



Thematic Evaluation of the Small Craft Harbours Program and DFO's Jetties and Wharves

January 2023



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Table of Contents

3	Evaluation context
4	Departmental context
9	Evaluation findings
31	Conclusions and recommendations
34	Annexes



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Evaluation context

Purpose

An evaluation of Fisheries and Oceans Canada's (DFO's) Small Craft Harbours program and Jetties and Wharves was undertaken by the Department's Evaluation Division during fiscal years 2021-22 and 2022-23. The primary objective of the evaluation is to provide senior management with evidence-based information to support decision-making and the optimization of departmental resources related to small craft harbours, jetties and wharves. The evaluation complies with the Treasury Board Policy on Results (2016) and meets the obligations of the *Financial Administration Act*.

Scope

The evaluation examined the relevance, effectiveness, and efficiency of activities related to DFO's small craft harbours, jetties and wharves between 2016-17 to 2020-21. This includes elements of DFO's Small Craft Harbour (SCH) program and the departmental management of jetties and wharves by Real Property (RP). Perspectives from departmental users are also included in the scope of the evaluation, such as the Canadian Coast Guard as one of the main users of DFO's jetties and wharves.

Key Issues

The evaluation explores the extent to which:

- DFO's activities, structures, and processes are efficiently supporting service delivery for small craft harbours, jetties and wharves;
- Internal or external factors facilitate or hinder DFO's ability to deliver services related to small craft harbours, jetties and wharves; and
- DFO delivers services related to small craft harbours, jetties and wharves that are reliable, i.e., timely, accessible, and current, where:
 - **Timely** refers to DFO's ability to plan, acquire, operate, maintain, and divest/dispose of assets at a level that ensures they are available to support program delivery;
 - **Accessible** refers to DFO's ability to ensure that assets are safe and barrier-free; and
 - **Current** refers to DFO's ability to manage assets in a manner that addresses the department's current and anticipated future needs.

1. GBA+ is an analytical process used to assess the potential impacts of government actions on diverse groups of individuals, taking in account intersecting identity factors.

Methodology

The evaluation was designed to respond to the questions listed in Table 1. To address the evaluation questions, information was triangulated from multiple lines of evidence including interviews, document and literature review, financial and administrative data analysis, a survey of DFO staff and external stakeholders, and case studies. Evaluation methodologies, limitations and mitigation strategies are discussed in Annex A.

Table 1: evaluation questions

1. What needs are DFO's small craft harbours program, and jetties and wharves addressing?
 - a. How are these needs evolving?
2. To what extent is DFO delivering services related to small craft harbours, jetties and wharves that are reliable (i.e., accessible, current and timely)?
3. To what extent are DFO's activities, structures and processes efficient to support the service delivery of small craft harbours, jetties and wharves?
4. What factors (internal or external to DFO) have facilitated or hindered DFO's ability to deliver services related small craft harbours, jetties and wharves?
 - a. What factors (internal or external to DFO) could facilitate or hinder DFO's ability to deliver services related small craft harbours, jetties and wharves in the future?
5. Are there best practices and/or lessons learned that could help improve DFO's delivery of services related to small craft harbours, jetties and wharves?
6. To what degree have GBA+¹ considerations been integrated into the management of DFO's small craft harbours, jetties and wharves?



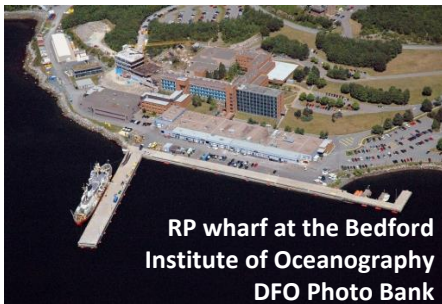
Departmental context

DFO's network of small craft harbours, jetties and wharves are operated across unique departmental contexts.

DFO's small craft harbours, jetties and wharves serve distinct purposes



Small craft harbours play a vital role in meeting the needs of the **commercial fishing industry** by providing a safe place for commercial harvesters and fishing boats.



Jetties and **wharves** serve internal purposes and are essential to the **operations of departmental user groups**. Wharves are platforms constructed for the berthing of client ships while jetties are typically narrow structures that extend into bodies of water to block flow of water and protect harbours and/or wharves.

DFO's small craft harbours, jetties and wharves are managed by distinct departmental custodians

Small Craft Harbours Program

Small Craft Harbours (SCH) is a nationwide program managed by DFO that operates and maintains a network of harbours critical to the fishing industry, ensuring that they remain open and in good repair. These harbours provide commercial fish harvesters and other harbour users with safe and accessible facilities. The program is decentralized with headquarters located in Moncton, New Brunswick providing national coordination to five regional offices that manage operations.

Real Property

Real Property is corporate real estate organization that manages jetties and wharves on behalf of DFO. Management occurs via a National Centre of Expertise (including Real Property and Environment Management (RPEM)) and 6 Regional Centres of Expertise (including Real Property, Safety and Security (RPSS)) that provide strategic and operational services in support of CCG and DFO programs. To avoid confusion, RPEM/RPSS will hereafter be collectively referred to as Real Property (RP).

DFO's small craft harbours, jetties and wharves have similar engineering components

- Because both the **SCH Program** and **RP** custodians manage marine engineered assets, there are similarities with regards to the asset management processes and terminology that are used across custodians. These similarities provide an opportunity to share good practices and lessons learned, where relevant, for the management of small craft harbours, jetties and wharves which share similar engineering components and were the reasons for conducting a thematic evaluation.
- Differences across custodial objectives and service delivery models are nevertheless important to recognize. For instance, the SCH program and RP differ in their legislative obligations, mandates, results, activities, users and partners, asset portfolios, funding mechanisms, governance mechanisms and asset management processes, as discussed on the following pages.



Departmental context



Small Craft Harbours Program



Real Property


Mandates


The SCH's program mandate is to maintain a critical and affordable national network of safe and accessible harbours that meets the principal and evolving needs of the commercial fishing industry, while supporting the broader interests of coastal communities and Canada's national interests. These harbours will be fully operated, managed and maintained by viable professional and self-sufficient harbour authorities representing the interest of local users and communities.

RP's mandate is to ensure the accommodation of departmental programs through the provision of the department's real property (including jetties and wharves among other assets) in each region. RP provides leadership and expertise in real property planning, strategic investment, divestiture, infrastructure life-cycle management, facilities maintenance, environmental management, and employee safety and security advisory services.


Clients and user groups of small craft harbours, jetties and wharves

Small craft harbours serve the following user groups:


 **Commercial fishing & marine industry** – Small craft harbours provide protection for fishing vessels and equipment for the commercial fishing industry. They also offer support to many other businesses in the maritime sector, including fish processing, transportation, commercial recreational operations, aquaculture and tourism.


 **Canadian Coast Guard (CCG)** – Small craft harbour facilities may be co-located with CCG facilities, such as search and rescue stations. CCG may also make limited use of other SCH facilities under extenuating circumstances or for transit stops or shelter.

SCH services are delivered in partnership with Harbour Authorities:

 **Harbour Authorities (HA's)** are incorporated, not-for-profit partner organizations that manage, operate, and maintain public fishing harbours on behalf of the SCH program through lease agreements.

Jetties and wharves serve the following departmental user groups:

 **Canadian Coast Guard (CCG)** – The CCG is the primary departmental user of DFO's jetties and wharves, which are used primarily for berthing during operations, to load and offload materiel and personnel, and/or to conduct repairs. Within the CCG, programs such as Fleet and Maritime Services, Environmental Response, Search and Rescue, and the CCG College make use of these departmental assets. Integrated Technical Services also requires wharf access to vessels to carry out maintenance and repair work.

 **DFO** – DFO programs also make use of departmental jetties and wharves. Users include but are not limited to: Conservation and Protection, Science, and the Canadian Hydrographic Service.



Departmental context

Management activities

SCH management activities include:

- **Harbour maintenance** — The program assesses the physical condition of harbours and prioritizes funding for repairs;
- **Harbour administration and support** — The program promotes the formation of Harbour Authorities (HA's) and provides guidance and tools aimed at helping HA's develop the management, governance, and planning expertise needed to efficiently administer harbours; and
- **Harbour disposal** — The program reduces its infrastructure footprint by focusing on core fishing harbours (those essential to the commercial fishing industry) and removing non-core harbours (those with recreational or low fishing activity that are non-essential to the commercial fishing industry) by divesting to third parties or disposing of them and restoring habitat as required.

RP management activities include:

- **Planning** — RP carries out planning activities in accordance with Departmental objectives, program requirements, asset information, and compliance and reporting requirements;
- **Life-cycle management**— Life-cycle management refers to the management of investments along a continuum starting with asset planning, acquisition, use and maintenance, and ending with asset disposal, divestment or close-out.² RP undertakes life-cycle management for jetties and wharves as part of a larger engineering asset portfolio;
- **Maintenance** — RP carries out maintenance and upkeep of jetties and wharves and ensures that they meet the requirements of departmental users.

Legislation

While SCH and RP both manage assets on behalf of the federal government, their respective asset management processes are guided by unique suites of policies and regulations:

- The ***Fishing and Recreational Harbours Act*** enables the Minister of Fisheries and Oceans to acquire, contribute to, maintain, operate and repair fishing and recreational harbour facilities across Canada.
- Broadly, the management of RP is guided by the Treasury Board (TB) ***Policy on the Planning and Management of Investments (2021)***, including the ***Directive on the Management of Real Property (2021)***.

Departmental/custodial results

The SCH program is an established program in DFO's Departmental Results Framework (DRF) and aligns directly to the following:

- **Core responsibility:** Fisheries.
- **Ultimate outcome:** Safety and security.
- **Departmental result:** The commercial fishing industry has access to safe harbours.

RP is a corporate real estate organization that provides internal services to the department. As such, RP is not tied to a specific core responsibility or result in DFO's Departmental Results Framework (DRF). Rather, they support the results and objectives of their departmental clients as an internal service.

2. The [Policy on the Planning and Management of Investments \(2021\)](#) replaces the previous TBS [Policy on the Management of Real Property \(2006\)](#) which has been rescinded



Departmental context

Asset portfolio

The SCH program oversees a network of 973 harbours across Canada. This network includes:

- **675 core harbours** which are critical to the commercial fishing industry and managed by HA's; and
- **298 non-core harbours** which have low rates of fishing activity and may mainly serve recreational purposes.

Both core and non-core harbours consist of a variety of facilities (such as wharves, water lots, breakwaters, shore facilities and electrical, sanitary, and fire prevention systems) for which the program is responsible.

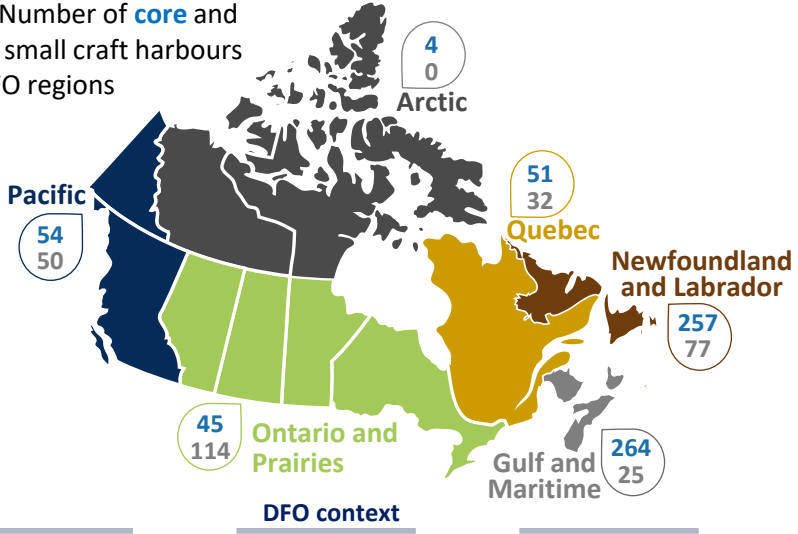
RP manages 269 assets within a national portfolio. This portfolio includes jetties and wharves as well as facilities such as hatcheries, laboratories, light stations and boathouses. The national portfolio is divided into six site categories, of which wharves and jetties fall into Category 1, 2, and 6.

- **Category 1 and 2 sites** are broader sites that include jetties and wharves, for instance bases, laboratories, specified major facilities, CCG college training facilities, search and rescue stations, and lighthouses; and
- **Category 6 sites** are sites that include marine-based infrastructure, such as wharfs.

Regional distribution

Small craft harbours are distributed across DFO regions, with the majority of core harbours centralized in Newfoundland and Labrador and the Gulf and Maritime region. Most non-core harbours are located in the Ontario and Prairies region (Figure 1).

Figure 1. Number of **core** and **non-core** small craft harbours across DFO regions



RP sites containing jetties and wharves are located across CCG regions. Category 1 and 2 sites are mostly located in the Western, Central, and Atlantic regions while Category 6 sites are located in the Arctic and Atlantic (Figure 2).

Figure 2. Number of RP **Category 1 and 2** and **Category 6** sites across CCG regions



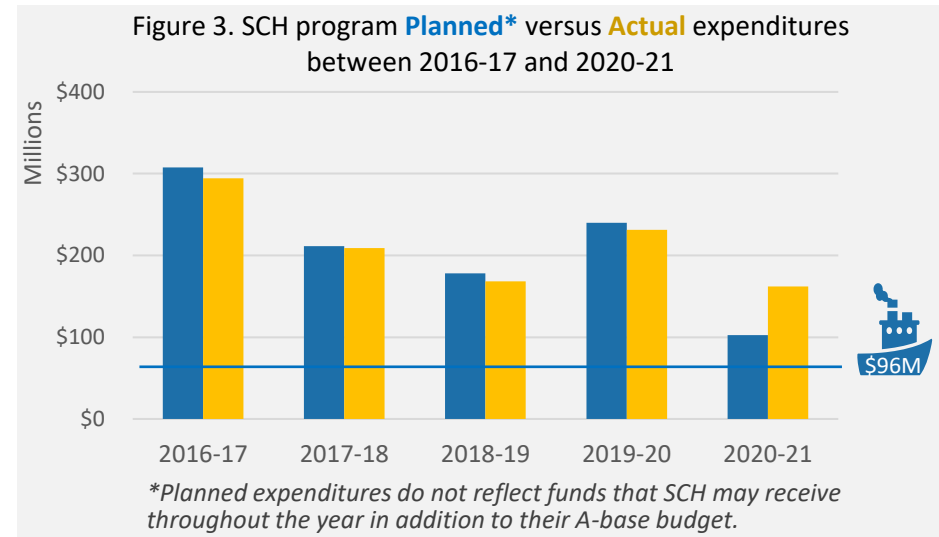
Departmental context

Financial context

SCH's financial profile is composed of A- and B-base funding authorities

During the scope of the evaluation, SCH's annual budget decreased from \$307M in 2016-17 to \$102M in 2020-21. During this time, the program received \$96M per year in A-base permanent funding, on average (Figure 3). Annual planned expenditures beyond this stable A-base budget are a result of periodic B-base funding augmentations. B-base authorities are time limited and/or temporary, for example:

- **Budget 2015** provided \$288.1 million over two years for improvements to core harbour and to address liability issues at non-core harbours;
- **Budget 2016** provided \$148.6 million over two years for the repair and maintenance of core harbours;
- **Budget 2017** provided \$5 million for the repair and maintenance of core harbours; and
- **Budget 2018** provided \$250 million for the repair and maintenance of core harbours and to accelerate the divestiture of non-core harbours.



