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—
Chair

Mr. Fabian Manning

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• (0905)

[English]

The Chair (Mr. Fabian Manning (Avalon, CPC)): We'll bring the meeting to order and welcome everybody here, after a great night of hockey last night.

We are proud to say that for the first time in our history, a Newfoundlander and Labradorian will be etching his name on the Stanley Cup, so we're delighted about that on The Rock. Mr. Danny Cleary has made his mark. And to be honest with you, we're overjoyed, but we're trying to keep it down until we get home.

An hon. member: So meeting adjourned?

The Chair: Meeting adjourned.

Some hon. members: Oh, oh!

The Chair: He happens to be from the riding of Avalon, and I'm not necessarily being pushy here.

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): That one along the goal line didn't make it any easier for him.

The Chair: No matter, a win is a win. We don't count the ones that don't get in.

Anyway, I'd like to welcome our guests here this morning. We certainly look forward to hearing from you. Basically, our process here is that we have an opportunity for you to have some opening remarks, and then we allow our colleagues to have some questions. We'll see where it goes from there.

I'd just like to advise the committee members that following the presentation and the questions and answers this morning, we need to hang around for a few moments to take care of some committee business. So don't be hasty to get out of here.

With that, I would ask that our guests introduce themselves first. I understand that Mr. Thompson will be doing the opening remarks.

If you would all introduce yourselves first, we'd be delighted.

[Translation]

Mr. Ron Thompson (Assistant Auditor General, Former Commissioner of the Environment and Sustainable Development, Office of the Auditor General of Canada): Thank you, Mr. Chairman.

We are pleased to be here today to discuss chapters 5, 6, 8, 9 and 14 of our 2008 Status Report, which was tabled in Parliament on March 6.

Chapter 5 deals with protection of species at risk, chapter 6 with control of aquatic invasive species, chapter 8 with international environmental agreements, chapter 9 with strategic environmental assessments and chapter 14 with genetically engineered fish.

I am accompanied at the table by Andrew Ferguson who is responsible for our work on species at risk and aquatic invasive species. Behind us are Richard Arseneault and Paul Morse who are responsible for the other work that we may discuss this morning. I am delighted to have with me at the table Mr. Scott Vaughan, who was appointed Commissioner of the Environment and Sustainable Development by Auditor General Sheila Fraser on May 5.

I have agreed with Mrs. Fraser to help manage the transition to Mr. Vaughan before retiring at the end of this month. This includes appearing before parliamentary committees such as this one to discuss audit reports that I have had the pleasure of presenting to Parliament while Interim Commissioner.

As the Committee knows, status reports from the Office of the Auditor General show what departments and agencies have done to address issues that the Office has raised in some of its past reports. In determining whether progress on an issue is satisfactory or unsatisfactory, the Office takes into account the complexity of the issue and the amount of time that has passed since the original audit.

This is the first time that a Status Report has been presented to Parliament by a Commissioner of the Environment and Sustainable Development. It deals with the government's management of environment and sustainable development issues. Of the fourteen chapters in our Status Report, five report satisfactory progress. Progress in nine areas is unsatisfactory—largely because the government did not follow through on commitments that it made when responding to past environment and sustainable development audits.

The first three chapters deal with chemicals management, and we were pleased to report satisfactory progress. Chapters 4 through 7 focus on ecosystems, and we rated progress as unsatisfactory. Chapters 8, 9, and 10 concern management tools, and once again we rated progress as unsatisfactory. Chapters 11 through 14 look at actions taken in response to environmental petitions; two of these audits reported satisfactory progress and two reported unsatisfactory progress.

I would like to now turn to the chapters that I understand the Committee is particularly interested in, beginning with two that deal with ecosystems.

• (0910)

[English]

The chapters in this section of our report deal with issues that affect the quality of the natural environment that we'll pass on to our children and to our grandchildren.

According to the government, degradation and loss of habitat is the major threat to plants and animals in Canada. The government committed to addressing these issues years ago, but it has yet to follow through on a number of these commitments.

In chapter 5 we observe that the federal government has not met the deadlines required by the Species at Risk Act, SARA, to prepare recovery strategies for species at risk. As of June 2007, the three departments responsible for producing recovery strategies had produced only 55 of the 228 strategies required under the act. Those departments are Fisheries and Oceans Canada, Environment Canada, and Parks Canada. Fisheries and Oceans Canada, for example, had produced 13 of the 40 for which it was responsible at that point in time.

The committee may wish to ask the responsible departments what they believe needs to be done in order for them to comply with the deadlines specified in SARA, and what their action plans and timelines for doing so would be.

As we point out in paragraph 5.7 of chapter 5, the federal government has made budgetary commitments of some \$563 million for species at risk since 2000. The committee may also wish to ask the departments whether sufficient funding has been provided at the program level, and if not, what the shortfall would be.

Chapter 6 points out that aquatic invasive species are entering Canadian waters faster than Fisheries and Oceans Canada is able to assess the risks they pose to Canada's environment and to Canada's economy.

Experts point out that aquatic invasive species cause billions of dollars of damage to Canada's economy every year, and are second only to habitat destruction as a leading cause of biodiversity loss.

In 2006 Transport Canada introduced regulations for the control and management of ballast water to reduce the likelihood of introducing aquatic invasive species into Canadian waters. However, at the time of our audit, these regulations were not yet being enforced consistently across the country.

The committee may wish to ask Fisheries and Oceans Canada what needs to be done in order for the department to assess aquatic invasive species on a more timely basis, and whether an appropriate action plan, timeline, and funding are in place.

The committee may also wish to ask Transport Canada whether regulations to control management of ballast water are now being enforced consistently across the country, and if not, what actions are under way and planned to do so.

I would now like to turn to chapters 8 and 9, which deal with what we call "management tools".

We believe the federal government should lead by example in managing environmental issues. In that respect, both of these chapters portray a disappointing picture.

