

**Fish Processing Licensing Board
Annual Report 2017**

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 Activity Report 2017, 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 2017, 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 seven applications and two 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 in the industry and supports employment levels that provide adequate incomes for industry participants. The Board also works to maintain a 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 2018.

TED LEWIS, Chairperson

A handwritten signature in black ink that reads "Ted Lewis". The signature is written in a cursive style with a large initial "T" and a long, sweeping underline.

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 and Land Resources (the Minister), 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, 2017, there were 89 fish processing licenses issued in the province which included 69 licenses for primary production, two licenses for secondary processing, six licenses for aquaculture processing, and 12 licenses for in-province retail processing. Current licensing information can be found at: <http://www.flr.gov.nl.ca>.

1.1 Vision

The Board supports the vision of the Department of Fisheries and Land Resources (the Department) 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 and Land Resources 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, the addition of species to existing licences, as well as appeals. The Department of Fisheries and Land Resources (FLR) provides licensing policies and procedures to the Board to guide this process.

For additional information regarding licensing policies and procedures, please visit the Department of Fisheries and Land Resources website at: <http://www.flr.gov.nl.ca>.

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, 2017, the Board was comprised of the following members:

Name	Title	Appointment Date	Area
Mr. Ted Lewis	Chairperson	11/19/2013	Northern
Mr. Clarence Brown	Vice Chairperson	3/2/2012	Western
Mr. Taylor Colbourne	Member	7/9/2015	Western
Ms. Violet Parsons	Member	3/2/2012	Eastern
Mr. Samuel Winsor	Member	11/19/2013	Western

1.5 Secretariat to the Board

The Department's Licensing, Inspections 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. All proposals and requests submitted to the Board are also provided to the Minister.

The Director of the Licensing, Inspections 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 2017 Activity Report and the 2017-2019 Activity Plan can be obtained on the Department's website at: <http://www.flr.gov.nl.ca> Available in alternate format. Please contact the Board at the following address:

Fish Processing Licensing Board Secretariat
c/o Director of Licensing, Inspections and Quality Assurance
Department of Fisheries and Land Resources
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 the Department's headquarters 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

The Board, in delivering its mandate, identifies the following as primary clients whose needs have an influence on the Board's business:

- The people of Newfoundland and Labrador;
- The Minister of Fisheries and Land Resources;
- Fish processors; and
- Fish buyers.

1.8 Financial Information

The Fish Processing Licensing 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 2017, costs of the Board included remuneration costs of \$6,205.00 and travel expenses of \$2,570.93. Revenues collected from application fees in 2017 totaled \$13,000.

2.0 Report on Performance 2017

The Board reviews all fish processing applications and requests in accordance with the Fish Processing Licensing Policy Manual and the **Fish Processing Licensing Board 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 2017, the Board met three times, and considered seven applications and two appeals. The assessed applications included: four applications to add a species to an existing licence, three applications for a licence transfer.

Three applications submitted in 2017 are being carried forward into 2018. These are applications to add a new species to an existing licence. As the focus of the Board will remain the same for the entire plan, the Board will report on the same objective and indicators in all three years.

Issue: Fish Processing Licenses

Objective: By December 31, 2017, the Fish Processing Licensing Board will have made recommendations to the Minister of Fisheries and Land Resources 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 were no new licenses applications submitted in 2017.

Assessed Applications and Made Recommendations For Change of Operator on an Existing Licence

There were no change of operator applications submitted in 2017.

Assessed Applications and Made 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 2017, the Board received four applications for the addition of a species category to an existing licence. The Board made recommendations on one application and three applications are currently under review.

1. Green Seafoods Limited, Winterton: Application to add the species sea urchin to an existing primary processing licence was recommended for approval.

The following three applications received in 2017 will be carried forward to 2018.

1. **Hodder's Shellfish Inc., Stoneville:** Application to add the species groundfish, pelagics, lobster, eel, seal, scallop, sea cucumber, rock crab and toad crab to an existing primary processing licence was reviewed. The Board deferred the request for sea cucumber, pending receipt of additional information. The Board did not recommend groundfish and pelagics, but recommended approval of the species lobster, eel, seal, and scallop.
2. **Wood-Pick Enterprises Limited, Centreville-Wareham-Trinity:** Application to add the species sea cucumber to an existing primary processing licence was deferred pending receipt of additional information.
3. **Golden Shell Fisheries (2014) Limited, Hickman's Harbour:** Application to add the species sea cucumber to an existing primary processing licence was deferred pending receipt of additional information.

Assessed Applications And Made 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-province retail license transfers are included as well. With respect to in-province retail licence transfer requests, if approved, the entire licence will be eliminated from the donor location. In 2017, the Board received three applications for licence transfers and made three recommendations:

1. **Conche Seafoods Inc., Conche:** Application for transfer of a primary processing licence for lobster from Long Cove to Conche was recommended for approval.
2. **Premium Choice Seafoods Limited, St. John's:** Application for a transfer of an in-province retail license from Burgeo to St. John's was recommended for approval.
3. **Skipper's Quality Seafoods Limited, St. John's:** Application for transfer of an in-province retail licence from St. John's to Petty Harbour was recommended for 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 2017, the Board received two appeals. The Board made two recommendations.

1. **Change Islands Fishermen's Improvement Committee Inc., Change Islands:** Appeal to reinstate primary processing licence for groundfish and pelagics was recommended for approval.
2. **Green Seafoods Limited, Winterton:** Appeal to reinstate primary processing licence for pelagics was recommended for approval.

The applications/appeals considered by the Board can also be found on the department's website at: <http://www.fishaq.gov.nl.ca/licensing/board/>.

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.