



House of Commons
CANADA

Standing Committee on Fisheries and Oceans

FOPO • NUMBER 007 • 1st SESSION • 38th PARLIAMENT

EVIDENCE

Tuesday, November 16, 2004

—
Chair

Mr. Tom Wappel

All parliamentary publications are available on the
"Parliamentary Internet Parlementaire" at the following address:

<http://www.parl.gc.ca>

Standing Committee on Fisheries and Oceans

Tuesday, November 16, 2004

• (1105)

[English]

The Chair (Mr. Tom Wappel (Scarborough Southwest, Lib.)): I see a quorum, so I call the meeting to order pursuant to Standing Order 81(4) and special order made October 5, 2004. We are dealing with the main estimates of 2004-05, votes 1, 5, and 10 under Fisheries and Oceans, referred to the committee on October 8, 2004.

We have witnesses here, but before I introduce them, we have a quorum to do some other business that arose while I was away. Today has to be the day that we deal with it or we do not deal with it, and we have to deal with this in camera.

I apologize, but I would ask everyone to leave the room for a few minutes until we deal with this business, which pertains to committee travel. We will try to be as quick as possible.

[Proceedings continue in camera]

• (1130)

The Chair: Thank you very much, everyone, for your indulgence. The matter that needed to be dealt with has been dealt with to everybody's satisfaction in the usual unanimous way that this committee deals.

We have with us today Monsieur Jean-Claude Bouchard, who is *sous-ministre délégué*; Mr. George Da Pont, assistant deputy minister, human resources corporate services; and Mr. C. Hegge, the director general, finance and administration.

Welcome, gentlemen.

There are a lot of committee members here. We have a limited amount of time and we ate some of it up. Mr. Da Pont has a presentation of approximately 20 minutes. But because of the demands that this committee has made on the estimates process in the fisheries and oceans department, he would ask the indulgence of the committee to present a fuller presentation than he normally would so that he can go through some of the things that have happened and some of the changes that have occurred.

I'll keep my eye on the clock and make sure it's absolutely no more than 20 minutes, unless one of our members objects, and then we'll go to the usual questioning.

Mr. Thompson.

Mr. Greg Thompson (New Brunswick Southwest, CPC): This will eat up our talking and questioning and response time, Mr. Chair. Isn't there a printed version that could be prepared and we can scan it

as members are asking questions, so we can move more directly to the questions? Twenty minutes is too much.

• (1135)

The Chair: I take that as an objection.

Mr. Da Pont, you have 10 minutes beginning now.

Mr. George Da Pont (Assistant Deputy Minister, Human Resources Corporate Services, Department of Fisheries and Oceans): Thank you very much, Mr. Chairman. I'm speaking to a document that was, I believe, distributed to all of the committee members and I will try to move through it, then, very quickly in 10 minutes.

If I start on page 3 of the document, the first key point shows you the main estimates of the department compared to the main estimates as they were issued a year ago. As you can see, there is an overall increase of \$2.3 million. It also shows you the differences in each of the main votes. As you can see, in the operating vote, there is very little change year over year. In vote 5, the capital expenditure vote, you can see an increase of \$52.8 million; \$47 million of that represents a new permanent funding for major capital that went to the Canadian Coast Guard. In vote 10, you see a decrease of about \$62 million year over year, and that is tied to reprofiling and the beginning of sunseting of parts of the fisheries access program, the Marshall program.

If I go to the next page, it takes the same overall figure for the main estimates and breaks it down by the 11 business lines of the department. I was not going to get into any great detail on this slide. I think the one thing I would note in connection with this breakdown is that some of you may wonder why the business line for policy and internal services is so high. The reason for that is that included in that figure is about \$106 million for real property, both major capital and some operating money that gets distributed out to all regions—and I will come back to that in a few minutes—and in that as well is the budget for the Canadian Coast Guard College.

The next slide again shows you the year-over-year differences in each of the major business lines of the department. I'm obviously not going to get into the details of that in the interests of time, but if you have any questions on the reasons for the differences, we can come back to it. The one point I would make there is that if you are looking for the \$47 million in major capital in this slide, it's divided among three business lines: \$23.7 million for fleet management, \$15 million for marine communications and traffic services, and \$8.5 million for marine navigation services.

The next slide basically takes again the same information on the overall budget and breaks it out by the organizational setup of the department, each of the sectors of the department. And again, I won't spend much time on that.

If I move to the next slide, it shows again the breakout of the same overall budget, but this time by the various regions of the department, including the national capital region. The one thing I think of some significance on this slide is, as you can see, there's a big block under national programs amounting to about \$529 million. We tried to provide you with a little bit of information on the slide on what national programs are. Basically they're funds that are managed centrally. They're distributed in the course of the year to the various regions based on investment plans, and the allocation can vary from year to year.

Four main components, as you can see, are embedded in that: one is major capital, which obviously gets distributed over the year; the grants and contribution program, the same thing; operating funds, and again in the footnote there, we've given you a number of examples of the larger ones; and the Canadian Coast Guard College is also captured under national programs.

The next slide gives you again the same snapshot, the main estimates by sectors in the department and by regions. It just shows the breakdown in more detail than the previous slide did. We can come back to this if you have any questions around it.

• (1140)

The one point I would make here is that under the gulf region, you can see for small craft harbours and for the Canadian Coast Guard that there is no money. That doesn't mean there aren't any activities in the gulf region. The small craft harbour program is run jointly between maritime and gulf regions. All of the figures are actually in the maritime part, and similarly for the coast guard operation.

The next slide takes basically the same information, the overall budget, and breaks it down again by region, but between salary and other operating costs, as well as capital expenditures and grants and contributions. As you can see, most of the capital in the grants and contributions gets distributed as the year goes on.

That summarizes, then, in a snapshot fairly quickly the main estimates.

The committee also has before it the report on plans and priorities. Starting on page 10 of the deck, we are trying to explain the differences between what was in the main estimates and what was in the document on plans and priorities in relation to budget issues. As you can see, overall there is \$2.8 million less in the report on plans and priorities that forecasts our expenditure, compared with the main estimates.

The next page, page 11, explains for this year those differences. Again, we can come back to this in more detail if the committee wants, but the main component in terms of decreases, as you can see, is the top item, a transfer of \$20 million from DFO to Transport Canada. That reflects some of the machinery changes that were announced on December 12, when the Office of Boating Safety, the responsibilities under the Navigable Waters Protection Act, and some of the policy functions—all of which were previously in the Canadian Coast Guard—were shifted to Transport Canada. Those

are the commensurate resources that are transferred along with that responsibility.

The other main decrease is under the item “Automatic Identification System”, where you see a decrease of \$7 million. That is actually money that gets reprofiled into future years. It's not an overall decrease; it's just moving when that money will be spent.

That's the same issue for the very bottom one, the air cushion vehicle project for Quebec. Again it's shown as a decrease, but that again is money that is being reprofiled to future years, so it's a question of when it will be spent.

The other items there are obviously increases in the budget that are being proposed for a variety of reasons. We can come back to them in detail if the committee wants. Almost all of these items are reflected in the supplementary estimates that are also before the committee for consideration.

