

Affidavit #1 of Greg Savard
Sworn April 26, 2011

**COMMISSION OF INQUIRY INTO THE DECLINE OF SOCKEYE SALMON
IN THE FRASER RIVER**

In the matter of Her Excellency the Governor General in Council, on the recommendation of the Prime Minister, directing that Commission do issue under Part 1 of the *Inquiries Act* and under the Great Seal of Canada appointing the Honourable Bruce Cohen as Commissioner to conduct an inquiry into the decline of the sockeye salmon in the Fraser River

AFFIDAVIT #1 OF GREG SAVARD

I, Greg Savard, of 401 Burrard Street, Vancouver, British Columbia, MAKE OATH AND SAY THAT:

1. I am employed by the Government of Canada as Acting Director, Oceans Habitat and Enhancement Branch, Pacific region, Department of Fisheries and Oceans. As such, I have personal knowledge of the matters hereinafter deposed to except where stated to be based on information received from another person, and where so stated I believe them to be true.

2. On or about April 19, 2011, I was provided with a letter from commission counsel Wendy Baker, Q.C., enclosing a series of questions on the topic of Habitat Enhancement and Restoration with respect to which I was asked to provide written answers in preparation for the May 2, 2011 hearings on the abovementioned topic.

3. I have prepared a document which sets out the questions asked of me and my written responses. Where I have received research assistance from my staff in preparing my responses, I

have stated so explicitly in the response to the question. A true copy of this document is attached to my affidavit as Exhibit "A".

4. I adopt the responses set out in Exhibit "A" as true statements as if contained within my affidavit.

SWORN before me in the City of)
VANCOUVER British Columbia, on)
APRIL 26, 2011)
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Commissioner for taking Affidavits
in the Province of British Columbia

FIONA MENDOZA
Barrister and Solicitor



GREG SAVARD

April 20, 2011

Cohen Commission Affidavit for Greg Savard (Enhancement and Restoration Panel)

Witness background

1. When were you the Director of the Salmonid Enhancement Program ("SEP")?

- August 5, 2008 to June 20, 2010

2. Please describe your responsibilities as Director of SEP, including who you reported to and who reported to you.

Management of the Pacific Region Salmonid Enhancement Program (SEP), which includes the oversight and operation of a decentralized network of fish culture facilities, a complex network of community stewardship programs and a comprehensive salmon habitat resource restoration program. Primary responsibilities include:

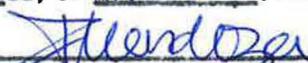
- Line and functional supervision of a management team of approximately 12 staff with overall responsibility for 213 positions, a budget of approximately \$27 million (including G&C of \$962K) and a capital asset base of approximately \$300 million.
- Developing comprehensive human resource and succession planning strategies for the program to secure the skill set necessary for current and future program needs.
- Developing annual integrated human resource and business plans consistent with both national and regional policies, practices, objectives, and priorities.
- Working with other programs and branches in the Pacific Region and National Headquarters to plan and implement SEP programs in a manner that links and supports key departmental resource management and science priorities.
- Providing on-going strategic briefings and advice to senior officials (RDG, Deputy Minister, Minister and Ministerial officials) on the management and control of the Pacific Regions Salmonid Enhancement Program.
- Overseeing and participating as appropriate, in an on-going suite of consultations with commercial, recreational, community and environmental stakeholder groups, the public, officials from local, Provincial and Federal Government Agencies and First Nation's organizations.

Reporting Relationship

- Direct report to the Regional Director General
- Functional reporting to the Regional Director of Oceans, Habitat and Enhancement

Direct Reports

- Executive Assistant
- Manager, Enhancement Operations
- Manager, Planning and Assessment
- Manager, Strategic Initiatives
- Manager, Community Involvement Program
- Manager, Resource Restoration Program

This is Exhibit A referred to in the affidavit of GREG SAVARD
Sworn before me at VANCOUVER
in the Province of British Columbia this
26 day of APRIL, A.D. 20 11

A Commissioner for taking Affidavits
within British Columbia

3. When did you become Acting Regional Director of the Ocean Habitat and Enhancement Branch (“OHEB”)?

- June 21st, 2010

4. Are you still in that position?

- Yes, the current acting assignment has been extended to July 29th, 2011. A staffing process is underway to fill the position on a permanent basis.

