

Standing Committee on Finance
Pacific Salmon Foundation Pre-Budget Submission – Budget 2017
Submitted: Michael Meneer and Brian Riddell
August 5, 2016

EXECUTIVE SUMMARY - BUDGET 2017 PROPOSALS

Pacific salmon are a vibrant part of the economic and socio-economic wellbeing of the west coast of Canada, and integrally linked to the natural ecosystems of Pacific Canada. New federal investments in Pacific salmon have the potential to contribute significantly to future economic growth in British Columbia and the Yukon, particularly for coastal communities and Indigenous peoples.

The Pacific Salmon Foundation (psf.ca) makes two Budget 2017 proposals that will directly contribute to the economic and socio-economic values of fisheries. These measures will provide Canadians with specific opportunities to maximize their contributions to the country's economic growth by supporting expanded conservation, restoration and enhancement activities that undergird Pacific salmon fisheries.

1). **Adjust the price of the federal Salmon Conservation Stamp to \$10 from \$6**, which will generate upwards of \$1 million annually in revenues from the Recreational Fisheries Conservation Stamp (commonly called the Salmon Stamp) to meet growing demand for grants to support grassroots Pacific salmon conservation, enhancement and habitat restoration through this Foundation's Community Salmon Program.

Rationale in a Nutshell:

- This is a ***no-direct-cost*** and user-pay adjustment relative to the federal budget.
- Four dollar adjustment accounts for inflation compounded since 1996 and response to increased demand from community grantees.
- Adjustment will generate ~\$1 million annually (based on past Salmon Stamp sales), with an expected \$6 million additional leverage from communities and donations to the Foundation annually.
- New funds will significantly reduce the Foundation's annual un-met need in grant requests from grassroots community groups (presently ~\$1.5 million).
- Users/Stakeholders seem supportive of a limited adjustment; formal consultations to follow.

2). **Invest \$30 million in the Pacific Salmon Endowment Fund in recognition of the Pacific Salmon Foundation's 30th anniversary (2017)**, which will generate (on average) an additional \$1.2 million annually (4% return) for the Foundation's capacity to build on work with Fisheries and Oceans Canada and other partners. New funds will allow the Foundation to: maintain collaborative science initiatives; expand First Nations collaborative grant making; facilitate Yukon Chinook restoration; and contribute to sustainable watershed governance in British Columbia.

Rationale in a Nutshell

- The investment builds off of prudent financial management by the Society's board of directors, which preserved the Endowment's original \$30 million principal despite two major economic downturns since 2001.

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- The successful expansion of the Foundation's capacity and public outreach now means that demand for additional community programs, communications, and research exceeds available resources.

ECONOMIC VALUE OF PACIFIC SALMON

The "value" of salmon is perceived very differently on the Pacific coast from the Atlantic coast of Canada. While salmon fishing is exclusively associated with recreational interests in Atlantic Canada; along Canada's west coast, salmon fishing is acknowledged as a key economic activity and they have contributed to the development of west coast cultures.

Consider the following statistics from the BC Stats report, *British Columbia Fisheries and Aquaculture Sector (2012)*:

- Revenue for fisheries and aquaculture was estimated at \$2.2 billion in 2011.
- British Columbia fisheries and aquaculture sector contributed \$667.4 million (.4%) to the province's GDP in 2011; the sector expanded by 11.5% since 2000.
- The sector employed an estimated 13,900 British Columbians in 2011, most (8,400) of whom worked in establishments associated with the sport fishing industry.
- Recreational fishing - largely dependent on wild Pacific salmon - alone accounted for almost half of the GDP from these sectors (commercial fishing, aquaculture, processing, and recreational fishing).