Among the longer-term changes in funding that come out of the report on plans and priorities, there are three main things we wanted to point out to the committee. In the next fiscal year, the department's major capital budget will decrease by \$42 million. The reason for that is that in 2000-01 the department had received funding in the order of \$191 million over a five-year period to address rust-out in our infrastructure.

• (1145)

This is the last year of that five-year program; that funding sunsets at the end of this year. Obviously, next year in our major capital planning we are planning around a significantly smaller budget. That will affect each of the major business lines we have for major capital. The other items—the beginning of the decrease of activities in the fisheries access program, and some additional reprofiling for the air cushion vehicle—explain the other changes in future years.

The Chair: Mr. Da Pont, the 10 minutes are up. Could you get to the last points you want to make?

Mr. George Da Pont: I will just say most of this is in the supplementary estimates that are before you for approval.

The final point I want to make is that we also distributed for the committee's information and consideration a long sheet of paper called the “program activity architecture”. As part of a broader, government-wide initiative responding to complaints this committee and others have had about how the estimates are difficult to follow, and how they don't relate very clearly to our organization and how we spend money, this is the proposed reporting and allocation system that will be used next year in the main estimates and all of the subsequent documents. What it's intended to do is give you a much clearer and more detailed breakdown of what money is spent on. It is obviously organized significantly differently from the 11 business lines that are covered in this year's estimates.

Again, Mr. Chair, in the interests of time I won't say anything more about this except that we would invite the committee's comments on it in relationship to whether it meets their needs. We would certainly take any such comments into consideration.

Thank you very much.

The Chair: Thank you, Mr. Da Pont. Thanks for keeping it within the timeframe. I'm sure you'll have the opportunity to elaborate as questioning occurs.

Thanks very much for this chart. I'm not sure, looking at it initially, that it is any less complicated than the estimates, but I guess if we look at it one box at a time, it might be clearer. You will entertain some suggestions, I hope—I think that's what you said—because, for example, right off the bat I don't know what “program enablers” means, but maybe you'll tell us in due course.

Just to refresh the committee's memory, we will have the Conservative Party for 10 minutes, then *le Bloc québécois pour cinq minutes*, the NDP for five minutes, and then the Liberals for 10 minutes. That will be the first round.

We start with Mr. Hearn, and I am taking note of hands raised by those who wish to ask questions.

Mr. Hearn, you have 10 minutes.

Mr. Loyola Hearn (St. John's South—Mount Pearl, CPC): Mr. Chair, first of all, let's thank the officials for coming, for being here to discuss the estimates.

Let's start with some of the headline figures we have. Under the different divisions, we have “Fisheries Management”. Compared with last year we are down significantly. This year it is \$295 million. Last year it was \$373 million. Why the cut, and does it explain to us why we're always concerned and complaining about how well our fisheries are managed?

Mr. George Da Pont: The reason for the decrease in fisheries management is exclusively tied to the Marshall program—the grants and contributions under the fisheries access program—and some of the operating money that was provided under that program. That program is due to sunset, and parts of it have started. In addition, there was significant reprofiling of money from this fiscal year under that program to future fiscal years. In fact, in the supplementary estimates there's a proposal to move about \$24 million to future years. That's the thing that accounts for the difference under fisheries management.

Mr. Loyola Hearn: As a follow-up question—thank you from my colleague here—in relation to that, could you be more specific about what you mean by “sunset” in the aboriginal plan?

Mr. George Da Pont: It's only one program, the fisheries access program. It was set up for a number of years. Initially I believe this year was to be the last year of that program, because it was intended as a transitional program to assist the aboriginal community in getting into the commercial fisheries. That is part of the program, for example, that has done licence buyback, has done training for communities, has acquired some equipment for first nation communities.

How moneys are expended is tied to specific agreements that were reached and are enforced with each of about 29 first nations, on the

east coast primarily. It's been necessary, in accordance with those agreements, depending how activities have proceeded, to reprofile some of the spending to future years because the activities haven't gone as quickly as anticipated originally.

But the intent is that the program will sunset, as it stands now.

• (1150)

Mr. Loyola Hearn: Basically, are you saying that either this year or very soon, because of the slowdown of the phasing out, everybody who wants to enter the fishery will enter on the same basis?

Mr. Jean-Claude Bouchard (Associate Deputy Minister, Department of Fisheries and Oceans): Yes, once the program is completed and we have done all the licence buy-backs—and I'm not sure it's the right term—it's a level playing field, if that's what you mean. Anybody who wants to enter the fishery does it on their own.

Mr. Loyola Hearn: In relation to the estimates by region—that will be page 8 of the document—I'm pretty interested in the amount for science. Again, I think all of us around the table believe we have a severe need for an increase in science. We think really very little science has been done. Everyone you talk to connected with the fisheries, including scientists, will tell you we know very little about what's happening. A lot of money is spent in developing new species, aquaculture, or whatever, but as to the pure science of existing stocks, whether it be the salmon on the west coast or the cod on the east coast, very few people can tell you anything about it.

In relation to the chart, we have science, for instance, at \$17 million in Newfoundland, \$29 million in total in the Maritimes, but \$41 million on the Pacific coast. Why would there be such a discrepancy? But more to the point, for human resources and corporate services it's \$12.9 million in the Maritimes, \$8 million in Newfoundland, \$12 million in the Pacific, but \$51 million in the national capital region. It seems to me we're a little bit skewed on these figures.

Mr. George Da Pont: I anticipated, Mr. Chairman, that this might catch the committee's attention.

I'll start with the issue you raised in terms of the budget for the Pacific region in science, on why it's significantly higher than it is for some of the other regions. In the Pacific region there's a special \$11 million science program that is tied to the Pacific Salmon Treaty. That's the primary reason the figures there are significantly higher.

In terms of how the distribution goes for science, I do want to emphasize that the \$49.5 million that is captured for science under the national programs does get distributed out to the regions as well in the course of the year. I think my colleague Ms. Wendy Watson-Wright could give you more details on what the money is used for, if you wanted.

In terms of the issue of the \$51.3 million in the national capital region and why that figure is so high, it's because that's where we capture all our national systems and system support for the national finance system, for the national personnel systems, and for all our national informatics infrastructure. For example, we pay about \$8 million a year just for software licences alone, and those are all figures that are embedded in that \$51.3 million. All of that is essentially paid for centrally out of that for the department as a whole.

• (1155)

Mr. Loyola Hearn: How many people do we have working in Ottawa?

Mr. George Da Pont: In Ottawa there are a little over 1,400. That's about 13% of the department's overall population.

Mr. Loyola Hearn: Why would we need so many people here when there is so much basic work to be done in the outlying regions, where so little is being done?

Mr. Jean-Claude Bouchard: There is a lot of central management of budgets in this. We are looking right now at every particular branch, and in managing the financial problems we've been having we are making sure we put an extra reduction in the overhead, if you will, and not doing anything at the expense of a program directly related to our clients. We've been doing that in the last two years.

Why is it we have so many people in Ottawa? We're having a good look at it right now. In comparison to other departments, if I may say so, Mr. Chairman, we are a very decentralized department. Nevertheless, I take your point that we need to pay special attention to the size of headquarters.