SEP Revitalization

5. Please describe:

a. What “SEP Revitalization” is;

A strategic initiative to examine current program operations and consider current and future national and regional directions with a view to updating or modernizing SEP in a manner that will support a range of future priorities. The initiative has a focus in five key areas:

- **Strategic funding approaches**: improved business planning, develop a long term infrastructure strategy, review the Resource Restoration (RR), Community Involvement Program (CIP) and Community Economic Development Program (CEDP), enhance partnering arrangements and update production planning prioritization plans.
- **Production Planning**: develop an improved and transparent decision making process, linked to regional priorities and WSP Implementation guidelines.
- **SEP Evaluation**: support/participate in a program audit and evaluation during the fall/winter of 2008 and incorporate the findings into the revitalization work
- **Biological Assessment**: update the current assessment framework in collaboration with Science.
- **HR Strategies & Planning**: develop a succession planning/knowledge transfer initiative, staff key positions, review area-based organizational structure and make changes as appropriate.

b. What the purpose of SEP Revitalization is;

To update and modernize the SEP program in a way that addresses current challenges (under the five key areas noted above), but positions the program to support key departmental priorities, particularly in the science and fisheries management programs.

c. What work has been done under the SEP Revitalization initiative;

i. Strategic funding approaches

- Established a new business planning approach that is focused on setting and achieving priorities and is linked to other regional initiatives. This has assisted the program in making difficult choices on how program resources are allocated.
- A draft infrastructure strategy has been developed and is linked to the broader regional infrastructure strategy. The draft strategy has helped in working with the Real Property sector to identify annual capital planning priorities.
- The 2005 CEDP review has informed work on the draft infrastructure strategy. An inventory of on-going work and strengths/weakness analysis has been completed for the CIP and RR programs.
- A project management approach has been developed to guide improvements to the annual production planning work.

ii. Production Planning

- Project management approach developed for making decisions; reviewed and implemented a new internal governance systems that clarifies roles and responsibilities and culminates in a the Regional Director of OHEB signing off on the regional production plan.
- Established annual priority setting approach with Science and Fisheries Management colleagues and re-confirmed the use of the IFMP planning process as the process for seeking stakeholder input to annual production plans.

iii. SEP Audit/Evaluation

- Audit and evaluation was completed in fall 2009 and management action plans (MAP) were developed and implemented in response to the recommendations.
- The audit report highlighted the need to improve documentation, monitoring and reporting procedures for contracts and to ensure sole source contracts meet TBS guidelines. New contract monitoring procedures were established and the special Ministerial sole source authority was renewed consistent with TB guidelines.
- The evaluation report highlighted the need to develop succession plan/knowledge transfer programs in SEP; the need to develop an infrastructure renewal strategy; the need to develop an improved performance measurement framework; and identified support to renew Ministerial sole-source contracting authority. In response an OHEB knowledge capture

strategy has been developed and is posted on the departmental website, the program is actively working on recruiting staff for key program positions. SEP has completed a review of the area-based organization and is in the process of implementing a new structure. A second draft of an infrastructure strategy has been developed and is already being used to guide decision on capital investment. A SEP program logic model and performance measurement framework has been completed and is being used to monitor and assess program performance. The special Ministerial sole source contracting authority has been renewed.

iv. Biological Assessment Framework

- Preliminary work has been undertaken to review the existing framework and work is underway to update the framework in consultation with Science.

v. HR Strategies and Planning

- As noted above this was an area identified in the evaluation report and as reported above an OHEB knowledge capture strategy has been developed and is posted on the departmental website, the program is actively working on recruiting staff for key program positions and the program has completed a review of the area-based organization and is in the process of implementing a new structure.

d. What work remains to be done under the SEP Revitalization initiative; and

e. The timeline for completing SEP Revitalization.

- Strategic Funding Approaches – conduct business planning work consistent with the new “one-pass” business planning process (ongoing), complete the Infrastructure Strategy (2012), complete the reviews of CIP, CEDP, and RR (ongoing work and adjust as necessary based on program and regional needs), production planning process update is complete
- Production Planning – new process and decisions making procedures are complete.
- SEP Audit/Evaluation – review is complete and the MAP recommendations have been implemented.
- Biological Assessment Framework – work underway, completion will take at least another year, but the framework will be a living document that will be updated on an ongoing basis as necessary.
- HR Strategies and Planning – knowledge capture strategy complete, key positions are mostly staffed, on-going focus on staffing as positions become vacant. Implementation of the area-based organization change should be completed in 2012.

