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• (1100)

[English]

The Chair (Mr. Ken McDonald (Avalon, Lib.)): I call this meeting to order.

Welcome to meeting number 72 of the House of Commons Standing Committee on Fisheries and Oceans. This meeting is taking place in a hybrid format, pursuant to the House order of June 23, 2022.

Before we proceed, I need to remind everyone to address all comments through the chair.

In accordance with the committee's routine motion concerning connection tests for witnesses, I am informing the committee that all witnesses have completed the required connection tests in advance of the meeting.

Pursuant to Standing Order 108(2) and the motion adopted on December 9, 2022, the committee is proceeding to a briefing on measures taken by DFO in response to recommendations tabled in the committee report entitled "West Coast Fisheries: Sharing Risks and Benefits" of the 42nd Parliament.

Joining us today, we have officials from the Department of Fisheries and Oceans. By video conference, we have Neil Davis, regional director of the fisheries management branch, Pacific region. Here in the room, we have Jennifer Mooney, director of national licensing operations, and Mark Waddell, director general of fisheries policy.

Thank you all for taking the time to appear today. You will have up to five minutes for an opening statement.

I don't know who is giving that statement.

Mr. Neil Davis (Regional Director, Fisheries Management Branch, Pacific Region, Department of Fisheries and Oceans): Mr. Chair, that will be me.

The Chair: Okay. When you're ready, you have five minutes or less.

Mr. Neil Davis: Good morning, Mr. Chair and committee members.

I'd like to start today by acknowledging the ongoing extreme wildfire situation that is affecting many Canadians in several regions across the country, including Nova Scotia, Quebec, Alberta and the Northwest Territories. While the situation there is evolving, we know that the impact is far-reaching, and our thoughts are with those affected by these extreme events.

My name is Neil Davis. I'm the regional director of fisheries management in the Pacific region, which includes B.C. and the Yukon. I'm honoured to be appearing before you today with my colleagues: Mark Waddell, who is our director general of fisheries policy, and Jennifer Mooney, our director of national licensing operations.

To begin, I will acknowledge that I am joining you today from Vancouver, located on the unceded traditional territories of the Musqueam, Squamish and Tsleil-Waututh peoples.

My colleagues and I appreciate the opportunity to provide the committee with information on our activities in response to recommendations in your 2019 report.

The department understands the importance of fisheries to those who depend on the resource for their livelihoods. Our mandate commitments to reconciliation with indigenous peoples, the blue economy and the Pacific salmon strategy initiative all relate to the importance of managing fisheries to prioritize conservation and sustainable use, comply with our legal obligations, such as ensuring that indigenous rights are upheld, and promote the economic viability of commercial fisheries.

As you heard in the 2019 hearings, fisheries management and related licensing policy evolved differently on the west coast than on the east coast, with a primary focus here on managing fisheries to ensure the conservation of fish stocks and on addressing the challenges posed by overcapacity in the fishing fleet.

In 2020, the government issued a response to the committee's 2019 report. Among other things, the response acknowledged the minister's authority to consider social, economic and cultural factors in decision-making, noted that the needs and rights of indigenous harvesters must be respected and stated that engagement must include a cross-section of interests to arrive at approaches that are tailored to the B.C. context.

The 2019 report made recommendations for policy changes on matters that have significant implications for the livelihoods of fishers. We also know that fishery participants have diverse and strongly held views about some of these topics. Given this, DFO has planned and consulted on our work to date carefully. We have taken a staged approach to responding to the issues raised.

There are a number of the committee's recommendations that DFO has already taken steps to implement, and there are others where DFO plans to undertake more in-depth engagement as part of broader consultations planned on reforms to commercial fisheries that can support socio-economic objectives.

Since 2020, the department has conducted early engagement with industry associations, some first nations organizations and fishery advisory boards to gather initial views and questions on the 2019 report. This has informed the department's steps in the past several years to respond to the issues the committee raised.

I'll briefly summarize our work on specific recommendations here, and I'm happy to provide additional detail during this hearing.

In 2021, we completed a comparative analysis of fisheries policies and regulations on the west and east coasts, which aimed to identify changes that could support independent commercial harvesters on the west coast. Last year, we completed an assessment of the technical requirements and feasibility of developing a public-facing licence and quota registry.

In February 2022, the department launched the beneficial ownership survey to identify the domestic and foreign entities that are benefiting directly or indirectly from commercial fishing licences and quota.

Work has been initiated to further strengthen socio-economic information to support decision-making. This includes initiating new economic research and data collection through surveys to fill gaps. The first of these surveys launched in November 2022, with others getting under way this year. The department has also been working to make that socio-economic data more accessible by developing new commercial and recreational fishery data dashboards. These are planned to come online this fall.

DFO has also reviewed and updated its policy and terms of reference for commercial fishery advisory boards.

• (1105)

We expect to implement the next stage of an engagement plan to further consult on the work we've done and on the related issues we are discussing here. We're committed to working with commercial fishery participants to better understand their perspectives on the current challenges and potential solutions.

Thank you. We look forward to answering any questions you may have.

The Chair: Thank you for that.

We'll now proceed to our rounds of questioning.

I'd remind members to identify whom the question is actually being targeted to.

We'll start off with Mr. Arnold for six minutes or less, please.

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

Thank you to Mr. Davis and the others for being here and coming back to us to report on our report, and their work on that report.

Mr. Davis, how many of the recommendations from the 2019 report have been completed at this stage?

Mr. Neil Davis: We have work under way on a number of the recommendations, as I was describing briefly in my opening comments. We expect to be engaging on the balance of them, and we've done some work on a number of those as well through engagement that we expect to get under way in the months ahead.

Mr. Mel Arnold: Thank you.

What would you say are the results of the assessment of the technical requirements of achieving this? How much more needs to be done? If you've achieved anything on that, what would it be?

Mr. Neil Davis: It's a very good question.

What we really set out to do with that assessment was, first, to look at our existing systems and assess what it would take to draw those systems into a public-facing registry. I think what we learned from that first step is that we think we can do that. It's technically feasible. We had some proposals, or some direction, on what it would take to do that.

The pieces that I think we have some outstanding questions around are—

Mr. Mel Arnold: Before you move on to the next piece, how long is it going to take you to move that information system?

Mr. Neil Davis: I don't know that we have an estimate yet to develop such a system. What we're working on right now is developing the contract. We would be seeking someone to develop the system. I expect part of the response to a request for proposals would be information provided by bidders about how long it would take them to develop what we're looking for.

Mr. Mel Arnold: In your opening statement, you mentioned changes to the terms of reference of the commercial fisheries advisory boards. Can you tell us what those changes have been?

• (1110)

Mr. Neil Davis: We have had a little bit of conversation with advisers in commercial fisheries advisory processes now to inform a review of the way we have terms of reference developed now, which can vary from one committee to the next for each fishery.

Out of that, we've drafted some revisions to what would be the terms of reference and some guidance for how we would develop terms of reference for each individual fishery. We expect to be engaging stakeholders on that as part of the broader engagement that we do. I don't have the specific changes in front of me, but the idea would be to take that out and see what kind of feedback we get to arrive at something that we think is going to be workable and that reflects the interests and some of the recommendations that this committee made in terms of making those advisory boards more inclusive.

Mr. Mel Arnold: I would say that's different from what was in your opening statement that was provided to us. It said, "DFO has also reviewed and updated its policy and Terms of Reference for commercial fishery advisory boards." What I got from you just now was more like you're looking at those reviews. In other words, you're planning to plan, similar to the integrated fisheries management plans that haven't been developed, which were promised back in the 1990s, where the department's response was to develop a plan to develop those plans.

Would you say that's any different from what's happening here? You're developing terms of reference to develop terms of reference.

Mr. Neil Davis: No, but thank you for the chance to clarify.

We have reviewed and updated our policy and terms of reference for commercial advisory bodies, but we view them as drafts, because we would like to take those revised versions out for consultation before we finalize them.