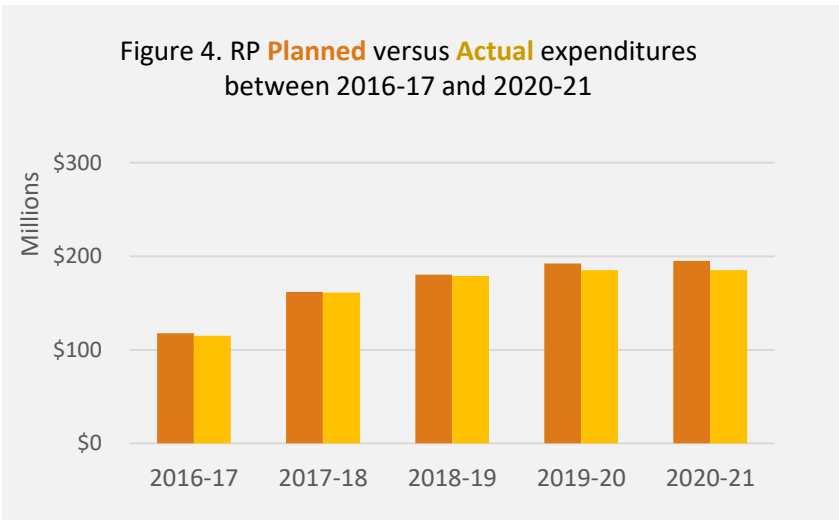
DFO context



RP funding is composed of Vote 1 and Vote 5 funding authorities

Votes specify annual expenditure limits. Vote 1 funds are typically directed to day-to-day operating costs, such as salaries and utilities while Vote 5 funds are typically directed to capital expenditures and used to acquire capital assets that have continuing use, such as buildings and wharves.

Because RP's national portfolio is segmented using a site model rather than specific asset categories, financial information that is specific to jetties and wharves is not available. During the scope of the evaluation, RP's planned expenditures for the management of the overall national portfolio increased from \$117M in 2016-17 to \$195M in 2020-21.



Summary of key findings

Relevance:

- There are ongoing needs for small craft harbours, jetties and wharves which are evolving as the needs of target user groups and Government of Canada priorities evolve.
- The management of DFO's small craft harbours, jetties and wharves is aligned with DFO, CCG, and Government of Canada priorities.

Effectiveness

The evaluation focuses on three characteristics of service delivery to assess the effectiveness of service delivery at small craft harbours, jetties and wharves:

Timely

refers to DFO's ability to plan, acquire, operate, maintain, and divest/dispose of assets at a level that ensures they are available to support program delivery;

Accessible

refers to DFO's ability to ensure that assets are safe and barrier-free; and

Current

refers to DFO's ability to manage assets in a manner that addresses the department's current and anticipated future needs.

- The evaluation found that small craft harbour, jetty and wharf services are generally delivering services that are reliable. The degree of reliability varies among target user groups.



Adm. Port. Blanc-Sablon
Photo credit: DFO Photo Bank



Summary of key findings

Efficiency:

The evaluation presents findings relevant to the efficiency of inputs underlying the asset management process, such as funding mechanisms, governance mechanisms and information management mechanisms which also differ between custodians.

Funding mechanisms

Departmental funding mechanisms face a number of hindering factors, both now and into the future. These include, but are not limited to, changing regulatory requirements, increased maintenance expenses, and challenges with procurement, and are therefore not considered to be sustainable in the future.

Governance mechanisms

Governance structures are generally appropriate to support the management of small craft harbours, jetties and wharves.

Information management

The availability of operational data that is specific to DFO's small craft harbours, jetties and wharves can be improved to better support decision-making.

Performance measurement

Performance data for the SCH program indicates that performance targets are being met. However, there is a need for program results and indicators that can tell an accurate performance story with regards to the SCH asset portfolio in the long-term.

Asset management

- Prioritization** There are internal and external factors affecting custodians' ability to prioritize the asset management of DFO's small craft harbours, jetties and wharves.
- Planning considerations** SCH and RP custodians incorporate environmental considerations in the planning, activities, structures, and processes that support service delivery. There are opportunities to increase awareness of how GBA+ principles apply to custodial functions.
- Disposal** There are varying degrees of disposal of DFO's small craft harbours, jetties and wharves within and across custodians. Disposal of DFO's small craft harbours, jetties and wharves is challenging due to their prohibitive cost.
- Areas of mutual work** Custodians indicated that planning processes are somewhat appropriate to ensure service delivery in the present day but will be less so in the future. There are opportunities to further develop areas of mutual work between the custodian groups.



Relevance

Ongoing needs for DFO's small craft harbours

There are ongoing needs for DFO's small craft harbours which are evolving beyond the program's mandate.

 **Ongoing needs among the program's target user groups are being met; however, the demand for harbour services is increasing and creating pressures on the program that lie outside its mandate.**

Through Harbour Authority lease agreements, the SCH program provides critical support and high service standards to the commercial fishing industry. HA's agree that the ongoing needs of these target user group are being met. Nevertheless, the program's network of harbours remains a key driver for regional economic development and user needs for harbour services are evolving into broader ocean economy sectors beyond the program's mandate. New and emerging areas include:

Diverse fisheries and aquaculture needs

Increased aquaculture activities are resulting in overcrowded harbours and leading user groups to compete for limited space. A reassessment of the SCH mandate may be needed to ensure services are provided to relevant industries to minimize the loss of economic opportunities.

Recreational needs

Non-core harbours, which are more closely aligned with local tourism and recreational interests, are disposed of or divested by the program. In regions with a high number of non-core harbours, such as the Ontario and Prairies region, the SCH program faces difficulty in maintaining or divesting non-core harbours and thereby meeting the needs of recreational users.

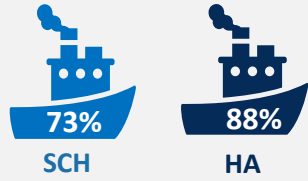
Increasing Indigenous participation in the SCH program (Annex B)

Small craft harbours present opportunities for Indigenous Reconciliation as the program faces pressures to accommodate Indigenous fishing activities at existing harbours. A need was identified for greater clarity regarding mandate commitments related to services for Indigenous and remote communities.

Need for harbour development in the North (Annex C)

Ocean access is overwhelmingly important for Arctic communities for transportation, sustenance, maintaining livelihoods, and supporting existing/developing commercial fishing industries. However, harbours are lacking in many northern communities whose needs are not being met by the program. Harbour development in the north can contribute to the Reconciliation Agenda as mechanisms to address the historic lack of investments in the North. The need for harbour development in the north, including challenges, is further discussed in Annex C.

Most **SCH staff** and **HA survey respondents** indicated that small craft harbours were meeting the ongoing needs of commercial fishers between a moderate and great extent:



HA respondents indicated the ongoing needs of the following groups were being met to a moderate and great extent:



Relevance

Ongoing needs for DFO's jetties and wharves

While the needs of departmental users are somewhat being met, there are additional ongoing needs for DFO's jetties and wharves which are evolving as the needs of departmental user groups and GoC priorities evolve.

 **Ongoing needs for DFO's jetties and wharves are driven by the operational requirements of departmental clients and user groups whose needs are evolving.**

Departmental users of jetties and wharves include CCG and DFO programs. Overall, the evaluation found that the needs of departmental users are somewhat being met, with CCG interviewees indicating that maintenance and repairs required at certain sites pose a risk to their ability to carry out operations (*further details on page 15-16*). If the CCG is unable to conduct operations, neither can DFO and CCG programs that depend on the availability of ships and supporting infrastructure. Nevertheless, DFO is the main provider of jetty and wharf services as other federal departments with similar assets are divesting of them. Therefore, there is an ongoing need to meet users' evolving operational requirements as DFO, CCG, and GoC priorities evolve. These include:

Increasing infrastructure needs as the number and size of vessels increases

Increased berthage needs are a result of Canada's National Shipbuilding Strategy, which involves the construction of more than 60 new vessels of the CCG, DFO, and the Royal Canadian Navy. The CCG's Fleet Renewal Plan will also renew CCG's large vessel fleet with up to 16 Multi-Purpose Vessels, six program icebreakers, and two Arctic Offshore Patrol Vessels.

Increasing infrastructure needs related to fleet modularity

CCG's fleet renewal will implement mission modularity using multipurpose vessels that are adaptable to mission specific equipment. For instance, modules could store emergency response equipment in remote locations, operate portable science labs and equipment on CCG ships, and provide secure storage for conservation and protection. Infrastructure requirements, such as minimum wharf space and loading area requirements at key locations will need to be determined.

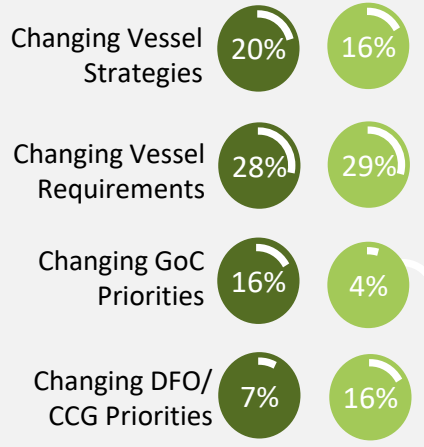
Need for climate resilient infrastructure

In the face of climate change, there is a need to ensure that harbours are adapted to the impacts of climate change. To this effect, DFO is committed to transitioning to low-carbon, climate resilient, and greener operations under the Greening Government Strategy. The SCH program has incorporated climate change impact planning and modeling tools such as an infrastructure vulnerability index and the Canadian extreme water level adaptation tool. While RP is aware of these tools, they are working on expanding their use.

Most **RP** and **CCG** respondents and some **DFO** respondents indicated that DFO's jetties and wharves were meeting their operational needs to a moderate and great extent:



CCG and **DFO** survey respondents indicated that their operational needs are evolving as a result of:



Relevance

Government of Canada and DFO priorities are evolving

The management of DFO’s small craft harbours, jetties and wharves is aligned with DFO, CCG, and Government of Canada priorities.

The management of DFO’s small craft harbours, jetties and wharves is aligned with departmental and GoC priorities:

 **Small Craft Harbours**

- [Marine Conservation Targets](#)
- Blue Economy Strategy
- DFO mandate letter commitments, which support improvements in SCH to ensure infrastructure serves the needs of the fishing industry and local residents.

 **Real Property**

- [National Shipbuilding Strategy](#)
- [CCG Fleet Renewal Plan](#)
- [Federal Sustainable Development Strategy](#)

[DFO Reconciliation Strategy](#)

[Greening Government Strategy: A Government of Canada Directive \(Box A\)](#)

Box A. The Greening Government Strategy

The Greening Government Strategy focuses on four areas: fleet and mobility, property and workplace, climate-resilient services and operations, and the procurement of goods and services. Under this strategy, SCH and RP custodians are adapting to a green innovation model in the design of ship and shore infrastructure that employs renewable, sustainable, and energy-efficient solutions both onboard and onshore. Best practices implemented by the SCH program include the use of innovative technologies and new materials such as low carbon concrete, plastic wood decking made from recycled materials, purchasing buildings made from recycled plastic, and LED and solar lights. Pilot projects have also been implemented to:

- Reuse dredged material and mix dredging with compost to reduce contamination;
- Incorporate living breakwaters that use rock and natural vegetation to improve ecosystems; and
- Consider zonal planning to reduce the program’s coastal footprint by consolidating multiple smaller harbours into one large harbour.

Requirements for DFO’s small craft harbours, jetties and wharves are evolving
 SCH and RP custodians indicated that changing vessel requirements, legislative regulations, GoC priorities, and DFO/CCG priorities are driving the evolution of user needs (Figure 5).

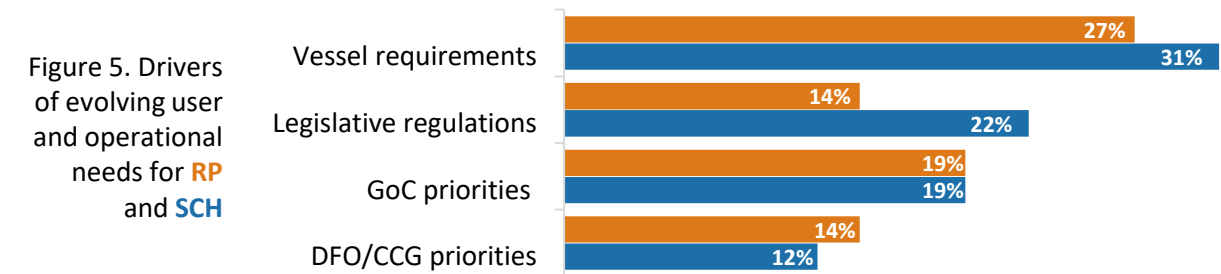


Figure 5. Drivers of evolving user and operational needs for RP and SCH

Effectiveness

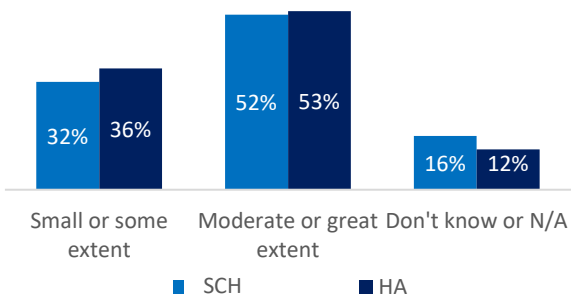
Reliability of DFO's small craft harbours

Overall, SCH mostly delivers services that are reliable, meaning that key informants and survey respondents indicated they were mostly timely, accessible, and current.

 **Small craft harbour services at core harbours are mostly timely, accessible, and current.**

Timely

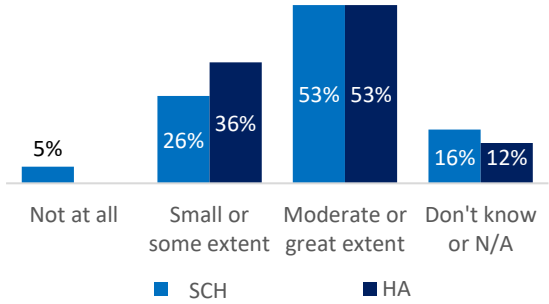
Figure 6. **SCH** and **HA** survey respondents indicate small craft harbour services are mostly timely



The ability of the SCH program to deliver timely services at core harbours depends on a number of challenges that will be discussed throughout the report, such as the program's ability to carry-out long-term planning, respond to staffing pressures, meet increasing demands for core harbours in the Arctic, and divest of non-core harbours. SCH interviewees rated timeliness between some and a moderate extent, on average.