In chapter 8 we report that Canada has signed more than 100 international environmental agreements over the years, but the information on Canada's compliance provided to Parliament and to Canadians is weak.

In chapter 9 we explain that strategic environmental assessments have been required of federal departments and agencies for the past 17 years. These assessments, together with sustainable development strategies that we reported on last October, are two fundamental management tools the government has put in place to protect the environment. Unfortunately, both tools are broken, and both tools need to be fixed.

The 1990 cabinet directive on strategic environmental assessments was to ensure that the government would assess the potential environmental impacts of its policies, plans, and programs before approving them. This is our fourth look at the issue, and we found that departments are still not complying with the directive.

The Canadian Environmental Assessment Agency is leading an evaluation of the strategic environmental assessment process, and results are expected a bit later this year.

Let me conclude, Mr. Chairman, by saying a few words about environmental petitions.

Last October our retrospective study of petitions over the last ten years showed that petitioners value the process. It provides a forum for voicing their concerns about the environment and assures them of a formal response from ministers.

In prior years we have audited whether the government has followed through on certain commitments made to petitioners by ministers. This year we took a second look at four of these commitments to assess the government's progress on addressing recommendations and findings from our earlier audits.

• (0915)

In chapter 14 we report that Fisheries and Oceans Canada has still not developed regulations on genetically engineered fish, even though the minister committed to doing so in 2001 and again in 2004.

The department now says that genetically engineered fish would be captured under the new substances notification regulations of the Canadian Environmental Protection Act, 1999. However, we believe that some weaknesses exist in these regulations, which need to be covered off in some manner. For example, under the existing notification regulations, there is no requirement to disclose research activities, and there is no mandatory reporting of accidental releases of research and development organisms.

The committee may wish to ask Fisheries and Oceans Canada and related departments—Environment Canada and Health Canada—what actions are under way to address these weaknesses and the action plan, timeline, and funding required to do so.

[Translation]

Mr. Chairman, I hope that these remarks and suggestions have been of interest to the Committee. Perhaps it might make sense for the Committee to invite departmental officials to a separate hearing or hearings in order to explore with them whether actions are underway and planned to address the issues we raise in our Status Report. We would be pleased to participate in any such hearings.

Mr. Chairman, this concludes my opening statement. We will be happy to answer any questions that the Committee members may have.

[English]

The Chair: Thank you, Mr. Thompson.

I believe Mr. Simms will begin our questions. Mr. Simms.

• (0920)

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Thompson, Mr. Vaughan, Mr. Ferguson, thank you so very much for coming. You have certainly given us a lot to digest here, all sorts of things.

Referring to the section of your report on management tools, I'll start with paragraph 25 from your brief, which says, "In Chapter 8, we report that Canada has signed more than 100 international environment agreements over the years, but the information on Canada's compliance provided to Parliament and Canadians is weak."

Can you expand on that, citing one recent example of an international agreement? I wouldn't like to do all one hundred.

Mr. Ron Thompson: I'd be delighted to.

There is, at present, a listing of these environmental agreements. One can determine by piecing together information from various departments what the agreements are. What is lacking, sir, is an indication of what the agreements are designed to bring about, what kind of result is expected from signing these agreements, the expectation that was in people's minds when they were signed.

Secondly, very often what isn't clear is how the related government departments or organizations have organized themselves to implement the agreements and to bring about those results.

Thirdly, there's really not very much of a measure very often of what the results are to date in relation to carrying out the clauses of those various agreements.

So what was expected, how you are organized to get there, and how you are doing in getting there seem not to be reported very much at all by many of these departments under many of these agreements.

Mr. Scott Simms: A lot of this has come from the Oceans Act of 2002, I believe. What I'm thinking of specifically would be something like a marine protected area ocean management plan.

Did you look at marine protected areas in your study and gauge the status of them?

Mr. Ron Thompson: Are you referring to the agreements, sir? I could tell you the four agreements we looked at under Fisheries and Oceans Canada, if that would be helpful.

We looked at four of the agreements that are the responsibility of Fisheries and Oceans Canada. We looked at the International Commission for the Conservation of Atlantic Tuna, the North Atlantic Salmon Conservation Organization, the Northwest Atlantic Fisheries Organization, and the Pacific Salmon Treaty. Those were four of the hundred or so agreements that we looked at specifically under Fisheries and Oceans Canada.

Mr. Scott Simms: In regard to NAFO, the Northwest Atlantic Fisheries Organization, could you elaborate on what your findings were and how they are up to measure?

Mr. Ron Thompson: One of the things we didn't do is put the details in the chapter. We didn't try to analyze agreement by agreement. I might suggest that the member might like to have a look at the Department of Fisheries and Oceans website, where a lot of this information should be. We pulled that out just this morning and found not very much information about that.

You were asking about the North Atlantic Salmon Conservation Organization?

Mr. Scott Simms: Yes.

Mr. Ron Thompson: I'm looking at DFO's website, and here's what you will find about that on the website.

NASCO was established under the convention for the conservation of salmon in the North Atlantic Ocean, which came into force on October 1, 1983. NASCO uses the best scientific evidence available to promote the conservation, restoration, enhancement and rational management of salmon stocks that migrate beyond areas of fisheries jurisdiction of coastal states of the Atlantic Ocean north of 36 degrees north latitude throughout their migratory range. Canada is one of seven contracting parties to the organization.

This is what you find on DFO's website. What isn't mentioned is any indication of what the agreement is trying to achieve, how the department is progressing towards achieving those results, how it is organized to go after those results, or what's yet to be done.

Mr. Scott Simms: Would it be fair to say, then, that we're not following up on our responsibilities in our major international agreements regarding environment?

• (0925)

Mr. Ron Thompson: What we are saying is that the information that the department has isn't being made available to parliamentarians and the Canadian people.

Mr. Scott Simms: Let me switch gears for just a moment. I want to talk about the recovery strategies.

You cite here that 228 recovery strategies are required under the act. We've only produced 55. But I want to cite the Department of Fisheries and Oceans, which you say produced only 13 of the 40 for which it is responsible.

