation that this is what's happening.

Mr. Colin Fraser: Is that what's supposed to happen?

Ms. Denise Frenette: Yes.

Mr. Colin Fraser: Okay, thanks.

I'll hand it over to Mr. Morrissey.

Mr. Robert Morrissey: Thank you.

Following up on that, one of the frustrations we heard, especially in Nova Scotia, was when the port authorities said too much of the funds that were dedicated to a project in their area go to design and engineering fees within Public Works. If you go with infrastructure funding to do upgrades in the municipality, they will go out to the private sector to get designs. I want you to comment on that. Is there a more efficient way of allowing the harbour authorities to have more control over those design issues? This speaks to my colleague's point, giving them more responsibility for proper design.

We'll just use any number. On a \$3-million project, \$2.9 million or \$2.7 million of it is actually spent on the project. A lot of times we see these big numbers, but when you look at what's left to go into the project.... That's why we've seen so many projects where there was approval to do this much, but once all the design and overhead costs from government were added in, you ended up with a small project that, really, at the end of it, made no sense in being there.

• (1650)

Ms. Sylvie Lapointe: I'll just say—Denise can correct me if I'm wrong—that at least we've tried.

A lot of the work we do is in house, so we don't always use PSPC. That has certainly helped us a lot in terms of efficiency, and getting things done much quicker and at a lower cost.

Mr. Robert Morrissey: With most of the ones I see in my riding, it's still Public Works. You talk to small craft harbour managers.... I want to make it clear that your people in my region are very good. I've developed a good relationship with them. They're very helpful, and they try to work it out. However, there's still a significant amount of the cost that's attached to the project once it's approved that never gets into the physical structure. That's the frustration you get from harbour authorities and fishers.

The Chair: Thank you, Mr. Morrissey.

Now we go to the Conservative side, with Mr. Arnold, for four minutes or less.

Mr. Mel Arnold: I will probably carry on with Mr. Morrissey's question, because I don't think we received enough of an answer to it.

We certainly heard on our travels on the east coast that having to go through the public procurement process, in the estimation of some of the harbour authorities, drove the price up by sometimes what they estimated to be three times over what it should have been. For the dollars that were spent, they got a third of the work that they could have, and that type of thing.

In the change we were talking about, the 2013 evaluation and looking at more affordability or how things things could be done better, has that been looked at?

Ms. Denise Frenette: One thing I can tell you, to build on what Sylvie has said, is that we do have some in-house capacity that we

use. Sometimes we use PSPC. It's a bit of a balance in terms of optimizing the capacity that we have to deliver on a project. Sometimes we have the capacity to do things in-house and it reduces the cost, and sometimes we have to go through PSPC.

Could there be improvement on that model? Maybe so, and I think that's something we can continue to look at.

Again, I will go back to the notion of A-base funding versus B-base funding. With B-base funding, it's a large injection of money. We don't necessarily always have the staff, so we work collaboratively with PSPC to deliver on our projects. In a scenario where we would have more A-base, maybe we would be in a position to strengthen our own internal capacity and hence reduce the reliance on PSPC.

Over the years, there has been that shift of building internal capacity, but we're not at the level where we can say we can do it all internally.

Mr. Mel Arnold: Okay.

In looking at that 2013 report, we didn't hear about much that had been initiated. There were a few things that were looked at, but no real action was taken.

I guess the big question for us in trying to put together a report is, should we just expect more of the status quo, or can we be given an estimate of how much it's going to take to make a difference?

Ms. Denise Frenette: I will add on to—

Mr. Mel Arnold: Pardon me?

Ms. Denise Frenette: You said that no work has been done since 2013.

In 2016, we hired a consultant to do a study and to make recommendations on a long-term strategy, so there was a report issued in 2016—

Mr. Mel Arnold: With no disrespect to you, this is a recurring theme that we see within the overall department: the failure to complete a plan. We continuously hear about plans that were supposed to be developed, and when it's pointed out that those plans aren't there, the department says, "Well, we'll definitely develop a plan to develop the plans."

I'll end there.

Mr. Todd Doherty: If I can, Mr. Chair, I want to add—

The Chair: You have 30 seconds.

Mr. Todd Doherty: —really quickly that in 2013, the report identified that the "main performance information management tool" called "the Small Craft Harbours Management Information Retriever (SCHMIR), is not yet being fully used by all regions."