Accessible

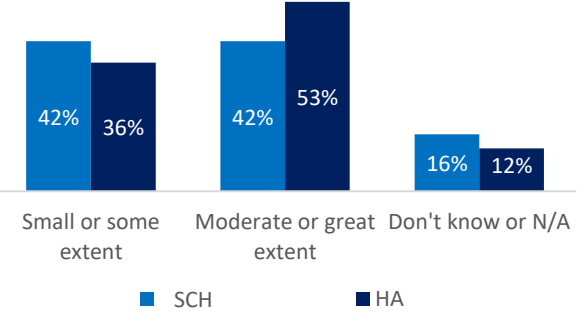
Figure 7. **SCH** and **HA** survey respondents indicate small craft harbour services are mostly accessible



Interviewees indicated that ensuring the safety of core harbours is a program priority. The continued use of unsafe sites represents a liability and risk to the department, therefore ensuring harbour safety is at times accomplished by limiting public access and the fishing viability of core harbours. SCH interviewees rated accessibility between a moderate and great extent, on average.

Current

Figure 8. **SCH** and **HA** survey respondents indicate small craft harbour services are mostly current



Delivering services at core harbours that are current depends on the program's ability to carry out strategic long-term planning for infrastructure that adapts and responds to evolving client needs, including needs for climate change innovations and multi-purpose harbours. SCH interviewees rated services being current between some and a moderate extent, on average.

HA's generally had a positive outlook on their ability to deliver reliable services at their respective harbours. However, in some regions HAs indicated that services are not timely or accessible when harbours are barricaded due to unsafe conditions or when dredging does not take place as this impacts the physical accessibility of harbours by boats at sea.

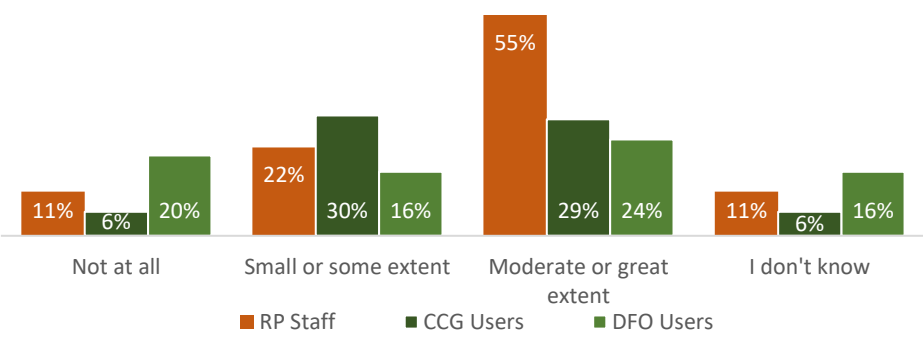
Effectiveness

Reliability of DFO's jetties and wharves

Overall, RP delivers jetty and wharf services that are somewhat reliable, meaning that key informants and survey respondents indicated they were somewhat timely, mostly accessible, and somewhat current.

Real Property delivers services that are somewhat timely.

Figure 9. RP survey respondents indicated jetty and wharf services are mostly timely while CCG and DFO respondents indicated they are somewhat timely



The timeliness of jetty and wharf services varies depending on factors that affect RP's ability to manage the lifecycle of these assets, for instance:

- the availability of capital funding for repair and maintenance projects;
- the lengthy planning (i.e., contracting and conducting engineering studies) and implementation timeframes that are required; and
- RP's knowledge of current and evolving user needs (i.e., related to climate resiliency), as these can evolve faster than infrastructure changes can be implemented.

As a result, the timeliness of jetty and wharf services varies across RP sites, with some sites experiencing serious degradation. When services are not timely, DFO (Box B) and CCG (Box C) users reported facing significant challenges carrying out their respective mandates.

DFO example – Maritimes region

Box B. St. Andrew's Biological Station (SABS)

In early 2022, RP condemned the SABS wharf which supported CCG vessels, and in turn various DFO users carrying out science, fisheries management and aquatic ecosystems activities. The wharf is considered a non-operational asset within the operational St. Andrew's station. RP is in the process of replacing the wharf, but it is not expected to be operational for a number of years.

DFO respondents indicated that not having access to the wharf severely impacted their ability to deliver on their respective responsibilities and has led to significant impact to their activities. There was a lack of effective communication between RP and SABS user groups with respect to wharf closure decisions and alternative solutions. Therefore, while there have been efforts to find safe alternative berths for program ships, RP will continue to face challenges until a new wharf is built and operational.

CCG example – Western Region

Box C. Victoria Base

CCG respondents reported recurring issues and safety concerns at wharfs that have fallen into general disrepair in the Western region. At Victoria Base, for instance, half the wharf has been condemned and barricaded by RP to limit access. As a result, CCG users face significant logistical challenges with regards to moving cargo and carrying out resupply and refueling plans since the accessible section of the wharf does not meet length, loading capacity, power systems, or fendering requirements. This limits the type and timing of ships that can berth and was likened to "having an airplane but no airport".

Wharf services at Victoria Base were not considered timely given that the need for wharf repairs has been known for many years and only temporary repairs have been realized thus far.

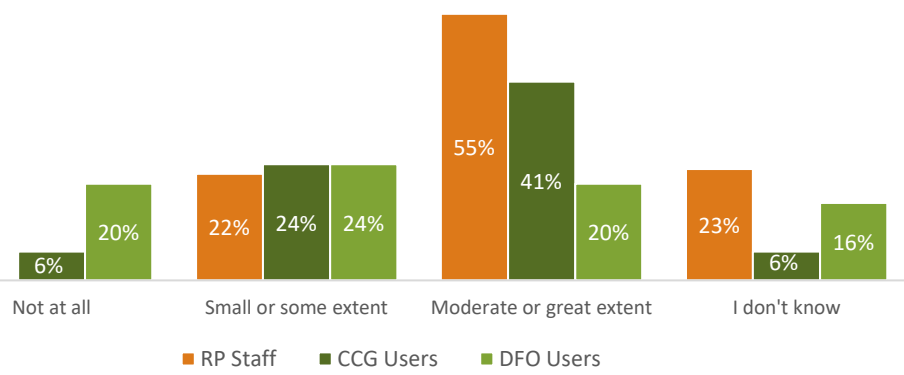


Effectiveness

Reliability of jetties and wharves

Real Property delivers services that are mostly accessible.

Figure 10. RP, CCG, and DFO survey respondents indicated jetty and wharf services are mostly accessible

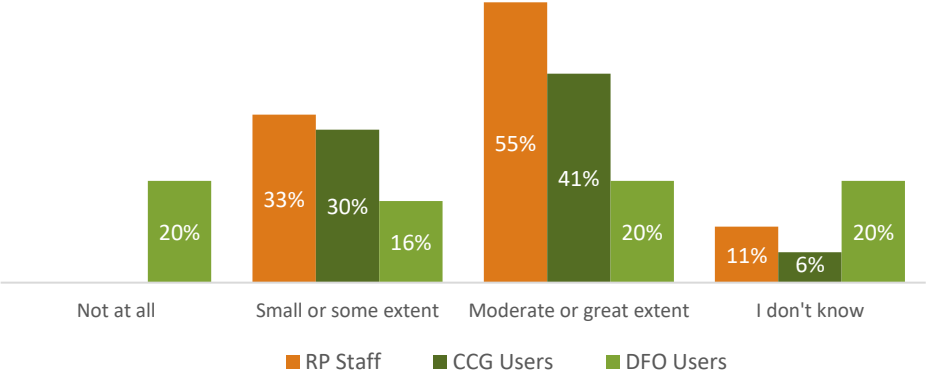


With regards to safety, RP interviewees indicated this is a major consideration driving the management of jetties and wharves, for instance sites deemed unsafe are barricaded to limit user access. Some regions have initiated Jetty Safety Programs that were highlighted as best practises.

CCG and DFO survey respondents raised concerns about elements of safety in the accessibility at each site as well as by ships at sea. Barriers to accessibility include a lack of readily available locations to conduct crew changes and equipment loading and insufficient funds to provide appropriate infrastructure. For example, the Maurice Lamontagne Institute in Quebec lacks a breakwater rendering the facility unusable under certain weather conditions. When jetties and wharves are not accessible, departmental users make use of public wharves where possible, particularly in remote areas.

Real Property delivers services that are somewhat current.

Figure 11. RP survey respondents indicated jetty and wharf services are mostly timely while CCG and DFO respondents indicated they are somewhat timely



RP's ability to provide jetty and wharf services that meet current and anticipated needs is impacted by the degree of investments required by these marine-based engineered assets as well as historical cuts in asset-specific spending. Another component affecting RP's ability to proactively deliver services is their knowledge of client's ongoing and evolving needs. While the needs of some clients are well known, others are evolving and require earlier client engagement to facilitate. Several measures have been implemented in recent years to improve communication and collaboration between RP and user groups such as the CCG, as discussed on page 26.

CCG interviewees indicated that many wharves are overdue for repair and cannot be used by the current fleet. Concerns remain that RP does not have a long-term plan to address wharf issues and the needs of the fleet of the future.

Efficiency

SCH funding mechanisms

The SCH program's reliance on temporary B-base funding creates significant challenges for planning lifecycle management in the long term. The program faces long-term funding shortfalls that will hinder future service delivery.



SCH funding mechanisms face long-term shortfalls relative to asset requirements for maintenance and repairs. This limits the custodian's ability to implement long-term solutions to maintain assets in optimal conditions on an ongoing basis.

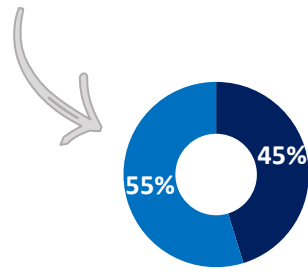
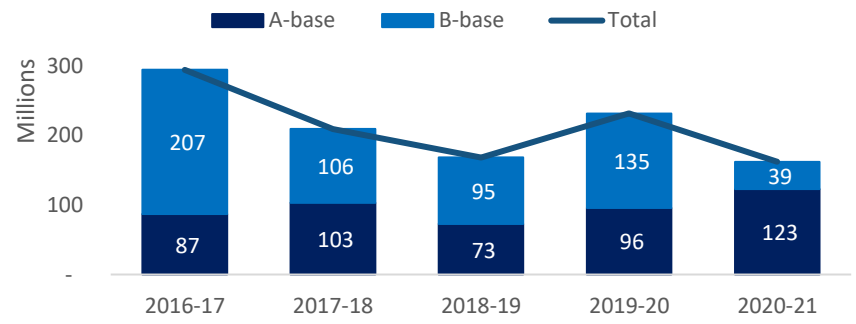
As mentioned on page 8, SCH's annual budget decreased from \$307M in 2016-17 to \$102M in 2020-21. Most of this funding envelope represents a high proportion of temporary B-base funding received through various Government of Canada budget announcements as opposed to permanent A-base program funding (Figure 12).

It is estimated that the SCH program experiences significant funding shortfalls to maintain all core fishing harbours facilities on an ongoing basis in better or fair condition. Under the current reliance on B-base funding, the program places priority attention on essential safety repairs, maintenance, dredging, and other urgent investments at core-harbours. Without the significant B-base funding over the last decade, SCH would have had to take safety related measures at a significant number of sites such as instituting load restrictions, setting up barricades or removing unsafe facilities.

The program's reliance on temporary B-base funding poses significant challenges for the lifecycle management of small craft harbours because staff lack consistent stable funding and must instead deliver across short, two-year, funding cycles. Funding challenges will be discussed throughout the report and include:

- Planning upcoming work, including adapting to increased maintenance expenses and securing contracting and procurement;
- Staff retention; and
- Telling an accurate results story using short term performance indicators associated with temporary funding commitments.

Figure 12. SCH's total program expenditures, including A and B-base funds, have decreased between 2016-17 and 2020-21 (in \$CAD millions)




Across the 5 years, only 45% of SCH program actual expenditures came from permanent funding sources



Efficiency

RP funding mechanisms

RP faces significant funding shortfalls that hinder their ability to manage the lifecycle of jetties and wharves. In part, this is due to the design of RP's national portfolio strategy relative to the funds and long-term planning needed to maintain engineered assets of this kind.

 **RP funding mechanisms face shortfalls relative to asset requirements for maintenance and repairs that limit the custodian's ability to implement long-term solutions to maintain assets in optimal conditions on an ongoing basis.**

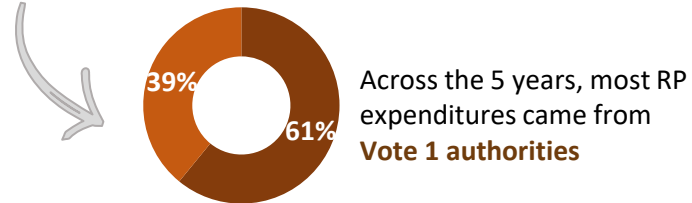
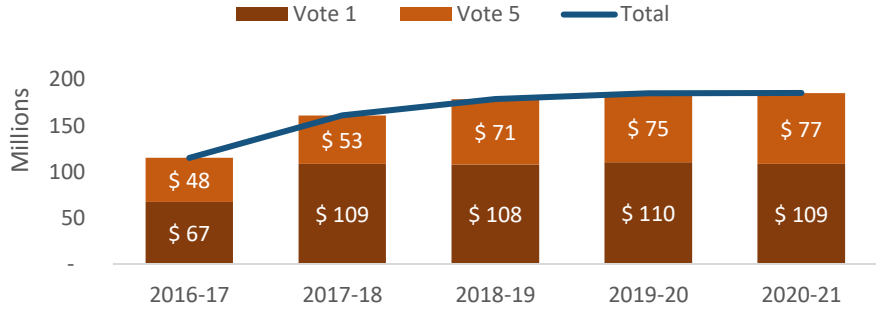
As mentioned on page 8, RP's actual expenditures have increased from \$117M to \$195M during the scope of the evaluation. However, most of this funding envelope represents Vote 1 funds for day-to-day operating costs as opposed to Vote 5 funds for capital spending which is what includes the recapitalization of jetties and wharves at the end of their useful life.


Due to their complex engineered nature, jetties and wharves require long term planning and large-scale capital investments. For instance, the average cost for all wharf repair and recapitalization is estimated at \$20k to \$70.5M, based on average internal estimates of their cost replacement value. However, RP's capital budget is insufficient relative to the cost of maintenance for these complex engineered assets and leads to planning challenges. RP has identified the following significant funding shortfalls in 2022-23:

- **\$3.8M funding shortfall** for critical and compliance maintenance projects which risk RP's ability to provide Level II service; and
- **\$26.3M funding shortfall** for all other repair and maintenance projects which have not received funding and can be expected to become critical and compliance requirements over time.

Furthermore, Vote 5 funds are allocated through a national budgeting and prioritization process that is based on a Functional Area model rather than specific asset categories. Under the Functional Area model, category 1,2, or 6 sites containing jetties and wharves may or may not be included in priority sites that are maintained at a Level II service standard (i.e., receiving regularly scheduled maintenance subject to available funding).