BUDGET 2017 PROPOSALS = CONTRIBUTIONS TO CANADA'S ECONOMIC GROWTH:

The proposals set forth by the Pacific Salmon Foundation will enable expansion of activities that contribute to the economic growth of the west coast of Canada in three specific areas:

Conservation of habitat has economic value. A 2010 report produced by David Suzuki Foundation and Pacific Parklands Foundation assessed the value of ecosystems in economic terms and the potential economic benefits of protecting and restoring ecosystems in the Lower Mainland. The report identified specific economic benefits to freshwater salmon habitat and salmon-related recreation and tourism. The report estimated a negative impact of \$1,322 to \$7,010 per kilometre on economic fisheries based on degradation of salmon spawning habitat (freshwater). The report also noted that salmon and salmon-based nature tourism accounts for at least half of the \$1.4 billion spent on nature tourism in the Lower Mainland (2008)¹. The Pacific Salmon Foundation contributes directly to these economic values by granting Salmon Stamp Funds to support 1) conservation and restoration of valuable freshwater salmon spawning habitat and 2) production of Pacific salmon to support nature tourism, including fishing, through small-scale community hatcheries run by community organizations and volunteers.

Salmon enhancement has economic value. An economic analysis conducted in 2010 for Fisheries and Oceans Canada states that its Salmon Enhancement Program contributes approximately \$89 million annually to British Columbia's GDP. The purpose of this Program is to

¹ NOTE that these economic values are not included in the Provincial economic assessment of the fisheries sector that provided the highlights noted on page 1 of the proposal.

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have healthy and diverse salmon populations and sustainable marine and freshwater ecosystems that provide harvest opportunities and support a stronger Canadian economy. The Pacific Salmon Foundation contributes directly to this program by making grants with Salmon Stamp funds to community stewardship activities, including community hatcheries run by volunteers, who also conduct habitat restoration, stock assessment and education of the public.

Salmon science has economic value. Science is looked to in Canada for clarity about major conundrums concerning Pacific salmon. Farmed salmon is British Columbia's largest agricultural export, yet there is great public uncertainty and angst about whether these farms are spreading potentially harmful diseases to wild Pacific salmon. At the same time, the public has long wondered what caused the disappearance of major Pacific salmon fisheries in the Strait of Georgia – once valued at upwards of \$700 million annually. The Pacific Salmon Foundation spearheads two major science collaborations, ***Salish Sea Marine Survival Program*** and ***Strategic Salmon Health Initiative***, to help understand these conundrums. Both programs, which would receive funding proposed in Budget 2017, are collaborative science projects with Fisheries and Oceans Canada and other university and NGO partners. In economic terms, the former program is intended to help guide fisheries restoration that could conservatively generate an additional \$200 million annually in economic activity directly related to recreational fishing.² In combination, these two programs will provide an evidence-based perspective to policy makers and the public to guide sustainable aquaculture that will first and foremost protect the health of wild Pacific salmon; and sustain a salmon aquaculture industry in British Columbia.

SALMON PROJECTS TO BE FUNDED BY BUDGET 2017

The Pacific Salmon Foundation's Budget 2017 proposal will enable several projects and activities that both support the economic wellbeing of the Pacific coast and align with the Mandate Letter of the Minister of Fisheries and Oceans.

Mandate Letter: "Use scientific evidence and the precautionary principle, and take into account climate change, when making decisions affecting fish stocks and ecosystem management."

Salmon Projects:

- 1) **Pacific Salmon Data Visualization Tool:** The Pacific Salmon Explorer is a customized, on-line data visualization platform that provides a much deeper understanding of the information that exists on a salmon watershed. By simply clicking on a map of the watershed, key information can be accessed on local salmon populations and factors that affect them and their habitats. This tool has been piloted in the Skeena River watershed and Budget 2017 funds will support expansion to other major salmon watersheds in British Columbia (www.salmonexplorer.ca). The tool has been identified by Fisheries and Oceans Canada as a valuable component necessary for full implementation of the Wild Salmon Policy. A charitable foundation has pledged up to \$1 million in matching funds for this project.

- 2) **The Foundation has identified the need for a concerted program to restore and manage Yukon River Chinook salmon.** Based on stakeholder engagement by the

² Based on PSF analyses "Economic Dimensions of B.C.'s Pacific Salmon Resource. CounterPoint Consulting, June 27, 2014. (available from PSF)

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Foundation, Yukon Chinook have become a critical conservation need in Canada. Restoration of these important salmon requires a multi-year collaboration between governments, First Nations, and NGO's. The Foundation's involvement will provide a mechanism for Fisheries and Oceans Canada to tap into willing support from the mining industry, which is looking for a way to contribute directly to a restoration program identified as a priority by First Nations and territorial government - First Nations in the Yukon River drainage have foregone fishing for several years.

