



2019

Annual Performance Report

for

**The Professional Fish Harvesters
Certification Board**

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1.0 Message from the Chairperson

On behalf of the Board of Directors of the Professional Fish Harvesters Certification Board (PFHCB) I am pleased to present the Board's Annual Performance Report for 2019. The Board of Directors of the PFHCB remains committed to fulfilling the Board's obligations as a category three public entity under the provincial **Transparency and Accountability Act**. We are accountable for the preparation of this report, and for ensuring that the information presented is a thorough and accurate representation of the Board's operations and activities in 2019, the final year of the 2017-2019 planning cycle.

Again in 2019, as it has since 1997, the Board continued to serve the professional fish harvesters of Newfoundland and Labrador, through the implementation of Canada's first professional certification program for commercial fish harvesters. In 2019, the Board was successful in fulfilling its primary mandate and objectives as outlined in the **Professional Fish Harvesters Act**, and had another successful year in carrying out a variety of related activities and initiatives.

The PFHCB operates on a regular calendar year, thus this report presents the work of the Board from January 1, 2019 to December 31, 2019, and includes the achievements and outcomes of the Board's stated objectives, as outlined in our 2017-2019 Activity Plan.

Finally, as Chairperson of the PFHCB, I accept responsibility for ensuring that the Board continues to meet its planning and reporting obligations under the **Transparency and Accountability Act**.

Sincerely,



William Broderick
Chairperson, PFHCB

2.0 Overview

The Professional Fish Harvesters Certification Board (PFHCB) became operational in 1997 following proclamation of the **Professional Fish Harvesters Act** (the Act) by the Newfoundland and Labrador House of Assembly. This legislation, the first of its kind in Canada, recognizes fish harvesting as a professional occupation. The PFHCB is mandated to register and certify commercial fish harvesters in Newfoundland and Labrador. In addition to this primary mandate, the Board is engaged in a wide variety of strategic activities aimed at enhancing the profession of commercial fish harvesting, as outlined in this report.

2.1 Board of Directors, Sub-Committees and Staff

The PFHCB operates under the direction of a 15 member Board of Directors, in accordance with the Act. Members of the Board of Directors are appointed by the Minister of Fisheries, Forestry and Agriculture (formerly known as Fisheries and Land Resources) upon recommendation from the respective organizations identified in Section 5 of the Act. Members whose terms have expired may continue to serve until re-appointed or replaced. The following is a list of Board members as of December 31, 2019:

Name	Representing	Title	Appointed Date	Expiry Date
Mr. Mike Noonan	FFAW	Member	8/12/2019	8/12/2022
Mr. George Feltham	FFAW	Vice-Chairperson	8/12/2019	8/12/2022
Ms. Mildred Skinner	FFAW	Secretary	8/12/2019	8/12/2022
Mr. David Jarvis	FFAW	Member	8/12/2019	8/12/2022
Ms. Patricia Williams	Federal	Member	8/12/2019	8/12/2022
Mr. Bill Broderick	FFAW	Chairperson	8/12/2019	8/12/2021
Mr. Robert Keenan	FFAW	Member	8/12/2019	8/12/2021
Mr. Reginald Best	Fishing Cooperative	Member	9/19/2016	12/31/2018
Director of Sustainable Fisheries and Oceans Policy	FFA	Member	6/29/2017	6/28/2020
Director of Workforce Development	ISL	Member	6/29/2017	6/28/2020
Mr. Edward Durnford	Post Secondary Institution	Member	8/12/2019	8/12/2021
Mr. Frank Corbett	Federal	Member-at-Large	8/12/2019	8/12/2021
Mr. Carl Hedderson	FFAW	Member	8/12/2019	8/12/2021
Dr. Ratana Chuenpagdee	At-large	Member	6/25/2015	6/24/2018
Vacant	Indigenous Issues	Member		

A complete list of current members of the Board of Directors can also be found on the PFHCB's website at www.pfhcb.com. The Board also has three sub-committees that convene, as required, to address specific PFHCB business and arising issues. They are an Executive Committee, Education Committee and Public Relations Committee.

The Board currently has a full-time office staff of four persons, consisting of an Executive Director, a Coordinator of Registration and Certification, a Coordinator of Finance and Administration and a Project Coordinator. In addition to permanent staff members, the PFHCB draws upon a large group of trained fish harvester instructors, assessors and facilitators to assist in the delivery of its programs and initiatives.