On the east coast, we have the recovery of the northern cod, but what do you think is the main problem here? Why can't we seem to get our act together for recovery?

Mr. Ron Thompson: That's a very good question. This is an area of concern to us as legislative auditors. On the one hand, we look at a fairly large amount of money that's been allocated in budgets to this area. But on the other hand, we don't see much action. In fact, 13 out of 40 is not a very good track record.

What we wonder about is whether or not the budget allocations have actually found their way down into program funding and program activities. That is something that we have not yet audited. That is certainly something that this committee could ask the departmental officials about and get to the bottom of.

We don't understand why these three departments—and let's just stay with DFO for the moment—are so far behind. Is it a lack of funding? Is it a lack of manpower, person power? We just don't know. These are questions that we would very much encourage this committee to address to the department and get some answers.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Your chapter 8 review talked about strategic environmental assessments and the role of departments in performing those strategic environmental assessments.

We sometimes wonder whether or not the fly swatter meets the size of the fly. The Department of Fisheries and Oceans in particular will spend a fair bit of time and resources doing an environmental assessment for a project to put 50 feet of armour stone along a beach. Huge resources are spent on that, and it often delays the project. Many people involved in something like this will say they know that there are no significant environmental impacts, yet the resources have to be spent.

Then you have other very significant projects that obviously require environmental assessment, and the amount of resourcing that gets put into them is often no greater than what's allocated to the smaller-scale projects.

Are you following me?

Mr. Ron Thompson: I am, yes.

Hon. Gerry Byrne: Could you comment on whether or not appropriate resources are being put in place relative to the scale of the environmental assessment and the project that's being requested?

Mr. Ron Thompson: Mr. Chairman, I'd certainly be pleased to answer that.

The one thing I should say, though, is that in chapter 9 we looked at something called strategic environmental assessments, not at what you're referring to, I think, which are environmental assessments. They're quite a different thing. Our chapter dealt with a different management process.

If I may just be permitted to comment on what we did look at, strategic environmental assessments are one of the fundamental tools of good environment and sustainable development management in the Government of Canada. They just simply aren't working. Now, we don't know why they're not working. We can speculate. One of the reasons, perhaps, is that nobody has even been either promoted or fired for doing a good or a bad one. Nobody really seems to care whether they're done or not. That's not a very good situation.

What's good about this at this particular time is that the Canadian Environmental Assessment Agency realizes that this fundamentally important ENSD tool isn't working, and they're leading a review right now to get to the bottom of this, to find out why the tool isn't working. We're very hopeful that by the end of the year they'll come up with some recommendations to have it work.

Now, on the issue you're raising of practicality, one would hope that the Canadian Environmental Assessment Agency would be aware of that and would be taking that into account as its broader review that would go beyond the SEAs.

I don't know whether that's answering your question, sir. I suspect it isn't, but—

● (0930)

Hon. Gerry Byrne: It is for now.

The Chair: Mr. Blais.

[*Translation*]

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

Good morning, gentlemen.

My question will concern invasive species. This phenomenon is increasing in scope. I'm thinking in particular of the fact that, in recent years, we've essentially heard about invasive species in the Great Lakes and the St. Lawrence River, but that we're now hearing more about them in the Maritimes in general. A little more than a year ago, one case arose in the Magdalen Islands.

I think you've dealt with the question quite well. However, I'm trying to understand what potential solutions could be considered in this case. I understand that money is always one factor and that a sound, strict and sustained action plan is another, but I'd like you to address the deficiencies of the budget or action plan respecting what Fisheries and Oceans is undertaking, has undertaken or wants to undertake with respect to invasive species.

[*English*]

Mr. Ron Thompson: Thank you very much for that question.

Aquatic invasives is an interesting situation. There's a paragraph in our chapter 6 that I'd direct your attention to. It's paragraph 6.8. In there—I'm an accountant, so forgive me for talking in numbers and dollars—there's an allocation through DFO to look at aquatic invasive species of about \$10 million a year. A little over \$8 million of that goes to looking at one aquatic invasive species. There are, at last count, 184 others that the department knows about. So when you think of it, what's left is \$2 million to look at 184.

Now, it's not up to us, and certainly we can't say there's not enough money allocated to this, that, or the other thing; that's actually the parliamentarians' job, and we don't want to get into that. But when you do the math, it does make you wonder. I think if you were to have DFO here, I would certainly ask them how they are able to take care of this issue, which is growing, with that amount of money. It's growing faster than they're able to look at it.

There are also a couple of other issues that we raise in the chapter. In addition to their coming in quicker than the department is able to assess them, there's also the issue of a rapid response that we point out at the top of page 3 in our chapter. We say that DFO doesn't yet have plans in place for early detection of these things or a rapid response to them once they have been identified.

It's a question of what does need to happen to get DFO ahead of the curve and ahead of this growing problem.

Mr. Chairman, I noticed that this committee is looking at revisions to the Fisheries Act. As I understand it, there's a section in that act that deals with aquatics. If it becomes law, it would give more legal clout to the department, but that's legal clout. What's needed underneath that is management clout. That's what DFO is going to have to develop an ability to deliver on. They're going to have to have the right people, enough money, and the right organization to use the clout that they might be given under this new act, if it comes through, or to use now under existing situations.

[Translation]

Mr. Raynald Blais: Based on your answer, I understand that the bottom line is still money. You have an accounting mind. In one sense, we all have one, but perhaps we don't account in the same way. If we had to prioritize something, should we start with the budget?

From the moment the budget is increased, we may think that the action plan will have a little more flesh on the bone. You can have a very nice action plan, but if you don't have any money or staff to carry it out, it's not worth much. Do you think the priority is to have a big budget? A big budget represents how much money, \$50 million, \$100 million or \$500 million?

• (0935)

[English]

Mr. Ron Thompson: Let me be very clear that I would never suggest that a budget allocation be increased to one department or another. As I said earlier, that is your job, not our job, as auditors, to do.