Mr. Mel Arnold: Thank you.

I probably only have time for one more question.

Could you provide the committee with a table showing the status of government responses to the 2019 recommendations, timelines and dates for the ongoing actions?

Mr. Neil Davis: Yes, we can certainly do that.

Mr. Mel Arnold: Okay, thank you very much.

Is this issue a priority for the minister?

Mr. Neil Davis: I think that's a better question for the minister than for me. We've made commitments in the government's response to the 2019 recommendations that include a commitment to further engagement around the issues that were raised, and we intend to follow through with that.

Mr. Mel Arnold: Okay, thank you.

I was looking at my timer wrong. I thought I had five minutes; I have six.

Why is it that so little has been achieved on this when the problem really has been around for much longer than from when the report came out in 2019? Obviously, it was a known issue prior to that report; otherwise, it wouldn't have been brought to this committee to do a study on.

Why would you say so little has been achieved on this issue when so many lives and so much revenue are at risk?

Mr. Neil Davis: I don't know that I would share the view that so little has been done. I think we knew from the outset that the committee's recommendations were very wide-ranging and addressed a number of very complex topics on which participants in the commercial fishery have a real diversity of views.

From the outset, we knew we would take a staged approach to how we responded to the issues the committee raised, pick the things we knew we could advance and get moving on immediately while we reached out and did some initial engagements to start gathering views and developing a bit of a plan for how we would engage in more depth on those topics that we see as more foundational and where, in order to address or initiate some of the changes

the committee had recommended, we would need to be thinking very carefully through the implications of change and how we would get through that process.

The Chair: Thank you, Mr. Arnold.

Mr. Mel Arnold: Thank you.

The Chair: From thinking you had five minutes, you almost went to seven.

We'll now go to Mr. Hardie for six minutes or less, please.

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Or perhaps I have close to seven minutes. Who knows?

Thank you, Mr. Chair.

Thank you, everybody, for being here.

The west coast has certainly been invested in the outcomes of that 2019 report. There was a session in early 2020 in Nanaimo, and then another one earlier this year in Victoria. Mr. Davis, you attended that and presented some information. I think that was very valuable. Were you able to stay in that session long enough to see how the attendees rated or prioritized the recommendations in the 2019 report?

• (1115)

Mr. Neil Davis: I was not.

Mr. Ken Hardie: Are you aware of how they have prioritized the things they would like to see action on sooner rather than later?

"No" is a good answer if you—

Mr. Neil Davis: I don't think so.

Mr. Ken Hardie: Okay, that's fine. We'll certainly pass those along, because I think that will help inform where resources are sent. I'm going to go through some of those priorities in questioning now and hopefully a bit later. My colleagues have threatened to be very generous in terms of donating their time.

You mentioned, and it has been mentioned before, that the recommendations are broad and some of them really do involve massive changes. I've heard that you and perhaps one other person have been tasked over time with responding to this report. I guess a fair question is, has the DFO allocated the resources and does it have the resources to move these recommendations forward expeditiously?

Mr. Neil Davis: If you'll permit me, I'll address that in two parts. The first is what it would take to do the consultation and undertake work on any potential changes, and the second is the implementation phase.

With respect to the engagement and the development of any proposals for change, yes, we have staff that are dedicated to this file, but more importantly, because—

Mr. Ken Hardie: I'm sorry, sir. How many staff are dedicated to the file? Do you know?

Mr. Neil Davis: We have one person who is a manager and oversees this file. They in turn have a staff person whose sole responsibilities relate to the work on this file.

Because the recommendations are so broad, they will necessarily implicate all kinds of staff across a variety of our fisheries management groups and teams. I expect that as we move forward with this work, we'll also be drawing on parts of their time to understand, do the analysis and engage with their particular stakeholders, etc. It will very much be a team effort to be successful in this regard.

Part two of your question has more to do with the implementation. Depending on what comes out of the engagement process and what gets put forward in terms of recommendations for change, and in turn gets approved, there certainly can be implications for the resources the department would require to implement any changes over time. In that respect, I think we can learn from what other regions have done to address objectives similar to what the committee has identified here.

Mr. Ken Hardie: Thank you for that.

One framing piece that has come out very clearly since we tabled that report, and indeed during the witness testimony that informed the report, is the need to look beyond the economics to the socio-economic or the social, cultural and community-building impacts.

Is this new territory for the DFO? Certainly, in the previous government prior to 2015, it seemed to be more about economics and managing fishing effort as a way to basically manage the fishery.

Mr. Neil Davis: I will answer for my region. I think it is fair to say that in the context of the Pacific region.... I mean, conservation is the department's number one priority. That will always be the primary focus for us. In the Pacific region, I would say that this focus has been paired with work that has also focused on supporting the economic viability of fisheries. This connects to what have been some of the key or persistent challenges in Pacific fisheries, one of which is overcapacity.

If you look at some of the changes that have been made to commercial fisheries management over the past several decades, they tend to address these two issues of conservation or sustainability and how able we are to effectively manage the fishery, together with making changes to support the viability of those who participate in the fishery.

With respect to the social and cultural aspect, I think our primary focus in recent years has been in an indigenous context in that regard. It's been supporting the transition or shifting of fisheries access to first nations to support their aspirations for participation in commercial fisheries, recognizing the importance that fisheries have to many coastal communities and inland communities that are next to anadromous streams and rivers.

Yes, in certain contexts I think we have had programs and work that have focused on supporting those objectives. The way I understand it, the committee's interest is more broadly in the entirety of the commercial fishery. In that respect, it has been less of a focus in this region.

• (1120)

The Chair: Thank you, Mr. Hardie. Your six minutes are up.

We'll now go to Madame Desbiens for six minutes or less, please.

[*Translation*]

Mrs. Caroline Desbiens (Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, BQ): Thank you, Mr. Chair.

Thank you to the witnesses for being here; we appreciate it.

I have many questions for the three officials joining us today.

The Committee heard from people who wanted to testify without revealing their identity. That's quite worrying, since we're talking about food sovereignty, the socio-economic protection of villages and societies that live and depend on fishing, as well as the protection of resources. It all goes together.

Aren't you afraid that time is against us in the process at our disposal? I believe the last study took place four years ago. Don't you feel that we should be sounding the alarm more insistently, to alert the Department of Fisheries and Oceans to the danger of losing our food sovereignty, altering our resources and having less control over our fisheries? Is time working against us?

[*English*]

Mr. Neil Davis: I would offer two things in response. The first is that we've recognized a lot of the concerns raised and have been quite intentional on how we've tried to respond to them.

I may turn to my colleague, Mark Waddell, to speak more about the beneficial ownership survey in this regard, but the first thing we've done is really try to gather information to validate or ground the truth of some of the assertions that have been made about where licences and quota are going, to put ourselves in a better position to respond appropriately and assess what our policy options are.

The second note I would make, before I turn to Mr. Waddell for anything he wants to add, is that the minister does retain discretion over where licences and quota are issued. That is an important and powerful tool that remains at her discretion, or is available to her at any point in time, so if, out of this exercise, there are issues identified that the department is asked to take action on, then we have the tools necessary to implement change.

Maybe I'll turn it over to Mark Waddell to see if he has anything to add.

Mr. Mark Waddell (Director General, Fisheries Policy, Department of Fisheries and Oceans): Thanks, Neil.

I would build on that. Neil is spot-on. We have taken time to gain the evidentiary basis to understand what is actually transpiring on the water and get a better perspective on that, so that we can subsequently engage our fish harvesters, our licence-holders, and have an informed discussion. Certainly that is what we undertook with the beneficial ownership survey.

We've heard of that previously at this committee, a couple of weeks ago, and I believe that's the testimony you are referencing, Madame Desbiens. We very much look forward to those results going back out, as we anticipate they will go out in the coming weeks, and we'll have an opportunity to engage with licence-holders on those and have further informed discussion.