Mandate Letter: "Work with the provinces, territories, Indigenous Peoples, and other stakeholders to better co-manage our three oceans."

Salmon Projects:

- 1) **First Nations Salmon Program** – Since 1989, the Pacific Salmon Foundation has granted \$5.6 million to 249 First Nations projects with a total value of \$17.4 million. However, the Foundation's current federal Contribution Agreement precludes it from making the scale of investments necessary for meaningful engagement with First Nations. For example, the agreement precludes paying salaries which is often a need identified in First Nations proposals. Budget 2017 funds will be used to pilot a new collaborative grant making program with First Nations.
- 2) **Yukon River Chinook Salmon**, as described above.

Mandate Letter: "Restore funding to support federal ocean science and monitoring programs, to protect the health of fish stocks, to monitor contaminants and pollution in the oceans, and to support responsible and sustainable aquaculture industries on Canada's coasts."

Salmon Projects:

- 1) **Ocean Science and Monitoring** –Several Fisheries and Oceans Canada scientists are engaged in the Foundation's Salish Sea Marine Survival Project. Budget 2017 funds will be used to support on-going ocean science and monitoring in partnership with the University of British Columbia's Institute for Oceans and Fisheries, and the Foundation's Strait of Georgia Data Centre (www.sogdatcentre.ca).
- 2) **Health of Fish Stocks** – In 2015 and 2016, Salmon Stamp funds supported the Sport Fishing Institute's new "Fisher App". The Foundation anticipates on-going investments to fully realize the potential of this digital application. This program will significantly improve the monitoring and assessment of recreational fishing along Canada's extensive west coast and improve efficiencies of Fisheries and Oceans Canada programs.
- 3) **Support Responsible and Sustainable Aquaculture** – The Foundation is in phase two of a partnership with Genome BC and Fisheries Oceans Canada to assess health of wild, aquaculture and hatchery salmon. This is of great interest to the public given concerns about possible disease transmission from open-net-pen salmon farms. Funds from Budget 2017 will be used to support data analysis and reporting of genomic analysis of 28,000 samples of wild, farmed and hatchery salmon from British Columbia.

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Mandate Letter: “Act on recommendations of the Cohen Commission on restoring sockeye salmon stocks in the Fraser River.”

Salmon Project:

- 1) **Implementation of Cohen Commission Recommendations.** Numerous recommendations in the Cohen Commission report are being addressed through the Foundation’s Salish Sea Marine Survival Project, Strategic Salmon Health Initiative and the Pacific Salmon Explorer. Plus, the Foundation is working with the BC Salmon Farmers Association to address critical uncertainties discussed in the Cohen Commission Report.

Mandate Letter: “Review the previous government’s changes to the Fisheries and Navigable Waters Protection Acts, restore lost protections, and incorporate modern safeguards.”

Salmon Projects:

- 1) **Support evidence-based input to review of Fisheries and Navigable Waters Protection Acts.** Budget 2017 funds will be used to expand the Pacific Salmon Explorer data tool to include all of British Columbia and enhance future government consultation and planning processes.
- 2) **Support for implementation of B.C. Water sustainability Act (2014).** Water is salmon’s fundamental habitat need! The Foundation believes that B.C.’s commitment to the protection of “minimum ecological flows” in streams is critically important to the conservation, future production of Pacific salmon, and sustainable fisheries. The Foundation’s outreach to scientists and local communities will provide invaluable assistance in implementing this Provincial regulation that has immediate consequences for a Canadian resource - our Pacific salmon. A matching request for these particular funds will be submitted to the provincial government.

Pacific Salmon Foundation - federally incorporated non-profit dedicated to the conservation and restoration of wild Pacific salmon. psf.ca