



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

# **ENSURING THE SUSTAINABILITY OF THE SMALL CRAFT HARBOURS PROGRAM**

**Report of the Standing Committee on Fisheries  
and Oceans**

**Ken McDonald, Chair**

**FEBRUARY 2019  
42<sup>nd</sup> PARLIAMENT, 1<sup>st</sup> SESSION**

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## **Report of the Standing Committee on Fisheries and Oceans**

**Ken McDonald  
Chair**

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## **NOTICE TO READER**

### **Reports from committee presented to the House of Commons**

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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# **THE STANDING COMMITTEE ON FISHERIES AND OCEANS**

has the honour to present its

## **NINETEENTH REPORT**

Pursuant to its mandate under Standing Order 108(2), the Committee has studied the Current State of Department of Fisheries and Oceans' Small Craft Harbours and has agreed to report the following:





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## LIST OF RECOMMENDATIONS

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*As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.*

### **Recommendation 1**

**That Fisheries and Oceans Canada review and improve consultation and communication with harbour authorities and users of small craft harbours to:**

- a) determine the best use of federal government resources for each harbour; and**
- b) to plan and complete harbour improvement projects. .... 12**

### **Recommendation 2**

**That Fisheries and Oceans Canada conduct a minimum of two meetings per year between harbour authorities, the Small Craft Harbours program's regional offices and other interested parties with respect to operational concerns..... 12**

### **Recommendation 3**

**That Fisheries and Oceans Canada work with harbour authorities to develop long-term business and/or capital plans for core fishing harbours..... 15**

### **Recommendation 4**

**That Fisheries and Oceans Canada work on building the capacity of the harbour authorities' volunteer workforce and boards of directors, and devise a consistent training policy which clearly outlines what harbour authorities are responsible for and ensure that they are adequately prepared to implement and enforce..... 15**

### **Recommendation 5**

**That Fisheries and Oceans Canada develop a consistent, common policy as it relates to maintenance for which harbour authorities are responsible. .... 16**

#### **Recommendation 6**

**That Fisheries and Oceans Canada and other relevant federal departments and agencies work cooperatively, and in a timely manner, with small craft harbour authorities to establish clear protocols and lines of jurisdictional authority, to address challenges harbour authorities face in dealing with delinquent tenants and unsafe or abandoned vessels. .... 16**

#### **Recommendation 7**

**That Fisheries and Oceans Canada, without delay, bring data on harbour performance and harbour facility conditions up to date to address issues raised by the Department's 2013 evaluation report, and in 2018 testimony from the Department's Small Craft Harbours program management personnel..... 19**

#### **Recommendation 8**

**That Fisheries and Oceans Canada review its safety assessments for small craft harbours and prioritize capital and repair projects based on health and safety risks to users of the small craft harbour. .... 20**

#### **Recommendation 9**

**That Fisheries and Oceans Canada create a separate A-base funding envelope for maintenance dredging work, to assist the Department with better long-term planning on dredging projects. .... 20**

#### **Recommendation 10**

**That the appropriate federal government departments review the federal government's methods of procuring contracts for maintenance, improvements and dredging of small craft harbours with the objective of achieving the most efficient use of funds. .... 21**

#### **Recommendation 11**

**That Fisheries and Oceans Canada consider initiating a pilot project with a willing and able harbour authority to establish a co-operative model for managing and funding a capital improvement of their small craft harbour, and incentivize the project with fast tracked funding from the Department..... 27**

**Recommendation 12**

That, given the impact of climate change and the severity of storms, accelerating the degradation of facilities, as well as growing demand, the Government of Canada double the amount of A-base budget available for the Small Craft Harbours program. .... 30

**Recommendation 13**

That Fisheries and Oceans Canada recognize the economic impact that recreational harbours can have on local communities and consider the benefits of tourism generated from recreational harbours when developing funding models. .... 30

**Recommendation 14**

That Fisheries and Oceans Canada work with Indigenous groups to develop a funding model that addresses the needs of Indigenous and coastal communities and fisheries development. .... 31





# ENSURING THE SUSTAINABILITY OF THE SMALL CRAFT HARBOURS PROGRAM

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## INTRODUCTION

The Small Craft Harbours (SCH) program was established in 1977 under the authority of the *Fishing and Recreational Harbours Act*<sup>1</sup> and the *Federal Real Property and Federal Immovables Act*.<sup>2</sup> Since then, Fisheries and Oceans Canada (DFO) has managed and maintained a network of harbours to provide commercial fishers and other users with safe harbour facilities. SCHs are indispensable to the communities in which they are situated and to those who utilize them. It is through this program that most of Canada's commercial fishing fleets are serviced on all three coasts, as well as freshwater waterways.

On 30 January 2018, the House of Commons Standing Committee on Fisheries and Oceans (the Committee) agreed to study the current state of the SCH program, to listen to coastal communities and harbour users, and provide recommendations to the Government of Canada on improvements that can be made to the SCH program to ensure the long-term sustainability of the program.<sup>3</sup>

Small craft harbours operated by the SCH program are often the only federal presence in some remote coastal communities and provide vital public access to Canada's waters. As noted by Tim Wentzell of the National Harbour Authority Advisory Committee:

The Small Craft Harbours program is there to meet the principal and evolving needs of the commercial fishery. The program supports a wide range of successful harbour authorities in coastal communities across the country, with a network of safe, accessible harbours in good working condition. Investments at small craft harbours support economic growth in the fishing industry and the surrounding communities.<sup>4</sup>

The Committee held three public meetings between 6 November and 22 November 2018, during which it heard testimony from harbour authorities (HAs), a maritime

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1 [\*Fishing and Recreational Harbours Act\*](#), R.S.C. 1985, c. F-24.

2 [\*Federal Real Property and Federal Immovables Act\*](#), S.C. 1991, c. 50.

3 House of Commons, Standing Committee on Fisheries and Oceans, [\*Minutes\*](#), Meeting No. 82, 30 January 2018.

4 Tim Wentzell, Committee Representative, National Harbour Authority Advisory Committee, [\*Evidence\*](#), 8 November 2018.



lawyer, municipal and Indigenous representatives, the National Harbour Authority Advisory Committee, the Pacific Regional Harbour Authority Advisory Committee, and DFO officials. The Committee also traveled to New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, and Quebec in June 2018, and to British Columbia, Manitoba, and Ontario in October 2018 to hear concerns directly from interested parties, including fishers, HAs, First Nations, and municipalities.

The members of the Committee would like to extend their sincere thanks to all the witnesses who participated in this study and shared their knowledge and experiences. The Committee is pleased to present the results of its study in this report, along with recommendations based on the evidence it heard.

## BACKGROUND

### The 1995 Program Review and the Divestiture Program

In 1995, DFO undertook a review of its SCH program, after which, the mandate of the program was narrowed to focus solely on core fishing harbours.<sup>5</sup> Ever since, DFO has focused a large part of its mandate on divesting non-core fishing and recreational harbours, through transfers to other orders of government or private individuals, or demolition. According to the National Harbour Authority Advisory Committee, since 1995, DFO has invested \$123 million in base and supplemental funding for divestitures and has divested over 1,100 non-core and recreational harbours; however, over 300 harbours remain in DFO's divestiture inventory.<sup>6</sup>

### Previous Committee Studies on Small Craft Harbours

The Committee has long taken a keen interest in the SCH program. Since 2001, the Committee has released four reports concerning the SCH program, and the themes raised in those reports continue to resonate.

The 2001 report on *Marine Infrastructure (Small Craft Harbours)* focused on: DFO's program of divesting non-core and recreational harbours; ensuring that core harbours were allocated sufficient funds to ensure they were in an acceptable state of repair;

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5 The 2013 DFO Evaluation Report defines core harbours as those "deemed critical to Canada's commercial fishing industry." See: Fisheries and Oceans Canada [DFO], "[Evaluation of the Small Craft Harbours Program](#)," *Final Report*, March 2013.

