

**Fish Processing Licensing Board
Annual Performance Report 2019**

Letter from the Chairperson

In compliance with the Provincial Government's commitment to transparency and accountability, and on behalf of the Fish Processing Licensing Board (the Board), I am pleased to submit the Fish Processing Licensing Board Annual Report 2019, a category three public body under the **Transparency and Accountability Act**, to the House of Assembly. My signature, on behalf of the Board, signifies the Board's accountability for the results reported.

During 2019, the Board fulfilled its mandate to review and make public recommendations on fish processing licensing applications or requests made to the Provincial Government. In doing so, the Board reviewed 22 applications (combination of carry-overs, new applications and appeals) in accordance with provincial legislation and the Fish Processing Licensing Policy Manual. The Board takes into consideration information received from various stakeholders and responses from the applicant's public advertisement of the application.

Through our work, the Board has contributed to the efficiency of Newfoundland and Labrador's fishing and aquaculture industries by providing the conditions for a stable and sustainable processing sector. The Board promotes cooperation within industry and supports the maintenance of employment levels for industry participants. In addition, the Board supports the regional balance of resource availability and processing capacity so that viable fish processing activities can continue to contribute to our rural communities.

The Board is dedicated to the continued advancement of the provincial fishing and aquaculture industries and we look forward to another successful year in 2020.

Reg Anstey, Chairperson



Fish Processing Licensing Board

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1.0 Overview

The Fish Processing Licensing Board (the Board) is an arms-length government entity that provides an open and transparent decision-making process for fish processing licensing that is accountable to the public.

Applicants for a fish processing licence must advertise in both a generally circulated and a regional newspaper to allow interested members of the public to provide comments to the Board for consideration. It is the applicant's responsibility to demonstrate the viability of their proposed venture and to comply with all applicable legislation, regulation, and policy guidelines.

The Board makes recommendations to the Minister of Fisheries, Forestry and Agriculture (formerly known as Fisheries and Land Resources), and the Minister makes the final decision on all licensing matters. The Board's recommendations to the Minister are made public, as are the final decisions of the Minister. To ensure equity and impartiality, all new Board members will go through the Independent Appointments Commission merit-based process and are then appointed by the Lieutenant-Governor in Council.

As of December 31, 2019, there were 90 active fish processing plants in the province, which included 69 licenses for primary production, 3 licenses for secondary processing, 5 licenses for aquaculture processing, and 13 licenses for in-province retail processing.

1.1 Vision

The Fish Processing Licensing Board supports the vision of the Department of Fisheries, Forestry and Agriculture by: its assessment of processing licence applications. The Board provides an equitable and impartial assessment of processing licence applications submitted to the department.

1.2 Mandate

The mandate of the Board is to make public recommendations on all fish processing licence proposals or requests made to the Provincial Government. Only the routine renewal of fish processing licences is exempt from this process. In keeping with its mandate, the Board's main objectives are to assess and make recommendations to the Minister of Fisheries, Forestry and Agriculture regarding:

- Licensing applications, including applications for new licences, change of operator, and the consolidation and transfer of fish processing licences;
- Applications for the addition of new species to existing fish processing licences and, where appropriate, recommendations regarding licensing on a regional basis;
- Corporate concentration, merger, and acquisition issues in the context of fish processing licensing matters; and

- Appeals to reinstate licences cancelled as a result of not meeting the activity requirements outlined in the Fish Processing Licensing Policy Manual.

The Board is also subject to other objectives which the Minister may determine. For other related powers and duties of the Board, refer to Appendix A.

1.3 Lines of Business

The Fish Processing Licensing Board reviews all requests for new fish processing licences, transfer of licences, change of operator and the addition of species to existing licences. The Department of Fisheries, Forestry and Agriculture (the Department) provides licensing policies and procedures to the Board to guide this process. The Board makes recommendations to the Minister and the Minister makes the final decision on all licensing matters.

For additional information regarding licensing policies and procedures, please visit the Department of Fisheries, Forestry and Agriculture website at:

<https://www.fishaq.gov.nl.ca/licensing/board/index.html>.

See also the following link to the Fish Processing Licensing Policy Manual:

<https://www.gov.nl.ca/ffa/files/licensing-pdf-fplp-manual-04-16.pdf>

1.4 Composition of the Board

As specified in the **Fish Processing Board Act** (the Act), the membership of the Board consists of five members appointed by the Lieutenant-Governor in Council. One member of the Board is designated as the Chairperson of the Board by the Lieutenant-Governor in Council, and one member is elected Vice-Chairperson of the Board by an internal vote of Board members. Board members are appointed for a period of four years and may continue to serve until reappointed or replaced. They are expected to have an understanding of, but no affiliation with, the fishing industry.

As of December 31, 2019, the Board was comprised of the following members:

Name	Title	Region	Appointment Date	Expiry Date
Anstey, Mr. Reg	Chairperson	Eastern	2/4/2019	2/4/2023
Colbourne, Mr. Taylor	Vice Chairperson	Western	7/9/2015	7/8/2019
Reid, Mr. George	Member	Western	2/4/2019	2/4/2023
Ward, Mr. Jerome	Member	Northern	2/4/2019	2/4/2023

Ms. Sharmane Allen was appointed to the board on February 4, 2019; however, Ms. Allen resigned in August. There is currently one vacant position.