I simply indicate, through the \$10-million and \$2-million issue, that these are questions you might well want to ask the department. How have they allocated the funding, which has been allocated to them by Parliament, to the various issues they have to deal with? Aquatic invasives is one of them. And why is it only that much money, given the size of the problem? These are management questions that I think the department should be asked about, quite frankly, and held to account for.

[Translation]

Mr. Raynald Blais: In view of what you've said so far and of the fact that we're familiar with the issue, can we say, with no pun intended, that invasive species are invading more and that the impact, which is already estimated at several billions of dollars, may get bigger with time? We can take a cold look at these figures, but the situation is not improving. I believe that's your opinion as well.

[English]

Mr. Ron Thompson: Yes, that's exactly what we're saying. We wouldn't speculate about the future, but the last time we did an audit, which we're following up on now, the number of invasives in the Great Lakes was 160. When we did the audit this year, which is two or three years later, they're up to 185.

Yes, they are growing, and they're growing faster than DFO is able to deal with them. Frankly, if DFO is in the business of trying to control and eradicate aquatic invasives, it needs to be asked very directly, by this committee and other committees, why it isn't keeping pace. What needs to happen for it to keep pace?

[Translation]

Mr. Raynald Blais: Do you want to add something, Mr. Ferguson?

[English]

Mr. Andrew Ferguson (Principal, Office of the Auditor General of Canada): I would just add that our recommendation, in our 2002 work, went exactly to the point you are making, that the Department of Fisheries and Oceans needs to understand the risks that are posed by aquatic invasive species and which ones pose the greatest risk to Canada's economy and ecology. In order to set priorities and in order to justify a budget allocation or a budget request, we need to know what risks are posed by these invaders. What are the sectors of the economy that are put at most risk by them, and what would it cost? That's a question best asked to the department.

The Chair: Thank you, Mr. Blais.

Mr. Stoffer.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Chairman, thank you.

And thank you, gentlemen, for coming. I apologize for being late this morning.

First of all, I want to congratulate our chairperson, Mr. Matthews, Mr. Byrne, and Mr. Simms on having the Stanley Cup go to Newfoundland after last night with Mr. Cleary. Congratulations.

Also, Mr. Thompson, I know I speak for the committee when I say thank you for your service. We hope you have a wonderful retirement at your cottage and with your grandchild.

Mr. Ron Thompson: Thank you.

Mr. Peter Stoffer: Do you have pictures with you?

Mr. Ron Thompson: I do. It's not of the cottage, but only the grandchild.

Mr. Peter Stoffer: Mr. Vaughan, congratulations on your new appointment.

Sir, the most disturbing thing I see here is paragraph 27 of this form here. You refer to the 1990 cabinet directive on strategic environmental assessment. You've looked at it four times, and you're telling us they're still not complying with the directive—18 years, two different governments, and they're not doing it.

When you asked them, what did they say? What's their response?

Mr. Ron Thompson: We have asked, and the answers coming back aren't very satisfactory.

Let me give you the bad news on this and then the optimistic news, because I think there is some optimism here. The bad news is that nobody seems to care whether they're done or not. SEAs, strategic environmental assessments, are really not part of the management culture in this government, and they should be. The same thing can be said of sustainable development strategies and that process. They're not part of the management culture either. These are two fundamental tools of good environment sustainable development management, which, if they didn't exist, would have to be created. The fact is they are in place; they're just not being used.

Now, there is some good news to this. We've shone a light on this in the last year, and the government is well aware of it. There are two very important studies under way right now. There's a study of the SDS process, which Environment Canada is leading with other departments, to find out why this tool is broken and what needs to happen to fix it. That's due for report at the end of October this year. The Canadian Environmental Assessment Agency is leading a review of the other tool, the SEA tool, and it is due to report by the end of the year. We're very hopeful that these two reviews will be well done and will indicate a way forward so that these management tools can be put into play in a proper way.

The other thing I think is extremely important is that parliamentary committees are now taking an interest in this. It has been my experience over 31 years as a legislative audit official that if parliamentary committees get behind an issue, change will happen. If they don't, things aren't going to happen, quite frankly.

You're concerned about these SEAs. There are two or three other parliamentary committees we've had the pleasure of appearing before that are similarly concerned about them. With these two reviews that are under way, plus parliamentary interest, I'm very hopeful that in a year's time we'll be looking at quite a different way that the government will go about managing the environment and sustainable development file.

• (0940)

Mr. Peter Stoffer: Sir, you mentioned the \$10 million on invasive species and that \$8 million was going to one species. Is that the lamprey eel?

Mr. Ron Thompson: Yes, it is.

Mr. Peter Stoffer: So that's \$2 million for another hundred and something other species?

Mr. Ron Thompson: Yes.

Mr. Peter Stoffer: Now, I know you can't comment one way or the other, but maybe you could nod your head.

It seems that we have the Department of Transport, Fisheries and Oceans, and Environment Canada. We have three major departments. It appears to me, because a lot of this isn't done, that they may be saying to each other, "Well, no, you do that. No, no, we'll do that", and they're all pointing a finger at each other. And because of that, nothing gets done.

Is there a lot of overlap, in that there's no one really taking charge of these files and saying this is their responsibility and they're going to do this, or at least encouraging another department to manage its responsibilities? You have three departments here; I'm not sure if there are more. It's frustrating to sit here and hear this, and it must be

frustrating for you. Is there an overlap within the departments and no one is taking charge?

Mr. Ron Thompson: I think people know what they're responsible for, and some departments do a little better at getting at these issues than others.

In terms of there being a coordinating committee between the affected departments, I don't know whether Mr. Ferguson knows about that. We didn't really look at that.

Mr. Andrew Ferguson: I couldn't say whether there is a coordinating committee.