Mr. Loyola Hearn: I think most of the people in the region will say, stop interfering; give us the money and leave us alone, and we'll do a much better job. It might be advice well worth taking, because the bureaucracy in the fisheries is top-heavy. There is certainly too much interference and there isn't enough for us to do the scientific work, the surveillance work, or the protective work that is needed to protect our resources. Sooner or later somebody has to address that issue.

Mr. Jean-Claude Bouchard: I'm certainly aware, Mr. Chairman, of those comments. At the same time, if I may say so, there is also a need for consistency in the application of programs from one coast to the other in some cases. You need some people to oversee how it's being done. Is it too much—

Mr. Loyola Hearn: Not 1,200.

I think my time is up.

The Chair: More or less, so we'll call it.

Thank you.

[Translation]

Mr. Blais, you have five minutes.

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Thank you, Mr. Chair.

My question will be namely about small craft harbours. This issue is a great concern to the riding I represent, Gaspésie—Îles-de-la-Madeleine, but it is also a concern throughout Quebec and elsewhere in Canada.

Before asking few questions on the subject, I would like to discuss the figures we fell we're not entirely clear. I draw your attention to page 5 of your document entitled "Overview of the 2004-05 Main Estimates", regarding science. To go back to Mr. Hearn's question earlier regarding science, the 2004-05 estimates show an amount of \$167.9 million. And yet, on the following page, where science is mentioned, the figure given for the same year is \$221 million.

How do you explain that difference?

Mr. George Da Pont: The amount for science, on page 6 is...

Mr. Raynald Blais: It is \$221 million. Furthermore, on the previous page we are talking about science but the amount shown is \$167 million. Some \$30 million appear suddenly out of nowhere. I am looking for that amount, but the only place where I can find it is in ice-breaking operations page 5. My feeling is there is not necessarily any connection between ice-breaking operations and science.

Mr. George Da Pont: No. On the previous page, we are talking about two things: Fisheries and Oceans Science and Habitat Management and Environmental Science. We divided the amount between the two. I hope that some of the two equals the amount that appears on the next page.

• (1200)

Mr. Raynald Blais: You are telling me that we have to add an amount to the \$167.9 million...

Mr. George Da Pont: The \$89 million that appears on the following line.

Mr. Raynald Blais: That is not possible: That makes \$250 million.

Mr. Jean-Claude Bouchard: But part of it is for habitat management and environmental sciences. Therefore, a portion of the \$89 million appears in the pie chart, in the science category.

If I may make a comment, Mr. Chair, this is somewhat the problem we had reading the projections that you discussed with us last year. This is why we try to divide our figures much more specifically and precisely. But what happens is that it is difficult to follow; you are right.

Mr. Raynald Blais: In any case, that proves that we do not live in a perfect world. We constantly make efforts to improve. In that sense, there is still work to be done regarding the clarification of these figures.

Now, let's move on to small craft harbours. To go back to what was said earlier concerning the amount of money spent or invested in the national capital, when you look at the figures on page 8 of the same document, you can see that \$9 million have been allocated to small craft harbours in the national capital region.

Could you analyze, clarify or explain that amount of \$9 million?

Mr. George Da Pont: Yes. There are \$3.3 million in expenditures for salaries and operations in the National Capital Region. The other expenses are divided between the regions over the course of the year. The most significant item is a little over \$1.5 million for divestitures.
[English]

The other consideration in those figures as well is that there are a number of things that are paid centrally on behalf of all of the regions. For example, funding to pay for insurance and other types of liability for the harbour authorities is paid centrally. But that money, aside from \$3.3 million, does get divided up in the course of the year among the other regions.

[Translation]

Mr. Jean-Claude Bouchard: To sum up, Mr. Chair, \$3.3 million out of the \$9.2 million that appear under the National Capital Region are used for the administration of the program in Ottawa, and the remaining \$5.9 million is kept at headquarters but is used for spending in all of the regions.

Mr. Raynald Blais: Why do we keep it? In case of circumstances beyond our control?

Mr. Jean-Claude Bouchard: It serves, for example, to cover insurance costs for certain ports. The payment of insurance costs is centralized.

Mr. Raynald Blais: Thank you.

By the way, I would also like to thank Mr. Da Pont for the efforts he made to speak French.

The Chair: Mr. Cullen, you have five minutes.

[English]

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Thank you very much.

I have a great number of questions so I'll try to be succinct, and I hope we can share.

Thank you as well for your presentation.

I share the concerns that are expressed in terms of the centralization. I appreciate that there's a certain amount required for paying out insurance and such.

On specific things that I'm going to ask, I would like—and I know it might not be able to be provided today—a breakdown. If moneys are being dispensed with respect to science, how much? Hearing that there are 1,400 personnel here in Ottawa—I represent a west coast riding—is extraordinarily concerning to the people I represent.

Specific questions. The fisheries management, the \$78 million that's not there anymore. You mentioned, I think, the Marshall program. Excuse me, I'm new to this committee. I have a hard time not connecting it to the loss of money that's going into fisheries enhancement on the west coast. There's been a certain cut in the

budget—\$5 million recently announced—in terms of salmonid enhancement. This is with respect to hatcheries that are under some threat. I'm seeing the budget lines here and I'm assuming that some of that money is coming out of there, which I also find confusing considering the return numbers we're seeing on a lot of our rivers.

So let's start there and see where we go.

Mr. George Da Pont: I can start with the response in terms of the budget for the salmon enhancement program on the west coast. The situation there is that the budget for that program is a little under \$21 million. In the past number of years, the program has been spending \$3 million to \$4 million over and above that budget. So the program is operating above its A-base budget and has been. I think what is being looked at is what the options are to at least bring the program back to operating within budget.

• (1205)

Mr. Nathan Cullen: I assume that with an increase in that budget and the overspending there was some need. I'm sure the money wasn't cast away, that there was value for the delivery of it. So I'm curious, why not increase the budget to the need that was expressed?

I'm getting a lot of this, not to get me wrong, also from DFO officials in the field who are saying there's concern. We're getting value for money out of our hatchery system in some of our enhancement projects, and the frustration is hearing the amount of money allocated in the national capital region, with very few fish around here, as opposed to one of the few and last viable wild salmon fisheries in the world that is in obvious crisis. The committee is concerning itself with a lot of these issues. It seems strange to me, and I'd have a very hard time justifying it to the people who elected me.

Mr. Jean-Claude Bouchard: If I may, Mr. Chairman, this department has been under enormous financial pressures for a number of years now. What we have tried to do for the last two years at least is limit to the greatest extent possible our overhead expenditures. We have cut travel by 50%. We've cut the purchasing of computers by 50%. We've instituted a number of measures that have resulted in savings of close to \$40 million. We did that. Of course we can't sustain a situation like that forever. I mean, if we do not replace our computers, at one point we're going to have some difficulties operating. But we've made all those choices and all those cuts in order not to have any effect, hopefully, on the direct service that we offer to the clients.

In the case of the salmon enhancement program, there's a shortfall. The shortfall has to be filled with money that we would take from somewhere else. We're facing a lot of those situations, and what we've done is try to cut our overhead as best as possible to deal with emerging pressures, because there are new needs in the department to deal with programs like this one.