6 National Harbour Authority Advisory Committee, [Brief](#), 8 November 2018.



considering the utility of non-core, yet important harbours; and reiterating DFO's responsibility for dredging.<sup>7</sup>

The report released in 2006 made a single recommendation, calling on the Government of Canada to increase the budget for the SCH program by \$15 million in the 2007-2008 fiscal year.<sup>8</sup> In the 2007-2008 fiscal year, the Government of Canada added \$20 million in A-base funding to the SCH program. The annual A-base funding (i.e. the program's base budget) has remained unchanged since 2009.

In 2007, the Committee studied the operations and maintenance of SCHs and released its interim report entitled *Safe and Well-Funded Small Craft Harbours: A Clear Priority*.<sup>9</sup> The interim report examined the divestiture program; the need to address the "infrastructure deficit;" the need for operational funding for core harbours; additional support for HAs; as well as the recommendation for the establishment of seven new commercial fishing harbours in Nunavut.

In 2009, the Committee expanded on its previous studies with a report entitled *Small Craft Harbours: An Essential Infrastructure Managed by and for Fishing Communities*.<sup>10</sup> The report's 22 recommendations focused on the following topics: the state of repair of small craft harbours; dredging and breakwaters; fees and revenue generation; project approval and funding; derelict vessels; the divestiture of harbours; the needs of emerging sectors; as well as harbour needs specific to Nunavut.

## The 2013 Evaluation Report

In March 2013, DFO completed an evaluation of its SCH program.<sup>11</sup> The evaluation report recognized the need to adapt to a changing fishing industry by stating that: "The commercial fishing industry is constantly evolving, and needs are changing. For example, there are fewer but larger fishing vessels and new needs for specialized equipment to

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7 House of Commons, Standing Committee on Fisheries and Oceans, *Marine Infrastructure (Small Craft Harbours)*, Fifth Report, 1<sup>st</sup> Session, 37<sup>th</sup> Parliament, 11 December 2001.

8 House of Commons, Standing Committee on Fisheries and Oceans, *Small Craft Harbours*, Second Report, 1<sup>st</sup> Session, 39<sup>th</sup> Parliament, 6 June 2006.

9 House of Commons, Standing Committee on Fisheries and Oceans, *Safe and Well-Funded Small Craft Harbours: A Clear Priority*, Second Report, 2<sup>nd</sup> Session, 39<sup>th</sup> Parliament, December 2007.

10 House of Commons, Standing Committee on Fisheries and Oceans, *Small Craft Harbours: An Essential Infrastructure Managed by and for Fishing Communities*, Ninth Report, 2<sup>nd</sup> Session, 40<sup>th</sup> Parliament, 10 December 2009.

11 DFO, "*Evaluation of the Small Craft Harbours Program*," *Final Report*, March 2013.



accommodate the emerging aquaculture industry.”<sup>12</sup> Similarly, this Committee’s 2007 report on SCHs recommended that “Fisheries and Oceans Canada undertake a study to determine the impact of changing fisheries, [...] wharf overcrowding and the need[s] of emerging sectors such as Aboriginal fisheries, aquaculture and commercial sport fishing on the Small Craft Harbours infrastructure.”<sup>13</sup>

As it pertains to divestitures, the 2013 evaluation report indicated that there were:

several barriers that limit progress in disposing of the 307 non-core fishing and recreational harbours that remain in its inventory. These barriers include, for example, complex and costly repairs or demolition; costly environmental remediation; a lack of interested parties or local capacity to take on all operating and maintenance costs; jurisdictional issues; lengthy treaty negotiations; reversionary clauses; and a lack of funds specifically designated for harbour disposal. Further progress to disposal is likely to continue at a slow pace.<sup>14</sup>

DFO’s 2013 evaluation report on the SCH program also highlighted that

data on harbour performance and harbour facility conditions was not entirely up-to-date. Evidence indicate[d] that procedures for entering such data in the program’s database [were] not systematically or promptly being followed. The program’s main performance information management tool, the Small Craft Harbours Management Information Retriever (SCHMIR), [was] not yet being fully used by all regions.<sup>15</sup>

## Funding Shortfalls

When last evaluated by DFO in 2012-2013, the SCH program’s A-base funding was deemed “insufficient to ensure all core harbour maintenance and dredging requirements” were met.<sup>16</sup> The evaluation also noted that even though B-base funding (i.e., funds allocated through supplementary estimates) has provided for significant budget increases since 2002-2003, “the program has not had sufficient resources to overcome chronic deterioration problems and implement a schedule for proper lifecycle maintenance.”<sup>17</sup> Although B-base funding allows for the resolution of urgent needs,

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12 DFO, “[Evaluation of the Small Craft Harbours Program](#),” *Final Report*, March 2013.

13 House of Commons, Standing Committee of Fisheries and Oceans, [Safe and Well-Funded Small Craft Harbours: A Necessary Priority](#), Second Report, 2<sup>nd</sup> Session, 39<sup>th</sup> Parliament, December 2007.

14 DFO, “[Evaluation of the Small Craft Harbours Program](#),” *Final Report*, March 2013.

15 DFO, “[Evaluation of the Small Craft Harbours Program](#),” *Final Report*, March 2013.

16 DFO, “[Evaluation of the Small Craft Harbours Program](#),” *Final Report*, March 2013.

17 DFO, “[Evaluation of the Small Craft Harbours Program](#),” *Final Report*, March 2013.

restricting A-base funding can limit long-term planning and regular maintenance projects, like dredging.

While appearing before the Committee during its study of the Supplementary Estimates (A) 2018-2019, the Hon. Jonathan Wilkinson, Minister of Fisheries, Oceans and the Canadian Coast Guard pointed out that:

In Budget 2018, we announced a \$250 million commitment to renewing Canada's network of small craft harbours. This funding is helping to accelerate repairs and enhance existing installations for planned projects at core commercial fishing harbours and at non-core harbours. Small craft harbours are key economic hubs in coastal communities across Canada, and they support regional fishing industries.<sup>18</sup>

Although this represents a significant increase in B-base funding for the SCH program, it remains short-term in nature and does not allow DFO to plan medium- and long-term projects. Assistant Deputy Minister Sylvie Lapointe noted that the \$92 million in A-base funding has been unchanged since 2009, and that “as you can imagine, the cost of almost everything has gone up since then, as well as the demand for more investment.”<sup>19</sup>

## WHAT THE COMMITTEE HEARD

### The Small Craft Harbours Program

Throughout its meetings with interested parties, the Committee heard about the importance of maintaining and improving the SCH program. Witnesses spoke of the importance of the harbours to their communities. Noel Facey from the Digby Neck Harbour Authority stressed this point by noting that the three harbours in Digby Neck, Nova Scotia alone are responsible for up to \$60 million of economic impact in the region and hundreds of jobs for community members.<sup>20</sup> The Committee agrees that SCHs are important economic drivers in coastal communities and that their maintenance is important to ensure the economic viability of both the local fisheries and the adjacent communities.

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18 Hon. Jonathan Wilkinson, Minister, Fisheries, Oceans and the Canadian Coast Guard, [Evidence](#), 20 November 2018.

19 Sylvie Lapointe, Assistant Deputy Minister, Fisheries and Harbour Management, Department of Fisheries and Oceans, [Evidence](#), 22 November 2018.

20 Noel Facey, Chairman, Digby Neck Harbour Authority, [Evidence](#), 6 November 2018.



## Funding and Long-term Planning Challenges

The Committee found that these economic and community drivers are being undercut, however, by a lack of trust and communication between a number of HAs and DFO, insufficient stable and long-term core funding, and delays in the funding process.