[Translation]

Mrs. Caroline Desbiens: The response rate was 80%. To what extent can we verify whether the 20% who didn't respond are precisely those dealing with foreign-owned companies? Is there any way to find out?

• (1125)

[English]

Mr. Mark Waddell: You're correct. In the Pacific region, we had a 79% response rate. That 79% comprises 88% of licences, though, so it's a smaller delta. Then, of the parties who did not respond, over three-quarters of them, 77%, hold but a single licence. What we experienced in the course of the survey was a number of licence-holders engaging the department to ask us whether or not they needed to be responding to the survey, recognizing that their fishery had been closed, so some of these licence-holders are not active. The fisheries have been closed or are under moratorium by the department; ergo, licence-holders did not respond.

That is part of it, but we will be doing spot checks.

[Translation]

Mrs. Caroline Desbiens: Will the report produced four years ago tie in with our current report? Will you also be able to take into account the knowledge and recommendations we'll be sharing over the coming weeks? Do you think you'll have any additional information or guidance to help you speed things up a bit? Are you open to that idea?

[English]

Mr. Mark Waddell: We're certainly open to whatever this committee would elect to provide in terms of recommendations and guidance and we look forward to receiving that.

Ultimately, we are going to be in a much more informed position with the results of the beneficial ownership survey to have that discussion with licence-holders as to what they are experiencing on the water, and we look forward to pursuing that conversation with them.

The Chair: Thank you, Madame Desbiens.

We'll now go to Ms. Barron for six minutes or less, please.

Ms. Lisa Marie Barron (Nanaimo—Ladysmith, NDP): Thank you, Chair.

Thank you to our witnesses for being here today.

My first question would be best suited to Mr. Waddell, I believe, as it relates to the survey.

Building on my colleague Madame Desbien's questions, specifically at the outset of this survey construction, were you part of the development of this survey from the outset?

Mr. Mark Waddell: Yes, I was.

Ms. Lisa Marie Barron: Great. Thank you.

Can you clarify to the committee today if there were any concerns that were brought to your attention around the construction of the survey or the questions that were within the survey, that were to go out?

Mr. Mark Waddell: We developed the survey in conjunction with the forensic auditors at PSPC, as well as through consultations with industry, federation members, the Fisheries Council of Canada and others, to gain perspective. The intent of the survey was to gain as much information as possible on beneficial ownership structures with the lightest administrative touch on respondents, recognizing that most of our respondents are not accountants and are not practised forensic experts.

One of the early things that were flagged was the leasing of quota. That was an issue that was raised by Pacific region colleagues from both FCC and the federation. Admittedly, we all came to the conclusion that this was going to be a very complex issue to ascertain through the survey, particularly in an attempt that was meant to have a lighter administrative touch on respondents. We collectively elected to set it aside for the time being, recognizing that it would require additional work. We still have a very keen interest in better understanding the licensing and leasing arrangements that are practised in the Pacific region.

Ms. Lisa Marie Barron: Thank you.

Based on that, do you have any concerns that the responses received will be misleading?

Mr. Mark Waddell: Because of the way the survey was structured, while we will not drive to the nature of any lease arrangements in terms of the granular detail of how these are structured between the lessee and lessor, we will have an acknowledgement as to whether that type of arrangement is in place. We will have a count, in essence, of how many leasing arrangements there are in the Pacific region. That will allow us to better ascertain the scope of the issue.

We also undertook a pilot project with Ecotrust for them to develop and articulate to us the typical corporate structures that are employed in the Pacific region. I think, in their own work, that proved to be far more complex than they had initially believed, so that is a piece that we're still working through with them.

• (1130)

Ms. Lisa Marie Barron: Thank you.

In your response to my colleague Madame Desbiens, you mentioned that some of the 20% who did not respond to the survey were not active harvesters. What percentage is not active?

Mr. Mark Waddell: I didn't necessarily say "non-active". I'm sorry. I said that 77% hold only one licence, and 18% hold only two to three licences.

I don't have the breakdown in terms of which of those single-licence or multi-licence-holders would be holding non-active fisheries.

Ms. Lisa Marie Barron: Okay. What I'm trying to understand is the 20% who didn't respond. Do we have any information about that 20%?

Mr. Mark Waddell: Seventy-nine per cent of licence-holders responded, and we have information on 88% of licences. Ultimately, it's only 12% of licences on which we have insufficient information through the survey. However, we still have a line of sight on those through our own systems, and we'll be doing follow-ups on a case-by-case basis.

Ms. Lisa Marie Barron: What will that follow-up look like?

Mr. Mark Waddell: That will be subject to what we find in our own databases in terms of holdings. Once we have a better sense of the total quota that is associated with the 88% of licences that we have information on, it will further narrow the gap in terms of what is in play.

Ms. Lisa Marie Barron: Have you been hearing any concerns from fish harvesters around the lack of accountability of those who have not responded to the survey? Might there be some vital and key information not made available in this survey with regard to those who haven't responded?

Mr. Mark Waddell: I am privy to those concerns being expressed both to this committee and to ourselves at the departmental level.

Ms. Lisa Marie Barron: Thank you.

How will this be navigated once the results are being presented around the survey?

Mr. Mark Waddell: Again, the survey was meant to inform and establish a baseline understanding of information. I think we are in a markedly improved posture with regard to understanding what is transpiring on the water. Case by case, we will be doing follow-ups with licence-holders who elected not to respond to the survey.

Ms. Lisa Marie Barron: Thank you.

Are there any thoughts around the fact that when the survey was sent out, there was more of an incentive not to respond to the survey—even though it was listed as mandatory—than there was to respond to the survey? In hindsight, would there have been any changes to the process that would have further incentivized harvesters and fishers to respond to the survey?

Mr. Mark Waddell: I'm stumbling a bit, perhaps, with the notion of incentivizing response. I don't think we could have done anything further to incentivize response. We probably could have taken a more proactive communications posture with regard to this and reached out more assertively to licence-holders, fisheries associations and the like.

The Chair: Thank you, Ms. Barron.

We'll now go to Mr. Small for five minutes or less, please.

Mr. Clifford Small (Coast of Bays—Central—Notre Dame, CPC): Thank you, Mr. Chair.

Thank you to the witnesses for coming here today.

My question is for Mr. Waddell, I guess.

Mr. Waddell, what would you say is more important to the Department of Fisheries and Oceans: implementing marine protected areas to meet the government's commitment to its 30 by 30 arrangement with the United Nations, or addressing recommendations from reports like the one we're talking about here from 2019?

Mr. Mark Waddell: I think the minister's mandate letter has outlined a number of priorities for our department, which we are all dutifully working to advance.

Mr. Clifford Small: Mr. Davis, I heard you say to Mr. Hardie that DFO has two employees evaluating the recommendations of the 2019 study.

Of the 5,000 new employees the department has hired since 2015, how many are working on the marine protected areas file versus how many are working on looking at the recommendations of reports coming out of this committee?

• (1135)

Mr. Neil Davis: Maybe I can offer a different summary of my comments to Mr. Hardie, which is that while there are several staff dedicated to this file, there are quite a number of others who will have contributions to make to their pieces of it. They manage particular species, etc., and therefore have the expertise.

In the work we've done to date and the work we expect to do moving forward, there will be a much larger number of staff who are implicated or involved in the work on this file.

Similarly, we have staff who are dedicated to working on advancing our various green conservation target commitments, and then a larger number in other teams with primary responsibilities—say, around managing fisheries—who make contributions to our advancing of that file.

Mr. Clifford Small: Again, Mr. Davis, why is this taking so long?

You just indicated that your department is going to ramp up its work as it relates to this 2019 study. This is 2023. A lot of livelihoods have been adversely affected in the fishing industry as a result of the lack of commitment that has been shown to the recommendations that came out of that report.

Why has this taken four years for some indication now that the department is going to ramp up its commitment to this report?