I know I'm giving you a general answer, but that's basically what we've been going through.

Mr. Nathan Cullen: I definitely look forward to finding out, because for the answer to the central expenditures you're doing, I need to know where that money is being spread—where and how much and what percentage of it.

Mr. Jean-Claude Bouchard: From year to year we can tell you how much has gone to every region in the country.

Mr. Nathan Cullen: That would be great.

Here's a quick question. On page 11 we talk about "Investing in Offshore Development". It's a small line, but I'd like to get some clarity on what offshore development specifically means and what DFO is spending on it. Do we know?

Mr. George Da Pont: Yes, and my colleague will double-check to make sure I'm giving you accurate information. That is some new funding DFO has received to facilitate seabed mapping. It's the first year of the funding, and it will increase in subsequent years. The actual breakdown for future years is in that chart in the report on plans and priorities.

The Chair: You've now heard from at least two, if not three, members about the concern for moneys in the national capital region. It's very interesting and quite right for you to point out that in fact certain moneys are centralized for budget and reporting purposes and are then spread out across the country. I would suggest that by next year whenever you see national capital region you start putting in footnotes to remind people who are reading this that certain amounts of these moneys are in fact spread out across the country.

As you've heard, there's a perception, correct or otherwise, that you're top-heavy and overly centralized in the national capital region. The numbers that have been brought up, on their face and without explanation, tend to support that perception. If you want to be proactive in debunking it, then you should, I think, voluntarily disclose, as Mr. Da Pont said, that x number of dollars is, for example, for software licences. It's obvious no one can argue with that.

That's for next year.

Mr. Cuzner, you have ten minutes.

• (1210)

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): I'd like to thank the officials for the presentation today. As a quick comment. I think the proposed PAA format is going to make a bit more sense. It seems to be a format I can follow, and if I can, I would think most other members on the committee could.

An hon. member: That's no reflection on us.

Mr. Rodger Cuzner: I have questions on program evaluation first. Often the department will enter into major capital programs. When we do an evaluation on a significant investment—specifically, when we look at the investment we've made in navigational aids over the past years, and I believe that's an ongoing thing—with the intent of saving operational moneys....

We've gone through the harbour centralization program. I think that program is finished now, is it not? The intent of going through

the divestiture of some surplus harbours was to create some additional operating moneys, or save moneys down the road.

With each of these investments, is there an evaluation component, and are we in fact seeing the savings that were trumpeted when this money was peeled out initially?

Let's look at those two in particular.

Mr. George Da Pont: To your question whether we do regular evaluations to assess value for money for various initiatives, the answer is yes, we do. We do internal audits and evaluations both on a regular basis. They're all posted on the DFO website. Essentially, if there are issues raised there, they're dealt with as part of the follow-up to those audits. We try to maintain that sort of evaluation and auditing on a regular schedule. Obviously we can't do everything all at once

Mr. Jean-Claude Bouchard: Mr. Chairman, I chair the audit and evaluation committee. The audit and evaluation branch reports to me. It's one of the very few branches that report directly to me, to make sure they're as independent as possible. We prepare once a year, in advance of the year, a plan of the programs we intend to evaluate or audit. We discuss it with the senior management committee, and once the reports are ready they're reviewed by the senior management committee I chair, and the results or recommendations are posted on our website.

We also have a schedule for follow-up, so six months after that, the assistant deputy minister responsible for that program has to come back to give us an update on what was implemented and whether he or she is on schedule or not.

Mr. Rodger Cuzner: I know one program in particular, the Marshall fisheries access program, is of great interest to the entire committee. Is the department engaged in an evaluation of that now, or is there one proposed? How extensive will it be?

Mr. Jean-Claude Bouchard: We did an audit of one part of the Marshall program—the mentoring program—and a number of points were raised, a number of observations and recommendations. Management has accepted those points, and we are implementing corrective measures on those.

As for the rest of the Marshall program, no; I would have to look at our records, but I don't recall from memory—and I don't have it in my notes—and don't believe we're scheduled, this year anyway, to look at the rest of the Marshall program.

Mr. Rodger Cuzner: You don't think there's anything on now for the Marshall program?

Mr. Jean-Claude Bouchard: I don't think it's in our plan for this year, but it could very well be in our plan for next year. We're reprofiling money, so we will obviously be done with the Marshall program a couple of years from now, and it may be that we're waiting for it to be completed before we audit it. I could check that and get back to you on it, Mr. Chairman.

The Chair: Thank you. Please do.

Mr. Rodger Cuzner: I have two other points. I've seen several occasions involving harbours—I'm back to small craft harbours—where we seem to be coming in considerably lower than tender prices received on projects. It's not an oddity. I think we see it in a fair number of infrastructure programs; it's not exclusive to small craft harbours. Is there any rationale? Are you seeing at a national level that tenders are coming in significantly higher than estimates?

•(1215)

Mr. Jean-Claude Bouchard: I'll do a bit of an introduction. I need to tell you, Mr. Chairman, that the deputy and I are always very concerned when we have to send a letter to our minister saying there's been a cost overrun on a project like that. We have taken some measures to address this.

But George, maybe you could speak to it.

Mr. George Da Pont: I think we've taken a lot of measures to keep a good handle on this. There are probably two reasons that generally arise, and I think we are starting to see more tenders coming in higher than we expected.

One reason is fairly obvious and understandable. Sometimes when you undertake a project, in the course of it you may find that more extensive work is required than was anticipated initially—in the engineering work, if they find there's been more rot than anticipated, and so forth. In the course of the project you occasionally uncover something that requires additional work that wasn't estimated.

What we're finding now, though, is that in the last couple of years there has been a significant increase in the cost of both steel and concrete. Also, we're finding some general price increases, especially on the east coast. That was particularly true, I guess, in the aftermath of Hurricane Juan. There was obviously an awful lot of construction work undertaken, not just on small craft harbours.

So we have seen some increase, but I think those would be the main reasons. I don't think it's very widespread. It's certainly not the norm.

Mr. Rodger Cuzner: Okay. We are seeing it on the east coast; we are seeing it in Nova Scotia.

The other question has to do with fisheries management and the line item of salmon enhancement. Atlantic salmon and the development of an endowment fund has been of concern to this committee for a number of years. Are we seeing in the estimates that there is potential to develop an enhancement fund for Atlantic salmon through these estimates?

Mr. Jean-Claude Bouchard: No, it is not in the estimates. Mr. Chairman, as you know, the amount that was quoted for a salmon enhancement program on the east coast was about \$30 million. I remember that figure. It is not within our capacity to reallocate, given all the other financial pressures we have.

The minister will be appearing in front of the committee Thursday, and I think he will tell you that he recognizes the situation of Atlantic salmon. But \$30 million is a lot of money for us to reallocate. Even though we have a budget of \$1.4 billion, you know we have a lot of financial pressures.

The Chair: Mr. Simms, Mr. Murphy, we have another minute and a half. Does anybody want to bootleg a question before I go to Mr. Thompson?