The Committee heard from the National Harbour Authority Advisory Committee that A-base funding for DFO's SCH program has not increased in the past decade.<sup>21</sup> Despite the many B-base funding investments made over the past ten years, there remains a significant funding gap impacting long-term planning.<sup>22</sup> In fact, B-base funding cannot be used for projects that require medium and long-term planning. The Committee heard that B-base funding is an appreciated infusion of funds, but it must be spent before the end of the fiscal year, which can be a very short amount of time, making it difficult to use funding strategically.<sup>23</sup>

When DFO officials appeared before the Committee, they also drew attention to the lack of stable A-base funding, noting that it created difficulties for long-term planning, as well as staffing the program. As Assistant Deputy Minister Sylvie Lapointe stated: "with temporary funding, we can only hire temporary folks."<sup>24</sup>

The Committee was informed by the National Harbour Advisory Committee that according to a DFO study based on life cycle management principles, the annual funding required to keep all core fishing harbours in good working condition is estimated at over \$150 million annually, but the average A-base annual budget remains at approximately \$75-85 million, excluding salaries and overhead.<sup>25</sup> Assistant Deputy Minister Sylvie Lapointe reiterated that in order to manage the challenges faced by the SCH program it requires a doubling of its A-base funding.<sup>26</sup>

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21 Tim Wentzell, Committee Representative, National Harbour Authority Advisory Committee, [Evidence](#), 8 November 2018.

22 Tim Wentzell, Committee Representative, National Harbour Authority Advisory Committee, [Evidence](#), 8 November 2018.

23 Frank Mauro, Committee Representative, Pacific Regional Harbour Authority Advisory Committee, [Evidence](#), 8 November 2018.

24 Sylvie Lapointe, Assistant Deputy Minister, Fisheries and Harbour Management, Department of Fisheries and Oceans, [Evidence](#), 22 November 2018.

25 National Harbour Authority Advisory Committee, [Brief](#), 8 November 2018.

26 Sylvie Lapointe, Assistant Deputy Minister, Fisheries and Harbour Management, Department of Fisheries and Oceans, [Evidence](#), 22 November 2018.

The National Harbour Authority Advisory Committee also pointed out that DFO's SCH program does not have dedicated funding for the maintenance, repair and divestiture of non-core and recreational harbours.<sup>27</sup> Consequently, this reduces the funding that can be used for capital investments and maintenance of core fishing harbours, and increases DFO's legal liabilities for non-core harbours because the department is responsible for ensuring public safety at all its harbours, including non-core harbours.<sup>28</sup>

Furthermore, the Committee heard about the regional disparities in operations and maintenance funding for harbours. At a meeting in Summerside, Prince Edward Island, fishers told the Committee that only \$1 million per year is set aside for operations and maintenance for all 38 harbours on the island. This concern was echoed by harbours in Ontario, where municipalities feel obligated, for safety reasons, to use municipal funds to repair federal property.

Several HAs in Atlantic Canada recommended a greater allocation of maintenance funds and the development of five to ten year business plans for HAs. The Committee also heard that the SCH program needs to increase the minor maintenance budgets of HAs to let them complete works quickly, as needs arise.

Lawyer Sarah Shiels recommended that DFO "be more transparent when making funding decisions and should disclose the criteria used to determine which harbours receive project funding."<sup>29</sup>

## Communications Issues

While some HAs enjoy a positive and collaborative working relationship with DFO, regional disparities exist. For example, in Big Bay, Ontario, the Committee was told that there are communications issues with DFO and that the department seems secretive, while in Lion's Head, Ontario, the Committee heard that their mainly recreational harbour has an excellent and cooperative relationship with DFO and received funding for major improvements over the past two years.

In British Columbia, the common theme among HAs was frustration with the high turnover rate of coordinating officers at DFO, which leads to the loss of corporate

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27 Tim Wentzell, Committee Representative, National Harbour Authority Advisory Committee, [Evidence](#), 8 November 2018.

28 Tim Wentzell, Committee Representative, National Harbour Authority Advisory Committee, [Evidence](#), 8 November 2018.

29 Sarah Shiels, Lawyer, Clifford Shiels Legal, [Brief](#), 30 November 2018.



memory and a lack of continuity in working relationships. HAs expressed concerns about being unable to contact their departmental liaisons, and noted that those they are able to contact are often overworked and unable to provide proper services to each of the up to 44 harbours under their responsibility.

While speaking to fishers and HA representatives at a town hall in Barrington, Nova Scotia, the Committee heard that in 2013, DFO conducted a study about the state of SCHs in the area, but results were never shared with the participants. They stressed that there is a trust issue and a breakdown in communications between fishers and DFO.

### **Recommendation 1**

**That Fisheries and Oceans Canada review and improve consultation and communication with harbour authorities and users of small craft harbours to:**

- a) determine the best use of federal government resources for each harbour; and**
- b) to plan and complete harbour improvement projects.**

### **Recommendation 2**

**That Fisheries and Oceans Canada conduct a minimum of two meetings per year between harbour authorities, the Small Craft Harbours program's regional offices and other interested parties with respect to operational concerns.**

## **Use of Local and Indigenous Traditional Knowledge**

A common theme among harbours across Canada was the lack of consultation and use of local knowledge by DFO in the planning and construction of capital projects. At the town hall in Barrington, Nova Scotia, fishers and HA representatives told the Committee that DFO asks for fishers' input with respect to repairs, renovations designs, and breakwater positioning but does not follow their advice. Therefore, investments and resulting upgrades are often inefficient and lead to additional problems. This is particularly notable in the construction of breakwaters and in identifying dredging channels. Local fishers emphasized that they are willing to, and do, work with engineers and provide their knowledge about the tide action in the area so that upgrade plans can be better informed, but that DFO does not heed their advice.

The Committee heard from Lucien Leblanc, from the Wedgeport Harbour Authority in Nova Scotia, that there is not enough effort being undertaken to include the views of

fishers and communities in project planning. He stressed that: “I think a lot of the issue is that Public Works [Public Services and Procurement Canada] lacks willingness to consult with the harbour authorities. I believe they make an effort, but I don't think it's a genuine effort. I think they do it because it's mandated.”<sup>30</sup>

The Committee understands that it is frustrating when advice provided is not incorporated and new problems emerge as a result, further exacerbating an already tenuous relationship.

On the West Coast, HAs raised similar concerns. HAs spoke, for example, about the need to change harbour entrances or construct higher breakwaters, but that DFO does not account for fishers' knowledge when departmental engineers propose upgrades and changes.

DFO acknowledged that local fishers and HAs have expertise regarding their harbours and that DFO does consult with them when designing projects, but sometimes are unable to incorporate their design ideas due to financial restrictions or environmental regulations.<sup>31</sup>

In Bella Bella, British Columbia, the Heiltsuk Nation spoke of their desire to develop their harbour with ferries and an Indigenous Marine Response Centre, using their traditional knowledge of the coast.

## **The Important Role of Harbour Authorities**

The Committee would like to recognize the important role played by HAs and their volunteers in the operation of harbours under the SCH program. The Committee heard concerns from HAs nationwide, particularly regarding: capacity, volunteer retention, leasing, and training. HAs also shared their revenue generation models including user fees, which are discussed further in the report.

## **Capacity, Responsibilities and Leases**

The Committee observed that many HAs were frustrated with the lack of consistency in the delineation of responsibilities between DFO and the HAs. When DFO officials appeared before the Committee they noted that the roles and responsibilities of HAs are

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30 Lucien Leblanc, Spokesperson, Wedgeport Harbour Authority, *Evidence*, 6 November 2018.

31 Sylvie Lapointe, Assistant Deputy Minister, Fisheries and Harbour Management, Department of Fisheries and Oceans, *Evidence*, 22 November 2018.



set out in their individual lease agreements.<sup>32</sup> In Barrington, Nova Scotia, members heard that lease agreements between HAs and DFO are complex and a HA had to hire a lawyer to advise members on the lease terms and conditions.