Figure 13. RP actual expenditures, including Vote 1 and 5 funds, have increased between 2016-17 and 2020-21



CCG interviewees noted the need to prioritize funds by asset categories (as opposed to functional area) given the competition that can take place across asset categories within regions. 

Efficiency

Funding challenges

Funding mechanisms result in lifecycle management challenges due to changing regulatory requirements, increased maintenance expenses, and procurement. Funding mechanisms are not considered to be sustainable in the future. Alternative funding mechanisms are presented.

Funding mechanisms create planning challenges for SCH and RP custodians that affect service delivery in the present day and are expected to continue affecting service delivery into the future.

Small craft harbours, jetties and wharves are complex engineered assets that require stable funding and long-term planning to meet lifecycle and risk management requirements. Planning challenges due to short or insufficient funding cycles were cited as hindering factors for several reasons:

⚠ Regulatory requirements are changing

Regulatory processes related to permitting, environmental assessments, and stakeholder and indigenous consultations have increased in complexity and are misaligned with funding timelines. Current funding mechanisms do not accommodate planning time for increasingly complex projects and timelines.

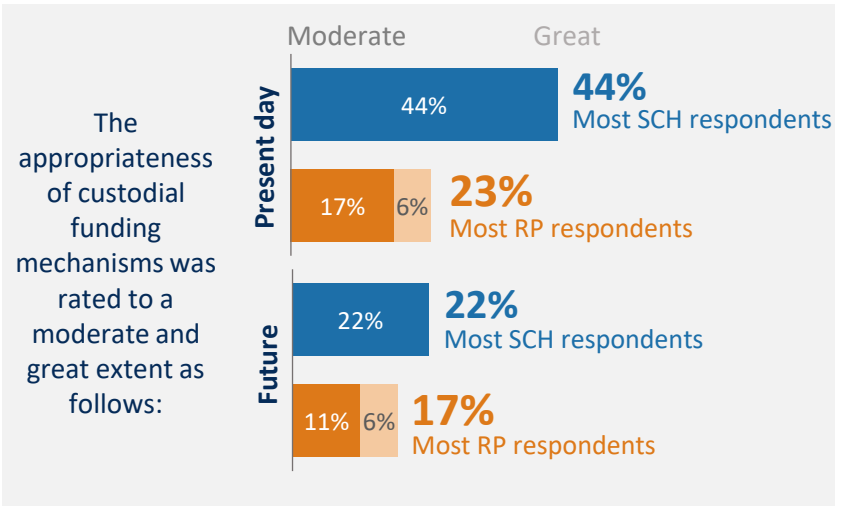
Maintenance expenses are increasing

The maintenance, repair, and disposal of small craft harbours, jetties and wharves is costly. The incidence of storms, fires, and COVID-19 have caused the prices of material and labor to rise whereas budgets have not increased proportionally to accommodate increasing operating costs. Operation and maintenance reference levels for RP are not price protected therefore RP's purchasing power has also significantly decreased due to inflation.

Procurement is challenging

To complete projects within short timeframes, the SCH program hires large contractors whereas using smaller contractors for longer periods of time would reduce tendering costs. RP financial delegations for construction have been updated but remain less than what the SCH program has at their disposal.

Alternative funding models were considered beneficial for the management of DFO's small craft harbours, jetties and wharves. Options included accrual budgeting and increasing A-base funding envelopes. Alternative funding models are further discussed in Annex D. Without the ability to plan for the long-term maintenance of assets, custodians are only able to invest in surface level solutions and stop gap measures, as needed. Given the present funding challenges, SCH and RP survey respondents considered their respective funding mechanisms to be somewhat appropriate to ensure service delivery in the present day and somewhat less appropriate to ensure service delivery in the future.



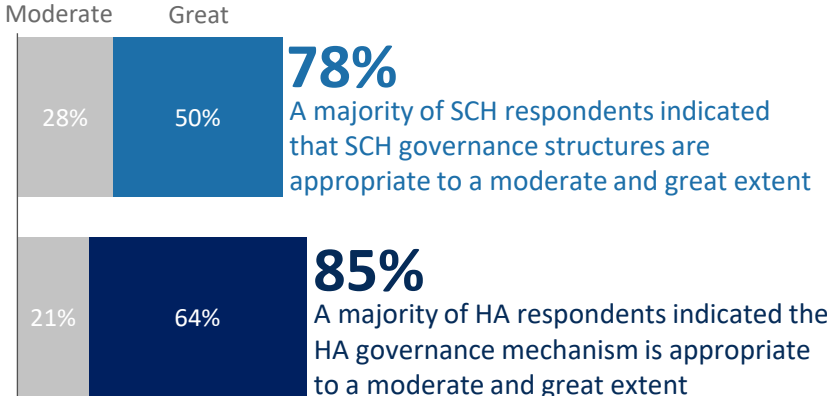
Efficiency

SCH and RP governance mechanisms

In general, both SCH and RP governance structures are appropriate to support the management of DFO's small craft harbours, jetties and wharves.

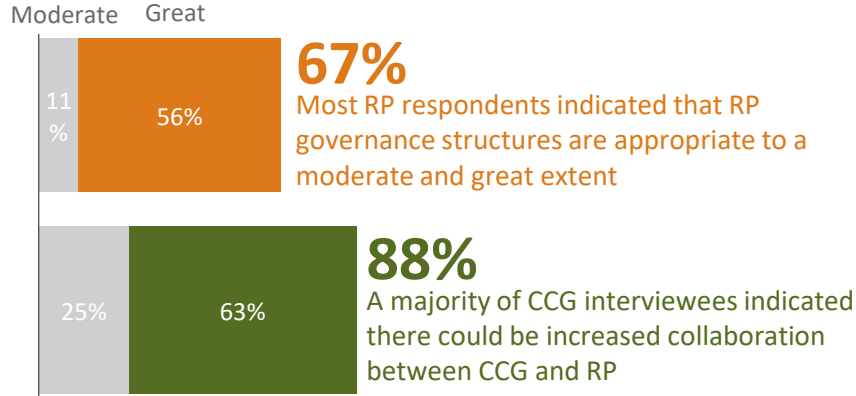
SCH program and HA governance structures are appropriate to support service delivery

A majority of SCH and HA survey respondents indicated that governance structures are appropriate to a moderate and great extent. Within the department, SCH's national headquarters ensures consistency in the application of policies, while remaining mindful of the varying needs and circumstances of regions. Management oversight by the National SCH Managers' Committee (NMC)³ includes all aspects of program operations, including RP management of small craft harbour infrastructure as well as SCH client services to HAs. Additional findings related to HA management can be found in Annex E.



RP governance structures are generally appropriate to support service delivery

Most RP respondents indicated that governance structures are appropriate to a moderate and great extent. RP's National and Regional Centers of Expertise are intended to centrally focus custodial knowledge of national policies, planning and direction while ensuring responsiveness and flexibility in local services to support departmental users.⁴ Nevertheless, CCG interviewees indicated that RP's governance structure can hinder CCG operations and that collaboration between CCG and RP could be increased with regards to the planning, activities, structures, and processes that support service delivery. Communication and collaboration are further discussed on page 26.



3. The NMC acts as the primary project management governance structure providing guidance and input for the preparation of policies, strategies, portfolio planning decisions, capital investment decisions, resource allocations, risk analyses and reports.
4. The primary program management governance structure for RP is the National Real Property Operations Committee (RPOPS), which acts as a national forum for the identification, communication, and implementation of the National Portfolio Strategy.

Efficiency

Information management for DFO's small craft harbours

The availability of operational data that is relevant to small craft harbours can be improved to support decision making.



SCH's information management capacity could be strengthened to meet evolving program needs for information to support decision-making.

The SCH program relies on data on the state of their core and non-core harbours. Data is gathered by technical and engineering SCH staff via regular asset inspections and condition assessments that take place every 3 years.

Interviewees indicated the following challenges affect the program's capacity in information management:

- **Historical data cannot be easily accessed to support decision-making** – Data is recorded in the SCH Management Information Repository (SCHMIR), which houses national information from several depositories and only displays data available as of the date it is accessed. SCH staff are currently manually updating the number of harbours in the SCHMIR database.
- **Accurate program data is not readily available** – Interviewees noted that program data related to maintenance or inspection information is difficult to locate and national consistency is needed when feeding information into SCHMIR.
- **Responding to increasingly frequent requests is a challenge** – Staff noted that external requests, such as regulatory, ministerial and ATIP requests, are increasing and there is a need to strengthen the programs information management capacity, for instance, by creating a dedicated position for data management and GIS work.



To support future decision-making, additional information will be needed with respect to HA performance (strengths and vulnerabilities), understanding how harbours are performing, socio-economic trends and their impacts on harbours; and sites that are candidates for divestiture and associated barriers. As part of the SCH's long-term strategy, the program has begun conducting a large data gathering exercise across 1000 harbours including information related to:

- harbour capacity;
- state of the infrastructure;
- HA activity, use, and health including management, governance, and financial health;
- changing environments, including socio-economic and fisheries needs; and
- the feasibility of divestiture.



Efficiency

Information management for DFO's jetties and wharves

RP operational data is not available by jetties and wharves asset groups due to internal challenges assessing marine engineered assets.



There is a gap in jetty and wharf specific information available to support decision making.

To support the various portfolio analysis and reporting processes, RP relies on up-to-date information on the individual systems, replacement costs, deferred maintenance, and physical condition of the assets in the national portfolio. However, jetty and wharf specific data is not available because it is not collected by RP for multiple reasons:

- **Condition assessment data is collected by functional area/site** – RP uses average site condition indexes which take in account the condition of assets at each site but do not include detailed asset-specific information.
- **Marine infrastructure assessment expertise is lacking** – Condition assessments are carried out by third party engineers who specialize in capturing standard building assets (i.e., office buildings) and often do not have the expertise to provide in-depth assessments of specialized marine infrastructure components, such as underwater components. There is a need for expertise by groups that specialize in this type of infrastructure analysis.
- **Methodologies for assessing marine infrastructure are under development** – The overall condition indexes for the components of a site are determined using non-intrusive visual assessments. However, visual assessments are insufficient to quantify components that are buried or underwater for marine engineered infrastructure and may lead to misleading conclusions.
- **Specialized assessments for marine engineered infrastructure are costly** – The cost of intrusive assessments that can be carried out underwater is significant and impacts their feasibility, timing and frequency. Therefore, RP is limited in conducting these assessments in support of recapitalization work.

In 2019, Fleet and Maritime Services gathered wharf information relevant to CCG operations and produced a Wharf Inspection Report which included :

- 1. Wharf importance to CCG operations**
Included for all sites
- 2. Wharf condition**
Available for some sites (40%) but not standardized.
- 3. Estimated replacement value**
Included for some sites (33%)
- 4. Future status of wharves**
Included for few sites (25%)
- 5. Remaining useful life**
Included for few sites (15%)

The Maritimes and Civil Infrastructure (MCI) branch of ITS is also conducting shore-infrastructure assessments to support fleet modularity. Assessments will provide information on the current condition of DFO's wharves, existing features that can support modularity, and potential modifications to support the CCG strategy. Though the assessment is guided by MCI, all engineering and technical work is to be carried out RP, including engineering and technical contracts carried out internally or by Public Services and Procurement Canada.



Efficiency

Performance measurement for DFO's small craft harbours

Performance data for the SCH program indicates that performance targets are being met. However, there is a need for program results and indicators that can tell an accurate performance story with regards to the SCH asset portfolio in the long-term.



SCH program results are mostly linked to specific funding commitments, leading to gaps in the program's performance measurement strategy.

The evaluation found that SCH results and performance indicators are mostly associated to commitments from periodic infusions of temporary funding. As a result, performance targets are representative of actions taken in the short-term which boosts the program's results story through the appearance of results being consistently achieved. However, program data indicates that the overall SCH portfolio continues to deteriorate as assets age over the course of their lifecycle. The program could benefit from developing indicators and targets geared towards the achievement of long-term outcomes that would allow for a more representative and transparent results story of SCH program effectiveness.

SCH performance measurement could be strengthened through improvements to performance indicators.

Interviewees identified the need for indicators that can speak to the usefulness, health and evolution of small craft harbours as this is tied to harbours' role as economic drivers and ports of refuge in remote locations rather than the strict value of catch landings. Program indicators that are reflective of evolving needs (i.e., related to reconciliation, recreational use and climate resilience) would help support decision-making. HA satisfaction could also be monitored via indicators related to the health of HAs.

The SCH program is achieving results **linked to short-term funding commitments** tracked through program information profiles.^{5,6}

Commercial fishing industry has access to safe harbours
A new target is implemented year over year **Completed**

Safe harbours are maintained
Result to be achieved by March 2021 **Completed**

Harbours are ready for divestiture
Result to be achieved by March 2021 **Completed**



5. Performance indicators reflect information from the 2020-21 program information profiles
6. As of 2022, new performance indicators and targets are available for the SCH program.



Efficiency

Performance measurement of DFO’s jetties and wharves

Performance data related to jetties and wharves is not collected by the department.

 Performance data that is specific to jetties and wharves is not tracked by the department

RP performance information is tracked in an Internal Service Performance Information Profile alongside 12 other internal services, such as communications, legal services and security. As an internal service, RP’s performance information does not link to any departmental results, rather a long-term outcome that “crown owned buildings are cost-effectively maintained in a sustainable, compliant manner throughout their lifecycle to support program delivery and government priorities with a high performing real property organization.”

In achieving this target, RP employs an outcomes-based logic model that lays out portfolio-level activities and outcomes, therefore performance data for indicators at the individual asset-level, such as jetties and wharves, are not collected by the department. RP interviewees mentioned a need for indicators that better reflect the usefulness of assets, such as use and occupancy, as this information is not currently tracked.

CCG interviewees noted that it would be helpful to develop indicators that quantify impacts on departmental users, as there are no current mechanisms to track this information. Examples include days impacted from lack of wharf access and costs associated with wharf disrepair.



RP and SCH custodians indicated that improvements could be made to centralized databases, data-management systems, and performance indicators, as follows:

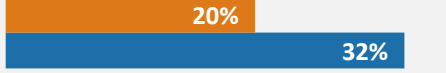
Improvements to data-management systems



Improvements to centralized data-bases



Improvements to performance indicators



Efficiency

Asset management: prioritization of DFO's small craft harbours

There are pressures on the SCH program that affect its ability to plan and prioritize projects for lifecycle management.



The SCH program prioritizes the safety of its harbours.

Priority investment projects are assessed through a National Peer Review to determine which projects represent the best value for money and outcomes for the program. Interviewees have noted that, due to the lack of stable funding, the program operates reactively by ensuring there are “shelf-ready” projects ready to go for when new funding is announced. SCH planning optimizes the program’s limited budget by prioritizing projects related to safety repairs (including dredging), upgrades required for harbour safety or improving operations at core fishing harbours, and small urgent safety related repairs or mitigation measures (e.g., barricades) at non-core harbours pending their divestiture.