I know that both departments we looked at, Transport Canada and DFO, clearly understand their respective responsibilities on the issue. One is science and risk assessment, and the other is monitoring, enforcement, and control. They clearly do understand what they're responsible for. It's a matter of getting on with the risk assessments so we know which species and where these species are coming from so that Transport Canada can take the measures to respond.

Mr. Ron Thompson: I don't mean to be overly pushy, Mr. Chair, but since I'm retiring in a couple of weeks, it would be interesting to have those three departments sitting where we are and for a committee like this to ask them how they are coordinated to attack these issues, how they are tracking progress, and whether they are working together. I think it's a very good line of questioning, frankly.

The Chair: Thank you.

Thank you, Mr. Stoffer.

Mr. Calkins.

Mr. Blaine Calkins (Wetaskiwin, CPC): Thank you, Mr. Chair.

I appreciate your coming here, Mr. Thompson.

I'm going to continue in the same vein, and if we have any time left over, I'll share it with one of my colleagues.

I'm going to talk about aquatic invasive species. I went through the chapter in your audit assessment, and there wasn't a whole lot of talk about the Centre of Expertise for Aquatic Risk Assessment, which has basically been started up in response to some of the issues we're dealing with—aquatic invasive species. There doesn't seem to be much assessment in your report on that, just some brief comments. I'm wondering whether you could elaborate anything further for the committee. It looks like the department is at least trying; it's starting to move in that direction. Could you talk about anything specific insofar as that centre of expertise is concerned?

Mr. Ron Thompson: Mr. Chairman, perhaps I might ask my colleague Andrew Ferguson to comment on that. We looked a bit at it, but not very much.

Mr. Andrew Ferguson: Yes, it was really a cornerstone of the department's response to our chapter, where they mentioned that they had established this new organization to do the kinds of things we had been recommending the department do. So we have not yet audited the results of that organization, as it is relatively new. What we can say to date is that the number of risk assessments completed has been very small. I think we found eight, in relation a much bigger problem of 180 or so species. So we'll be looking at that in our next follow-up to see whether or not that agency has made progress.

• (0945)

Mr. Blaine Calkins: So there has been some movement there.

You also brought up and talked a little bit about Bill C-32. I'm just wondering, has your department given any assessment to you now? Of course, if you take a look at the bill, which is not law yet, it basically empowers the minister or the Governor in Council to make regulations pertaining to aquatic invasive species. But is there anything further you can elaborate on insofar as any potential changes to the Fisheries Act or a revamping of the Fisheries Act are concerned when it comes to dealing with aquatic invasive species?

Could you comment on any shortfalls in the current legislation or the current regulations dealing with them? Is it a legislative problem? We talked a little bit about whether or not it's a financial problem or a manpower or a resource problem. We talked a bit about whether or not it's an interdepartmental issue. Your report documents quite clearly the way ballast water works, and it's no secret that ballast water is one of the key contributing factors to the movement of aquatic species.

The other thing we talked about is the \$8 million out of the \$10 million, the 80% of the money that's basically going to the sea lamprey. From a biological perspective, there are some things you can control and some things you can't control. You can chemically control things. You can use biological controls, but what you usually end up doing is inviting in another non-native species to control the original non-native species. Sometimes, if you ask people in Australia what they did to control rabbits, it just goes on and on from there.

The last thing I want to talk about is the socio-economic impact. Has any analysis been done of that? If you take a look at just the Toronto area alone, there are four million people who live right on the shore of one of the Great Lakes. If you take a look at the number of people who live in southern Ontario, which borders on most of the Great Lakes, you could say that roughly 37% of the population of Canada lives along those lakes. And if you take a look at the economic impact of the sea lamprey, which has moved into the freshwater lakes, and the impact it's had on those lakes, maybe from an economic perspective the money is being spent where it has the best economic impact.

I'm just wondering if you could speak to any of those types of concerns.

Mr. Ron Thompson: Let me, if I may, talk a bit about each of those.

Certainly on Bill C-32 and the act that's now in place, we would not be in a position to comment on the pros and cons of a piece of

legislation, either an existing act or one that is being proposed, unless it had sections in it that dealt with our particular office. Otherwise, we stay away from that, because if we get into it, we'd be heavily into policy. Debating the merits of a particular piece of legislation is your purview, and certainly not ours. So I'm afraid I'm going to have to duck that, if you don't mind, other than to say that it was interesting to see that aquatic invasive species are in this draft bill.

In terms of the complexity of the issue, I don't think anybody is suggesting there's a quick fix to all of this stuff. If there were, it would have been fixed years ago—and maybe \$2 million would be enough to fix it. But again, what we're not finding when we do our audit is DFO doing the kind of risk analysis and assessment that would maybe get to the bottom of what could be fixed, and what could be done in a more thoughtful way. I think that's where one would want to have them here to talk to them and explore with the officials why they're doing what they're doing and not doing something a bit more.

On the socio-economic impact, absolutely... I have a cottage north of here, and a cottage is a cottage, but I remember very well three years ago when our lake was suddenly full of Austrian milfoil, I think it was, and you could almost walk across the lake—and it's a big lake. Now the milfoil is gone, but when you think of the effect it has on just weekend warriors like me—who are really very small potatoes, in a sense, though it's very personal—these things really do have a huge impact on people's enjoyment. They have a huge impact in the dollar sense on industry. It's into the billions—not the millions, but the billions—every year. You're right that the Lake Ontario region is heavily affected by them.

This is an example where—and Mr. Vaughan certainly knows about this better than I do—the concept of sustainable development really comes into play, the merging together of the various aspects of this concept of sustainable development. There are economic aspects of these aquatics, there are social aspects of the aquatics, and there certainly are economic aspects of them. And somebody, somewhere should be doing an analysis to determine what the right decisions should be in addressing them, because you probably can't do everything at once with these aquatic invaders.

But you can't just look at the environmental concern; you really should be looking as well at the economic effects and at the social effects. That's the essence of sustainable development, and that's something that we would hope government departments like DFO would be practising in a very proactive way.