In Cap-aux-Meules, Quebec the Committee was told that DFO is trying to “offload” more responsibilities onto the local HAs. For example, DFO suggested they fix broken winches, but would then transfer all future associated management and repair responsibilities to the HAs. The Committee heard that, over the years, DFO’s SCH program gradually transferred more responsibilities to the HAs. However, the Committee was also told that HA staff are not trained to manage a harbour, since many are fishers by trade. DFO needs to better support HAs in their mandates, which is to provide safe and operational harbours. DFO notes that it reaches out to HAs on a proactive basis throughout the year and has regional capacity-building training annually.<sup>33</sup>

In Harbour Grace, Newfoundland and Labrador, members heard that without a paid staff person, the HA could not function efficiently. Getting volunteers on HAs is essential but difficult. Members heard that few want to assume the position of HA President given the required workload. However, when a HA is able to hire staff (i.e., guards, administrative staff, and harbour managers), it is easier to recruit volunteers. In addition, it appears that the HAs that had help from volunteers or city planners to get long-term business plans in place benefited from SCH program funding more often.

At Howdenvale, Ontario, a core harbour along Lake Huron, the Municipality of South Bruce Peninsula told the Committee that harbour maintenance costs are not covered in the HA’s lease agreement. The municipality expressed a need to clarify jurisdictional issues relating to the operation and maintenance of the Howdenvale harbour. Similarly, in Tofino, British Columbia, the HA expressed frustration that it could not undertake any infrastructure work without DFO approval, and recommended the adoption of a cost-sharing model between the HA and DFO.

In her testimony, lawyer Sarah Shiels, set out her thoughts on how the lease agreement process can be improved. She drew attention to the fact that in many instances, the fishers who sign the agreements do not necessarily understand what they are signing. She explained that:

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32 Denise Frenette, Director General, Small Craft Harbours, Department of Fisheries and Oceans, [Evidence](#), 22 November 2018.

33 Sylvie Lapointe, Assistant Deputy Minister, Fisheries and Harbour Management, Department of Fisheries and Oceans, [Evidence](#), 22 November 2018.



I think that independent legal advice involved in the process of executing these agreements would be beneficial. Whether that's something the department could help fund, I don't know, but I think it would help the process overall. There could be more flexibility in the way the document is framed. The lease agreement itself follows a national template. I have a copy here. It applies in similar respects to all harbour authorities in Canada. It's a "one size fits all" sort of agreement, and it is asking a lot of harbour authorities.<sup>34</sup>

Ms. Shiels also pointed out that the *Fishing and Recreational Harbours Act* and regulations provide for enforcement officers to enforce harbour rules, but that in her experience DFO "consistently withheld this support."<sup>35</sup> She called on DFO to "develop a viable enforcement model in partnership with RCMP and Transport Canada to fulfill its enforcement role."<sup>36</sup>

The Tofino Harbour Authority also noted that it is finding it "extremely difficult to enact effective and prompt enforcement when harbour user disregard rules."<sup>37</sup> The Tofino Harbour Authority therefore recommended that DFO develop an enforcement plan to support HAs' ability to enforce rules, policies and collect user fees. Ms. Shiels recommended that:

The [*Fishing and Recreational Harbours Act*] should be updated to encompass the role of harbour authorities in managing public harbours. Alternatively, new legislation could be designed to empower harbour authorities and independent ports to manage harbour operations (e.g., power to deny access to vessels when conditions are not safe, power to impose fines/penalties, etc.).<sup>38</sup>

### **Recommendation 3**

**That Fisheries and Oceans Canada work with harbour authorities to develop long-term business and/or capital plans for core fishing harbours.**

### **Recommendation 4**

**That Fisheries and Oceans Canada work on building the capacity of the harbour authorities' volunteer workforce and boards of directors, and devise a consistent**

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34 Sarah Shiels, Lawyer, Clifford Shiels Legal, [Evidence](#), 6 November 2018.

35 Sarah Shiels, Lawyer, Clifford Shiels Legal, [Evidence](#), 6 November 2018.

36 Sarah Shiels, Lawyer, Clifford Shiels Legal, [Brief](#), 30 November 2018.

37 Tofino Harbour Authority, [Brief](#), 30 October 2018.

38 Sarah Shiels, Lawyer, Clifford Shiels Legal, [Brief](#), 30 November 2018.



**training policy which clearly outlines what harbour authorities are responsible for and ensure that they are adequately prepared to implement and enforce.**

#### **Recommendation 5**

**That Fisheries and Oceans Canada develop a consistent, common policy as it relates to maintenance for which harbour authorities are responsible.**

#### **Recommendation 6**

**That Fisheries and Oceans Canada and other relevant federal departments and agencies work cooperatively, and in a timely manner, with small craft harbour authorities to establish clear protocols and lines of jurisdictional authority, to address challenges harbour authorities face in dealing with delinquent tenants and unsafe or abandoned vessels.**

### **Liability**

Given that HAs are largely volunteer-run organizations, the Committee, during its trips to both the East and West Coasts, heard concerns about their capacity to handle the potential liabilities inherent with running a harbour facility. The Committee recognizes the important work that HAs do and wants to ensure that DFO provides the proper support to maintain safe and secure harbours, which in turn decreases the risks assumed by the board volunteers.

In Nanaimo, British Columbia, the Gabriola Island Harbour Authority spoke about liability issues and risks assumed by the volunteer-run HA, especially with respect to vessels that are uninsured or derelict. At the meeting held in Summerside, Prince Edward Island, members heard HAs expressing the fear that, if maintenance work is not done, they will get sued by fishers in case of injury.

In Tofino, British Columbia, the HA called on DFO to maintain non-core harbours to a safe standard. The HA emphasized that deferring maintenance of the non-core harbours is dangerous and that it leads to liability and safety issues.

In Campbell River, British Columbia, the Committee was told that HAs can opt into a \$2 million liability insurance program through the Harbour Authorities Association of British Columbia, but that many municipally-run HAs do not participate. The Committee heard that HAs are uncertain about what would happen if there were accidents on the federal portion of the harbour, and expressed concerns about departmental funding to

remove derelict vessels. This again highlighted the need to ensure that there is a clear delineation of roles and responsibilities between HAs and DFO.

## User Fees and Revenue Generation

Several HAs shared their user fee models with the Committee, with most charging higher rates for recreational fishers and boats, and less for commercial fishers. Harbours generally collected fees on a foot per month dollar amount, with larger vessels being charged more. As stipulated in their lease agreements, HAs set their own rates independently of DFO, and these rates vary widely.

Both Noel Facey of the Digby Neck Harbour Authority, and Lucien Leblanc from the Wedgeport Harbour Authority in Nova Scotia noted that their berthage fees have been increasing in line with fishers' incomes, but that unless they are able to increase capacity at their harbour, fishers will be resistant to further increases.<sup>39</sup> As Mr. Facey notes: "The kickback we're getting is that the fishermen are saying, 'You want us to increase the fees, but I still have to sit outside the harbour for an hour, because of the capacity, before I can unload my catch.' That's the dilemma we're in."<sup>40</sup>

Mr. Leblanc reiterated that the harbour is a public facility owned by the federal government, and while the HA ensures safety and maintenance, infrastructure should be the responsibility of DFO.<sup>41</sup>

On the East Coast, the Committee heard that HAs utilize a variety of streams for revenue generation. These include (but are not limited to): flat-rate berthage fees, dividends from fuel sales, catch offloading fees, and fees collected from on-site fish processors.