Mr. Neil Davis: As I was describing earlier, we knew very early on that these were very wide-ranging recommendations. There were some that we could do work on immediately and others that we would have to prepare a foundation for to be able to advance work, so that's what we've done. We've staged our work to advance the recommendations where we saw an opportunity and had the resources to do so. In other cases, we have been preparing the ground with some of that early outreach to identify what the diversity of views is and what some of the key considerations are, and to gather some of that foundational information that could support an informed discussion or informed engagement around the issues and, therefore, what the options are to address them.

I think this is much along the lines of what we expected to do, and we'll take, as you say, subsequent steps to do more in-depth engagement on some of the other recommendations where we've been moving that foundational work.

Mr. Clifford Small: Okay.

Mr. Chair, I have one more question for Mr. Davis.

What push-back have you had from people who are accused of participating in corporate concentration that may be connected to foreign ownership? Have you had any push-back on the recommendations that have come out of this report?

Would you mind explaining if you have? Perhaps, if we don't have time, you could provide that in writing to the committee.

Mr. Neil Davis: Certainly, and thank you for the question.

I think what we know and have heard is a diversity of views. We know that some groups, individuals and organizations very much support the committee's recommendations from the 2019 report, and we know that there are a number of organizations and individuals that have expressed concerns about the implications of the committee's report.

I mean, those might be for a variety of reasons, but I would say some of the key concerns that I have heard have to do with some version of unscrambling the omelette. For decades now, we have operated and managed fisheries under a certain sort of regime where we have not set out specific constraints or limitations on things like who can hold a licence. There are some constraints, but not constraints that might be in place to achieve socio-economic objectives around how quota might move between licences. With some of the history on how fisheries have been managed in that respect, there are all kinds of arrangements in place. For us to make significant change.... I think people who are participants now are asking hard questions or expressing concerns about what that may mean and how it would change their own participation in the fishery. For example, if they are, say, partners in the holding of a licence and its associated quota, and if we were to implement changes like the ones this committee has recommended for something like owner-operator, how would they unwind that?

In other cases, we have said that there's too much capacity in fishery A and that fishery needs to rationalize through things like the introduction of transferable quota, which allows quota to move between licences and which can create and has created inactive harvesters, who have moved their quota to another licence that is actively fished. There are things like that. If we were to implement requirements for how a licence is fished, how do those things unwind and what does it mean for those who have been a part of those arrangements?

Those are some of the most common kinds of questions that I've heard about the implications of some of the committee's recommendations.

• (1140)

The Chair: Thank you, Mr. Small. You've gone way over time. I'll have to get that back from you somewhere along the way.

We'll now go to Mr. Morrissey for five minutes or less, please.

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

My questions will be for Mr. Davis.

Mr. Davis, you made a statement earlier about the department working on "grounding the truth of the assertions". Could you elaborate for the committee on what assertions have been made in the committee that the department does not feel were truthful?

Mr. Neil Davis: I don't know if I would suggest that any of them haven't been truthful, just to clarify on that point, but I think what we've heard is a lot of concern from folks who have participated in these hearings in the past, or directly to the department through our advisory processes, etc., about some of these dynamics regarding things like foreign ownership and corporate concentration. This committee has been looking at that issue as well recently, I know.

I think what we have been trying to do is bring the data to that, to the extent that we can, recognizing that historically we have not collected a lot of that data, and build on what information and details we have to generate a more complete or comprehensive picture, which we think will be helpful to pointing us at what the key issues are and what the viable solutions to those may be.

Mr. Robert Morrissey: I'm not sure we landed on the same spot there.

You also referenced that the department would require "further engagement". Could you expand on what "further engagement" from the department is and explain what that process would involve? The focus of this committee is on foreign ownership and the lack of control from the independent harvesters. Could you briefly explain to the committee what that engagement process looks like in the department?

Mr. Neil Davis: Sure.

Looking back to the 2019 report, I think the recommendations were quite broad. They did address the topics you covered, as well as a number of others that go beyond the context of foreign ownership and have economic implications for participants in the fishery. Therefore, I think we are conscious that before taking steps to make changes, we would want to comprehensively collect the views and input of those who may be affected by any changes we make, to be informed by their input.

We are also conscious of the fact that first nations are significant participants in commercial fisheries. We have commitments to them. We have a priority placed on reconciliation and want to ensure that we are also leaving enough space to engage with them.

Mr. Robert Morrissey: Mr. Davis, what has the department determined as being doable? Is there anything from the 2019 report, anything that we've heard to date, that you would define as doable or actionable?

Mr. Neil Davis: Yes, I think there are a number of things, and those are some of the things that we've acted on over the past several years. That includes—

Mr. Robert Morrissey: Mr. Davis, could you provide to the committee in writing what you have actioned over the past years, since 2019, as it relates directly to those recommendations, or even if it wasn't in the recommendation, anything you have actioned that would address the issue we've been hearing about constantly as it relates to corporate concentration ownership and foreign ownership? I would appreciate it if you could provide a summary.

● (1145)

Mr. Neil Davis: Yes, we could provide a summary.

Mr. Robert Morrissey: Okay, thank you.

My next question is either for Mr. Davis or for Mr. Waddell.

Is there any practice that you feel could be transferred from the east coast to the west coast as it relates to the different issues we've been hearing about at this committee now over two studies? We hear a lot of presenters appear before committee and reference the east coast as a laudable objective in terms of where the west coast should be going. We know it's complex, and you cannot unravel it. Numerous people have referred to unscrambling the omelette, but from your position within the ministry, what practices from the east coast do you think would be easily adaptable to the west coast situation as a starting point?

Mr. Neil Davis: I will offer a couple of thoughts on that, and then Mr. Waddell may wish to add more.

As you said, there have been a number of individuals and organizations that have identified examples on the east coast as things that the west coast should implement, owner-operator and fleet separation being the two most commonly cited examples. In our initial assessments, we have looked at those and recognized that to take those steps would not be very simple. It's for the reasons that you identified, in that there are existing arrangements that we would need to take account of.

I think those are the most commonly cited examples and the ones that seem, I think, most important or among the most important to a number of people who are looking for change. I think our initial assessment is that it may be possible but it would be complicated, and we would be making significant changes to the management approach that's been in place for some time.

I'll invite my colleague to add to that, if he wishes.

The Chair: Could we get it in writing, because Mr. Morrissey has gone way over his time?

Madame Desbiens has the floor for two and a half minutes, please.

[Translation]

Mrs. Caroline Desbiens: Thank you, Mr. Chair.

Mr. Davis, you said earlier that the minister has a certain amount of discretion. We often compare our country's east and west coasts. But I can confirm that what's happening in the west is also happening in the east.

The Committee heard from people who testified that their family had always fished, that they owned quotas, permits, boats and so on, but that they'd lost everything. There are schemes afoot to get owner-operators to relinquish their licences.

We don't have much time to turn this ship around, and a ship doesn't maneuver so easily. In the short term, what tools does the minister have to stop the bleeding? I don't quite know how to put it, but there's definitely some urgency involved, do you understand?

What do you think of the idea of the minister responding quickly to the most glaring problems, such as entire families losing their boats, licences or quotas due to the complexity of certain schemes?

[English]

Mr. Neil Davis: In terms of the tools available, I think you can see different approaches that have been taken on the east coast. I'm not an expert on that, but I will just quickly identify that there are some instances where limitations have been placed on foreign ownership. There have been regulatory solutions implemented to advance the owner-operator interests, such as the inshore regulations on the east coast. I think there are a variety of policy and regulatory tools we can use to advance the minister's agenda or the department's agenda on these that we have at our disposal and that we have some experience with.

Again, I would invite my colleague, Mr. Waddell, to add more.

● (1150)

Mr. Mark Waddell: The only thing I'd build onto that response is to indicate that in all instances where we have stood up those policy regulatory tools, we've done so through consultation with our indigenous partners and industry itself. There is the immediate tool kit. It does run into the practical reality of our need to engage and get consultative feedback from our partners.

The Chair: Thank you, Madame Desbiens. We went a little bit over.