• (0950)

Mr. Blaine Calkins: Thank you.

I'll pass it over to one of my colleagues.

The Chair: Go ahead, Mr. Kamp.

Mr. Randy Kamp (Pitt Meadows—Maple Ridge—Mission, CPC): Thank you, Mr. Chair.

Thank you, gentlemen, for coming.

I want to echo Mr. Stoffer's best wishes on your retirement, and I'm sure everything will go well there. And I welcome Mr. Vaughan to this position.

I just want to begin with some process questions. Can you tell us, just briefly, what your involvement was in terms of working with the department in the preparation of this report, which is basically a follow-up to previous reports from 2004 and earlier? Then can you tell me, now that you've presented these reports, what you've done with the department subsequently? What kinds of meetings have you had? What kind of response have you had from them? How cooperative did you find them, and so on?

Mr. Ron Thompson: Thank you very much for that question.

The follow-up is an interesting process. We have a methodology we use, which we communicate to all departments, to go about assessing whether we, as auditors, are satisfied with the progress. We take a look at what actions have been taken since we made our recommendation or raised the finding, and we place them on a scale of one to five. Five would be fully implementing a recommendation; two would be partway along, and then there is three, and so on. We then sit back and take a look at how difficult it would be for the department to actually implement the recommendation or address the finding. Some of them are devilishly difficult to do.

At the end of the day, we sit back and look at those two factors and ask if we are satisfied or not. Now, if it's a very complicated issue, we might be satisfied with progress at the three level, if that's all we could reasonably expect would be done by that time. We would report to you that we're satisfied with progress on it. So that's a bit of the process.

We send our teams out to actually re-audit the issue that gave rise to the recommendation in the first place. So all the rigour we would apply in doing a performance audit in the first instance we repeat when we audit a second time.

We communicate to departments what we've found, generally in point form. We will sit down with them and say that we've looked at these ten recommendations, for example. We don't try to put words around our findings at this point. We simply say that this is where we're satisfied and this is where we're not satisfied and why. And we have a good discussion, right up to the assistant deputy and sometimes the deputy minister level.

We generally find, in those discussions, that there are no surprises. Departments know how they've done in implementing recommendations, and they're generally not surprised. Sometimes there's a bit of a surprise in seeing it all in one place, but beyond that, there's not a whole lot.

Then we put some words around it and send the words back to the departments to have a look, because sometimes we can use words that we think communicate fairly the finding, but they in fact do a disservice to the department. So we want to be sure that we're using wording that is going to help move this file along rather than hinder it. At the end of the process, if we have made a new recommendation in a report, we ask the deputy minister to respond to us in writing.

The process works well. It takes about a year. Our relations with departments are really very good. They are very cooperative with us. All the departments we audited this time for the status report have been extremely cooperative.

I'll just give you one last example of what we do subsequently. We haven't done much since we issued the report on March 6. In getting

ready for this hearing I went over to see officials at the Department of Fisheries and Oceans, and they were very good about it. We talked about issues that might come up. I warned them that I was going to try to suggest to the committee that you might call them as witnesses at some point. They laughed and said that they were sort of expecting that. We asked them whether anything new had happened since we issued the report, but since it was only two months ago, there wasn't very much.

So that's a bit about the process and a bit about relations. It works well, and relations are sound.

The Chair: Thank you, Mr. Thompson.

I believe that Mr. MacAulay is next.

Hon. Lawrence MacAulay (Cardigan, Lib.): Thank you very much, Mr. Chairman.

I would like to welcome you here, and, like everybody else, wish Mr. Thompson a great retirement. We around the table here are trying to prevent that from happening. At least I am.

You've dealt with invasive species a lot. In our region—I come from Prince Edward Island—the blue mussel is a big industry, and this is a major problem. Can you tell us why the clubbed tunicate is different from others? Have you dealt with that? What needs to happen? Have you evaluated these pilot projects that have been put in place, and would you have any suggestions?

A very few years ago we didn't have this at all. And now we have it, and as you know, it's a massive issue. Could you elaborate a little on that?

• (0955)

Mr. Ron Thompson: I'll offer a comment, Mr. Chairman, and then turn it over to my colleague Mr. Ferguson, if you don't mind.

In terms of evaluating what caused it in the first place—

Hon. Lawrence MacAulay: Not to interrupt you, but I believe DFO could take the credit for that. I don't know if you discussed that when you were over there.

Mr. Ron Thompson: We would want to, and in doing this work we have had a look at what the responsible departments are doing to do exactly that, to evaluate the cause, to try to figure out a solution, and to try to prevent similar invasives from coming in. So we're looking at how the relevant departments, in this case DFO, are organizing themselves and managing themselves to deal with this issue. We wouldn't do the evaluation ourselves.

Maybe I could ask Mr. Ferguson to comment in a bit more detail.

Mr. Andrew Ferguson: Yes, I would say the club tunicate is one of hundreds of species Mr. Thompson already mentioned, and we did go to P.E.I. to have a look at that particular case. Our observations and recommendations are at a more global level, because there are, as I said, hundreds of these things. The green crab's another one, and we're all aware of zebra mussels. Each one of those species causes economic as well as social harm in the communities where they exist.

But we point to the Department of Fisheries and Oceans to tell us what precisely the risk is and what the response should be to that issue in terms of control and eradication at this point. I think we know from what we read in the background material, but once these organisms are established, it's very difficult, if not impossible, to eradicate them.

So the whole focus needs to be on prevention. Once they're here, it's a management issue. How do you control them, how do you minimize their negative impacts?

Hon. Lawrence MacAulay: It's obvious you didn't see how massive an issue this is in P.E.I.

Mr. Andrew Ferguson: We did—

Hon. Lawrence MacAulay: A small place, but a big industry.

Mr. Andrew Ferguson: As Mr. Thompson mentioned, over \$1 billion a year in economic impact in Canada is the information we have that, as I said, is background to our audit. This is one industry that's very important. Lobster fishery is another threatened fishery.