Hon. Shawn Murphy (Charlottetown, Lib.): Briefly, Mr. Chairman, I'll just ask Mr. Bouchard if there is any change or any emerging issue with the department's policy on user fees. We have demands from the fishing industry for increased protection, increased enforcement, and increased science, and sometimes the players themselves will make a statement that they are willing and able, in some cases, to contribute to that. I know there are some user fees, especially with the coast guard. Do you see any change in policy going forward?

Mr. Jean-Claude Bouchard: We have been reviewing our user fees. As you know, some of them have been very controversial. Some of them we haven't been able to recover totally. That has also created additional pressure on our fiscal situation. My colleague Mr. Da Pont is responsible for that project and can give you more detail on the work that has been done over the last year on that. We may be close to some conclusion.

Mr. George Da Pont: It's been an issue for us, because about a decade ago the department was given a general revenue target to meet, as all departments have been in varying degrees. Ours is about \$110 million, which we're supposed to raise through various types of revenue. The department consistently has fallen short of that. In the last few years we have averaged between \$13 million and \$15 million as the gap between what we have been raising and what we're supposed to raise. That's one of the things that contributes to some of the financial pressure in the department, because we obviously have to cover that gap with other moneys.

So we have set up a group to take a look at the whole issue and see what the options are. You're right, some groups have suggested a willingness to look at paying some fees in exchange for guaranteed levels of enhanced services in certain areas. So we're looking at that. We're also looking at the option of getting the targets changed. So we have pretty much everything on the table, and we hope to have a framework ready to discuss with the minister as a starting point before the start of the new fiscal year.

•(1220)

The Chair: Thank you.

Mr. Thompson.

Mr. Greg Thompson: Thank you, Mr. Chairman.

I have a question for Mr. Bouchard on the understanding of the fisheries access program. Is that term synonymous with the Marshall program?

Mr. Jean-Claude Bouchard: Yes, that's what it is.

Mr. Greg Thompson: The reason I'm asking is that if you look at the main estimates and chart you've handed out to us, on page 12 you'll see where there's a decrease of \$65 million in funding for the fisheries access program. If we flip this page over, on page 13 you'll see in the supplementary estimates that DFO is seeking the authority to have increased program spending of \$100 million in the following areas. They list in that the Marshall fisheries access program reprofile and, in addition to that, the DFO aboriginal programming framework. I'm just asking those questions in relation to what Mr. Hearn has already asked, that is, where this program is going. Could you explain what we're looking at with those numbers? It appears you're taking money away at one spot and putting more in at another.

Mr. Jean-Claude Bouchard: Let me ask my colleague Mr. Da Pont to answer that. He's the numbers guy.

Mr. George Da Pont: What is reflected on page 13 is what the current authorities and reprofiling that have already been approved would be. We have reprofiled into two previous fiscal years so as to reprofile money into this year, next year, and the year after.

Mr. Greg Thompson: You've said the program is going to wind down, but basically, the program will not be winding down, but is going to be reprofiled.

Mr. George Da Pont: It will wind down when all of the money is exhausted.

Mr. Greg Thompson: That's not going to be within the next 12 months then.

Mr. George Da Pont: No, because moneys have been reprofiled into next year already.

Mr. Greg Thompson: To continue along this line, the difficulty I have with some of these programs and how you do business is the absolute lack of transparency in where the money goes. For example, with the moneys that have gone into the Marshall program, or if you want to use the term, fisheries access program, I can never see anything in the estimates on the dollars that have been paid out to consultants in the private sector to put some of these packages together. I would like you to provide me with that number, and I would like you to provide me with the system you use to measure the social impact on the non-native community, as well as the native community, of the implementation of these programs. It appears to me that after the Marshall decision was brought down, you came up with a social program to bring aboriginals into the fishery because it was, in your opinion, the right thing to do. I'm not disagreeing and saying it's completely wrong; what I'm arguing is that there's absolutely no transparency in what you have been doing for the last number of years.

A case in point concerns the absolutely ridiculous amounts the Government of Canada is paying for lobster licences in fishing communities where my son or daughter or any member sitting here cannot afford to buy a fishing licence, simply because they cannot compete with the Government of Canada. In my opinion, that is absolutely wrong. No one wants to deny the aboriginals the opportunity to fish, but the truth is that when you have no measuring stick for the impact, positive or negative, on that community and have done absolutely nothing to come down and explain to the non-aboriginal community exactly what you're doing, there's certainly something wrong somewhere.

When you look through these estimates at moneys going from one program to another, nobody in this room believes you anymore. Again, if you look in the supplementary estimates, you have moneys going into other programs that are aboriginal and come under another title or another section of the estimates.

So what I would like you to do is provide me and this committee with the total amount of dollars spent on this program and all associated programs over the course of this Marshall decision, who the licences were purchased for, how much they were purchased for, and where you can see the program going in the next four or five years regarding the number of licences the department will feel is sufficient to have done the job. Because I can see no end in sight. For example, some of the people I represent on Grand Manan Island can see the day when there will be no licences held by non-aboriginals if this program continues along the course it has taken. It's simply because of the absolute lack of transparency and understanding and concern for that particular community.

I've had my little rant. The only thing I wish this morning, Mr. Chairman, is that the minister were here to hear some of this with his own two ears.

• (1225)

The Chair: Mr. Thompson, the minister will be here on Thursday. Hopefully, you'll be here.

Mr. Greg Thompson: I'll be invited to come back, sir?

The Chair: Absolutely.

Mr. Greg Thompson: Thank you.

The Chair: You can put your rant to him directly at that point, and presumably he'll have some sort of an answer.

Mr. Greg Thompson: Mr. Chairman, to conclude, I put questions of this nature on the order paper in the House last spring. We've gone through two parliaments, we went through an election, we've gone through two prime ministers, the same government, the same political party, with none of them actually wanting to answer those questions. There could be a surprise if I go back today to find out they've been answered, but they've been on there for two parliaments, almost a year, and there's been absolutely no effort by the department or the minister to answer them.

The Chair: Well, that's an assumption.

Do you have any comments on anything Mr. Thompson said?

Mr. Jean-Claude Bouchard: We certainly have some comments. I'll start, and Mr. Da Pont can offer more.

We certainly are willing to provide you with as many details as we have on that particular program. I will find out where the answer to that question is. There have been 339 packages, meaning buying of licences, so far with that program. We also have further commitments for 17 fisheries agreements. We'll give you more details on that.

The reason we're reprofiling some moneys, by the way, is that we're not willing to pay just any price for those licences. At some point we decided just to get out of the business and wait until we could find opportunities to buy those licences at a more reasonable price.

There have been a number of consultations with aboriginal and non-aboriginal people. I have here a few numbers on that, but we'll provide you with numbers of consultations. Have we done a complete, detailed socio-economic study of the impact on non-aboriginal communities? No, we haven't, but we certainly have had a number of consultations.

George, do you have more numbers on that?

Mr. George Da Pont: No. The only item I would add is a clarification of the supplementary estimates. The aboriginal programming framework is not at all connected to the Marshall program. That is a new program that focuses on aboriginal aquatic resource and oceans management and inland habitat management. If you want, I'm sure my colleague Mr. Bevan can provide you with more details on that subsequently.