1.5 Secretariat to the Board

The Department's Licensing, Inspection and Quality Assurance Division serves as the Secretariat to the Board. The duties and responsibilities of the Secretariat include, but are not limited to: all administrative functions, review of all applications, and providing background information to the Board for use in its deliberations.

The Director of Licensing, Inspection and Quality Assurance acts as the Recording Secretary for the Board. The Recording Secretary is responsible for preparing and distributing the minutes of all meetings, as well as compiling a record of the Board's recommendations. The record of recommendations is signed by the Chairperson or Vice-Chairperson of the Board and then submitted to the Minister, through the Secretariat, for review and rendering of a final decision on licensing applications.

Copies of this 2019 Annual Report and the 2020-2022 Activity Plan can be obtained on the Department's website at: <https://www.fishaq.gov.nl.ca/publications/index.html#activity>. An alternate format can be obtained by contacting the Board at the following address:

Fish Processing Licensing Board Secretariat

c/o Director of Licensing, Inspection and Quality Assurance
Department of Fisheries, Forestry and Agriculture
Government of Newfoundland and Labrador
30 Strawberry Marsh Road
P.O. Box 8700
St. John's, NL A1B 4J6

1.6 Physical Location/Regional Representation

The Secretariat to the Board is located in St. John's; however, Board meetings are held throughout the year and may be held at different locations. Meetings of the Board may be conducted by teleconference, videoconference, or by other means, providing that all members may participate simultaneously and instantaneously. Meetings are held to review applications or to consider requests related to an application. Members of the Board are selected with a consideration of gender balance and regional distribution.

1.7 Primary Clients

In delivering its mandate, the Board identifies individuals or groups whose needs have an influence on the Board's business. The Board identifies the following as primary clients:

- The Minister of Fisheries, Forestry and Agriculture;
- Fish processors;
- Fish buyers; and
- The people of Newfoundland and Labrador.

1.8 Financial Information

The Board is funded by the Department. This funding is used to cover travel costs, remuneration of Board members (according to Treasury Board guidelines), as well as any other miscellaneous costs associated with meetings. Where possible, the board operates on a cost-recovery basis through application fees.

In 2019, remuneration cost for Board members was \$16,955. There were three (3) in-person meetings and two (2) other meetings that were held by conference call. Revenues collected from application fees in 2019 totaled \$24,000.

2.0 Report on Performance 2019

The Board reviews all fish processing applications and requests in accordance with the Fish Processing Licensing Policy Manual and the Act, taking into account any feedback from the applicant's public advertising of the application, information provided by the Department, and information provided by other government departments and agencies. The Board also has the ability to hold public meetings if deemed necessary.

As stated in the Act, Section 10(2) (c):

"The board shall, after considering the application, make a recommendation to the minister regarding that application, including its reasons for that recommendation."

The Act also states in Section 11:

"The minister shall consider a recommendation of the board made to him or her under paragraph 10(2) (c) and shall, following his or her decision with respect to the application, release both the recommendation of the board and his or her decision regarding the application first to the applicant and then to the public."

In 2019, the Board met on five different occasions, (April 2-5, June 4, July 9, July 25 and December 10-11). The majority of applications reviewed in 2019, were a result of carry-over from 2018. As the focus of the Board will remain the same for the entire plan, the Board will report on the same objectives and indicators.

Issue: Fish Processing Licenses

Objective: By December 31, 2020, the Fish Processing Licensing Board will have made recommendations to the Minister of Fisheries, Forestry and Agriculture on matters pertaining to fish processing licences.

Indicators:

Assessed applications and made recommendations as required for:

- New licences;
- Change of Operator of an existing licence;
- Addition of new species to an existing licence;
- Transfers; and
- Appeals.

Assessed Applications and Made Recommendations For New Licences:

There was one (1) application for a new primary processing license submitted in 2019.

2019

1. **Quin-Sea Fisheries Limited, New Harbour:** Application for a new primary processing licence for lobster. The Board recommended approval.

Applications and Recommendations for Change of Operator on an Existing Licence:

There was one (1) application for change of operator submitted in 2019. In addition, there were three (3) change of operator applications carried forward from 2018.

2019

1. **Quin-Sea Fisheries Limited, New Harbour.** The Board recommended not approving the Change of Operator from Woodman's Sea Products Ltd., New Harbour, to Quin-Sea Fisheries Limited.

2018

1. **Mike Philpott Enterprises Limited, Fairhaven.** The Board recommended approval.
2. **Terra Vista Limited, Glovertown.** The Board recommended approval.
3. **Allen's Fisheries Limited, Benoit's Cove.** The Board recommended approval.

Applications and Recommendations for Addition of New Species to an Existing Licence:

Adding a new species on an existing licence may utilize excess capacity, which may contribute to improved efficiency and enable the enterprise to be more competitive in the marketplace. The Fish Processing Licensing Policy Manual outlines the criteria an application must meet for approval.