We'll now go to Ms. Barron for two and a half minutes or less, please.

Ms. Lisa Marie Barron: Thank you, Mr. Chair.

I forgot to set the timer, so I'll just trust you to cut me off. Thank you.

I want to ask this of Mr. Davis specifically. There were some questions asked today about staffing numbers. I'm curious if you can share with us what an ideal staffing composition would look like to be able to see this move forward in a more timely manner.

Mr. Neil Davis: I think the key is for us to draw on the expertise and time of a variety of existing staff within the department. The reality is that we need expertise in things like licensing and in our management approaches, which vary from one fishery to the next. We essentially need to draw on the expertise as we move ahead.

It's a matter of work planning and ensuring that we plan ahead to have the time we need from those who have the expertise to contribute to this. Then we have that coordinating and leading function happening with the dedicated staff on this file.

Ms. Lisa Marie Barron: Mr. Davis, do you feel that's been happening to date? Have the staff been fully utilized to their best capacity to contribute to this work in a timely manner?

Mr. Neil Davis: As my colleague mentioned, we have the minister's mandate letter, which sets out a set of priorities for us. The contributions of a number of those staff I mentioned are sought on a variety of the department's priorities as set out in that mandate letter.

It will always be a balancing act. It will always be a matter of trying to support a number of the priorities that have been identified for the department to move different files forward. I think that will remain the challenge as we move ahead.

Ms. Lisa Marie Barron: Thank you.

The Chair: You have 30 seconds.

Ms. Lisa Marie Barron: My last question for you, Mr. Davis, is around why there is such a different approach being taken on the east coast versus the west coast. We have seen that we can look at an approach that ensures there are boots on the boats and profits going back to local communities. Although there are clearly some issues related to the processes being used on the east coast, they're clearly seeing the advantages going to local fishers in the east to a larger extent than we're seeing in the west. Why is there such a different approach?

I think I've already taken up my 30 seconds, so perhaps you can submit that in a written response.

The Chair: Thank you for that, Ms. Barron.

We'll now go to Mr. Perkins for five minutes or less, please.

Mr. Rick Perkins (South Shore—St. Margarets, CPC): Thank you, Mr. Chair.

Thank you, witnesses, for coming.

The first couple of questions might go to Mr. Davis, but whoever is the right person should feel free to answer. I'm never quite sure who the right person is on this one.

Mr. Davis, the Gardner Pinfold study that was done—I think it was completed in 2021—was two years after this committee's report on corporate ownership and foreign ownership. Is that right?

Mr. Neil Davis: It was issued in early 2021.

Mr. Rick Perkins: Okay, so it was two years.

If I read it correctly, it actually does recommend an Atlantic-style restructuring of the B.C. owner-operator and fleet separation policies. Am I reading that correctly?

Mr. Neil Davis: I might slightly edit that to say that we asked the contractor what it would take if we were to implement those east coast policies in a west coast context. The contractor provided advice on that question.

Mr. Rick Perkins: I'm aware that's what you asked. I think I saw a line, towards the conclusion, that said it would be of value. It outlined a process to get there, or at least to do the consultation, and some of the pitfalls learned from various things done.

If I understand you correctly, right now we're in what Gardner Pinfold would call the “what we heard” phase, which is the consul-

tation to produce a report by DFO on what the various stakeholders think. They called it the “what we heard” stage.

Is that correct?

• (1155)

Mr. Neil Davis: I think we have more engagement to do. I think that, out of some more in-depth engagement, we will be better placed to do something like generate a well-informed “what we heard” report.

Mr. Rick Perkins: You're going to do consultation to hear what your consultation should be to put out a report to say what you heard, and then the Gardner Pinfold study outlines another stage after that, which is when you put out a second report saying what you think you should do.

Is that what I'm hearing the process is, that you're doing a consultation on what the consultation should be?

Mr. Neil Davis: That's not what I intended. We have done early consultation. We have a general understanding of some interests and views, but to really dig in to talk about what it would take if we were to implement the kinds of changes proposed warrants further consultation because of the significance of the implications of making those changes.

I expect that out of that process would come some summary of what we heard and advice that the department would generate for the minister to consider what kinds of changes could respond to the issues that have been raised. What does that mean in the context of what we've heard from the people who are a part of the commercial fishery? We need that so that she has the benefit of input from all interested parties and the department's analysis to support any kinds of decisions.

Mr. Rick Perkins: Then would you go directly to policy recommendations to take through the system, or would you put out a paper saying, “This is where we think we should go, and let's do a consultation on that” before you take policy to cabinet?

Mr. Neil Davis: I think we'll see how the next stage goes. For example, if we get very diverse views and no convergence on major policy ideas, that may warrant a subsequent step to try to bridge that. If there's a lot of support for certain ideas, that may make it much easier for something the minister could decide to advance.

Mr. Rick Perkins: It's taken us four year to get to this point. How much longer will the next phase take?

Mr. Neil Davis: We plan to get engagement under way on the details in the coming months, and I think we have an interest in making that process efficient so we have some next steps or some ideas proposed.

Mr. Rick Perkins: The aquaculture consultation was less than six months. Are you proposing something like that or longer?

Mr. Neil Davis: This is a much broader set of recommendations that have implications for a variety of dimensions on the fishery side. I don't think we're anticipating that we can get through all of this in six months, but I do think we want to be efficient. Trying to get through that in a year or so is probably a more reasonable time frame, but we'll finalize that once we have some additional direction. It doesn't preclude us from getting it under way, though.

The Chair: Mr. Perkins, you're right on time. This is probably a first for anyone around this table.

We'll now go to Mr. Kelloway.

I think Mr. Kelloway has conceded his time to Mr. Hardie.

You have five minutes or less, please.

Mr. Ken Hardie: My goodness, I owe a shipment of smoked salmon from the coast to everybody who's been so generous over the last few meetings, except for Ms. Barron, who has her own source, I'm sure.

We have the picture of trying to move a whole industry on the west coast to a new model, which is like trying to move a skyscraper a couple of blocks down the block. Is it not possible to take more of a modular approach to this? Mr. Waddell might be the best to answer this, but Mr. Davis, you can if you want to. Is it possible, tomorrow, to say that there will be no further sales or transfer of licences or quota to non-Canadians?

Mr. Mark Waddell: I won't speculate on "tomorrow", but I do agree with the concept that it is modular. We are capable of moving in a modular fashion.

Again, on the foreign ownership piece, I think that is a piece where frankly we could move in a more nimble fashion, recognizing the completion of the survey and that we have policies already in application on the east coast in Atlantic Canada. We could have an informed discussion with west coast licence-holders as to what level of foreign ownership they would deem to be appropriate, and we could establish that bar.

• (1200)

Mr. Ken Hardie: That would also have to entail knowing who the beneficial owners are. We understand that the survey that DFO put out was somewhat flawed because it didn't really ask the right question the right way.

What about ensuring that any licence renewal must include information on the beneficial ownership of whoever is renewing the licence?

Mr. Mark Waddell: Again, that could be a decision that the minister could elect to pursue, subsequent to discussion and consultation with stakeholders.

Mr. Ken Hardie: Why would it have to be subject to that?

Mr. Mark Waddell: Reflecting on the survey itself, and setting aside the concepts or the discrepancies that people have highlighted with regard to the survey and how it was undertaken, there was still a commitment made by the department that we would return and have an informed discussion with parties about the findings of that survey. I don't necessarily see that taking a large amount of time, but there is that commitment, and I think we would seek to adhere to it.

Mr. Ken Hardie: Reflecting on Mr. Perkins' questioning, it looks like we are always at risk of "analysis paralysis" here. In fact, brave decisions can be made with almost immediate effect that will move us along to what the very broad consensus on the coast is: that is, to start the first steps of getting foreign ownership out of licences and quota.

I'll leave that as a comment. You don't need to react to that.