Hon. Lawrence MacAulay: Okay, thank you very much.

Also, were international trade agreements covered by your audit? I heard you mention the Atlantic tuna agreement, Mr. Thompson. I'm interested in what part that would play. There's always a concern in what is fished, how much is fished, how unfair the amount of quota is that's given to certain areas like Prince Edward Island fishermen.

What impact would you have...? When you evaluate international agreements, we think about the WTO, and you're also aware of some of the measures the WTO were putting in place. We're very concerned about government making sure these are not agreed to by the Government of Canada, like fisheries subsidies.

Would you look at fisheries subsidies, employment insurance, capital gains tax exemptions? You're aware of all of these. Would you have a recommendation on these issues as to what effect it would have on the fishery, or would you not?

Mr. Ron Thompson: Thank you for that question.

Perhaps I could answer this way. The audit we reported in chapter 8 is quite limited. It really had to do with whether members of Parliament and the Canadian people were being informed fairly and in a substantive way about the various agreements we've signed internationally. So a disclosure of robust information really was the issue, as opposed to anything else.

In terms of the issues you raised on whether we should go one way or another in signing agreements or what they should maintain, we did not look at that, sir.

Hon. Lawrence MacAulay: The tuna issue, you—

The Chair: Thank you, Mr. MacAulay.

Mr. Lévesque.

•(1000)

[Translation]

Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ): Thank you, Mr. Chairman.

Mr. Thompson, can you hear me?

[English]

Mr. Ron Thompson: Yes, thank you.

[Translation]

Mr. Yvon Lévesque: I know you understand French very well too; I had the opportunity to check that with Mr. Vaughan this morning. It is indeed “Vaughan”?

Mr. Scott Vaughan (Commissioner of the Environment and Sustainable Development, Office of the Auditor General of Canada): Yes, it's “Vaughan” in French.

Mr. Yvon Lévesque: I'm pleased to see that we have a high-level official here who speaks French. Our fear, as francophones in Canada, is that we won't be able to communicate readily with officials of this level.

In case I don't see you again, Mr. Thompson, I'm going to wish you a happy retirement. You said you would be leaving in a few weeks. Some of our acquaintances told us a few weeks as well, but they're ultimately leaving in four years, 11 months and a few weeks later. You, however, seem to be happily contemplating retirement, and I wish you a good one.

Mr. Vaughan, I wish you well in your position. You're very young; you still have a good 30 years left.

In chapter 13, you outline the progress achieved by the Department of National Defence in addressing the main findings on military dumpsites. They constitute a serious danger. In his letter to the committee, the Commissioner states that the Department of National Defence has made satisfactory progress. In 2003, the committee recommended the following: That the Department of Fisheries and Oceans cooperate with the Department of National Defence in locating weapons dumpsites and that it encourage National Defence to provide information on dumpsites in order for the Canadian Hydrographic Service to update its nautical charts.

Based on your audits, has DFO played a satisfactory role in that respect? Have the nautical charts of the Canadian Hydrographic Service been updated in accordance with the committee's recommendations?

[English]

Mr. Ron Thompson: Thank you very much for that question, and thank you for your best wishes as well, sir.

Certainly the charts aren't updated yet, but perhaps I could ask my colleague, Richard Arseneault, to join us, if that would be agreeable, who has had a look at this one.

Mr. Arseneault.

[Translation]

Mr. Richard Arseneault (Principal, Office of the Auditor General of Canada): As regards the necessary information to update the charts, the Department of Fisheries and Oceans will do the required work once the information has been transmitted to it. We found that the two departments were not communicating in optimum fashion. We have no basis for criticizing the Department of Fisheries and Oceans, which is doing its job in that regard. However, the Department of National Defence was unable to quickly transmit the new information it had on the location of its military sites.

Mr. Yvon Lévesque: It was to transmit them to the Commissioner?

Mr. Richard Arseneault: No, to the Department of Fisheries and Oceans so that it could update the charts. That department is ready to do so. In our opinion, the lines of communication were not very effective. The Department of National Defence has made a commitment to do what is necessary.

Mr. Yvon Lévesque: All right. Thank you.

The current negotiations with the World Trade Organization include talks on the prohibition of subsidies to the fisheries. There is a lot of talk in the context of these negotiations about the fact that ecological impact would serve as a basis for determining sanctions on certain trade practices.

Did your audit take international trade agreements into account? Has the Commissioner of the Environment and Sustainable Development already started the sustainable management of fisheries and government subsidies for the fishing industry?

[English]

Mr. Ron Thompson: Thank you for that question.

Certainly not as part of this audit and this report. Over the years I believe we have, but I haven't been personally involved in that, sir.

The issue of sustainable development, if I could come back to that without taking too much time, is so important to have at the front of everyone's mind. The various elements that go into making a sound government decision, the social policy elements, the economic elements, and the environmental elements.... The question, frankly, that I would ask of any witness coming before this committee or others is how did you take into account, in deciding to do this or the other thing, these three elements? How did you bond them together? And if you didn't, then go back and think a little more.

• (1005)

The Chair: Thank you, Mr. Lévesque.

Mr. Stoffer.

Mr. Peter Stoffer: Thank you, Mr. Chairman.

Gentlemen, you also indicated that you looked at the agreements that Canada has, NAFO and the Pacific Salmon Treaty. Did you have any opportunity to delve into one of those? I'm thinking of the Pacific Salmon Treaty.

I know it's always difficult to get information regarding whether the treaty did what it was supposed to do. When you ask the fishermen and you see stock declining and all the other concerns, you wonder what we're doing, right?

But because they've signed an agreement with the state governments—the federal government and aboriginal groups in Washington, Oregon, Alaska—and our own, have you had an opportunity to delve into one of these treaties to see if indeed all the fanfare and trumpeting behind it actually met the criteria at the end of the day?

Mr. Ron Thompson: The Pacific Salmon Treaty was one of the twenty that we looked at out of the hundred. It was part of our sample.