Adm. Port. Bradore Bay
DFO Photo Bank

Barriers to ensuring current and future service delivery include:

Harbour Authority continuity planning

The administration of SCH is overseen by a national network of volunteers, or the equivalent of 70 Full Time Equivalents (FTE) dedicated to harbour operations. Since DFO lacks the resources needed to maintain this network of harbours, ensuring the long-term continuity of HA's is critical for the program. However, planning for the continuity of HA's is challenging due to small and/or aging population groups. SCH faces recruiting challenges due to changing demographics as previous cohorts enter retirement and a general lack of interest from new cohorts. HA volunteers reported high levels of stress in carrying out duties due to the high expectations, lack of paid positions and lack of enforcement authority to oversee operational management. Incentives such as providing funds to hire employees and granting tax credits to volunteers were suggested.

SCH staff retention

A recent staff reclassification exercise has led to challenges in staff retention among SCH's client service employer groups. These positions tend to be relationship-based, therefore the lack of staff resources, knowledge, and training has resulted in a misalignment between levels of experience and work requirements. As a result, SCH's ability to build internal experience, retain corporate knowledge, and maintain a regular client interface with HA's is challenged. HA's echoed this challenge in establishing relationships, noting that constant staff turnover leads to difficulty maintaining open lines of communication and conducting site-visits.

Efficiency

Asset management: Prioritization of DFO's jetties and wharves

Strategic and operational communication challenges exist between RP and departmental user groups that could be addressed to improve the prioritization process for jetties and wharves.

The prioritization of jetty and wharf projects is limited by RP's need to conduct lifecycle management of a national portfolio.

RP's ability to proactively prioritize and plan for jetties and wharves requires prior knowledge of users' evolving operational requirements, (including ancillary ship infrastructure) as well as clients' strategic direction and vision. RP's current national portfolio approach may or may not result in functional areas that include jetties and wharves receiving funding as part of broader site asks for repair and maintenance, utilities, security and other expenses. While the physical condition of assets is considered as component of a site, RP typically prioritizes components that require recapitalization.

RP is strengthening its lifecycle management approach by adopting an Asset Prioritization Model which will consider the lifecycle of all individual assets in the national portfolio over a 20-year horizon. This will enable RP to objectively consider when to recapitalize assets (i.e., when the end of useful life has been reached) or carry out asset disposal (i.e., when operation and maintenance costs are too high). Under this model, assets on Priority sites will be the focus based on their importance to CCG and DFO operations.



DFO Photo Bank

There are opportunities to improve collaboration and communication with departmental user groups during planning and prioritization processes.

DFO and CCG users indicated a need for coordinated and consistent departmental communication to improve jetty and wharf service delivery given the department-wide impacts that assets can have on user operations. For instance, this could include:

- Increasing departmental consultation to understand users' evolving infrastructure needs;
- Defining RP roles and responsibilities across sites as these can vary and lead to the operational isolation of certain sites; and
- Seeking opportunities to collaborate with other federal departments who manage marine infrastructure;

Although further action could be taken to strengthen communication and collaboration practices, particularly at the regional level, many steps have already been taken. For instance:

- RP and CCG staff participate in national joint committees, working groups, and special initiatives.
- The CCG has created a dedicated RP liaison position to better represent CCG interests in certain regions.
- The CCG is developing national strategies to communicate infrastructure requirements, for instance through the 2019 National Wharf Strategy.

Continuing collaboration between RP and departmental users will continue to be beneficial for the departmental management of DFO's jetties and wharves.

On average, CCG interviewees indicated their perspectives as departmental users were reflected in planning activities, structures, and processes between a small to some extent.



Efficiency

Asset management: Planning considerations for DFO's small craft harbours, jetties and wharves

Overall, there is evidence that SCH and RP custodians incorporate environmental considerations in the planning, activities, structures, and processes that support service delivery. There are opportunities to increase awareness of how GBA+ principles apply to custodial functions.

Environmental considerations

Custodial groups implement environmental considerations during lifecycle management processes.

While environmental considerations (i.e., water, habitat protection, contamination) are federally regulated, custodians identified that their funding and long-term planning capacities limit their ability to address increasingly complex environmental regulations. For example, environmental requirements related to dredging activities are becoming increasingly challenging as permits, environmental assessments, and approvals are required before dredging waste can be disposed. CCG and HA interviewees have identified a need for dredging to take place on a regional site-by-site basis therefore additional funding and longer project timeframes will be required to ensure that dredging activities have minimal impacts on the environment.

- **Best Practice:** RP interviewees indicated that staff are trained in impact assessments of climate change and have been engaging end-users and scientists to develop a climate resiliency score on all wharfs to ensure their long-term resiliency.

Most survey respondents indicated that efforts to include environmental considerations have been made from a moderate to great extent.



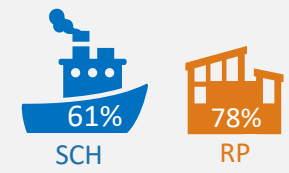
Gender-Based Analysis (GBA)+

There are opportunities to increase awareness of how GBA+ can be applied to custodial functions.

The evaluation found that the level of awareness in the degree to which GBA+ can be applied to departmental infrastructure was higher among senior management interviewees than respondents to a staff survey. Interviewees expressed that efforts have been made to consider the needs and perspectives of diverse populations in the planning, activities, structures and processes that support the service delivery of small craft harbours, jetties and wharves. However, staff indicated low awareness of how GBA+ principles can and should be applied to custodial functions. While some HA respondents to a staff survey (28%) indicated efforts have been made to consider the experiences of diverse groups of people at individual harbours from a moderate to a great extent, some (29%) equally indicated they had not at all been considered.

- **Best Practice:** There is evidence the SCH program considers GBA+, particularly when supporting and conducting consultations with Indigenous partners. For instance, clear consideration is given to capacity restraints faced by Indigenous Harbour Authorities and the need for capacity building and increased flexibility is recognized and addressed by the program.

Most SCH and a majority of RP survey respondents indicated that they either did not know how GBA+ considerations apply to the service delivery of small craft harbours, jetties and wharves, or that they were not applicable.



Efficiency

Asset Management: Divestiture of DFO's small craft harbours

SCH's divestiture program advances the removal of non-core harbours from the program inventory. However, more than half of non-core harbours slated for divestiture have yet to commence.



The SCH program divests its assets through an established divestiture program, yet divestitures are challenging to carry out.

The SCH program aims to remove non-core harbours from the program inventory to reduce departmental liabilities and achieve cost savings for the program (Box D). There are 5 stages to the SCH divestiture process (Figure 14). SCH data indicates that more than half of non-core harbours are at Stage 1, followed by Stage 2.

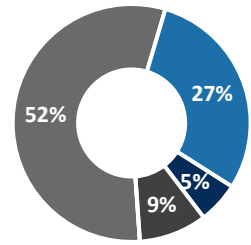


Figure 14. Proportion of SCH assets at each stage of divestiture

- Stage 1: Divestiture yet to commence
- Stage 2: In negotiation
- Stage 3: Waiting for repairs
- Stage 4: In administrative and legal process
- Stage 5: Divestiture completed

As of July 2018, 1,136 non-core harbours have been divested at a cost of roughly \$123 million. Criteria used to select disposal or divestment projects at non-core harbours include project readiness, advancement of the negotiation process, degree of public expectations, and significance of safety or environmental concerns. Nevertheless, the divestiture of remaining non-core harbours is not attainable with the program's current divestiture budget and timelines due to their high cost and complexity; A-base funds available to the program are insufficient to carry out divestiture projects within a year while B-base funds are typically targeted at specific projects, limiting SCH's ability to prioritize projects.

Factors that present divestiture challenges for remaining non-core harbours include the existence of multiple, potentially overlapping, Indigenous treaties and land claims, such as in Peace River, Alberta; the lack of special authorities to accelerate divestiture; the dependence on external interest of parties to divest to; and high market value assessments of infrastructure.

Box D. Departmental importance of disposal and recapitalization

The disposal and recapitalization of assets at the end of their useful lifecycle is an important step for the department. Once facilities have reached the end of their useful life, they can be recapitalized, reconstructed or targeted for divestiture. DFO is no longer responsible for costs and liabilities associated with assets that have been divested. Therefore, when non-core or non-priority assets cannot or are not divested, they present departmental liabilities and risks including but not limited to:

- Risk to users** – the deterioration of non-core/non-priority assets that cannot be divested poses a departmental liability if their condition progresses to unsafe conditions. If needed, the department takes action to barricade assets in poor condition, but this does not necessarily reduce liability as there have been instances of restricted access notices being ignored.
- Diverted resources** – funds spent to maintain non-core/non-priority assets, or upgrade their levels prior to divestiture, represent funds that are diverted from core/priority assets. Core/priority assets support departmental mandates and need to be maintained and kept in safe conditions within funding limits. There is a risk that the lack of attention to core/priority assets directly impacts their condition and intended results of core programs and services.
- Environmental contamination** – asset deterioration can lead to liabilities with respect to environmental contamination.



Efficiency

Asset management: Recapitalization of DFO's jetties and wharves

RP rarely divests and/or disposes of DFO's jetties and wharves due to their prohibitive cost.



RP divestiture budget are insufficient to support the activities' high cost related to jetties and wharves.

RP's activities focus on ongoing capital projects rather than divestiture activities. Unlike SCH who have had a divestiture program and intermittent B-base funding made available to progress with divestiture, RP's national budget for divestiture is much lower and divided across a national portfolio. While there is a plan for divestiture in place, there is no process to prioritize what assets should be slated for divestiture; those that have no useful purpose become surplus, and the sector is more reactionary.

When possible, RP mainly divests of lighthouses and associated infrastructures under the Heritage Lighthouse Protection Act (HLPAct). The divestiture of jetties and wharves is rarely undertaken due to their prohibitive cost. For instance, of 96 assets in RP's 2022-23 Divestiture Plan, only one wharf located in the town of Burin was slated for divestiture and acquisition by a local municipality (Box E). For this project, the cost of the preferred option for divestiture was higher than the annual divestiture budget for the entire portfolio.

Box E. The divestiture of Burin wharf

In 2013, a study of Burin wharf found significant rot at the base of the structure indicating the wharf was not suitable for use and had become a navigational hazard (Photo 1). In 2015, RP built a new search and rescue wharf in the community (Photo 2) and the original wharf was designated operationally surplus and slated for divestiture. Nevertheless, the wharf acts as a 'breakwater' for a key tourism area in Burin, where it protects shoreline boardwalks and other tourism investments which had caused the town to express concern over its removal. There was hope that the wharf would be reconstructed to allow for continued recreational water use in keeping with the town's "Burin Heritage Square Revitalization Project."

In 2021, RPSS commissioned an engineering options analysis and selected an option that would maintain good relationships with the local communities and fulfil its environmental obligations. The total project cost is \$3 million, which includes demolishing part of the existing structure and re-building to smaller dimensions, allowing for a smooth transfer to the municipality while ensuring due diligence.

Where RP jetties and wharves meet the needs of a community outside of their custodial mandate, as was the case in Burin, interviewees note that community expectations led to the maintenance of an asset that would otherwise have been disposed. Therefore, there is a need to define RP's 'obligation to the community' in such cases.

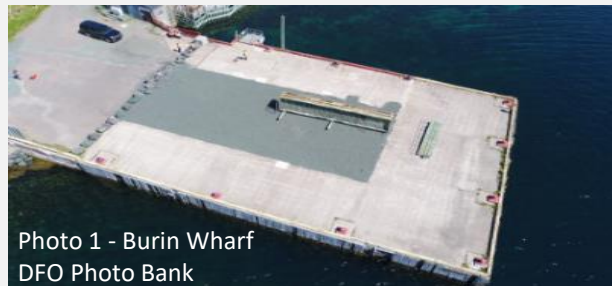


Photo 1 - Burin Wharf
DFO Photo Bank



Photo 2 - Burin Wharf
DFO Photo Bank
Burin Life Boat Station N A 00917



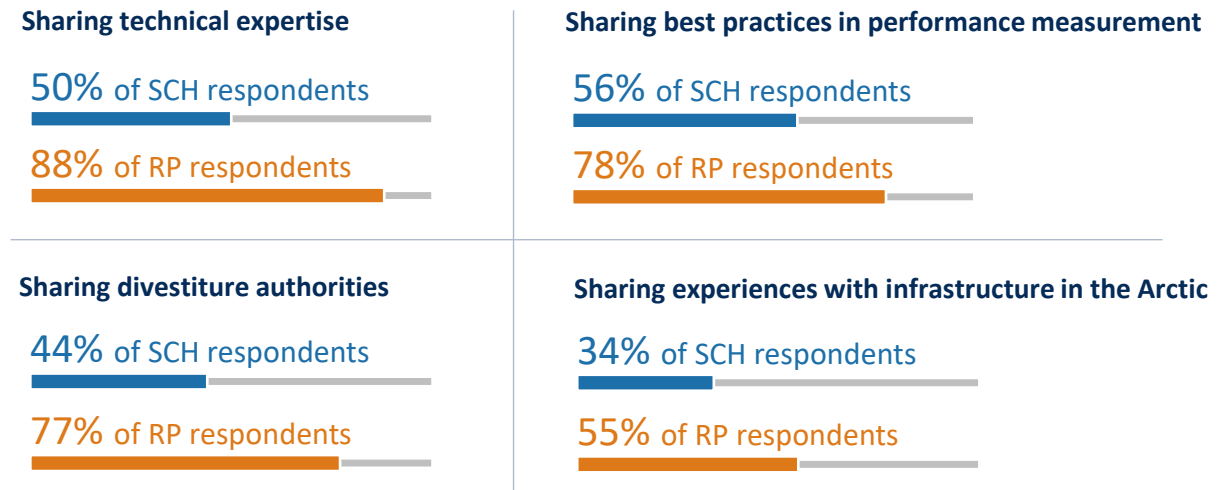
Efficiency


Areas of mutual work

Custodians indicated that while planning processes are somewhat appropriate to ensure service delivery in the present day, they will be less so in the future. There are opportunities to further develop areas of mutual work between custodian groups.

Small craft harbours, jetties and wharves are public facing assets. While decisions regarding these assets may be made through different departmental mechanisms, both impact the public's perception of DFO investments in local communities. To some degree, RP and SCH work together effectively when the need arises; for instance, when contributing to DFO's departmental risk profile. However, there is a need for stronger communication and collaboration between the two custodians to the extent that this could better position the department to adapt to emerging needs and/or concerns.