•(1230)

The Chair: Let's just be clear on this. Mr. Bouchard, you're going to provide us with a detailed breakdown of the licences purchased, who they were purchased from, and how much was paid, is that correct? And if you don't have those details, you'll tell us why.

Mr. Jean-Claude Bouchard: I assume we have all that detailed information. We will provide you with all the details we have on that program, and if we don't have them, we'll tell you, of course.

The Chair: Second, are you aware of the questions on the order paper that Mr. Thompson has put?

Mr. Jean-Claude Bouchard: I'm personally not aware of that. I will look into it.

The Chair: Can you look into it and get back to us as to why it is he's been waiting all this time? There may be a technical reason, I don't know.

Mr. Jean-Claude Bouchard: There may be one, I don't know.

The Chair: It seems an inordinate amount of time.

Was there anything else you asked for specifically, Mr. Thompson?

Mr. Greg Thompson: Mr. Chairman, there's a series of questions there, and I guess we'll have to read the record, but when Mr. Bouchard is directly answering our question on moneys paid out, the fact is that cheques were written, licences were purchased, so there should be a paper trail on every one of these transactions. I basically want those numbers so we know. I do want, Mr. Chairman, the names of the consultants who were hired by DFO to put these deals together, some of them actually going door to door to see whether or not you or your family might want to sell a licence.

The Chair: We are asking for that information.

Mr. Greg Thompson: Those are some of the specific questions they do have the answers for, which I hope they provide.

The Chair: We are asking for that information, and we expect to get it or an explanation as to why we can't get it. All right?

Mr. Simms.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-sor, Lib.): Thank you, Mr. Chair.

I have a question about page 11 under *Adjustments*, "Addressing Foreign Overfishing Outside Canada's 200 Mile Zone". I'm assuming that the bulk of this goes towards more patrols of the 200 mile zone. Is there anything I'm missing there in addition to that?

Mr. Jean-Claude Bouchard: No. As you know, I'm sure, we received increased funding last year to ensure that we had almost consistently three vessels on the Grand Banks to monitor the fishing that is taking place in the NAFO regulatory area. That funding also includes moneys to increase our diplomatic contacts with Spain, Portugal, and the EU in particular and get those countries to cooperate with us. So that's what the \$12 million is all about.

Mr. Scott Simms: So it's diplomatic missions to Europe and such.

Mr. Jean-Claude Bouchard: With Foreign Affairs I've travelled to Europe three times this year to meet specifically on that with the Spanish government, the Portuguese government, and the EU community.

Mr. Scott Simms: Is any of that money to support NAFO in any way with their meetings or anything of that sort?

Mr. Jean-Claude Bouchard: As one of the 17 countries that belong to NAFO—it's going to be 13 next year, for other reasons I can get into—we pay a share of its functioning. That budget is decided by the contracting parties and revised on an ongoing basis.

Mr. Scott Simms: How big is our share?

Mr. Jean-Claude Bouchard: We have a big share. I would have to look into the exact number, but it's an important percentage. I don't know, George, if you remember.

Mr. George Da Pont: I don't know offhand.

Mr. Jean-Claude Bouchard: I think it's 40% or 50%, something like that.

The Chair: Mr. Simms, excuse me if I'm taking away from your time, but where is that shown in the estimates, the amount of money that's budgeted for NAFO?

Mr. Jean-Claude Bouchard: We certainly have it on page 11 of the deck that Mr. Da Pont has presented.

Mr. George Da Pont: It appears on page 13, which summarizes the items that are before you in supplementary estimates. It's under the item "Foreign Overfishing in the Atlantic Ocean". It's at \$11.3 million, instead of \$12 million. The other \$700,000 is for employee benefits attached to some of the people, and that is captured in the statutory part of it. That's why you don't see \$12 million in the estimates, but it actually is \$12 million.

•(1235)

The Chair: But how much of that is for NAFO? All of it?

Mr. George Da Pont: That's the same as the \$12 million.

Mr. Jean-Claude Bouchard: If I may, Mr. Chairman, those additional funds were not to pay for the functioning of NAFO. That's paid for through the fisheries management budget. The \$12 million is supplementary funding for us to deal with the foreign overfishing in NAFO, and that does not include the functioning of NAFO as an organization or a secretariat.

The Chair: I understand that, Mr. Bouchard. My question was, where in the estimates is the amount of money we pay on a yearly basis towards NAFO, our 40% share?

Mr. George Da Pont: It would be in the fisheries management numbers.

The Chair: Is it broken down or just lumped in there?

Mr. George Da Pont: It's lumped in there. One of the issues, as you know, with the way the estimates are presented is that everything is lumped into a small number of categories.

The Chair: On this chart that you're going to be working on, where would I find that, or where would I go to look for it if I was interested?

Mr. George Da Pont: In the new program activity structure, if you look at the column that says "Sustainable Fisheries and Aquaculture", we will be having in future, as you can see, an item on international fisheries conservation, and that is where the item would ultimately appear. Over time within that item we would try to provide a finer break-out. So in future, when the estimates come, it would be at least in that number, as opposed to being rolled into a big number that you don't recognize.

The Chair: Thank you.

Sorry, Mr. Simms. You still have three minutes.

Mr. Scott Simms: No, actually, you did quite well. Congratulations. You made my job quite easy.

Mr. Jean-Claude Bouchard: Mr. Chairman, I've just been handed a piece of information. It's too bad Mr. Thompson has left, but the answer to his question that was put on the order paper was tabled in the House yesterday.

The Chair: Okay. We'd better have a medic standing by when he goes into the House.

Mr. Jean-Claude Bouchard: I apologize for not knowing, but there are millions of details in this department.

The Chair: That will be a surprise to him, I'm sure.

Are you through, Mr. Simms?

Mr. Asselin, *s'il vous plaît, cinq minutes.*

[Translation]

Mr. Gérard Asselin (Manicouagan, BQ): Mr. Chairman, I would really like to speak with the minister, but in any case, I have already put my questions to him, I have sent him correspondence, but when I address the minister on the subject of DFO programs, he answers me after his officials have provided him with the response.

Since 1993, the Department of Fisheries and Oceans has had four or five different ministers. A new minister has just been appointed. I am not sure if he is competent; only time will tell. The minister reminds me a little of a farmer who has cut the head of his chicken, it runs around without knowing where it's going.

I represent the people of the middle and lower North Shore, the riding of Manicouagan. We have invested \$3 million in the maintenance of the small wharves. On the North Shore, in the riding of Manicouagan, there are villages that depend exclusively on the fishery for their livelihood; it is the main industry. The only accessible infrastructure for these fishermen is the wharf. These wharves are in a sorry state. I feel that Fisheries and Oceans Canada are negligent and irresponsible. These wharves are the only thing the fishermen of the lower and middle North Shore have access to.

Are we on the lower and middle North Shore doomed to live with moratoria, drops in quotas, temporary licences and support programs? This situation has a direct impact on the fish plants. Seasonal workers no longer even qualify for employment insurance.

On the North Shore, we are on the verge of demonstrating in order to show Fisheries and Oceans, from whom we no longer exist, that we are still here. I find it unacceptable that here in Ottawa, \$3.3 million is spent on salaries for the management of the Small Craft Harbours Program, whereas only \$3 million are spent on all of Quebec. The wharves are in a sorry state. They are dangerous, inaccessible. They are like a house of cards.