Again, instead of moving the whole industry to an owner-operator and fleet separation, a suggestion that has been made by one stakeholder I've heard from is that we could start small. What about a first nations owner-operator model? When a first nations community is given a licence, it has to be fished by somebody with boots on the deck from that community.

Could that be made to stick?

Mr. Neil Davis: I can offer a response to that.

Strictly speaking, it could be implemented. I think there are important questions that we would want to explore with our indigenous partners about their interests. I know that, right now, the communal commercial licences are used in different ways. In some instances, they are actively fished. In other instances, the community has decided that it is in their best interest to, for example, lease the quota on that licence for it to be fished elsewhere, in order to generate economic revenue to support the community's priorities.

That's something we would need to explore with them.

Mr. Ken Hardie: I agree on that point. It is a sensitive area.

Mr. Davis, you mentioned there are conflicting interests and views that your work has uncovered so far. In the time remaining, can you go into a bit more detail? What do those conflicts look like?

Mr. Neil Davis: The key examples that I hear most often have to do with this phrase we have used before of "unscrambling the omelette". There are arrangements that have been in place for some time. What would some of the proposals for change, such as fleet separation or owner-operator, mean for unwinding some of those arrangements?

There are, as I think this committee is aware, instances where processors hold licences, and there are instances where we have a variety of arrangements in terms of who holds licences and quota. They're large corporate entities and otherwise.

What are the implications, and what kinds of disruption may result from making these kinds of changes? That is the most common source of concern that I hear about some of these proposals.

The Chair: Thank you, Mr. Hardie.

We'll now go to Mr. Arnold for five minutes or less, please.

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

I'll start off with Mr. Davis, but if someone else has the answer, that would be fine as well.

At our meeting on June 1, officials from the Department of Foreign Affairs were asked who in their department was focused on protecting Canadian fisheries from too much or inappropriate foreign investment or corporate concentration that resembles a cartel. Foreign Affairs officials deferred that question to the “experts” at DFO.

What branch of DFO contains the experts in protecting our fisheries from cartels or the laundering of money from overseas?

• (1205)

Mr. Neil Davis: I'll begin, and then we'll invite my colleague Mr. Waddell to add more.

As I mentioned, on the Pacific coast, historically, we have not had constraints in place that would limit the participation of corporations or foreign interests in the holding of commercial licences. There are two kinds of licences on the west coast: party-based licences and vessel-based licences. For vessel-based licences, the department assigns the licence to a vessel. Transport Canada is the primary regulatory authority for overseeing who holds the vessel.

Mr. Mel Arnold: Is it your department that's responsible for this, then? Which department is responsible?

Mr. Neil Davis: In the context of these two licence types, there would be potentially multiple regulatory authorities implicated.

Mr. Mel Arnold: Is that within DFO?

Mr. Neil Davis: It's DFO and Transport Canada that have the primary regulatory authority over vessels.

Mr. Mel Arnold: Transport Canada has no regulatory authority over licences and quotas, which is really what the problem is.

I'm surprised that after this much time the department is still having trouble wrapping its head around what the real sources of the problems are here.

Have you read Peter German's 2019 report, produced for the Attorney General of B.C. and entitled “Dirty Money—Part Two”?

Mr. Neil Davis: I've only read small sections of it that were relevant to fisheries, and I've received very short briefings on some of its key findings.

Mr. Mel Arnold: Do you know if the minister has read or been briefed on this report?

Mr. Neil Davis: I don't know.

Mr. Mel Arnold: This report contains details on how foreign money is used in a targeted fashion in B.C.'s fisheries, and it's relevant. I'm surprised that you're not even aware—especially if this is your realm—if the minister is aware.

Previously, you mentioned that the minister retains the decision-making power to decide when or where licences or quotas are issued. What criteria related to foreign ownership or corporate concentration would factor into not issuing a licence or quota? I'm asking you to be quite specific.

Mr. Neil Davis: As I mentioned, we don't currently have limitations on corporate concentration or foreign ownership in Pacific fisheries, so we do not apply criteria to assess that.

Mr. Mel Arnold: So the minister doesn't retain decision-making authority over issuing those licences and quotas, contrary to what was stated earlier.

Mr. Neil Davis: I wouldn't characterize it that way. I think it's more accurate to say that we have a current management approach that we implement, which does not entail those constraints on who holds licences or quota. If we were to choose a management approach that had those constraints, then, yes, I expect we would have to develop some kind of approach or assessment that would allow us to validate who is participating.

Mr. Mel Arnold: I'm shocked that after this many years of British Columbia harvesters raising the alarm bells on this, the department is so slow to react and has such a poor grasp of the actual problem to start addressing it.

Earlier, you mentioned that you're doing “staged” work to move quickly where possible. Recommendation 2 of the report was:

That based on the principle that fish in Canadian waters are a resource for Canadians (i.e. common property), no future sales of fishing quota and/or licences be to non-Canadian beneficial owners based on the consideration of issues of legal authority, and international agreement/trade impacts.

Has any action been taken on recommendation 2. If not, why not?

Mr. Neil Davis: I'll invite my colleague Mr. Waddell to respond to that.

Mr. Mark Waddell: This is exactly why we pursued the beneficial ownership survey. In advance, and in recognizing the recommendation from this committee, we extended the application of that recommendation nationally and sought to do a review of the department's portfolio of foreign ownership policies.

The inshore licence-holders in Atlantic Canada are of course subject to 100% Canadian ownership. The offshore and midshore fleets in Atlantic Canada had a 51% Canadian ownership requirement in policy, which we updated and extended to the entire corporate chain. It's no longer just the first licence-holder but the entire corporate structure above that supports that, ensuring that there's 51% Canadian ownership.

We have not historically had a policy in the Pacific region. That's why we undertook the survey, to get a better factual lay of the land.

• (1210)

The Chair: Thank you, Mr. Arnold.

We'll now go to Mr. Hanley for five minutes or less, please.

Mr. Brendan Hanley (Yukon, Lib.): Thank you, all, for appearing today.

First, I want to go back to recommendation 5, which was on prioritizing “the collection of socio-economic data for past and future regulatory changes”.

Mr. Davis, in this recent study, socio-economic concerns have certainly been a common subject, and how socio-economic benefits are interpreted by different stakeholders, including between the fishing community and DFO. I wonder if you could expand on how you're responding to this recommendation and how you anticipate socio-economic considerations will be incorporated, along with conservation objectives, into regulatory changes.

Mr. Neil Davis: As you alluded to, one of the things we're doing is attempting to collect better information about the socio-economics of the fishery. If you'll permit me, there are a few pieces here. It may take me a minute or two to get through them, but this has been an area where we have done a fair bit of work.

There have been several socio-economic surveys initiated. The first is to implement a reoccurring cost and earnings survey. This is to collect information that will allow us to better ascertain where the direct benefits of commercial fisheries accrue, to understand things like coastal community reliance on fisheries. This was conducted in November 2022. We're now completing the analysis of that data and expect to be engaging with industry about it in the months ahead. We are also talking about how frequently we want to re-collect that data. That's the first piece.

The second piece we are doing work on is something called an annual price survey, to improve price accuracy and to fill some gaps in where we didn't have price data. We shared some plans for the design of this survey with commercial fishery stakeholders in the fall, and we expect to be implementing the survey later in 2023 and sharing those results and talking about their implications.

The next piece I want to mention quickly is the commercial support services study. This is to provide an overview of commercial fishing support sectors, things like fuel services, gear, vessel repairs, supplies and moorage to get a better picture of the community reliance on fishing activities in different places. We've contracted some work to estimate revenues from the commercial harvest to support those sector businesses for nine different regions of the province.

These are examples of different ways we're trying to collect more information that will provide a basis for making decisions that would reflect what we understand about the reliance on commercial fisheries.

The other piece, then, is how we structure policy or regulatory frameworks to reflect socio-economic considerations. That is something I expect to come out of the engagement we have planned for a more in-depth review of some of the committee's recommendations. We do have some examples in other parts of the country that we've been alluding to this morning, which could give us some places to work from.