Is it now being used by all regions?

• (1655)

Ms. Denise Frenette: Yes.

Mr. Todd Doherty: Does the program now provide up-to-date data on harbour performance and harbour facility conditions?

Ms. Denise Frenette: Yes, it does. We have information on the facilities.

I want to be clear about this. In 2013, we did a full assessment of the costs that we need to maintain our assets in a state of good repair and deal with rust-out issues, but we do maintain data on our facilities.

The Chair: Thank you, Mr. Doherty.

Now we go to Mr. Donnelly, for four minutes or less, please.

Mr. Fin Donnelly: Thank you, Mr. Chair.

Ms. Lapointe and Ms. Frenette, thank you for answering the committee's questions. I'm wondering if there's anything that you feel you'd like to address, or that came up earlier that you need some more time to talk about before I ask a question. This is an opportunity to provide the committee with more information on anything that you felt wasn't addressed or hasn't been addressed by any particular question.

Ms. Denise Frenette: I will, if I have the opportunity, speak to the issue of harbour capacity. Sylvie mentioned that once a year we meet with harbour authorities at a national level. We have a national authority advisory committee and we also have regional committees of the same. Those are in a direct dialogue with a subset of HAs.

On top of that, the department, on an annual basis, puts out \$600,000 to support HAs to do capacity development. Through that money there are initiatives like conferences that are put together where there's an opportunity to provide education, training workshops on different topics, and help them deal with their issues on the ground. They will also sometimes use the money, for example, in setting up communication tools and websites. There's regular funding that goes directly to the harbour authorities to help them build their capacity.

Mr. Fin Donnelly: Ms. Lapointe.

Ms. Sylvie Lapointe: I'm good. Thanks.

Mr. Fin Donnelly: You're good.

That's interesting. My one question was going to be on training and capacity-building, and you spoke to it. I was going to ask if there's enough funding. What are the biggest challenges faced by HAs, or harbour authorities, to carry out the work that they need to do in these what I'll say are challenging settings or situations?

Ms. Denise Frenette: I think at the current time HAs are interested in having clearer definitions of roles and responsibilities, and better tools. We are focusing, as I mentioned, on doing a lease review to make sure that we have an instrument when we enter into the lease agreement that better and clearly communicates the roles and responsibilities and provides them tools to work with. I think that's a key component. We're really focused, as well, on continuing to have that dialogue on what other tools we could provide them with.

Mr. Fin Donnelly: I have one last question.

We spoke earlier about different potential community-based models. I asked about co-op models, for instance, or community co-ops, or working with first nations. If anyone was interested in providing information, what's the best mechanism for them to contribute their ideas to the government, to DFO?

Ms. Denise Frenette: I think it's through the network of harbour authorities and specifically the national harbour authority representative for that national committee. I think that would be the best—

Mr. Fin Donnelly: —the best window in.

Ms. Denise Frenette: —window in, to make sure that the discussion happens at the national level.

The Chair: Thank you, Mr. Donnelly.

With the permission of the committee, I would like to ask a question for clarification purposes, for the analyst to get the right information.

You mentioned in the testimony that small craft harbours have some in-house expertise for designing work, but there are times that you have to go out to PSPC to get that work done. In the costing of that, is your cost for putting it out to the other department simply, for example, if it's engineering, or whatever, the cost for them to do the engineering design on it or is small craft harbours paying a premium, almost the same as if they were going to an outside engineering firm to do the work, which would normally work on a percentage basis?

To me, it's two government departments. It should almost be like the exchange of Monopoly money instead of actually exchanging money that's allocated to the repair of one piece of federal infrastructure to another federal department doing the design work. I don't understand why it would be an increase or a portion of the actual cost to the project or the estimated cost simply because it went to another government department to help with the design engineering of it.

● (1700)

Ms. Denise Frenette: Unfortunately, there is a fee when you use PSPC services.

In terms of clarification, I know that Mr. Morrissey mentioned that the cost at the engineering stage is high, but I wouldn't attribute it all to PSPC. A lot of studies need to be undertaken to assess wave agitation and environmental impact. There's a lot of work behind planning that increases the costs. Just to be on the record, it's not just the PSPC.

The Chair: Thank you to everyone.

Thank you to our witnesses for appearing today.

We're going to suspend for a moment while we clear the room and get ready to do some in camera committee business.

[Proceedings continue in camera]

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