Are we going to table a history of budgets for the last five years, from 2000 to 2005, for the maintenance of small fishing harbours in Canada, particularly in Quebec?

They cannot be so frivolous at Fisheries and Oceans. They impose moratoria, reductions in quotas, temporary permits and fish plant closures on us, whereas the infrastructure belonging to Fisheries and Oceans is not maintained and there is nothing in the budget for that once again this year.

I could put my question to the minister, but I am convinced that the deputy minister knows a great deal more about it than the minister.

•(1240)

[English]

The Chair: I would be surprised if the minister of any department knew more than the collective wisdom of his entire department. That would be a true genius. I suppose there might be one, but....

Monsieur Bouchard.

[Translation]

Mr. Jean-Claude Bouchard: Obviously some of the comments made were political, and I will not respond to those. On the other hand, we have a budget of approximately \$90 million for small craft harbours. We could probably spend \$300 million in this area. We are quite well aware of the enormity of the task ahead of us and of the size of the budget. We are trying to divide up this amount across the country. We have a priority system. We can certainly provide you with a list of areas where money was spent over the last five years. We have that information.

We made sure to manage the budget as tightly as possible for the last year. Furthermore, I can tell you that \$90 million will not meet all the needs. However, we will provide you with the figures. If the issue is increasing the budget for small craft harbours, I quite agree, but this will unfortunately not be possible through reallocating funds within the department. The amounts are too significant.

Mr. Gérard Asselin: Mr. Chairman, we will have a budget surplus of \$9.1 billion this year. If you were to ask for \$3 million for maintenance of small craft harbours, the minister will clearly not give you \$150 million. You have asked for \$3 million, that is what you have projected. I am wondering if you do a real inventory of your infrastructure. If you ask for \$3 million, the minister will not give you \$150 million.

This year, we have a budget surplus of \$9.1 billion, and despite that, Fisheries and Oceans does not seem unhappy about the situation. But we in the regions, Mr. Bouchard, are dealing with the main issue. We wonder if it's the wharf that's hanging onto the boat or whether it's the boat that's hanging onto the wharf. It does not make any sense. It's dangerous. We no longer have access to these wharves.

In some areas, we even had a notice from Fisheries and Oceans saying that they were preparing to close the wharf, to fence it in. But it is the only infrastructure we have. Villages on the middle and lower North Shore depend entirely on the fishery. It does not make any sense. We are pushing people onto the welfare rolls.

People can no longer cover maintenance costs for their own boats, either because of a moratorium, a reduction in their quota, or because their temporary licence has been taken away, which they may be given back but no one knows when. Mr. Chairman, this situation on the North Shore cannot continue.

[English]

The Chair: Thank you, Mr. Asselin.

I know you weren't here, so just for your information, the department tabled a lot of information in connection with small craft harbours when we were asking about it the last time. This includes the list of non-essential harbours, why, and that sort of thing.

As for what the government does with its \$9.1 billion surplus, that's a little bit beyond our committee's scope. We are having the minister here on Thursday. I don't know if Monsieur Blais or Monsieur Roy will be here. If so, perhaps you could pass a question or two to them to ask the minister. It will be a televised meeting.

We'll move now to the other side.

Mr. Murphy, do you have any questions?

Hon. Shawn Murphy: Yes, just a couple of questions, Mr. Chairman. Thank you very much.

One issue that's not in the estimates but something I'd like to explore—I just don't think it's working here in Ottawa—is this executive level at-risk pay. Can you give me a breakdown from the fisheries department on how many of these so-called executives become eligible for this at-risk pay? What percentage of the people who get it would be eligible? What's the total cost of this at-risk pay? Finally, what criteria—this is the crux of the whole issue—are used

by DFO to determine (a) whether the executive gets the at-risk pay, and (b) the amount that person receives?

It's a very complex topic. I think the system is broken here in Ottawa. My analysis is that everyone gets it.

• (1245)

Mr. George Da Pont: Obviously, I would have to do a bit more detailed work to give you all of the precise information you asked for. We will do that, and table it.

I can say that this past year, you're right, almost all of the DFO executives received at least some at-risk pay, but there were significant variations in terms of the percentage different groupings received based on performance. But we will provide the figures you asked for.

In terms of what we use to assess performance, again, we follow the government-wide directives that were issued around that. We will share those with this committee. What goes to the heart of it is that each executive at the beginning of the year signs, with his or her supervisor, what we call an "accountability accord". This lays out what the key objectives and priorities of that executive are supposed to be, what they are being asked to commit to and deliver in the course of that year. We try to make those as measurable and as clear as possible. That becomes the basis against which executives at the end of the year are assessed.

So there is structure tied to documentation. We're always trying to improve, obviously, but that's essentially the main mechanism we use for the assessment.

Mr. Jean-Claude Bouchard: We have approximately 240 executives who are part of that program across the country. Many years ago, when I was the deputy secretary at Treasury Board, the total budget available in each department for at-risk pay was 10% of the payroll of those executives.

One additional point I would like to make is that there are various levels of performance, but for those who have surpassed their objectives, for example, we never go beyond about 20% of...so there's never more than about 20% who can get that.

We can provide you with more detailed information on that, Mr. Chairman.

Hon. Shawn Murphy: But of the 240, Mr. Bouchard, are you aware of anyone at DFO who didn't get the at-risk pay?

Mr. Jean-Claude Bouchard: I am very aware, actually, of a couple of cases of people who would not have received at-risk pay for performance reasons. We solved the problem before the end of the fiscal year, so that we didn't have to do that. In other words, the people have left the public service.

Hon. Shawn Murphy: My next point comes back to you, Mr. Bouchard, and it goes back to the issue Mr. Thompson raised before he left and complained about the price of lobster fleets under the aboriginal access program. It's my understanding—and you can correct me if I'm wrong—that these fleets are purchased in the open market.

Mr. Jean-Claude Bouchard: Yes.

Hon. Shawn Murphy: It's also my understanding that when DFO goes in, of course, you're competing with other buyers in the open market. The price of the fleet—and you can say what you want—would basically be determined by the health of the industry in that particular area. To give you an example, where he's talking about, in the Bay of Fundy, I believe lobster licences are in the range of \$1 million. In LFA 25, in the strait, they're probably in the vicinity of \$75,000 to \$100,000. Those differences basically reflect the state of the industry, is that not correct?

• (1250)

Mr. Jean-Claude Bouchard: Yes.

Hon. Shawn Murphy: So when the price goes up with that, really.... To a certain extent, if you wanted to boast, you could say that in certain instances sometimes, the health of the industry is reflective of DFO doing its job, making earlier decisions on conservation, licensing, protection, and enhancement, and that in turn has caused the industry to flourish, which in turn, by extension, has caused the value of the individual licensed fleets to increase. Aren't you a victim of your own success if that's the case?

Mr. Jean-Claude Bouchard: The licence buy-back was done on a voluntary basis. I guess—and I say “I guess” because we would have to check that—the government could have expropriated them. I don't know. I don't think it would have been possible, but doing it on a voluntary basis means we create a demand for those licences, which in turn would increase the value. It's basic economics.