If you look at DFO's website, at least the national one, you'll see there isn't anything about it there. There may be something in the regional website. But the point is—and I'm really glad you raised this issue—that's the very thing that's lacking. How can you get a sense of whether these international agreements that are being signed are having any effect? They were signed for a purpose, presumably. What is that purpose? How is the government department organized to achieve that purpose, and how is it getting along in doing so? That's the kind of information that I think is owed to you and it's the kind of information that isn't being made available.

DFO has responded to our recommendation and it has indicated it is going to beef up quite substantially the information being provided about its agreements, as have the other departments. That should happen over the next year or year and a half.

So I would put a watching brief on that, frankly, and see what happens.

Mr. Peter Stoffer: As you know—and I know it's not your place to comment—there is a new treaty signed in principle. It hasn't been ratified yet, but I think it's supposed to be done by the end of the year. One of the frustrating things is trying to find out what is being signed, what is being done. It is frustrating.

When you ask them those questions, what do they tell you? It appears that openness, transparency, and accountability, which we hear a lot about, just isn't materializing.

Mr. Ron Thompson: I guess they have other things to do. I don't know why they're not putting this information out. I presume it's available within the agreements. At least, if it isn't, it should be. But for something like the Pacific salmon, I would presume there'd be information in there that you would find useful to have.

I don't know why they're not putting this out, and I think that would be a very good question for you to ask these three main departments that we looked at. They should be. They owe that to you.

Mr. Peter Stoffer: When you went to places like P.E.I., did you have an opportunity to speak to fishermen, their organizations, and the industry about non-compliance and delayed action, what effect that has on them? You mentioned the billion dollars, but what are they saying to you? Did you have that opportunity?

Mr. Ron Thompson: Mr. Stoffer, I didn't go to P.E.I.

I'll ask my colleague Paul Morse about the work that was done.

Are you talking about international agreements?

Mr. Peter Stoffer: No, I'm talking about when you went to P.E.I. and talked about invasive species. What did the industry or the people say to you? Obviously you wanted to know what impact it has on the users of the resource, right?

Mr. Andrew Ferguson: We understand that the club tunicate is having a devastating impact on the mussel industry in Prince Edward Island. As I recall, if my memory serves, it is about a \$40 million a year industry. They're struggling to keep the organism under control, but it seems to be well established and it is causing economic hardship for the people who are in the industry.

• (1010)

Mr. Peter Stoffer: Thank you.

The Chair: Thank you, Mr. Stoffer.

Mr. Kamp.

Mr. Randy Kamp: I just wanted to refer briefly to chapter 9, where you talk about strategic environmental assessments. Just for clarification, my understanding is that those are environmental assessments of programs, policies, or directions that a department wishes to take, trying to assess the environmental impacts of that anticipated projected policy or program.

It seemed to me that I was hearing some criticism of DFO's progress on that, and if that is warranted, that's fair enough. But in your report you say you found that Fisheries and Oceans Canada has made satisfactory progress in developing and implementing its SEA management system. Later in that paragraph you say that while all key management system components are in place, you observed some deficiencies in the way SEAs are tracked.

Can you just give us a bit more clarity on what you think DFO should be doing that they're not doing in this regard?

Mr. Ron Thompson: It's a good news and bad news story with DFO, as you quite rightly point out. We met with them earlier this week to talk about this. They have put a process in place to deal with this and ensure that as new policies or revisions to existing policies are being put forward to their minister, strategic environmental assessments will be conducted where appropriate. They have an architecture or a mechanism in place within the department, but they haven't yet ensured that it works every time it should. They haven't yet monitored it to ensure that what was put into place as a management process is in fact doing what it was designed to do.

They had to start somewhere, and they were starting with nothing. So the good news is they're organized to deal with this; the bad news is they haven't yet put it fully into play.

Mr. Randy Kamp: What does that mean? What does tracking mean in your last sentence? Do they do the assessments and just not report them or follow up on them? I'm not quite sure what you're saying there.

Mr. Ron Thompson: We've found out that they don't really have assurance yet within the department that the process they've put in place is working the way it was designed. In other words, they don't yet have a way of saying, "What proposals have gone up to the minister that require SEAs? Let's go back to see if they've actually been done."

Mr. Randy Kamp: When you audited the species at risk and the recovery plans, what was the cut-off date you looked at for having the recovery plans in place? Is it possible they've made some progress since that date, if it was a while ago?

Mr. Ron Thompson: We closed our audit about the end of June 2007.

Mr. Randy Kamp: That was about a year ago. Are you aware if they've made any further progress? You say that 13 out of 40 would fall under their jurisdiction.

Mr. Ron Thompson: We had a chat with officials on Monday. We didn't audit any of this; we just talked a bit. It would perhaps be better if they told you directly, but I think there's been a bit of reorganization within the department. They may be getting equipped to do them more energetically in the future. From our discussion, I don't think any more have been done.

• (1015)

Mr. Randy Kamp: On the aquatic invasive species, it makes a lot of sense to have a good, robust response strategy. My understanding is that there are some jurisdictional issues there, and DFO doesn't currently have the authority it needs to respond in the way we wish it could. Some of the jurisdictions fall within the provinces, and so on.

Can you comment on that at all?

Mr. Ron Thompson: I wouldn't doubt it for a moment. It is a complicated environment. I know we looked at areas of concern—which is not your question—and that's a jurisdictional thing too. But to the extent there are jurisdictional issues, I think it's fair to say you would expect the lead federal department to forge the partnerships needed to address the issues. I think that would be a major part of DFO's work.

The Chair: Thank you, Mr. Kamp.

I want to thank our witnesses for their presentations and for the openness and frankness of their answers.

I'd like to join other members of the committee in wishing Mr. Thompson a happy, long, and healthy retirement.

We welcome Mr. Vaughn to his new role. We look forward to working with him and the rest of his colleagues over the next while.

[Proceedings continue in camera]

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