Mr. Brendan Hanley: Thank you.

Since I only have about a minute left, I'm going to jump to another question, which is slightly off-subject but takes advantage of your presence as regional director for B.C. and Yukon.

Last week, I met with the Yukon Salmon Sub-Committee. They were meeting in Dawson City, and I was Zooming in. There were two key questions from them. One was about overall capacity for them as an organization to address this complex and critical area of Yukon salmon populations, and the other one was about funding from the PSSI, which apparently still has not worked its way in to support the committee or other work in the Yukon.

I wonder if you can comment on whether you have sufficient staff capacity to ensure that Yukon's priorities, as part of the west coast ecosystem, are being adequately addressed. You can also comment on PSSI funding for the Yukon.

• (1215)

Mr. Neil Davis: I should be clear that the PSSI funding can support salmon restoration, rebuilding, etc., in both B.C. and the Yukon. I know that we have just gone through a round of reviewing project proposals that could support indigenous transformation, which I think would be particularly relevant in the Yukon. We expect to be communicating with those who have submitted proposals about what kind of funding is available this year. I also know that we have work under way related to assessing what it would take to advance a review of the salmon allocation policy in a Yukon context.

Those are just a couple of examples of places where we are doing work to address matters that are relevant to the Yukon context.

I also know that we have staff who are dedicated to working on the PSSI file in the Yukon, so I think we have the pieces in place. It's just a matter of moving those forward in a way that brings others along with us and responds to some of the priorities that are identified.

The Chair: Thank you for that.

We'll now go to Madame Desbiens for two and a half minutes or less, please.

[*Translation*]

Mrs. Caroline Desbiens: Thank you, Mr. Chair.

Mr. Davis or Mr. Waddell, how can we ascertain whether the survey answers are accurate?

[*English*]

Mr. Neil Davis: I'll invite my colleague to respond to that.

Mr. Mark Waddell: Thank you.

To validate the responses, we provided all of that information to the forensic auditors over at PSPC, who are able to use a lot of public-source information to cross-reference and validate the survey results, identify inaccuracies or things that seem unusual to them as experts, and then provide that information back to us. We are, in turn, linking that information, those findings, with our own quota databases to determine who holds what extent of quota for various fisheries. There is a variety of ways we can cross-check, and where there have been discrepancies, we have sought to do follow-up questions with the respondents.

[*Translation*]

Mrs. Caroline Desbiens: Were there many discrepancies?

[*English*]

Mr. Mark Waddell: There were certainly a number of touch-points over the course of the survey submission window—when it was open for respondents to submit their information—where they sought additional insight from us as to the nature of the questions and what we were seeking to have provided. We did a lot of work with licence-holders to help them respond.

At this point in time, though, I'm not certain as to the extent of cases that have been specifically identified by the forensic auditors and that we have started follow-up on.

[*Translation*]

Mrs. Caroline Desbiens: Can anyone tell me why some people wanted to testify anonymously during our study?

[*English*]

Mr. Mark Waddell: I think that would be a matter of speculation on my part, but it's probably pursuant to their own particular business arrangements that they feel may be at risk due to their taking a proactive stance on certain facets of those arrangements.

The Chair: Thank you, Madame Desbiens. It was right on time.

We'll now go to Ms. Barron for two and a half minutes, please.

Ms. Lisa Marie Barron: Thank you, Mr. Chair.

I need to use the two and a half minutes wisely here.

I just want to follow up, Mr. Waddell. I know I'm spending a lot of my time focused on this survey, but it is a key component of the work that we're doing. My frustration is that, when you're describing the process of how the survey was constructed, you identify that one of the pieces was to have the lightest administrative tasks associated with it.

If we want to actually move forward with a survey that is accurate and useful, would it not be the number one focus to ensure that accurate, up-to-date information is being accumulated, regardless of how that looks, to ensure that you can move forward with that information and implement the strategies required to ensure that local communities and local fishers are seeing the benefits of our public resource in fisheries?

• (1220)

Mr. Mark Waddell: We still feel that the survey results will be accurate. They're certainly statistically relevant, and in conjunction with the information that our forensic audit colleagues are able to provide and glean from publicly available sources—business reg-

istries and the like, not just domestic but foreign as well—it provides a common information base that will allow us to have an informed public discussion.

Ms. Lisa Marie Barron: Thank you.

I guess the most important next question I'm going to ask is around.... We heard from many indigenous fishers about the process of the PICFI licences and some of the problems with the licensing system, and that indigenous people are losing their livelihoods and traditional knowledge.

What work is being done, specifically, to work alongside or in partnership with first nations to ensure that the benefits of their connection with the fisheries from time immemorial are not being lost?

Mr. Neil Davis: I can maybe offer a response.

I think there are a few main themes I would mention. The first is that we do have a team within the region that works specifically with the PICFI program to support first nations and the way those licences are administered and delivered, etc. I think that's an important source of operational support that is worth mentioning.

More broadly, we hear very consistently about the importance of fisheries to many first nations communities and have relationships developed or developing with them in a variety of contexts. There is an operational relationship or a program-level relationship that relates to how we deliver fisheries access. We have staff who are point people for relationships with individual communities. In a number of instances, we also have reconciliation agreements that are being negotiated with first nations and that set out a longer-term vision for how they would like to participate and the kind of relationship they want with the department and/or treaty-related negotiations that are doing very similar things.

Those are a few of the ways the department is trying to build those relationships and support first nations' aspirations for participation.

The Chair: Thank you, Ms. Barron.

We'll now go to Mr. Perkins for five minutes or less.

Mr. Rick Perkins: Thank you, Mr. Chair.

Mr. Waddell, I want to explore a little bit in the next few minutes the beneficial ownership survey.

For those watching on the Internet, as some people tend to do, it's just so folks understand that what that means is who ultimately benefits from the ownership of the licence. Who owns the licence and then who benefits from that?

Presumably in British Columbia a number of the corporations that own these are numbered or unidentifiable companies. You have to trace back through a complex corporate web as to who might ultimately be the beneficial owner. Is that correct?

Mr. Mark Waddell: That is correct. The purpose of the beneficial ownership survey was to identify the natural persons, the humans, at the very end of those flows of benefits.

Mr. Rick Perkins: I believe that work began, according to Mr. Davis' speaking notes, about 17 months ago. Until that work is completed, it's fair to say that DFO doesn't actually know who the beneficial owner of any fishing licence is on the west coast.

Mr. Mark Waddell: We know who the title-holder is in terms of who holds that licence, who is on record as holding that licence, but in terms of the flow of benefits derived from the licence, you are correct.

Mr. Rick Perkins: That would be like a numbered company or something like that. You would know what the numbered company is or perhaps a named company, but not the corporate structure that leads to the ownership.

Mr. Mark Waddell: That's correct. It's through the beneficial ownership survey that we're getting back to those natural persons.

Mr. Rick Perkins: To that point, we've heard testimony that said—and I think it's been referenced earlier, but I'll try to be perhaps a bit more specific—it was directed to licence-holders and not to licence owners. Is that a legitimate distinction? In other words, a person who holds the licence could be somebody leasing it, because licences are leased, and they hold it and are fishing it. They're not actually the ultimate owner.

Did the survey go to the company that may have been leasing it or holding it rather than the actual owner?

Mr. Mark Waddell: For the benefit of all, including myself, the Crown would retain the ownership of all licences. The Crown is ultimately the owner. All parties are holders of licences, not owners of licences.

To your question, yes, the question would have flowed to the holder of the licence. The subset of questions that were also provided as part of the survey would be seeking to identify if they had arrangements in place that would see beneficial ownership for benefits derived from said licence flow to other parties. That cuts to the lease arrangements.

Mr. Rick Perkins: How would you ask that question? In the case of a lease holder, the lease holder would share with you the name of the corporate entity that they were leasing from or fishing for, but they may not know anything beyond who owns that entity.