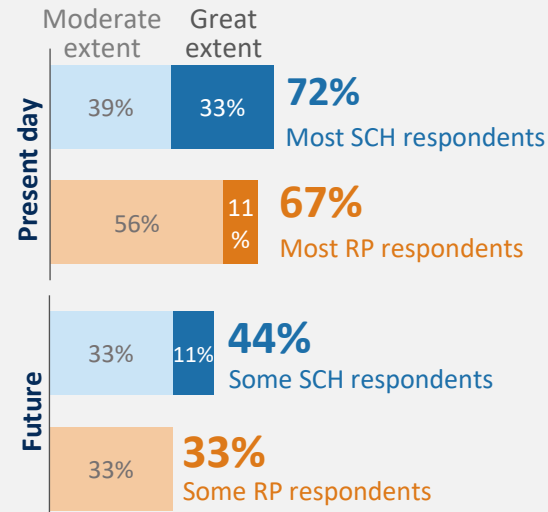
Respondents to a staff survey indicated that the following areas of mutual work would benefit the departmental management of DFO's small craft harbours, jetties and wharves from a moderate to a great extent:



CCG interviewees identified opportunities for collaboration when assessing harbours to informing zone planning 

Given the present challenges hindering asset management, SCH and RP survey respondents considered their respective planning processes to be somewhat appropriate to ensure service delivery in the present day and somewhat less appropriate to ensure service delivery in the future.

The appropriateness of custodial planning processes was rated to a moderate and great extent as follows:



Conclusions

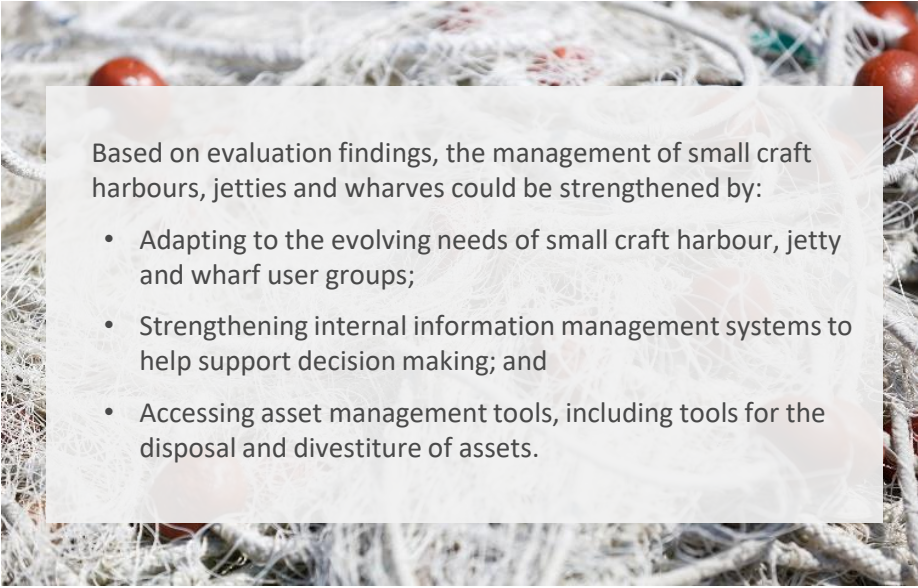
Overall, the evidence shows that there is an ongoing need for small craft harbours, jetties and wharves. For SCH, these ongoing needs are evolving beyond the program's mandate. For RP, ongoing needs for DFO's jetties and wharves are also evolving as the needs of departmental user groups and GoC priorities evolve.

The evaluation presents evidence with respect to the efficiency of inputs underlying the asset management process, such as funding, and information management mechanisms, which also differ between custodians. There are a number of hindering factors that affect departmental funding mechanisms, such as changing regulatory requirements, increasing maintenance expenses, and challenges with procurement. The SCH program's reliance on temporary B-base funding creates significant planning challenges for asset management as well as long-term funding shortfalls that will hinder future service delivery. RP also faces significant funding shortfalls that hinder their ability to manage the lifecycle of jetties and wharves. In part, this is due to the design of RP's national portfolio strategy relative to the funds and long-term planning needed to maintain marine-engineered assets of this kind. For these reasons, the current departmental funding mechanisms are not considered to be sustainable in the future.

The evaluation found that the availability of operational data that is specific to DFO's small craft harbours, jetties and wharves can be improved to better support decision-making. The availability of operational data that is relevant to the SCH program can be improved to support decision making, while the availability of Real Property's operational data relevant to jetties and wharves can be improved as it is not available by asset group.

There are internal and external factors affecting custodian's ability to prioritize the asset management of DFO's small craft harbours, jetties and wharves. For SCH, program pressures are affecting its ability to plan and prioritize projects to conduct asset management, while RP faces strategic and operational communication challenges with departmental user groups that could be addressed to improve the prioritization process for jetties and wharves.

There are varying degrees of disposal for DFO's small craft harbours, jetties and wharves within and across custodians. SCH's established divestiture program advances the removal of non-core harbours from the program inventory, yet divestitures are challenging to carry out. RP undertakes divestiture and disposal of assets in a national portfolio, but disposal of jetties and wharves is challenging due to their prohibitive cost.



Based on evaluation findings, the management of small craft harbours, jetties and wharves could be strengthened by:

- Adapting to the evolving needs of small craft harbour, jetty and wharf user groups;
- Strengthening internal information management systems to help support decision making; and
- Accessing asset management tools, including tools for the disposal and divestiture of assets.



Recommendations

Recommendation 1: Develop a strategic, transformative, and proactive approach to address user’s evolving needs for DFO’s small craft harbours, jetties and wharves

It is recommended that the department **adapts to the evolving needs** for small craft harbours, jetties and wharves, including the development of an inclusive, forward-thinking strategy across clients and users.

Rationale for SCH:

There is a need for the SCH program to adapt to evolving needs for small craft harbours among their target user groups, the commercial fishing industry, as well as among broader ocean economy sectors (i.e., aquaculture) that lie outside the program’s mandate. Exploring a transformative and inclusive approach to service delivery across user groups aligns with small craft harbours' role as drivers of regional economic development and serves to address new and emerging pressures on the program.

Rationale for RP:

There is a need for RP to adapt to the evolving operational needs among departmental user groups. A proactive approach to understanding users needs related to jetties and wharves will better position the custodian to meet evolving needs infrastructure related to the increasing number and size of vessels, fleet modularity strategy, and climate resiliency.

Rationale for joint action:

A departmental approach is required to address evolving infrastructure needs to ensure a strategic and efficient use of departmental resources and assets.



Recommendation 2: Strengthen custodial approaches to operational data management specific to DFO’s small craft harbours, jetties and wharves

It is recommended that departmental approaches to **operational information management** related to small craft harbours, jetties and wharves are strengthened to support current and future decision-making.

Rationale for SCH:

There is a need to increase the accuracy, availability, and accessibility of operational data related to small craft harbours. Increasing the SCH program’s capacity in information management will enable the program to ensure sound stewardship of federal harbour assets and support a long-term performance measurement strategy.

Rationale for RP:

There is a need to strengthen RP’s ability to conduct marine infrastructure assessments to make operational data related to jetties and wharves available to support custodial and client decision making. Input may be sought from departmental sectors with similar expertise in this area, as appropriate.



Recommendations

Recommendation 3: Develop a forward looking strategy for client and user engagement

It is recommended that custodians explore different avenues for engaging and collaborating with key stakeholders, clients and partners on whom the management of DFO's small craft harbours, jetties and wharves depends.

Rationale for SCH:

There is a need for the SCH program to ensure continuity planning among HAs as well as strengthen the relationships between SCH staff and HA to ensure the strength of HA networks is maintained into the future. A forward-looking strategy for client and user engagement should include tools to increase HA and staff engagement and expertise.

Rationale for RP:

There is a need for RP to improve communication and collaboration and with departmental user groups, particularly at the regional level. A forward-looking strategy for client and user engagement should advance and solidify current practices in place to ensure that RP has the pertinent knowledge to support decision making and can communicate potential impacts of asset management decisions to relevant user groups. DFO's new National Portfolio Strategy could potentially include direction for jetties and wharves for both RP and the SCH program.



Recommendation 4: Seek opportunities to share departmental management tools as well as lessons learned to support decision-making

It is recommended that custodians seek opportunities to share departmental management tools (i.e., related to disposal and divestiture activities and the application of GBA+ principles) to support the management of DFO's small craft harbours, jetties and wharves, including sharing lessons learned across custodial groups as appropriate.

Rationale for SCH:

There is a need for SCH to increase awareness of how GBA+ can be applied to the SCH program. There is also a need for the program to access tools that will allow it to carry out divestiture and/or disposal activities, including sharing of divestiture authorities with RP as the opportunity arises.

Rationale for RP:

There is a need for RP to increase awareness of how GBA+ can be applied to RP custodial functions. There is also a need for the program to access tools that will facilitate the divestiture and/or disposal process, such as using operational data to identify which assets should be slated for divestiture and sharing of divestiture authorities with SCH, given the opportunity.



Rationale for joint action:

There is a need for SCH and RP to seek opportunities to integrate lessons learned across custodial groups with regards to the use of management tools, as appropriate.



Annex A. Methodology, limitation and mitigation strategies

Limitations associated with the proposed evaluation methodology were mitigated, where possible, through the use of multiple lines of evidence and triangulation of data. This approach was taken to establish the reliability and validity of the findings and to ensure that conclusions and recommendations were based on objective and documented evidence.



Document Review

The evaluation team completed a review of relevant documents to understand the context and background of small craft harbours, jetties and wharves within the department and to assess the relevance, effectiveness, efficiency, and best practices associated with the management of DFO's SCH Program and jetties and wharves. Documents included internal and external documents, such as previous evaluation reports as well as federal policies related to the management of small craft harbours, jetties and wharves.



Administrative & financial data

Administrative data

The evaluation team conducted a review of **SCH** and **RP** administrative, performance and financial data related to small craft harbours, jetties and wharves. Included in this were the Performance Information Profiles for the **Small Craft Harbour program** and for **Internal Services**. Relevant databases in use by each custodians, such as the **Small Craft Harbour Management Information Retriever (SCHMIR)** and the **Real Property Information Management System (RPMIS)** were reviewed to obtain relevant performance information regarding asset conditions.

Financial data

Financial information for both custodial groups was to support analysis and financial figures were validated by program representatives.



Documented Examples

A brief, focused analysis was undertaken across five documented examples which contributed to evaluation findings related to effectiveness and efficiency. Efficiency findings that were supported included GBA+ and environmental considerations, regional and Northern challenges to harbour development, harbour divestiture and disposal and green innovation. Information generated through this line of evidence was used to support data triangulation. The examples analyzed were:

1. Indigenous Harbour Authorities
2. Pangnirtung – Need for Northern Harbours
3. Victoria Base
4. Green Innovation
5. Challenges to Divestiture



Literature Review

The evaluation team worked with DFO library to conduct a literature review in support of the documented examples line of evidence.

The literature review included academic journals as well as articles related to management of marine-based infrastructure assets, green innovations supporting marine-based infrastructure assets, divestiture and the need for harbour development in the north.



Annex A, continued

Interviews

The evaluation team conducted 71 key informant interviews to gather views of senior management (director and higher) and stakeholders to support decision-making and the optimization of departmental resources related to small craft harbours, jetties and wharves. The information extracted from interviews were triangulated with survey responses and other lines of evidence. Due to the **pandemic**, all interviews were conducted virtually through Microsoft Teams.

Key informant groups consisted of :

- 28 interviews with **RP staff and senior management**
- 27 interviews with **SCH staff and senior management**
- 13 interviews with **CCG senior management**
- 3 interviews with **HA's**.

Survey

Three surveys were conducted to gathered information on the relevance, effectiveness and efficiency of DFO's small craft harbours, jetties and wharves. The following groups were surveyed:

- **SCH and RP managers** - 93 managers were invited to participate in the survey and 42 completed surveys were received, representing a 45% response rate. The survey was administered online between April 6 to April 29, 2022.
- **Regional and National Harbour Authority Committee Members** - 42 committee members at the regional and national level were invited to participate in the survey. Twenty completed surveys received representing a 47% response rate. The survey was administered online between April 22 to May 10, 2022.
- **Departmental users** - The survey targeted departmental users of DFO's small craft harbours, jetties and wharves to gather users' perceptions of relevance and effectiveness. Departmental users from both DFO (i.e., staff from aquaculture and science programs) and CCG (i.e., staff from Coast Guard College, Fleet and Maritime Services, Search and Rescue) were targeted. To reach the target groups, a survey link was first shared to a central contact in both DFO and CCG who then disseminated the link to the relevant regions and programs. To diversify user outreach the survey was sent through DFO/CCG internal communications and employees were asked to participate at their discretion, with the option to forward the link to colleagues as needed. A total of 134 completed surveys were received, however the response rate is unknown as the evaluation did not have control over the overall size of the sample (n) based on the administration strategy. The staff survey was administered online between April 8 to May 20, 2022, to provide sea-going personnel sufficient time to respond to the survey.
 - The evaluation found a large proportion of DFO respondents to the user survey were based out of the Maritimes Region. To address any potential regional biases, survey data was triangulated with other lines of evidence to mitigate this limitation.



Annex B: Increasing Indigenous participation

Increasing Indigenous participation in the SCH program through Indigenous Harbour Authorities

Many newly established HAs are Indigenous Harbour Authorities (IHAs) that have been established using flexible “capacity-building” leases. These leases allow the SCH program to provide more support in the early stages of forming a HA.

The evaluation identified best practices and lessons learned from the establishment of the Seyem’Qwantlen harbour between the SCH program and Kwantlen First Nation (FN). Fishing had traditionally been an intrinsic part of the Kwantlen First Nation for thousands of years, however the community faced challenges, for instance related to safety, associated with a derelict harbour. In 2014, an IHA was established which allowed the community to overcome challenges associated with the previously-derelict harbour. Community members indicated the IHA has been beneficial for the community and their needs are being met by the program. Moreover, fisher people and community members have gained a sense of responsibility for the harbour and also revitalized the harbours’ role in the community.

Lessons learned from the Seyem’Qwantlen harbour

As more Indigenous communities take on the management of harbours, there have been some important lessons learned that the SCH program can benefit from in onboarding and supporting Indigenous Harbour Authorities in the future.

- Projects at harbour facilities are an opportunity for local relationship and capacity building since the HA is involved in discussions around operational and logistical details, planning and engagement.
- Flexible capacity-building leases and contribution agreements are important tools for helping new Indigenous HAs get situated in terms of getting started (i.e., hiring a harbour manager and getting things up and running).
- Having Indigenous communities take on the HA role when there is harbour infrastructure on reserve lands can be very positive and constructive and can give community members a responsibility and ownership for the harbour.
- Flexibility on the part of the SCH program is very important, particularly where communities face capacity limitations. Support provided (in terms of assistance with filling out forms and applications, clarifying responsibilities and obligations, etc.) is also valuable.



Annex C: Harbour development in the North

Need for Harbour Development in the North

Harbour infrastructure in the North is needed to support commercial fishing alongside many other activities. Arctic fisheries improve food security, provide employment, and increase the socio-economic wellbeing of local communities. However, In the North, harbours are also needed to support subsistence fishing, marine mammal hunting, transportation, community re-supply and tourism development. For instance, all 26 communities in Nunavut are located along the coastline; a current lack of infrastructure impedes communities from tapping into emerging economic development opportunities created by longer open ice seasons and creates safety hazards and dangerous conditions for boats moored in unsheltered areas. In Clyde River, for instance, the beach is used as the access point for fishing and mammal harvesting and has not been meeting the needs of the community.