In Prince Rupert, British Columbia, the HA contrasted the funding received for harbour infrastructure in British Columbia with what is received by harbours in neighbouring Alaska. While harbours on the North Coast of British Columbia largely depend on DFO funding, Alaskan harbours are more reliant on user fees. Harbours in Alaska are

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39 Noel Facey, Chairman, Digby Neck Harbour Authority, [Evidence](#), 6 November 2018; Lucien Leblanc, Spokesperson, Wedgeport Harbour Authority, [Evidence](#), 6 November 2018.

40 Noel Facey, Chairman, Digby Neck Harbour Authority, [Evidence](#), 6 November 2018.

41 Lucien Leblanc, Spokesperson, Wedgeport Harbour Authority, [Evidence](#), 6 November 2018.



municipally-run and receive funding allocated by the State budget collected from watercraft fuel and fisheries business taxes, in effect user fees.<sup>42</sup>

The Tofino Harbour Authority called on DFO to consider a business model in which the recreational harbour users effectively subsidize the commercial fishing facilities.

## Infrastructure and Harbour Facilities

Harbour users and HAs presented their concerns about harbour safety, usability, and dredging. The Committee heard that some harbours receive upgrades that only serve as half-measures or “band-aids,” and require additional investments in the future to bring their harbours to good conditions.

## Asset Management Plans

DFO’s 2013 evaluation report on the SCH program noted that “data on harbour performance and harbour facility conditions was not entirely up-to-date, and that the SCHMIR system was not being used across all regions.”<sup>43</sup>

DFO noted in its remarks to the Committee that the percentage of harbours that are in fair or better condition rose from 73% to 87% since 2011 but was unable to provide the Committee with the criteria used to determine the categorization of harbour conditions.<sup>44</sup> DFO did confirm that SCHMIR is now being used across all DFO regions, although the most fulsome assessment of the SCH program’s full inventory continues to rely on 2013 information.<sup>45</sup>

The Committee is disappointed in the lack of consistent data collection regarding the inventory of the SCH program. While some of the findings of the 2013 evaluation report have been addressed, more is required to get an accurate picture of the state of harbours across all regions. The Committee is also interested in ensuring that the funding criteria for both core and non-core harbours be made transparent for the benefit of HAs, fishers and the surrounding communities. The Committee stresses that it

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42 U.S., H.B. 478, *An Act relating to the municipal harbor facility grant program; and providing for an effective date*, 24<sup>th</sup> Legislature, Reg. Sess., Alaska, 2005-2006.

43 DFO, “[Evaluation of the Small Craft Harbours Program](#),” *Final Report*, March 2013.

44 Sylvie Lapointe, Assistant Deputy Minister, Fisheries and Harbour Management, Department of Fisheries and Oceans, [Evidence](#), 22 November 2018.

45 Denise Frenette, Director General, Small Craft Harbours, Department of Fisheries and Oceans, [Evidence](#), 22 November 2018.

is DFO's responsibility to develop management plans for core harbours in collaboration with HAs. The Committee questions the meeting of that responsibility.

### **Recommendation 7**

**That Fisheries and Oceans Canada, without delay, bring data on harbour performance and harbour facility conditions up to date to address issues raised by the Department's 2013 evaluation report, and in 2018 testimony from the Department's Small Craft Harbours program management personnel.**

### **Safety**

During its study, the Committee heard many concerns regarding safety. The following are a few examples:

- In Fort Amherst, Newfoundland and Labrador, the Committee heard that because the harbour is at capacity, it is difficult for fishing vessels to manoeuvre out and sometimes vessels get "boxed in."
- In Malpeque, Prince Edward Island, the Committee heard that even though dredging occurs annually, it isn't enough. As a result, vessels still drag on the sand bars, damaging the boats and risk capsizing.
- In Neguac, New Brunswick, witnesses told the Committee that the HA cannot wait for DFO approval prior to conducting certain repairs since there are safety concerns (e.g., lighting repairs), but are wary to do so because they are unsure if the HA will be reimbursed.
- In Tofino, British Columbia, the Committee was informed that jurisdictional concerns and a lack of communication with DFO are hindering the ability of the HA and the local fire department to provide firefighting capabilities at the federally-owned SCH.

Noel Facey of the Digby Neck Harbour Authority emphasized his concerns about harbour safety, and concluded that:

Years of lack of funding and deteriorating conditions have led to the burnout of volunteer boards of directors that are managing these federal properties and have caused stress and anger among the fishermen and within the fishing communities. This



is causing grave safety concerns for the fishermen and their equipment in one of the most lucrative and fastest-growing fisheries in Canada.<sup>46</sup>

### **Recommendation 8**

**That Fisheries and Oceans Canada review its safety assessments for small craft harbours and prioritize capital and repair projects based on health and safety risks to users of the small craft harbour.**

The Committee observed that some harbours are better located than others (i.e., they are less/not affected by extreme weather and wave action). However, some of the poorly-placed harbours continue to get repaired instead of being moved to a different location or amalgamated with other SCHs. Investments in those harbours seem extensive and the long-term benefits seem minimal.

HAs in Nova Scotia recommended that DFO follow the municipal funding model where a proponent would receive full funding needed to complete an infrastructure project but would not be able to reapply for further funding for a determined number of years.

### **Dredging**

Dredging was an issue of concern identified in nearly every harbour the Committee visited on both coasts. Concerns ranged from the wait times for dredging services to the low number of dredging service providers in their regions.

Dredging costs seemed excessive on the East Coast and the limited number of dredging companies, machines, and operators makes scheduling a difficult task. The Committee heard that sometimes, scheduled dredging must cease in one harbour to perform emergency dredging elsewhere. In Cap-aux-Meules, Quebec, the HA recommended that there be a separate funding envelope for dredging under the SCH program.

### **Recommendation 9**

**That Fisheries and Oceans Canada create a separate A-base funding envelope for maintenance dredging work, to assist the Department with better long-term planning on dredging projects.**

On the West Coast, the Committee heard concerns about dredging delays caused by excessively long consultation periods, and the tension between conservation goals and

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<sup>46</sup> Noel Facey, Chairman, Digby Neck Harbour Authority, [Evidence](#), 6 November 2018.

harbour expansion. In Nanaimo, British Columbia, the Salt Spring Island Harbour Authority expressed frustration that dredging was delayed for five years of consultations due to the presence of one piece of asparagus seagrass in the harbour. Similarly, in Tofino, British Columbia, the HA explained that the harbour is dredged, but it is difficult undertaking because of environmental concerns. Frank Mauro from the Pacific Region Harbour Authority Advisory Committee recommended that DFO establish a dredging material disposal system.<sup>47</sup>

### Temporary Solutions

In Barrington, Nova Scotia, fishers and HAs emphasized that DFO's "band-aid" solutions are not helpful and that the SCH program funding is "spread too thin." They recommended DFO provide funding to fewer harbours, but fix those that get funding properly.

The pitfalls of the "band-aid" approach were illustrated by Lucien Leblanc who shared his harbour's experience. He related how his harbour is part of a growing fishery that will require more dock space to accommodate more and larger fishing vessels.<sup>48</sup> When DFO installed a breakwater, however, they dumped rocks immediately adjacent to the current dock, in effect halting further harbour expansion.<sup>49</sup> As Mr. Leblanc noted:

In our view, small craft harbours, in trying to save a few dollars from building the rock wall further from the wharf, shot themselves in the foot, so to speak, because now we're at an overcapacity issue and we can't tie vessels there because there's a \$1-million rock wall in the way. The wharves are definitely not meeting our current needs.<sup>50</sup>

In Bella Bella, British Columbia, the Heiltsuk Nation pointed out the many hazards on its docks, such as trip hazards, and rusted grates that were recently installed (Figure 1). These hazards left the Heiltsuk Nation worried about potential liability.