SEP funding**6. Please describe the history of SEP funding changes, including:**

Note: Research assistance was provided by Jeff Jung in formulating the response to questions 6 a to 6e (inclusive).

a. The change (including the amount) in the SEP budget after Program Review in the mid-1990s;

Year	Amount
1990	37.6
1991	34.3
1992	33.8
1993	31.6
1994	29.3
1995	27.1
1996	27.3
1997	27.3
1998	26.0
1999	25.5
2000	24.3
2001	23.0
2002	24.2
2003	22.3
2004	25.7
2005	25.3
2006	26.2
2007	26.2
2008	26.2
2009	26.0
2010	26.0

Note Year is beginning of fiscal year. Eg. 1990 is 1990-91 fiscal year.
Excludes G&C.

The SEP budget peaked at \$38M in 1990. Prior to Program Review annual funding had been reduced to \$32M. Program Review was scheduled in two phases, each with a \$3M reduction target. The first \$3M phase of Program Review and a further cut of \$1.8M for Departmental Reserves were implemented, reducing the budget in 1996/97 to \$27M. The second phase of Program Review reduction for \$3M was scheduled for implementation in 1997/98.

The second phase of Program Review (program adjustments) was deferred but the funding was eventually reduced by \$3M in the 2000/01 to \$24M. The SEP budget was subject to some further reductions due to National reallocation exercises in the

early 2000s to an amount of \$22.3M. In 2004/05, SEP funding was increased to \$25.7M and was stabilized at \$26M by 2010/11.

b. The impact of the cuts resulting from Program Review on the SEP budget, including the concept of “legacy debt”;

During Program Review (phase 1) and Department Reserve reallocation, the reductions were taken in SEP regional support functions, lake enrichment, capital expenditures and closure of some low performing facilities. The “legacy debt” is the long standing SEP Program Review reduction (phase 2) which was deferred and not implemented. i.e. The program activity reductions were not implemented, but the funding was removed.

The “legacy debt” impact created uncertainty about the future of the program, a reduction in overall production from DFO facilities, a decrease in services to community programs, pressure on other regional programs to cover the funding shortfalls and reduced maintenance activity at both DFO and contract facilities.

c. How, if at all, SEP found money to make up the yearly shortfall in its operating budget;

The annual shortfall was covered as a regional funding pressure.

d. Whether SEP cut its fish production operations, in particular hatcheries, in order to meet the challenges associated with the budget change resulting from Program Review;

Facility and production reductions from Program Review (Phase 1) resulted in the closure of Eagle River Hatchery Closure (BC Interior) – part 1 for \$275K, small low priority stock production at major facilities for \$145K and Chilko Lake Fertilization for \$341K.

e. How the legacy debt issue was resolved in ~2004/05; and

The legacy debt issue in 2004/2005 was resolved by a national reallocation of funds from Departmental sources to SEP through a Departmental Management Committee decision. This decision stabilized program funding at \$26M.

f. Whether there is any annual adjustment for inflation in SEP’s annual budget and, if not, the impact that this has on SEP addressing priorities or maintaining existing facilities;

Like other departmental programs there no annual adjustments for inflation. Annual business planning activities are key in identifying key priorities and then aligning funding to cover the costs of critical programs. Fixed and increasing costs related to fuel, power, and wages are all factors considered when undertaking annual business planning activities.

7. Are any budget reductions contemplated for SEP under the ongoing Strategic Review?

In the early planning stages (January to May 2010) of Strategic Review I provided information to DFO National Headquarters on the scope, operation, effectiveness and relevance of the SEP program to government priorities. This included a series of possible reduction scenarios. However, I have no knowledge of any decisions related to reductions in the SEP program related to the ongoing Strategic Review.

8. Who within DFO has the authority to make decisions about cutting SEP fish production operations in order to meet budget needs (e.g. Director of SEP, Regional Director of OHEB, Regional Director General, or higher management level)?

Annual production plans are developed with a wide range of regional and area based staff and includes consultation with stakeholders through the IFMP planning process. The final production plan is contained in the IFMP which is signed off by the Minister. When significant changes to production plans are proposed a comprehensive briefing process is undertaken that includes both regional senior officials and sector staff, including the ADM in Ottawa. For example, in 2008 decisions on production changes were made within the region, but the Sector ADM was advised of the changes via briefing note.

9. If decisions regarding reductions in SEP fish production operations are made outside of SEP, have managers within SEP ever asked the Regional Director of OHEB, the Regional Director General, the Assistant Deputy Minister and or the Minister to make a decision on such reductions? Why or why not?

Note: Research assistance was provided by Cam West in formulating the response to this question.