In 2013, DFO established a small craft harbour in Pangnirtung, Nunavut which is generally seen as meeting the needs of commercial fishers, and more broadly Canadians, to a great extent. The harbour provides a safer alternative for elders and daily users to dock boats compared to mooring them farther out in the basin at low tides and in the dark. The harbour also contains a processing plant which allows catch quotas to remain in the region whereas most catch in Nunavut (i.e., turbot and shrimp) is offloaded for processing elsewhere due to the lack of harbour infrastructure, leading to a substantial loss of revenue and employment in the territory.

A number of hindering factors related to harbour development present additional challenges to service delivery in the North. These include additional mandate pressures, complex regulatory requirements, limited industry capacity, increased maintenance expenses, planning and procurement challenges, and ensuring the continuity of harbour authorities. For instance, HA administration of harbours in the North can be challenging due to significant cultural differences regarding volunteerism and user fees, which can lead to mistrust of government initiatives.

Best Practices identified from Pangnirtung

The **project design** for the Pangnirtung harbour included several components to ensure its longevity and reduce the needs for maintenance, taking into consideration the costs of harbour maintenance and the absence of specialized local expertise. For instance, the wharf was built with extra thick steel plates to prevent corrosion; the dredging was done at a deeper depth to ensure minimum water levels in the basin and prevent boats being stranded. Dredging in the canal was also done to ensure approximately 16 hours of navigation access per day for bigger boats. Experts have predicted limited sand shifting and the basin and canal edges were built with a steep slant to minimize sand accumulation, which is meant to minimize the need for dredging.

The SCH program conducted **extensive consultations with Indigenous communities** in the North to ensure that their voices were part of the development process. Traditional knowledge studies were conducted and required as part of each feasibility study for potential harbours. This includes gathering knowledge on marine habitat, wildlife, land use, access for harvesting, and areas of cultural value.

The benefits of **involving the same staff** and **integrating in-house expertise** from team members have allowed for knowledge transfer and more advanced planning and troubleshooting in subsequent projects in the North.

The fishery development in Pangnirtung is now having a positive impact on other Qikiqtani communities, who are benefitting from Pangnirtung's lessons learned and fisheries research. Lessons learned from SCH's expertise in Pangnirtung have benefitted the design of future harbours in Clyde River and Arctic Bay.



Annex D. Alternative funding mechanisms

Alternative funding models were considered as beneficial to both SCH and RP for the management of DFO's small craft harbours, jetties and wharves.

Status Quo

This would imply reviewing the current prioritization needs of all assets across both portfolios.

Accrual Budgeting

Under the accrual basis of accounting, the cost of the asset is expensed starting when the asset is put into service, and it is spread over its useful life rather than being recorded at the time the bills are paid. The operating portion of the accrual budget is expensed in the year that the expenditure is made.

Transitioning to an accrual funding model has been suggested by RP, SCH and CCG interviewees as an option that would help improve the long-term funding of assets related to small craft harbours, jetties and wharves, due to the long-term predictability and consistency of the funding model.

Increasing A-base Funding

Increasing A-base funding for operations and maintenance as well as capital funding. Both SCH and RP cited this option, although SCH also noted that this would not alleviate funding issues for non-core harbours and separate grant funding for divestiture would need to be sought.



Considerations for accrual budgeting
<p>Accurate estimates of the value of the assets</p> <ul style="list-style-type: none">Interviewees identified this as a vital step and referenced the need to make sure existing data on the value of assets is accurate, including components such as end-of-life or close out costs.
<p>An adaptable model</p> <ul style="list-style-type: none">The need to build in flexibility into an accrual model was also mentioned by interviewees, so that ongoing inspections can be integrated into the model and continue to accurately reflect and revise the value of the assets, as needed.
<p>Internal departmental capacity</p> <ul style="list-style-type: none">The department will need to implement and manage accrual funding, including the appropriate resources. It was mentioned that lessons learned could be shared from the recent implementation of SAP throughout the department to improve the process where relevant.
<p>Industry and procurement capacity</p> <ul style="list-style-type: none">There is a need to ensure the industry can handle the increase in workload that could result from migrating to an accrual budgeting model.

CCG interviewees noted that moving towards an accrual model could take time, during which the condition of existing assets will continue to worsen. Therefore, there is a need for an interim plan to guide decision making while tools are developed



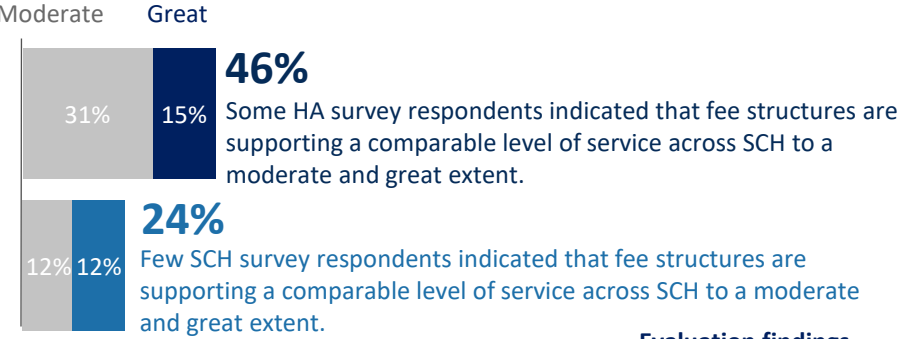
Annex E. Harbour Authority administration

HA funding structures, such as fee structures, could be improved to ensure sustainable and comparable service delivery. More guidance and training could better support HA administration and maintenance of small craft harbours

HA fee structures

As independent entities, HAs set fee structures to collect revenues for harbour maintenance based on their local needs, priorities and available funds. While most HA survey respondents (61%) indicated that HA fee structures are appropriate to support the management of DFO's small craft harbours to a moderate and great extent, they also indicated that fee structures are not sufficient to maintain assets as industry needs evolve and as the cost of labour and materials increases. Nevertheless, HA fees remain lower compared to private marinas and recreational fishing harbours. To ensure sustainable delivery of small craft harbour services, respondents suggested increasing fees (i.e., moorage fees), implementing a compliance enforcement model, entering into partnerships with provincial and municipal governments, and making long-term stable funding available.

SCH interviewees considered that differences in HA fee structures are leading to discrepancies in service across harbours depending on their location, size, and user groups. SCH needs to be sensitive about local preferences for setting user fees as HA's are already facing challenges in fulfilling their roles.



Guidance and Training

A majority of HA survey respondents (77%) indicated DFO is providing adequate guidance and tools from a great to a moderate extent while some (46%) indicated likewise for training. Additional support from DFO, such as training, could better support volunteers managing harbour authorities. For instance, In the Pacific region, most training and guidance is developed through regional HA committees such as the Harbour Authority Association of British Columbia (HAABC). The HAABC is run by HA's and is independent from the SCH program. They receive support from the SCH program through contribution agreements which help support harbours in the area, run seminars, and organize zone meetings. Zone meetings take place twice a year and give HAs the opportunity to talk about issues upcoming discussion topics. Seminars are held once a year and include specialists giving presentations on different aspects, such as insurance, engineering, legalities, policies, etc. SCH tries to be present at HAABC events to provide support and relevant updates however this approach is considered reactionary rather than proactive.



Annex F. Management Action Plan (MAP)

Evaluation of Small Craft Harbours and DFO's Jetties and Wharves

PMEC Date: January 2023

MAP Completion Target Date: March 31, 2025

Lead ADM/DC: Senior ADM, Fisheries and Harbor Management; ADM/Chief Financial Officer

Recommendation 1: March 31, 2025

Recommendation: It is recommended that the department adapts to the evolving needs for small craft harbours, jetties and wharves, including the development of an inclusive, forward-thinking strategy across clients and users.

Rationale for SCH: There is a need for the SCH program to adapt to evolving needs for small craft harbours among their target user groups, the commercial fishing industry, as well as among broader ocean economy sectors (i.e., aquaculture) that lie outside the program's mandate. Exploring a transformative and inclusive approach to service delivery across user groups aligns with small craft harbours' role as drivers of regional economic development and serves to address new and emerging pressures on the program.

Rationale for RP: There is a need for RP to adapt to the evolving operational needs among departmental user groups. A proactive approach to understanding users needs related to jetties and wharves will better position the custodian to meet evolving needs infrastructure related to the increasing number and size of vessels, fleet modularity strategy, and climate resiliency.

Rationale for joint action: A departmental approach is required to address evolving infrastructure needs to ensure a strategic and efficient use of departmental resources and assets.

Management Response – Small Craft Harbours

Small craft harbours are a key contributor to the Blue Economy Strategy (BES), through delivery of its existing mandate to provide harbour infrastructure critical to the commercial fishing industry, but also in support of other activities that can realize economic benefits from marine resources. These harbours represent crucial infrastructure in many of Canada's coastal communities, and are often the Department's key infrastructure "footprint" in many remote or Indigenous communities, where economic development opportunities are often limited. Without these assets, these communities will face significant challenges in participating and seizing opportunities in the blue economy. Continued federal ownership of these assets provides strong assurance that this critical infrastructure for the commercial fishing industry is well-maintained over the long-term so the industry remains a cornerstone of Canada's coastal economy. This includes the economic mainstay of the commercial fisheries, as well as opportunities for growth and diversification offered by other sectors.

Annex F. Management Action Plan (MAP)

Recognizing the importance of supporting a broader user base and responding to new and emerging pressures:

1. SCH will continue to analyze how broader ocean economy areas, such as aquaculture, climate change priority areas, and Indigenous interests could benefit through strategic investments in community harbour infrastructure.
2. The Program will initiate the development of a long term strategy to respond to the evolving needs across clients and users (anticipated finalization date of a strategy fall outside the two year management action plan milestones). In support of this exercise, focus will be given on engaging different clients and user groups, as well as securing required funding to support an enhanced mandate for the program.

Link to larger program or departmental results (if applicable)

The commercial fishing industry has access to safe harbours

MAP Results Statement <i>Result to be achieved in response to the recommendation</i>	MAP Milestones <i>Critical accomplishments to ensure achievement of result for PMEC's approval</i>	Completion Date <i>Month, Year</i>	Director General Responsible
1.1. SCH initiates the development of a long-term strategy for its Program which reflects evolving needs of its user base and responds to new and emerging pressures	1.1.1 Policy coverage is sought through appropriate channels for the proposed forward direction of the SCH long-term strategy through the Government of Canada's Blue Economy Strategy.	September 2023	DG, SCH
	1.1.2 Engagement plan is developed and engagement activities are initiated in support of the development of the long-term strategy to respond to the evolving needs across clients and users.	March 31, 2025	DG, SCH
	1.1.3 In parallel to 1.1.2 (engagement plan), the development of the long-term strategy is initiated, articulating that SCH will continue to serve its core clientele in the commercial fisheries industry as well as expand its activities (if feasible with available resources) to meet the growing needs of emerging growth sectors (e.g. aquaculture), northern communities, and Indigenous users. This includes analysis of its current base and projections. The proposed strategy will build on the SCH Capital Asset Plan and will be conditional on securing funding to cover additional funding requirements.	March 31, 2025	DG, SCH

Annex F. Management Action Plan (MAP)

Management Response – Real Property

Real Property (RP) is a major service provider for jetties and wharves within DFO, with the Canadian Coast Guard (CCG) the largest client. A critical component of fulfilling client program requirements is adapting to evolving needs and drivers of change around jetty and wharf infrastructure and corresponding client program requirements. RP recognizes the need for a more proactive service delivery strategy for jetties and wharves to better adapt to evolving client needs, including the upcoming deployment of new and larger CCG vessels, CCG’s implementation of the fleet modularity strategy, and climate resiliency factors affecting shore infrastructure, as well as generally the flow of operational data to RP from client programs using wharves/jetties. Currently, RP conducts an annual Real Property Demand exercise through which it engages directly with programs and regional teams to better understand evolving client program real property needs, including engagement around wharf and jetty infrastructure.

Towards this:

- RP will continue regular engagement with CCG and EOS on program requirements for wharves and jetties, as well as on studies, strategies, and evaluations conducted by CCG on wharves and jetties.
- RP will seek to improve operational data flow for client program jetty and wharf assets, including investigating expanded capabilities to conduct marine infrastructure assessments. (Note: this initiative is addressed in detail in response to Recommendation 3.)

Link to larger program or departmental results (if applicable)

RP fulfills its role as service provider to client programs that use RP-custodial jetties and wharves.

MAP Results Statement <i>Result to be achieved in response to the recommendation</i>	MAP Milestones <i>Critical accomplishments to ensure achievement of result for PMEC’s approval</i>	Completion Date <i>Month, Year</i>	Director General Responsible
1.2 The evolving operational needs of jetty and wharf users will be proactively met, considering factors such as increasing number and size of vessels, fleet modularity strategy, and climate resiliency.	1.2.1 A proactive approach to meeting users’ evolving needs around jetties and wharves will be established. This will include regular engagement with CCG via monthly director-level meetings as well as incorporating a greater focus on factors such as number and size of vessels, fleet modularity strategy, and in RP’s annual Real Property Demand Exercise.	Mar 31, 2023	DG, RP and Environmental Management

Annex F. Management Action Plan (MAP)

Management Response – Joint Action Small Craft Harbours and Real Property			
SCH and RP will work together to move forward with a consistent departmental approach to address evolving infrastructure needs to ensure a strategic and efficient use of departmental resources and assets.			
Link to larger program or departmental results (if applicable)			
N/A			
MAP Results Statement <i>Result to be achieved in response to the recommendation</i>	MAP Milestones <i>Critical accomplishments to ensure achievement of result for PMEC’s approval</i>	Completion Date <i>Month, Year</i>	Director General Responsible
1.3 A departmental approach is established that addresses evolving infrastructure needs.	1.3.1 Regular quarterly meetings between SCH and RP are established as a means to foster a consistent departmental approach to addressing evolving infrastructure needs and ensure a strategic and efficient use of departmental resources and assets. The creation of a committee or working group has not been deemed necessary at this time.	April 1, 2023	DG, SCH DG, RP and Environmental Management
	1.3.2 A consistent departmental approach is developed which addresses different evolving infrastructure areas of activity, such as sharing departmental management tools in support of recommendation 4.	March 31, 2025	DG, SCH DG, RP and Environmental Management

Annex F. Management Action Plan (MAP)

Recommendation 2: March 31, 2025

Recommendation: It is recommended that departmental approaches to operational information management related to small craft harbours, jetties and wharves are strengthened to support current and future decision-making.

Rationale for SCH: There is a need to increase the accuracy, availability, and accessibility of operational data related to small craft harbours. Increasing the SCH program’s capacity in information management will enable the program to ensure sound stewardship of federal harbour assets and support a long-term performance measurement strategy.

Rationale for RP: There is a need to strengthen RP’s ability to conduct marine infrastructure assessments to make operational data related to jetties and wharves available to support custodial and client decision making. Input may be sought from departmental sectors with similar expertise in this area, as appropriate.