### Recommendation 10

**That the appropriate federal government departments review the federal government's methods of procuring contracts for maintenance, improvements and**

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47 Frank Mauro, Committee Representative, Pacific Regional Harbour Authority Advisory Committee, [Evidence](#), 8 November 2018.

48 Lucien Leblanc, Spokesperson, Wedgeport Harbour Authority, [Evidence](#), 6 November 2018.

49 Lucien Leblanc, Spokesperson, Wedgeport Harbour Authority, [Evidence](#), 6 November 2018.

50 Lucien Leblanc, Spokesperson, Wedgeport Harbour Authority, [Evidence](#), 6 November 2018.



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CANADA

**dredging of small craft harbours with the objective of achieving the most efficient use of funds.**



**Figure 1—Rusted metal gratings that were recently repaired in Bella Bella,  
British Columbia**





## The Harbour Divestiture Process

As part of its study, the Committee looked at core harbours that form part of the main mandate of the SCH program, as well as the non-core and recreational harbours that are slated to be divested by DFO. The Committee listened to municipalities, First Nations and private marina owners to understand the concerns with DFO's harbour divestiture process. The Committee also inquired about the DFO's management of the divestiture process, such as their data collection and management systems to track the inventory of their harbours.

## Collaboration with Municipalities and Indigenous Communities

Municipalities and Indigenous communities are natural partners for DFO in the harbour divestiture process. The 2013 DFO evaluation report notes that harbours need to be "brought to a reasonable state of repair by [the] Small Craft Harbours [program]" before being transferred to either a province, municipality, local not-for-profit organization or First Nations community.<sup>51</sup>

Alex Patterson from the Municipality of Wawa, Ontario, recommended that DFO establish a funding model involving the federal, provincial and municipal governments to ensure the orderly divestiture of recreational and non-core harbours.<sup>52</sup> The municipality underlined that DFO cannot simply abandon its non-core and recreational harbours, but rather must maintain and upgrade them, or provide funding to communities to undertake the upgrades.<sup>53</sup>

Todd Russell, from the NunatuKavut Community Council, recommended that DFO establish a funding model that would consider the role of Indigenous and northern communities in fisheries development.<sup>54</sup> He noted that while his community does not necessarily want to have federal assets, and attendant liabilities divested to it, his community has not "really had a discussion about what the divestiture plans are for small craft harbours or how we might be involved, or not, in those particular plans."<sup>55</sup>

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51 DFO, *Evaluation of the Small Craft Harbours Program*, March 2013.

52 Alex Patterson, Director, Community Services and Tourism, Municipality of Wawa, *Evidence*, 8 November 2018.

53 Municipality of Wawa, *Brief*, 8 November 2018.

54 Todd Russell, President, NunatuKavut Community Council, *Evidence*, 8 November 2018.

55 Todd Russell, President, NunatuKavut Community Council, *Evidence*, 8 November 2018.



The Committee also visited a non-core harbour in Esgenoôpetitj (Burnt Church First Nation), New Brunswick, where the consequences of minimal maintenance were made clear, with dilapidated wharves, as shown in Figure 2.

**Figure 2—Wharf at a non-core harbour in Esgenoôpetitj (Burnt Church First Nation), New Brunswick**



### **Safe Non-core Harbours**

The Committee heard concerns about the need to ensure that non-core harbours are maintained to a safe standard, so that they can be used as safe harbours for fishers exposed to storms or for transient fishers. In Nanaimo, British Columbia, the Salt Spring Island Harbour Authority noted the differences between East and West Coast harbours, with British Columbia harbours having a larger share of non-home port transient users of non-core harbours. For that reason, the HA expressed concern over the divestiture program since it would mean losing those non-core harbours.



Similar concerns were expressed by Todd Russell, President of the NunatuKavut Community Council who represents the Southern Inuit of Labrador. He reiterated that with climate change and an increasing number of major storms, safe harbours are of the utmost importance to fishers in his community.<sup>56</sup> He stated that:

We have 4,000 miles of coastline in Labrador. The fishery, of course, is adjacent to all of that territory, but where are the safe harbours? There are vast distances. With global warming, storm surges, more severity when it comes to storms and the changes in the ecosystem, people are feeling that there's a great need, for small craft harbours, to look at the infrastructure that they may not be utilizing as much in the current situation, and ask if they can keep the infrastructure up and designate them as safe harbours.<sup>57</sup>

## Alternative Models

The DFO's 2013 evaluation report on the SCH program recommended that alternatives to the current delivery mechanisms should be developed and piloted, as part of a plan to improve the SCH program's affordability and long-term sustainability.<sup>58</sup> The evaluation report recommended that this be accomplished over a two-year period.<sup>59</sup>

When DFO officials appeared before the Committee, they stated that DFO looked into alternatives, including: public-private partnerships, divestiture of all harbours while providing funding to support the transition, conversion to a special operating agency, and the transfer of non-core harbours to Public Services and Procurement Canada.<sup>60</sup> Denise Frenette, Director General, Small Craft Harbours stated however that: "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," DFO will continue with its current divestiture model going forward.<sup>61</sup>

Regarding the divestiture of non-core harbours, the Committee encourages DFO to examine the experience of Transport Canada's divestiture of airports as well as cooperative models in various fishing communities. DFO can, in some respects, learn lessons from Transport Canada's National Airports System (NAS). Through the National

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56 Todd Russell, President, NunatuKavut Community Council, [Evidence](#), 8 November 2018.

57 Todd Russell, President, NunatuKavut Community Council, [Evidence](#), 8 November 2018.

58 DFO, "[Evaluation of the Small Craft Harbours Program](#)," *Final Report*, March 2013.

59 DFO, "[Evaluation of the Small Craft Harbours Program](#)," *Final Report*, March 2013.

60 Denise Frenette, Director General, Small Craft Harbours, Department of Fisheries and Oceans, [Evidence](#), 22 November 2018.

61 Denise Frenette, Director General, Small Craft Harbours, Department of Fisheries and Oceans, [Evidence](#), 22 November 2018.

Airports Policy, Transport Canada can transfer responsibility “for the operation, management and development of NAS airports.”<sup>62</sup> According to a 2005 Auditor General’s report, a total of 26 airports were transferred: 22 to airport authorities, 3 to territorial governments, and one was leased to a city.<sup>63</sup> However, Transport Canada also owns and operates 18 small airports in the country.<sup>64</sup>

The Auditor General’s report found that the lease agreements were the main tool that defined the “obligations of Transport Canada and the airport authorities.”<sup>65</sup> Provisions included what airport authorities must comply with “in areas such as governance and public interest, the environment, safety and security, and facility management.”<sup>66</sup>

Other models that have been employed for former federal infrastructure in resource industries include the disbanding of the Canadian Wheat Board, which used to manage grain terminals and elevators. This infrastructure is now being managed by private grain handlers or cooperatives.<sup>67</sup>

Other cooperative models exist in the fishing industry including the Fogo Island Co-operative Society Limited in Newfoundland and Labrador, which operates a fishing fleet, processing plant, as well as provides marine services. In the Committee’s report entitled *Newfoundland and Labrador’s Northern Cod Fishery: Charting a New Sustainable Future*, the Committee observed that the “Fogo Island Co-op represents a good model of social sustainability and its operational specifics could be adapted for other coastal communities in Canada.”<sup>68</sup>

## Recommendation 11

**That Fisheries and Oceans Canada consider initiating a pilot project with a willing and able harbour authority to establish a co-operative model for managing and funding a**

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62 Transport Canada, [National Airports Policy](#).

63 Office of the Auditor General of Canada, “[Chapter 2—Transport Canada—Overseeing the National Airports System](#),” *2005 February Status Report of the Auditor General of Canada*, February 2005.

64 Transport Canada, “[List of airports owned by Transport Canada](#),” *Operating airports and aerodromes*.

65 Office of the Auditor General of Canada, “[Chapter 2—Transport Canada—Overseeing the National Airports System](#),” *2005 February Status Report of the Auditor General of Canada*, February 2005.

