

**Fish Processing Licensing Board  
Annual Report 2018**

## 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 2018, to the House of Assembly. The Board is, a category three public body under the **Transparency and Accountability Act**. My signature, on behalf of the Board, signifies the Board's accountability for the results reported.

During 2018, 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 one application 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 2019.



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 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, 2018, there were 88 active fish processing plants in the province, which included 69 licenses for primary production, 2 licenses for secondary processing, 5 licenses for aquaculture processing, and 12 licenses for in-province retail processing.

### 1.1 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.

## 1.2 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, 2018, the Board was comprised of the following members:

| <b>Name</b>          | <b>Title</b>     | <b>Location</b> | <b>Appointment Date</b> | <b>Area</b> |
|----------------------|------------------|-----------------|-------------------------|-------------|
| Mr. Ted Lewis        | Chairperson      | Roddickton      | 11/19/2013              | Northern    |
| Mr. Clarence Brown   | Vice-Chairperson | Baie Verte      | 3/2/2012                | Western     |
| Mr. Taylor Colbourne | Member           | Corner Brook    | 7/9/2015                | Western     |
| Ms. Violet Parsons   | Member           | Bloomfield      | 3/2/2012                | Eastern     |
| Mr. Samuel Winsor    | Member           | Carmanville     | 11/19/2013              | Western     |

Four new members were appointed on February 4, 2019 including the Chairperson and Vice-Chairperson.

## 1.3 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 2018 Annual Report and the 2017-2019 Activity Plan can be obtained on the Department's website at: <https://www.fishaq.gov.nl.ca/publications/index.html#activity>. Available in alternate format.

Please contact the Board at the following address:

**Fish Processing Licensing Board Secretariat**  
c/o Director of Licensing, Inspection 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

## **1.4 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.

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

## **1.5 Financial Information**

The Fish Processing Licensing Board is funded by the Department of Fisheries and Land Resources. 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 2018, costs of the Board included remuneration costs of \$545. No travel expenses were incurred as there was only one meeting, which was held on a conference call. Revenues collected from application fees in 2018 totaled \$21,000.

## **2.0 Report on Performance 2018**

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 2018, the Board met once, and considered one application for a licence transfer.

Ten applications were submitted in 2018 along with three deferred applications from 2017, which are being carried forward into 2019. These are applications to add a new species to an existing licence, to transfer a licence and a change of operator. 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, 2018, 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 applications for new licenses submitted to the Board in 2018.

### **Assessed Applications and Made Recommendations for Change of Operator on an Existing Licence:**

There were three change of operator applications submitted to the Board in 2018. All applications are being carried forward into 2019.

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

### **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 2018, the Board received four applications for the addition of a species category to an existing licence. These applications are being carried forward to 2019, as a new exploratory area is being considered by Fisheries and Oceans Canada (DFO).

1. **Northern Lights Seafoods Inc., Main Brook:** Application to add the species sea cucumber to an existing primary processing licence.
2. **Notre Dame Seafoods Inc., Comfort Cove:** Application to add the species sea cucumber to an existing primary processing licence.
3. **HSF Ocean Products Limited, O'Donnell's:** Application to add the species sea cucumber to an existing primary processing licence.
4. **Bay Roberts Seafoods Limited, Bay Roberts:** Application to add the species sea cucumber to an existing primary processing licence.

The following three applications were received by the Board, requesting the addition of sea cucumber to their licence, in 2016-2017. These applications are being carried forward to 2019, as a new exploratory area is being considered by Fisheries and Oceans Canada (DFO).

5. **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. In 2017, the Board did not recommend groundfish and pelagics, but recommended approval of the species lobster, eel, seal, and scallop. The Board deferred the request for sea cucumber, pending receipt of additional information from DFO, who may be expanding areas for sea cucumber.

6. **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 from DFO, who may be expanding areas for sea cucumber.
7. **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 from DFO, who may be expanding areas for sea cucumber.

### **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. With respect to in-province retail licence transfer requests, if approved, the entire licence will be eliminated from the donor location. In 2018, the Board received three applications for licence transfers. The Board made one recommendation for a licence transfer for Quin-Sea Fisheries Limited and the other two applications were carried forward into 2019.

1. **Gulf Shrimp Limited, Baie Verte:** Application to transfer groundfish (all species) and whelk from Woodman's Sea Products Limited, New Harbour to Baie Verte.
2. **Quinlan Brothers Limited, Old Perlican:** Application to transfer scallop and mussel from Woodman's Sea Products Limited, New Harbour to Old Perlican.
3. **Quin-Sea Fisheries Limited:** Application to transfer ground fish all species from Dorset Fisheries Limited, Norman's Cove/Long Cove to Quin-Sea, Old Perlican.

### **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 2018, the Board received no appeals, as such no recommendations were made.

**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.