• (1225)

Mr. Mark Waddell: In the interest of time, I would suggest we provide this committee with the survey itself and the questions therein, so that you can see what we asked.

Mr. Rick Perkins: Thank you.

In the study that we have ongoing now, we've had a claim made in one of the written presentations that the Pattison Group, through several corporate entities, owns about 50% of all the licences in British Columbia. Do you know whether that's true or not?

Mr. Mark Waddell: I am familiar with other pieces of work that certainly have provided a similar indication. We're anticipating the results of our own survey in the next few days, and then getting back out to stakeholders and making it publicly available within the next couple of weeks. We'll determine through our own survey if that's further validation of that perspective.

Mr. Rick Perkins: DFO has policies on corporate concentration in particular fisheries and particular areas, does it not? That is to try to ensure against monopolistic practices. For example, the Competition Bureau looks at 30% or more, basically, of any industry that is owned by one single corporate entity as being an issue.

Mr. Mark Waddell: Here, I would draw upon my regional colleague. We do in fact have corporate concentration limits in terms of the number of licences that can be held by a party, or the extent of quota that can be held by a party, detailed within the integrated fisheries management plans on a fishery-by-fishery basis in the Pacific region and elsewhere in the country.

The Chair: Thank you, Mr. Perkins.

We'll now go to Mr. Cormier for five minutes or less, please.

Mr. Serge Cormier (Acadie—Bathurst, Lib.): Mr. Chair, I'm giving my time to my colleague, Mr. Hardie.

The Chair: Well, he's going to owe a lot of people smoked salmon.

Mr. Ken Hardie: I know. It's getting onerous, Mr. Chair.

Mr. Waddell or Mr. Davis, I wonder if you're aware of Bill C-42, which would amend the Canada Business Corporations Act to basically require beneficial ownership in Canadian corporations to be identified.

Mr. Mark Waddell: I am aware of that requirement and of it being a priority of the government to bring that in.

Mr. Ken Hardie: Given that our fishery is basically a common resource and is federally regulated, would it be fair to say that anybody from offshore who comes in to buy licences or quota would fall under this federal framework, ultimately?

Mr. Mark Waddell: Business holders, licence-holders, can elect to register their corporation either at a federal level or at a provincial level, so there would be provincial jurisdiction that could apply here. Equally, they do not have to register as a corporate entity. They do so typically for tax purposes and the benefits derived therein, but they don't have to register as a corporation.

Mr. Ken Hardie: I would presume that even the amendments to the Canada Business Corporations Act wouldn't necessarily cover an individual from offshore who comes in and, just with his own funds, in partnership with nobody else, buys licences or quota.

• (1230)

Mr. Mark Waddell: I am wracking my brain as to the extent of knowledge I hold on Bill C-42, which is not sufficient to address the question that you're putting to me, I'm afraid.

Mr. Ken Hardie: That sort of begs the question, are you going to become familiar with Bill C-42? In light of the recommendations that came out of the 2019 report, and in light of the conversation we've had today, would DFO be prepared to wade into a committee study or debates on Bill C-42 to see if it needs amendments to be more effective?

Mr. Mark Waddell: To my understanding, the preponderance of corporations that are found within all fisheries nationally are registered within their provincial area of jurisdiction. They would be registered under provincial law. There has been a heightened effort across the country, with a number of jurisdictions undertaking work on beneficial ownership and establishing or seeking to establish beneficial ownership registries akin to what is pursued through Bill C-42.

Mr. Ken Hardie: Going back, I mentioned earlier that the fishers at two community meetings basically tagged their priorities for action out of the 20 recommendations.

I want to draw your attention to recommendation 3, which I believe was referenced earlier: "That Fisheries and Oceans Canada permit the separation of stacked (or 'married') licences for sale by the licence owner". At the time, we were told that this was low-hanging fruit, that this could be done.

Has it been done? If it hasn't been done, why not? When will it happen?

Mr. Neil Davis: I can take that question.

This is something that the department has attempted to do in several fisheries in the past. The reason for that is that we have changed our management approaches and don't necessarily need restrictions on stacking or marriage, or, for that matter, vessel length, for the purposes we have used them in the past.

What we have encountered in trying to make those changes is very divided views among fishery participants in terms of support for those changes, the reason being that people may have invested and benefited from those restrictions or spent money to acquire a licence based on something like its vessel length or the other licences that it has married with it.

We have made attempts. We have encountered fairly divided views on this and, in the face of those divided views, have not to date taken steps to remove those.

I think the department's view remains that there are a number of instances where those could be removed without compromising the conservation performance of the fishery, so we are interested in pursuing those.

Mr. Ken Hardie: It would come down to a matter of—

The Chair: You've gone over time.

Mr. Ken Hardie: It's the first time today, I'm sure.

The Chair: Yes, it's like you're immune to it.

That concludes our rounds of questioning. I know we have a bit of time left, but I don't know what kind of time our officials have to spend with us. They've been here now for a little over an hour and a half. If they do have a bit more time, I'd give everyone a rapid-fire question for each side, or we'll adjourn. It's one or the other.

Okay. I want to say a big thank you to the departmental officials for coming again today and sharing their knowledge with the committee. Mr. Davis, Mr. Waddell and Ms. Mooney, you've made yourself available to the committee for probably longer than most people do here. We want to thank you for that, and hopefully we'll get to move something forward.

Mr. Arnold, go ahead.

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

I'll thank the witnesses, but I would also like to mention that we've heard, over the weekend, of four deaths on the shore of a former colleague of ours. Marilène Gill, a former long-term member of this committee, lost four individuals when the tide came in very quickly. I'd like to pass on our thoughts to her and her community while we're here today.

The Chair: Waters can be very dangerous at times. We can never take it for granted.

Mr. Hardie, go ahead.

Mr. Ken Hardie: Mr. Chair, I really appreciate the support of all of our colleagues here to make this particular session possible, with more hopefully to come in the future on other items that we've brought forward through studies.

In light of the session that we've had today, and with everybody's approval, I would like to move a motion that, based on what we've heard today, a letter be sent to the minister outlining what we've heard, identifying the gaps and suggesting action.

• (1235)

The Chair: You've heard the intent of the motion.

Mr. Arnold, go ahead.

Mr. Mel Arnold: I believe we've agreed that what we heard today would be part of the current report—the study and report that we're doing. Is that correct? Are you suggesting that we write a separate letter as well?

Mr. Ken Hardie: Yes, Mr. Arnold. The current study involves corporate concentration and foreign ownership, but the scope of the 2019 report certainly went a lot further. That doesn't mean we can't incorporate some of what we've heard in the current study, but there are other aspects of this—things that could be done sooner rather than later, if the minister signals a very strong agenda that it be done. These are the sorts of things I think we could cover in a letter.

The Chair: Is everybody okay with that?

Ms. Barron, go ahead.

Ms. Lisa Marie Barron: I'd be in support of that. I only take the opportunity to say that so I can say that I would like to say something after we're finished this, before we conclude the meeting.

Thank you.

The Chair: Okay.

I'm not hearing any dissension on that. We'll assume that's a unanimous decision.

(Motion agreed to [*See Minutes of Proceedings*])

The Chair: That will be done. Something will be sent to the minister on this.

We'll now go into something that Ms. Barron has to bring up.

Ms. Lisa Marie Barron: Thank you, Mr. Chair.

We never have extra time, so I'm going to take a quick opportunity to bring to the committee's attention that I have put forward a

motion for a study, which is being translated. I just want to give notice that it will be going out to everybody for review.

If we had unanimous consent, I'd be willing to talk about it now, but I'm also willing to wait the 48 hours that it normally takes.

The Chair: I haven't seen it yet, so other members probably haven't either.

It's probably better that we leave it for a couple of meetings, or a meeting at least, to let everyone get it and decide whether they're for or against and whether they think it's good or bad.

Ms. Lisa Marie Barron: That sounds good.

The Chair: All right. Hearing nothing else, the meeting is adjourned.

Thanks, everyone.

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