66 Office of the Auditor General of Canada, “[Chapter 2—Transport Canada—Overseeing the National Airports System](#),” *2005 February Status Report of the Auditor General of Canada*, February 2005.

67 See for example the grain elevators and terminals operated by [G3 Canada Limited](#) and [la Coop fédérée](#) [AVAILABLE IN FRENCH ONLY].

68 House of Commons, Standing Committee on Fisheries and Oceans, [Newfoundland and Labrador’s Northern Cod Fishery: Charting a New Sustainable Future](#), Tenth Report, 1<sup>st</sup> Session, 42<sup>nd</sup> Parliament, 20 March 2017.



**capital improvement of their small craft harbour, and incentivize the project with fast tracked funding from the Department.**

## **The Evolving Use of Small Craft Harbours**

Harbours in the SCH program are in a constant state of evolution, with their uses no longer being restricted to their original fisheries. Opportunities provided by tourism and recreation, along with aquaculture and expanded fleets, also must contend with challenges posed by climate change, environmental impacts and overcrowding. Harbours are also recognized as community hubs that play a vital socio-economic role for their regions.

## **Changes to Fisheries and Environmental Concerns**

When appearing before the Committee, DFO officials identified major challenges that exist in the repair and improvement of harbours, namely, the effects of climate change and overcrowding. DFO noted that climate change is leading both to greater demands for dredging, but also the extent of repairs required in the wake of intense storms. In Escuminac, New Brunswick, for example, the Committee was told that wave action was undermining the structure of the wharf.

The Committee heard repeated concerns raised by HAs and fishers regarding wharf capacity and overcrowding, especially on the East Coast where vessels are becoming larger. In Fort Amherst, Newfoundland and Labrador, for example, the Committee heard that capacity was their main issue and that expansion was limited because DFO did not own the land adjacent to the harbour. Since the Committee's visit, the land was transferred from Transport Canada to DFO and the Department announced investments in a multi-year harbour development project.<sup>69</sup> While the Committee welcomes the investment, it notes that the transfer of land from one department to another was lengthy and delayed an expansion that was greatly needed.

In Nova Scotia, the Committee observed the increasing use of wider lobster fishing boats, which are also straining harbour capacity (Figure 3).

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69 DFO, ["The Government of Canada Invests in the Fort Amherst \(Prosser's Rock\) Small Boat Basin near St. John's and across Newfoundland and Labrador,"](#) 5 July 2018.



**Figure 3—Wide lobster fishing boat in Shelburne, Nova Scotia**



In Cap-aux-Meules, Quebec, HAs recommended DFO keep up with expansion of fisheries (i.e., larger vessels) when it comes to harbour redesign and upgrades. The Committee also learned that some HAs get support from their municipalities in developing business plans. Those proposals to DFO are more professional and complete, ensuring a better chance for federal funding. However, not all HAs can benefit from municipal help, leaving them at a disadvantage.

In Malpeque, Prince Edward Island, the Committee heard that the wharf was not built to accommodate a mussel fishery, although that specific fishery now accounts for half of the landings, and aquaculture is part of the primary responsibility of the SCH program.<sup>70</sup> Heavier equipment, such as forklifts, are required for mussels, but the harbour structure was not built for it.

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70 DFO, [Small Craft Harbours program](#).



The Committee also learned about the expansion of aquaculture on both coasts, with participants in the aquaculture industry increasingly relying on small craft harbours as a base of operations. DFO informed the Committee that the growing aquaculture sector in addition to the presence of larger vessels and the effects of climate change is leading to financial strain on the SCH program's budget.<sup>71</sup> Recalling the suggestion from DFO management to double the A-base funding for the SCH program, as noted in the Funding and Long-term Planning Challenges section of this report, the Committee recommends:

### **Recommendation 12**

**That, given the impact of climate change and the severity of storms, accelerating the degradation of facilities, as well as growing demand, the Government of Canada double the amount of A-base budget available for the Small Craft Harbours program.**

## **Tourism and Recreation**

Many harbours, primarily in Ontario, are changing their focus from servicing commercial fishing fleets, to providing their communities with recreation opportunities and attracting tourism revenue. Under the 1995 Program Review, recreational harbours were slated for divestiture, however, many are not yet in an acceptable state to be transferred to interested parties, including municipalities and First Nations. In Meaford, Ontario, for example, the municipality invested its own resources in emergency repairs to its recreational harbour's breakwater after a major storm, compensating the contractor with berthage space in lieu of a \$30,000 payment.

The Carbonear Harbour Authority in Newfoundland and Labrador recommended that DFO recognize the heritage and cultural attributes of fishing harbours as well as their tourism and economic value, and that the Government of Canada allow HAs to be eligible to receive financial support from federal economic development agencies such as the Atlantic Canada Opportunities Agency (ACOA) for projects intended to take advantage of those attributes.

### **Recommendation 13**

**That Fisheries and Oceans Canada recognize the economic impact that recreational harbours can have on local communities and consider the benefits of tourism generated from recreational harbours when developing funding models.**

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71 Sylvie Lapointe, Assistant Deputy Minister, Fisheries and Harbour Management, Department of Fisheries and Oceans, [Evidence](#), 22 November 2018.



## Indigenous and Community uses

In Tofino, British Columbia, the HA spoke about the expansion of the local fishery due to increased First Nation participation, which has led to more money being spent in the local economy. It was explained that the expanded Indigenous fishery is moving from small boats to a managed commercial fishery. As a result, there is now no more space at the docks and the harbour requires expansion. The Committee also heard that the harbour is a hub for three First Nations, and is used to delivery groceries and other trucked-in supplies.

### Recommendation 14

**That Fisheries and Oceans Canada work with Indigenous groups to develop a funding model that addresses the needs of Indigenous and coastal communities and fisheries development.**

## CONCLUSION

Throughout its study, the Committee heard HAs, fishers, Indigenous communities and other interested parties speak passionately about the vital role played by SCHs in their communities. The Committee wishes to highlight the dedication and hard work of HA volunteers. Despite difficult conditions, their work is critical to ensuring the functioning of Canada's numerous SCHs, which contribute to the economic development of fishing coastal communities.

The Committee stresses that, to maintain SCH infrastructure, adequate and sustainable resources must be invested in the SCH program. This investment should be made in a manner that develops capacity for HAs and provides a proper accountability mechanism. It is imperative that DFO regularly and meaningfully engage HAs and interested parties in this process.

As DFO's 2013 evaluation report of the SCH program observed, the "current program resources and delivery mechanisms do not enable the Small Craft Harbours program to completely fulfill its mandate."<sup>72</sup> The Committee encourages the Department to increase efforts to identify alternatives that will improve the program's long-term sustainability. DFO should also ensure that complete and timely asset information are available to support decision-making and reporting.

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72 DFO, "[Evaluation of the Small Craft Harbours Program](#)," *Final Report*, March 2013.



## APPENDIX A LIST OF WITNESSES

The following table lists the witnesses who appeared before the Committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the Committee's [webpage for this study](#).

Organizations and Individuals	Date	Meeting
<b>Clifford Shiels Legal</b> Sarah Shiels, Lawyer	2018/11/06	118
<b>Digby Neck Harbour Authority</b> Noel Facey, Chairman	2018/11/06	118
<b>Wedgeport Harbour Authority</b> Lucien LeBlanc, Spokesperson	2018/11/06	118
<b>Municipality of Wawa</b> Alex Patterson, Director Community Services and Tourism	2018/11/08	119
<b>National Harbour Authority Advisory Committee</b> Tim Wentzell, Committee Representative	2018/11/08	119
<b>NunatuKavut Community Council</b> Robert Coombs, Consultant Todd Russell, President	2018/11/08	119
<b>Pacific Regional Harbour Authority Advisory Committee</b> Frank Mauro, Committee Representative	2018/11/08	119
<b>Department of Fisheries and Oceans</b> Denise Frenette, Director General Small Craft Harbours Sylvie Lapointe, Assistant Deputy Minister Fisheries and Harbour Management	2018/11/22	121



## APPENDIX B

### LIST OF BRIEFS

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The following is an alphabetical list of organizations and individuals who submitted briefs to the Committee related to this report. For more information, please consult the Committee's [webpage for this study](#).