In the early 1990's, decisions to close and divest production facilities were Ministerial decisions, e.g. Quesnel and Clearwater.

In the late 1980's, it was a Ministerial decision to close Birkenhead. The facility was not divested, but was never again operated as a production pilot facility.

10. How are the implications of continuing or not continuing programs within SEP assessed when decisions about how to allocate SEP's annual budget are made?

As noted in question 8 above, annual business planning processes are used to define priorities for the coming year. When significant changes are made internal briefings in both the region and national headquarters are undertaken to ensure there is support for proposed changes.

Fish production

11. Has there ever been an analysis of the value of hatcheries to the commercial and or recreational sectors?

Annual assessment and monitoring programs collect data to identify contribution to fisheries. Using this data a value to the fishery can be calculated. In some specific cases (e.g. Robertson Creek hatchery) the DFO Policy and Economics Branch conducts a cost benefit analysis that identifies a value of the hatchery contributions.

12. If so, what were the results of this analysis?

Contribution from SEP facilities to fisheries (recreational, commercial and First Nation) ranges between 10% to 20% on an annual basis.

13. Has SEP ever looked to partner with the recreational and or commercial sectors in the operation of fish production facilities?

The concept has been discussed in the past, but has never been actively pursued. However, in some cases there are examples of commercial (Nitinat Hatchery) and recreational (Conuma Hatchery) organizations contributing funds to offset the increased cost of egg takes, extending rearing or feeding of fish.

14. If yes, please provide some examples of this partnering.

See above comments

Wild-hatchery fish interactions

Note: Research assistance was provided by Ryan Galbraith in formulating the response to questions 15 to 18 (inclusive).

15. What are the annual total hatchery releases of Fraser sockeye?

From 2006-2009 the average number of sockeye released annually from hatcheries in the Fraser is approximately 2.7 million. These releases comprise about 5% of the total hatchery salmon released in the Fraser.

16. What are the annual total hatchery plus spawning channel releases of Fraser River sockeye?

From 2006-2009 the average number of Fraser sockeye produced annually from hatcheries and spawning channels is approximately 40 million. On average about 90% of these are from spawning channels.

17. What are the annual total hatchery plus spawning channel releases of all sockeye in BC?

From 2006-2009 the average number of sockeye released annually in BC from all hatchery and spawning channel production is approximately 170 million. Of these,

approximately 166 million were produced in spawning channels (approx. 97%) and 4.5 million were produced in hatcheries (approx. 3%).

18. What are the annual total hatchery plus spawning channel releases of all salmon in BC?

From 2006 to 2009 the average number of salmon released annually (all species, all hatcheries and spawning channels) is approximately 348 million.

19. Has SEP or any organisational unit within DFO done any research on:

- a. Quantifying the risk (or occurrence) of over-exploitation of wild Fraser River sockeye populations in mixed stock fisheries where there are more productive enhanced populations of Fraser River sockeye or other stocks or species?**

I am not aware of any specific studies of this nature.

- b. Effects of competition between wild salmon and hatchery salmon for food and space in the freshwater rearing environment?**

Note: Research assistance was provided by Cam West in formulating the response to this question.

The department has conducted various studies of juvenile coho production in freshwater rearing environments. SEP has used this information to develop fry out planting guidelines that are intended to minimize risk of unacceptable effects on wild stocks from over-stocking of hatchery coho.

Pre-smolt Coho Out planting Guidelines are included in the Draft Enhancement Guidelines, and have a comprehensive approach, e.g.

- Any eggs to be taken for releases as fry must be part of a production plan agreed to by OHEB support and assessment biologists, OHEB Area chiefs, Science Branch Stock Assessment staff and Operations Branch fisheries managers.
- Any releases requiring a transplant permit must have received approval from the federal – provincial Transplant Committee before eggs are taken

- c. Effects of competition between wild salmon and hatchery salmon for food and space in the marine environment?**

I am not aware of any specific studies of this nature.

20. Why or why not?

As noted I am not aware of any specific studies related to the questions, other than the points noted in question 19 b.

21. Has SEP ever requested Science Branch to do any of the research described in Question 19.a-c?

SEP has asked Science Branch to consider investigating the carrying capacity for coho salmon in the Strait of Georgia for the purpose of informing production planning decisions at Strait of Georgia hatchery facilities.

22. Why or why not?

See comments in question 21 above.

23. Does SEP need to understand the interactions described in Question 19.a.-c?

In the case of the Strait of Georgia, SEP does believe it would be helpful to understand carrying capacity limitations.