Management Response – Small Craft Harbours

The SCH program recognizes the need to modernize and strengthen its approach to operational information management. To reinforce its evidence-based decision-making capacity, there is a need for the SCH program to enhance the operational system which houses the data related to small craft harbours. This, in addition to increasing its capacity in information management, through training and customized tools, will support decision making and performance management of the program. These combined approaches will respond to this evaluation’s recommendation.

Link to larger program or departmental results (if applicable)

N/A

MAP Results Statement <i>Result to be achieved in response to the recommendation</i>	MAP Milestones <i>Critical accomplishments to ensure achievement of result for PMEC’s approval</i>	Completion Date <i>Month, Year</i>	Director General Responsible
2.1 SCH strengthens its capacity in operational information management to support decision making.	2.1.1 Review of SCH’s operational database (SCHMIR) to optimize “end of life”.	March 31, 2025	DG, SCH

Annex F. Management Action Plan (MAP)

	2.1.2 Explore integration of alternate tools (GIS) in the context of SCH, as well as feasibility of new system (scope, costing, internal or external resources requirements to develop customized business solution, etc).	March 31, 2025	DG, SCH
	2.1.3 Funding for recommended approach is sought and the development of a refreshed data management approach/system is initiated through a customized business solution. The goal is to have an operational system in place by 2027-2028.	March 31, 2025	DG, SCH
	2.1.4 The development of an information management user guide/tools is initiated and training to SCH employees is provided to support the transition to a refreshed data management approach/system (training would continue into 2027-2028 to support the launch of the new approach/system).	March 31, 2025	DG, SCH

Management Response – Real Property

Operational information related to jetties and wharves used by RP client programs is crucial to better understanding how the programs use these assets, and how changing operational needs may affect real property needs. Towards improving RP’s understanding of program needs, RP will improve data flow from DFO programs regarding operational information for wharves and jetties (e.g., number and size of incoming vessels, current and incoming vessel technology affecting shore infrastructure). For example, RP does not have direct access to CCG operational data for jetties and wharves, and therefore will need to work with CCG to confirm what operational data is available and which components of it are most useful for RP as the custodian.

Annex F. Management Action Plan (MAP)

To aid in improving quality and availability of operational data, RP will also investigate expanding its capabilities to conduct marine infrastructure assessments of jetty and wharf infrastructure through discussions with client programs via existing engagement approaches. In the case of CCG, this includes monthly DG-level meetings between RP and CCG, as well as bi-weekly director-level meetings. These assessments are to include information on the current condition of DFO’s wharves, existing features that can support modularity, and potential modifications to support CCG requirements, and are to be guided by the Maritime and Civil Infrastructure (MCI) branch of CCG. Engineering and technical work is to be carried out by RP, including engineering and technical contracts carried out internally or by Public Services and Procurement Canada. Shore infrastructure assessments conducted by Fleet and Maritime Services (FMS) in 2019 may also be used to guide development of RP’s assessments. Information gathered by FMS in 2019 on wharves includes wharf importance to CCG operations, wharf condition, estimated replacement value, future status of the wharf, and remaining useful life, however much of this data was unavailable for many wharf assets at the time.

Link to larger program or departmental results (if applicable)

RP fulfills its role as service provider to client programs that use RP-custodial jetties and wharves.

MAP Results Statement <i>Result to be achieved in response to the recommendation</i>	MAP Milestones <i>Critical accomplishments to ensure achievement of result for PMEC’s approval</i>	Completion Date <i>Month, Year</i>	Director General Responsible
2.2 Data flow from departmental users regarding operational information for wharves and jetties will be improved.	2.2.1 RP will request from CCG the operational data contained in shore infrastructure assessments conducted by Fleet and Maritime Services (FMS) in 2019.	Mar 1, 2023	DG, RP and Environmental Management
	2.2.2 RP will analyze and integrate the data obtained into RP’s jetty and wharf asset dataset for decision-making purposes.	Jun 30, 2023	DG, RP and Environmental Management
	2.2.3 RP will develop a process, in collaboration with CCG, towards improved cyclical operational data flow for wharves/jetties.	Sep 1, 2023	DG, RP and Environmental Management
	2.2.4 RP will finalize and implement the process for transfer of operational data for wharves/jetties.	Sep 30, 2023	DG, RP and Environmental Management

Annex F. Management Action Plan (MAP)

<p>2.3 Expansion of RP’s capabilities to conduct marine infrastructure assessments of jetty/wharf infrastructure will be investigated.</p>	<p>2.3.1 RP will enhance its capabilities to conduct marine infrastructure assessments on jetties/wharves at priority sites in its annual infrastructure assessment process.</p>	<p>Dec 31, 2023</p>	<p>DG, RP and Environmental Management</p>
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Recommendation 3: March 31, 2025

Recommendation: It is recommended that custodians explore different avenues for engaging and collaborating with key stakeholders, clients and partners on whom the management of DFO’s small craft harbours, jetties and wharves depends.

Rationale for SCH: There is a need for the SCH program to ensure continuity planning among HAs as well as strengthen the relationships between SCH staff and HA to ensure the strength of HA networks is maintained into the future. A forward- looking strategy for client and user engagement should include tools to increase HA and staff engagement and expertise.

Rationale for RP: There is a need for RP to improve communication and collaboration and with departmental user groups, particularly at the regional level. A forward-looking strategy for client and user engagement should advance and solidify current practices in place to ensure that RP has the pertinent knowledge to support decision making and can communicate potential impacts of asset management decisions to relevant user groups. DFO’s new National Portfolio Strategy could potentially include direction for jetties and wharves for both RP and the SCH program.

Management Response – Small Craft Harbours

The SCH program recognizes the importance of continued engagement and collaboration with its key stakeholders, clients and partners. Small craft harbours span the country from coast to coast to coast. They principally serve rural and coastal communities, with the majority of harbours (approximately 73%) located in Quebec and Atlantic Canada. Commercial and recreational fishers make up 93% of all SCH users, while the remainder is made up of Indigenous fishers, recreational boaters and aquaculture users. The majority of SCHs are managed through a Harbour Authority (HA) Model which engages local users in decision making and maintenance of harbours.

The SCH program will continue to explore ways to strengthen its relationships with these local volunteer-driven HAs. The program will also look at expanding its engagement practices to include emerging user groups (e.g. aquaculture, Indigenous groups).

Annex F. Management Action Plan (MAP)

Link to larger program or departmental results (if applicable)			
The commercial fishing industry has access to safe harbours			
MAP Results Statement <i>Result to be achieved in response to the recommendation</i>	MAP Milestones <i>Critical accomplishments to ensure achievement of result for PMEC's approval</i>	Completion Date <i>Month, Year</i>	Director General Responsible
3.1 SCH strengthens its engagement practices to support its HA model and other emerging stakeholders/users.	3.1.1 A new lease agreement, which provides guidance and governance for the DFO/HA relationship, is developed and adopted to strength the HA model.	Implementation/ Roll-out starting April 1, 2023	DG, SCH
	3.1.2 Initiating the development of the SCH long-term strategy in recommendation 1 will further develop an engagement strategy with existing user base, and specific and/or emerging user groups, e.g. Indigenous communities.	March 31, 2025	DG, SCH
Management Response – Real Property			
<p>RP recognizes the need for effective engagement and collaboration with client programs, stakeholders, and partners towards optimizing service delivery as a custodian of jetties and wharves. As a result, RP conducts an annual Real Property Demand exercise through which it engages directly with programs and regional teams to better understand evolving client program real property needs. RP improves and refines each iteration of this annual exercise based on lessons learned, feedback from participants, and results from the process the previous year.</p> <p>Going forward, RP will foster greater engagement across DFO programs and other government departments (e.g., CCG, EOS, ECCC) at shared sites (e.g., BIO, SABS, CCIW) in an effort to optimize real property resources and discover synergies, as well as continuing to refine and strengthen its direct engagement with programs and regional teams via the Real Property Demand Exercise.</p> <p>RP's National Portfolio Strategy (NPS) is being updated for 2023. The NPS will include information about RP's engagement and communication with client programs regarding their real property requirements, including for jetty and wharf infrastructure.</p>			

Annex F. Management Action Plan (MAP)

Link to larger program or departmental results (if applicable)			
RP fulfills its role as service provider to client programs that use RP custodial jetties and wharves.			
MAP Results Statement <i>Result to be achieved in response to the recommendation</i>	MAP Milestones <i>Critical accomplishments to ensure achievement of result for PMEC's approval</i>	Completion Date <i>Month, Year</i>	Director General Responsible
3.2 Avenues for engaging and collaborating to improve communication with key stakeholders, clients and partners that use jetties and wharves will be explored.	3.2.1 RP will engage directly with DFO programs, other government departments, and other organizations towards optimizing use of shared sites. This engagement will take place via existing tools, including RP's monthly direct-level meetings with CCG and direct engagement with client programs via the annual Real Property Demand Exercise.	April 1, 2023	DG, RP and Environmental Management
	3.2.2 RP will continue to improve its direct engagement with client programs and user groups via the annual Real Property Demand Exercise, particularly the regional engagement component, based on lessons learned from the 2022-23 Real Property Demand Exercise.	April 1, 2023 (approx. launch of RP Demand Exercise 2023-24)	DG, RP and Environmental Management
	3.2.3 RP will complete its update of the National Portfolio Strategy, including information on RP's engagement and communication with client programs regarding jetty and wharf infrastructure needs.	Dec 31, 2023	DG, RP and Environmental Management

Annex F. Management Action Plan (MAP)

Recommendation 4: March 31, 2025

Recommendation: It is recommended that custodians seek opportunities to share departmental management tools (i.e., related to disposal and divestiture activities and the application of GBA+ principles) to support the management of DFO's small craft harbours, jetties and wharves, including sharing lessons learned across custodial groups as appropriate.

Rationale for SCH: There is a need for SCH to increase awareness of how GBA+ can be applied to the SCH program. There is also a need for the program to access tools that will allow it to carry out divestiture and/or disposal activities, including sharing of divestiture authorities with RP as the opportunity arises.

Rationale for RP: There is a need for RP to increase awareness of how GBA+ can be applied to RP custodial functions. There is also a need for the program to access tools that will facilitate the divestiture and/or disposal process, such as using operational data to identify which assets should be slated for divestiture and sharing of divestiture authorities with SCH, given the opportunity.

Rationale for joint action: There is a need for SCH and RP to seek opportunities to integrate lessons learned across custodial groups with regards to the use of management tools, as appropriate.

Management Response – Small Craft Harbours

It is imperative for the SCH Program to oversee an inventory/network of harbours that is appropriate size and in the appropriate locations to harness optimal public benefits from Canada's Oceans assets. Divestiture of non-core harbours is a key element of SCH's long-term strategy - it will enable the program to focus on a smaller number of assets that represent critical infrastructure for the blue economy, and it reduces the long-term fiscal footprint of the program and potential liabilities associated with these properties. In order to carry out current plans to accelerate divestitures, SCH Program will be seeking policy coverage as well as related Treasury Board authorities to divest applicable properties at nominal value. The ability to undertake this work will also depend on funding allocated to the Program. Alignment between SCH and RP's approach to divestitures will be sought, when applicable, and best practices will be shared.

Furthermore, in support of SCH's work on its GBA+ data collection strategy and its assessments of GBA+ factors relative to core and non-core small craft harbour users and the impacts of these harbours on the local communities, the Program will hold awareness sessions relating to GBA+ applicability (this could be done separate or in conjunction with the RP group).

Annex F. Management Action Plan (MAP)

Link to larger program or departmental results (if applicable)			
The commercial fishing industry has access to safe harbours			
MAP Results Statement <i>Result to be achieved in response to the recommendation</i>	MAP Milestones <i>Critical accomplishments to ensure achievement of result for PMEC's approval</i>	Completion Date <i>Month, Year</i>	Director General Responsible
4.1 SCH increases awareness of GBA+ applications to the program, and the right lifecycle asset management tools it requires for divestitures and/or disposal activities.	4.1.1 Awareness sessions relating to the application of GBA+ to the SCH program are developed and conducted (this could be done separate or in conjunction with the RP group).	March 31, 2024	DG, SCH
	4.1.2 SCH Divestiture/Disposal Plan policy coverage is sought through appropriate channels.	March 31, 2024	DG, SCH
	4.1.3 SCH Divestiture/Disposal Plan necessary authorities are sought through appropriate channels.	March 31, 2024	DG, SCH
Management Response – Real Property			
<p>RP is also in the process of developing its Disposal & Repurposing Strategy to identify which of its surplus sites have potential for disposal or repurposing. There is an opportunity for RP and SCH to develop common tools related to disposal and divestiture activities, and to develop a better understanding of how GBA+ principles can be applied to real property custodial functions.</p> <p>Towards the above goals:</p> <ol style="list-style-type: none"> 1. RP will complete a Disposal & Repurposing Strategy by March 31, 2023 that will identify surplus RP sites and assets that have disposal potential; 2. RP and SCH will ensure that GBA+ awareness training is made available to staff, and 3. RP and SCH will seek alignment between their approaches to disposal and divestiture, when applicable. 			
Link to larger program or departmental results (if applicable)			
N/A			

Annex F. Management Action Plan (MAP)

MAP Results Statement <i>Result to be achieved in response to the recommendation</i>	MAP Milestones <i>Critical accomplishments to ensure achievement of result for PMEC's approval</i>	Completion Date <i>Month, Year</i>	Director General Responsible
4.2 Increase awareness of GBA+ applications and develop a strategy for disposal and repurposing sites.	4.2.1 Complete a Disposal & Repurposing Strategy to identify surplus RP sites and assets that have disposal potential.	March 31, 2023	DG, RP and Environmental Management
	4.2.2 Ensure that GBA+ awareness training is made available to staff.	March 31, 2024	DG, RP and Environmental Management
Management Response – Joint Action Small Craft Harbour and Real Property			
There is an opportunity amongst custodians (RP and SCH) to seek opportunities, as appropriate, such as developing common tools related to disposal and divestiture activities and the application of GBA+ principles. RP and SCH will seek alignment between their approaches to disposal and divestiture, when applicable.			
Link to larger program or departmental results (if applicable)			
N/A			
MAP Results Statement <i>Result to be achieved in response to the recommendation</i>	MAP Milestones <i>Critical accomplishments to ensure achievement of result for PMEC's approval</i>	Completion Date <i>Month, Year</i>	Director General Responsible
4.3 Opportunities to share departmental management tools related to disposal and divestiture activities and the application of GBA+ principles are explored to support management of DFO's small craft harbours, jetties and wharves, including sharing lessons learned and possibly including shared divestiture authorities with RP.	4.3.1 Establishing a departmental approach addressing evolving infrastructure needs in recommendation 1 will further guide and ensure continued harmonization of SCH and RP Terms & Conditions for DFO's Disposal and Divestiture programs; as well as provide the opportunity to share best practices to align departmental efforts.	March 31, 2025	DG, SCH DG, RP and Environmental Management