**Clifford Shiels Legal**

**Gimli Harbour Authority**

**Green, Ross**

**Harbour Authority of Entry Island**

**Municipality of Wawa**

**National Harbour Authority Advisory Committee**

**Tofino Harbour Authority**



## APPENDIX C

### TRAVEL TO CANADA – EAST COAST TRAVEL FROM JUNE 11 TO 15, 2018

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Organizations	Date	Location
Harbour Authority of Carbonear	2018-06-11	Newfoundland and Labrador
Harbour Authority of Fort Amherst Small Boat Basin	2018-06-11	Newfoundland and Labrador
Harbour Authority of Harbour Grace	2018-06-11	Newfoundland and Labrador
Administration portuaire de l'Île du Havre-Aubert	2018-06-12	Quebec
Administration portuaire du havre polyvalent de Cap-aux-Meules	2018-06-12	Quebec
Harbour Authority of Grosse-île	2018-06-12	Quebec
Harbour Authority of Malpeque	2018-06-13	Prince Edward Island
Harbour Authority of Milligans Shore	2018-06-13	Prince Edward Island
Administration portuaire de Pointe-Sapin	2018-06-14	New Brunswick
Administration portuaire du quai de Neguac inc.	2018-06-14	New Brunswick
Harbour Authority of Burnt Church	2018-06-14	New Brunswick
Harbour Authority of Loggiecroft	2018-06-14	New Brunswick
Harbour Authority of Maceachern's Point	2018-06-14	New Brunswick
Port Authority of Escuminac	2018-06-14	New Brunswick
Harbour Authority of Bear Point	2018-06-15	Nova Scotia
Harbour Authority of Dennis Point	2018-06-15	Nova Scotia
Harbour Authority of Woods Harbour	2018-06-15	Nova Scotia





## APPENDIX D

### TRAVEL TO CANADA – WEST COAST TRAVEL FROM OCTOBER 15 TO 19, 2018

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<b>Organizations</b>	<b>Date</b>	<b>Location</b>
<b>Campbell River Harbour Authority</b>	2018-10-15	British Columbia
<b>Discovery Harbour Authority</b>	2018-10-15	British Columbia
<b>Tofino Harbour Authority</b>	2018-10-15	British Columbia
<b>Dodge Cove Harbour Authority</b>	2018-10-16	British Columbia
<b>Heiltsuk Nation</b>	2018-10-16	British Columbia
<b>Port Edward Harbour Authority</b>	2018-10-16	British Columbia
<b>Gimli Harbour Authority</b>	2018-10-17	Manitoba
<b>Riverton harbour authority inc.</b>	2018-10-17	Manitoba
<b>Winnipeg Beach Harbour Authority inc.</b>	2018-10-17	Manitoba
<b>Municipality of Northern Bruce peninsula</b>	2018-10-18	Ontario
<b>Township of Georgian Bluffs</b>	2018-10-18	Ontario
<b>Warton Marina Ltd.</b>	2018-10-18	Ontario
<b>Municipality of Meaford</b>	2018-10-19	Ontario



## REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 105, 118, 119, 121, 126, and 127](#)) is tabled.

Respectfully submitted,

Ken McDonald  
Chair



# Dissenting Report from Conservative Party of Canada Members

for the  
**Standing Committee on Fisheries and Oceans' Study**  
of the  
**Current State of Department of Fisheries and Oceans' Small Craft Harbours**

## Stale Data and Poor Investment Outcomes

Throughout the Committee's study examining the current state of Government of Canada's Small Craft Harbours, the Committee received testimony raising strong concerns regarding the government's inventory of small craft harbours and particularly the absence of up-to-date data in the inventory reflecting current conditions of inventoried harbours and associated infrastructure.

The federal government's failure to effectively inventory small craft harbours and their state of repair, or disrepair, has resulted in a reactive, ad-hoc and emergency approach to maintenance rather than a proactive and planned approach to sustaining harbours.<sup>1</sup>

The continued absence of this data undermines the ability of the government to resource small craft harbours in a timely manner based on priority of needs of small craft harbours and their infrastructure.

During its study, the Committee also heard instances described by harbor users and harbour authorities where federal government investments were made to improve small craft harbours but the results of those investments were inadequate and represented only partial "band-aid" outcomes.<sup>2</sup>

These shortcomings are perhaps of no surprise in light the Department of Fisheries and Oceans' (DFO) own 2013 assessment of the small craft harbor program which found that "data on harbour performance and harbour facility conditions was not entirely up-to-date, and that the [Small Craft Harbours Management Information Retriever (SCHMIR)] system was not being used across all regions."<sup>3</sup>

In their appearances providing testimony to the Committee, DFO officials were unable to provide the Committee with the criteria used to determine the categorization of harbour conditions.

A DFO official stated that although all DFO regional offices now utilize the SCHMIR, the "...fulsome assessment, where we have a number that captures the full inventory, the most up-to-date information, is from 2013."<sup>4</sup> This gap of up-to-date data hampers government investments and must be rectified as soon as possible.

## Recommendation

That Fisheries and Oceans Canada work with Small Craft Harbour Authorities using the SCHMIR program to complete an inventory assessment for all core harbours and provide a report of that inventory to the Minister of Fisheries and Oceans before December 31, 2019.

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<sup>1</sup> Sylvie Lapointe, Assistant Deputy Minister, Fisheries and Harbour Management, Department of Fisheries and Oceans, *Evidence*, 22 November 2018.

<sup>2</sup> Lucien LeBlanc, Spokesperson, Wedgeport Harbour Authority, *Evidence*, 06 November 2018.

<sup>3</sup> DFO, "Evaluation of the Small Craft Harbours Program," Final Report, March 2013.

<sup>4</sup> Denise Frenette, Director General, Small Craft Harbours, Department of Fisheries and Oceans, *Evidence*, 22 November 2018.

## **Safety for Harbour Users and Workers**

The safety of small craft harbours and associated infrastructure is very important for the lives of harbor users, workers and their families.

During its study, the Committee heard and saw evidence of inefficient or failed applications of funds that resulted in the harbor's safety being degraded.<sup>5</sup> This evidence included non-functioning fire hydrants, access ramps to new infrastructure that failed shortly after installation and a recently installed breakwater blocking vessels' access to moorage.<sup>6</sup>

The Committee received additional evidence describing the dangers of harbours operating over capacity, insufficient dredging, and firefighting equipment that had surpassed its lifespan. In some instances, unsafe conditions contributed to volunteer burnout and strife amongst harbor users.<sup>7</sup>

This evidence exposes the fact that the needs of the government's small craft harbours require more than funding- there is an acute need for improved planning and management to support optimum and safe harbor operations.

## **Recommendation**

That Fisheries and Oceans Canada review its inventory and safety assessments for all small craft harbours and develop maintenance and upgrade schedules in partnership with local harbour authorities to efficiently increase the safe and optimum operation of all harbours.

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<sup>5</sup> Tim Wentzell, Committee Representative, National Harbour Authority Advisory Committee, *Evidence*, 08 November 2018.

<sup>6</sup> Noel Facey, Chairman, Digby Neck Harbour Authority, *Evidence*, 06 November 2018.

<sup>7</sup> Ibid.