I recognize all that. My colleague David Bevan could give you the detailed history of that program because he was intimately involved, but basically you're probably right that we are a victim of our own success. Because of our action, we have increased the value of those licences on the market. I definitely have to agree with that.

Hon. Shawn Murphy: Thank you, Mr. Chairman.

The Chair: Before I go to the next questioners, is “at-risk pay” a term of art in your department, or is that what it's called?

Mr. Jean-Claude Bouchard: We call it performance pay.

The Chair: So it's a performance bonus.

Mr. Jean-Claude Bouchard: Yes, that's right.

The Chair: Why is it called “at-risk”?

Mr. Jean-Claude Bouchard: Because you don't automatically get it and you don't get....

Well, if I may go back, I was at Treasury Board when the decision was made to reduce the total salary envelope of executives by 10% and take existing moneys and deem them to be performance pay: you get them only if you perform at a certain level. If you do a fully satisfactory job, you do get a small percentage. If you go beyond the expectations, then you get a higher amount. At the time—and I go back a few years—the total impact on the salary envelope was 10%, because that's the money that was set aside. It's not unlike what you find in the private sector.

The Chair: But my question is, why is it called “at-risk”? Who or what is at risk?

Mr. George Da Pont: Whether you get it or not is what's at risk.

The Chair: The bonus is at risk.

Mr. George Da Pont: The bonus is at risk.

The Chair: So it's a performance bonus.

Mr. George Da Pont: It is.

The Chair: Okay, thank you.

We have two people who want to question, and we have six minutes. I'm going to give each person three minutes, and then we'll call it a day.

Mr. Cullen is first, for three minutes, including the answers.

Mr. Nathan Cullen: Initially I assumed that you folks would be at risk right now, and that your pay would be reflective of today.

A witness: We're always at risk.

Mr. Nathan Cullen: There are many things attributed to the DFO where I live, but “victim of your own success” hasn't been one of them, I'm sorry to say.

Really quickly, just looking through your architecture here, I need to find out how much money you're spending on the promotion, the study, the enhancement of fish farms throughout the region.

A witness: Aquaculture?

Mr. Nathan Cullen: Well, aquaculture.

The Chair: What region? B.C.?

Mr. Nathan Cullen: Well, let's do both. I wouldn't mind knowing what the total DFO budget is and then what you're spending. In the place where I live, there's a real confusion between the protection of the wild fish stocks and, at the same time, the promotion of an industry that many in the fishing industry perceive as a threat to wild fish stocks. People are confused about DFO's mandate—which is it?—and the drop, or perceived drop, in enhancement programs in the last little while. I don't know if you have those numbers now, but I'd really appreciate them.

Mr. George Da Pont: I don't have those numbers now. I'd have to get them, but I would just like to clarify whether you would like the number for our total expenditures on aquaculture or just a selected aspect.

Mr. Jean-Claude Bouchard: There's research, there's the site approvals or processing—

Mr. Nathan Cullen: For anything that you spend connected to fish farming, I'd like to know how much it is.

Just one quick, second question on—

The Chair: And that's nation-wide that you're talking about.

Mr. Nathan Cullen: Yes, I'd like nation-wide, and perhaps regional if it's not too complicated to break it down. I'd like to know what you spend on the west coast particularly.

On page 13, on the Mackenzie gas project, you're spending a little bit of money on that. What are you doing, and what for?

Mr. Jean-Claude Bouchard: The Mackenzie Valley pipeline will cross rivers and lakes and stuff like that 600 times, and we have to assess the impact on the habitat. We will be spending much more as the project goes on.

The Chair: Thank you.

[*Translation*]

Mr. Blais please.

Mr. Raynald Blais: I have approximately 46 questions, still on the subject of small craft harbours. I will try to ask you a few all at once.

First of all, I would like us to be able to adjust the figures we were given at one point in time concerning the \$400 million needed to do repairs across Canada. Has there been an adjustment of these figures?

• (1255)

Mr. Jean-Claude Bouchard: I think that we redid that study recently.

Mr. George Da Pont: We undertook the study in 2001. At that point in time, to improve the condition of all small harbours, we would have needed to spend approximately \$400 million. We redid the study, somewhat of an update, and we now believe that the figure stands at approximately \$475 million.

Mr. Raynald Blais: Would it be possible to obtain a copy of this study?

Mr. George Da Pont: I think so. It is an internal study. We will make it available, yes.

Mr. Raynald Blais: Furthermore, with regard to the budget as such, it is set at \$91 million for this year, a little less for next year. The issue is capital assets and operations. These are two completely different notions as far as small craft harbours are concerned. I would like to know what this includes, and at the same time, have a complete enough breakdown of the figures so that I can see what the figures are for Quebec. For example, what does this mean in terms of fixed assets? In terms of operations? What portion of the \$91 million has in fact been spent over the course of the last year?

Mr. Jean-Claude Bouchard: The \$91 million for small craft harbours in the budget is a separate capital budget. It is a distinct item, and we present it as such. Capital expenditures are amounts spent on our buildings: repairs or improvements to our laboratories, to Coast Guard ships. These are our capital expenditures.

Mr. Raynald Blais: All right, but I want to know what the situation is for small craft harbours. We are not discussing the Coast Guard, we are talking about small craft harbours.

Mr. Jean-Claude Bouchard: For small craft harbours, there are only \$91 million, which includes all capital expenditures, that is to say expenses for improvements to ports or construction of ports or wharves.

[*English*]

Mr. George Da Pont: The division is within the overall budget of \$91.5 million, and \$27 million of that is for what we call major capital. Major capital is essentially any project that costs more than \$1 million to do. That's the division between what we consider major capital expenditure...projects that cost less we pay for out of what we call minor capital or operating. But all of that is included within a \$91.5-million global budget for small craft harbour programs.

[*Translation*]

Mr. Raynald Blais: I see the \$27 million and the \$64 million for operations, but what does the \$64 million figure for operations include?

Mr. George Da Pont: It is more complicated than that. Perhaps it would be easier if we gave you a more comprehensive answer on the divisions within the budget and on each of the budget items.

Mr. Raynald Blais: Please, if you would.

Mr. Jean-Claude Bouchard: We will explain each term to you and give you some examples.

Mr. Raynald Blais: I may have a few more questions after that. Thank you.

[*English*]

The Chair: Okay, let's leave it at that. We'll expect that material and we'll see what questions arise out of it.

It's one o'clock, so I'll call the meeting at an end.

I want to remind committee members that the next meeting will begin at eleven o'clock in the morning on Thursday, in room 253-D. The minister will be here with his officials. The meeting will be televised, and I'd like to start exactly at eleven o'clock so that we get the full two hours in on television.

I just want to remind everybody that our researchers have gone to a lot of trouble to prepare some excellent questions, and hopefully they'll be the focus of some of the questioning on Thursday. I know some of it has already been.

The meeting is adjourned.

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

**Also available on the Parliamentary Internet Parlementaire at the following address:
Aussi disponible sur le réseau électronique « Parliamentary Internet Parlementaire » à l'adresse suivante :
<http://www.parl.gc.ca>**

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.