In 2019, the Board reviewed nine (9) applications for the addition of a species category to an existing licence, two (2) of which were new applications, the remainder were carried over from 2018, as Fisheries and Oceans Canada were considering a new exploratory area for sea cucumber.

2019 (New)

1. **Labrador Gem Seafoods Inc., Ramea:** Application to add the species lobster, whelk, sea cucumber, lumpfish and sea urchin to an existing primary processing licence. The Board recommended not to approve lobster, as there are other buyers in the Burgeo area, but to approve a licence for whelk, sea cucumber, lumpfish, and sea urchin.
2. **Barry Group Inc., Witless Bay:** Application to add the species capelin (pelagic), scallop and sea cucumber to an existing primary processing licence. The Board recommended not to approve a pelagic, scallop or sea cucumber licence.

2018 (Carry-Over)

3. **Northern Lights Seafoods Inc., Main Brook:** Application to add the species sea cucumber to an existing primary processing licence. The Board recommended approval.
4. **Notre Dame Seafoods Inc., Comfort Cove:** Application to add the species sea cucumber to an existing primary processing licence. The Board did not recommend approval.
5. **HSF Ocean Products Limited, O'Donnell's:** Application to add the species sea cucumber to an existing primary processing licence. The Board did not recommend approval.
6. **Bay Roberts Seafoods Limited, Bay Roberts:** Application to add the species sea cucumber to an existing primary processing licence. The Board did not recommend approval.

2017 (Deferred Application Carry-Over)

7. **Hodder's Shellfish Inc., Stoneville:** Application to add the species sea cucumber to an existing primary processing licence. The Board did not recommend approval.
8. **Wood-Pick Enterprises Limited, Centreville-Wareham-Trinity:** Application to add the species sea cucumber to an existing primary processing licence. The Board did not recommend approval.
9. **Golden Shell Fisheries (2014) Limited, Hickman's Harbour:** Application to add the species sea cucumber to an existing primary processing licence. The Board did not recommend approval.

***Please note following written notification from the Fish Processing Licensing Board, that Golden Shell Fisheries (2014) Limited, Hickman's Harbour and Hodder's Shellfish Inc., Stoneville were not recommended for approval, **both companies re-submitted new applications** to have new species added to existing processing licenses. The Board reviewed these applications in December and elected to defer both applications pending a policy review of sections 1.6 and 2.1 of the Fish Processing Licensing Policy Manual.

Applications and Recommendations for Licence Transfer:

A licence transfer is the movement of one or more species category from one fish processing facility to another, resulting in the elimination of those species or species groups from the originating licence. In 2019, the Board reviewed three (3) applications for licence transfers.

2019 (New)

1. **Waterside Fish Market, Twillingate:** Application to transfer an in-province retail fish establishment processing license from Unchartered Seafood's, St. Mary's to Twillingate. Board recommended approval.

2018 (Carry-Over)

2. **Gulf Shrimp Limited, Baie Verte:** Application to transfer groundfish (all species) and whelk from Woodman's Sea Products Limited, New Harbour to Baie Verte. Board did not recommend approval.
3. **Quinlan Brothers Limited, Old Perican:** Application to transfer scallop and mussel from Woodman's Sea Products Limited, New Harbour to Old Perican. Board did not recommend approval.

Assessed Applications and Made Recommendations For Appeals:

An appeal is a process for requesting a formal change to an official decision. All appeals are directed to the Board for consideration when the licence holder has lost a species authorization due to inactivity (no reported production) or does not meet the minimum production requirements set out in the Fish Processing Licensing Policy Manual. When appealing a decision, the applicant is not required to advertise.

In 2019, the Board received three appeal requests. Two of which resulted from previous decisions of the Board that were made in April.

1. **Gulf Shrimp Limited, Baie Verte:** Board reviewed application again, and recommended approval of transfer.
2. **Quinlan Brothers Limited, Old Perican:** Board reviewed application again, and recommended approval of transfer.
3. **Green Seafood Limited, Winterton:** Board recommended approval of reinstatement of groundfish to primary processing license.

Appendix A

**Powers and Duties of the Board
Under the Fish Processing Licensing Board Act**

9. (1) The board shall:

- (a) consider an application for a fish processing licence which has been properly made to it, including an application for a new licence, a consolidated licence or a transfer of licence;
- (b) consider an application made to it under this Act which it is authorized to consider;
- (c) consider a matter referred to it by the minister, where that matter is of one of general application which does not refer specifically to a particular fish processing licence;
- (d) consider an application related to corporate concentration, merger and acquisition issues in the context of fish processing licensing matters; and
- (e) after considering a matter referred to in paragraphs (a) to (d), make a recommendation, including its reasons for that recommendation, to the minister with respect to a course of action on that matter.

(2) The board may:

- (a) request that the minister provide professional or technical assistance or advice required by it to make its recommendations to the minister; and
- (b) generally, do those other things that are necessary to fulfil its mandate and make the required recommendations to the minister regarding an application under this Act.