2.2 Location and Contact Information

To inquire or comment on the contents of this report (alternate formats available) or for additional information about the PFHCB please contact:

Professional Fish Harvesters Certification Board
 368 Hamilton Avenue
 P.O. Box 8541
 St. John's, NL A1B 3P2
 709-722-8170 (phone)
 709-722-8201 (fax)
pfh@pfhcb.com
www.pfhcb.com

2.3 Finances

The PFHCB is a non-profit self-supporting organization created by and operating for the benefit of all Newfoundland and Labrador commercial fish harvesters. The Board's primary revenue is generated from fees paid by certified fish harvesters. Additionally, from time to time the PFHCB receives financial assistance from industry partners such as CCPFH and Department of Fisheries, Forestry and Agriculture (FFA) for the delivery of special projects in fulfillment of its mandate and objectives. A full external audit is conducted annually, and the Board's audited financial statements are submitted to the Minister. The Board's audited Financial Statements for 2019 can be found in Appendix A.

Below is a summary of revenue and expenses for the year ending December 31, 2019.

Total Revenue	\$ 920,672
Total Expenses	\$ 856,984
Excess of Revenue over Expenses	\$ 63,688

3.0 Highlights and Partnerships

Highlights: In 2019 the PFHCB continued offering its various programs and services to commercial fish harvesters, primarily geared toward fulfilling the Board's objectives as defined in the Act, and addressing the strategic issues outlined in the 2017-2019 Activity Plan.

For this reporting period the Board was successful in carrying out all stated lines of business, and made significant progress toward meeting its short-term and long-term objectives. The specifics

of many of the Board’s activities throughout 2019 are described in detail in section 4.0 (1) (Outcomes of Objectives); however, a few highlights are included below:

- 9,018 fish harvesters were registered with the PFHCB in 2019. While 2019 registrations were down approximately two per cent from 2018, overall registration numbers remain stable, with no more than a +/- one-two per cent annual variance over the past five years.

New Entrant	Apprentice	Northern Lab. Core	Level I	Level II	TOTAL
468	2,829	8	473	5,240	9,018

- In 2019, similar to 2018, approximately 200 fish harvesters received fisheries-related training from Marine Institute. This training was comprised primarily of Fishing Masters (FM IV & III), but also included students completing miscellaneous shorter courses such as MED (DVS/A1 and A3), Radio Operation (ROC-MC), Small Vessel Operator Proficiency (SVOP) and First Aid. Nearly 150 students were enrolled in FM programs. Half participated in classroom-based delivery and the other half were enrolled in the online delivery program.
- 232 harvesters completed a five-day Basic Safety Training course delivered by the PFHCB in 17 communities throughout the province between February 25 and April 5, 2019. Nineteen students attended the Marine First Aid portion only, in order to renew expired First Aid certificates. An additional 48 Apprentice and Level I fish harvesters took advantage of the Board’s PLAR program – 272 total Prior Learning Assessment and Recognition (PLAR) assessments were conducted in 13 different locations, and successful participants received more than 2,000 education credits toward PFHCB certification upgrading.
- In total, 132 fish harvesters had their certification level upgraded in 2019; 76 upgraded to Level I, and 56 upgraded to Level II. This number is an increase of 15 per cent over 2018, and demonstrates that harvesters remain interested in certification upgrading. It is also important to note that the average age of those 132 harvesters is 34.49 years. This is particularly important in order to ensure that the PFHCB continues to certify a sufficient number of younger qualified harvesters to replace those aging Level II harvesters who will exit the industry over the next decade.
- The PFHCB continued its support of the province’s sealing industry, through its support of the Canadian Sealers Association (CSA), and the delivery of workshops in the Humane Harvesting and Quality/Health/Handling. In 2019, PFHCB staff assisted in maintaining the membership database for the CSA. The PFHCB delivered four Humane Harvesting and Quality/Health/Handling regional workshops, with 97 commercial sealers in attendance to fulfill their federal Fisheries and Oceans Canada (DFO) licensing requirements. The total number of commercial sealers trained by the PFHCB since 2009 is now in excess of 6,900.
- As part of a renewed commitment to recruitment and retention of fish harvesters, the PFHCB organized a Recruitment and Retention Strategy Session attended by FFA, MI, Immigration, Skills and Labour (ISL), Fish Food and Allied Workers (FFAW) and the NL Fish

Harvesting Safety Association (NL-FHSA). Subsequently, the PFHCB has partnered with the CCPFH (with participation from the organizations above) on a project entitled “Meeting the Labour Supply Challenge in Atlantic Canada’s Fish Harvesting Industry”. Begun in late 2019, the major output of the project will be a comprehensive strategy for attracting and retaining new labour supply in the fishing industry.

Partnerships: Since its inception in 1997, the PFHCB has partnered with outside agencies on initiatives that are consistent with the goals and objectives of fish harvester professionalization. In 2019, the PFHCB continued its important collaborative work on five noteworthy initiatives related to the advancement of fish harvester professionalization and skills development.

I. Fisheries and Oceans Canada (DFO) – Linkages between PFHCB Certification and DFO’s Regional Licensing Policy

Since its inception in 1997, PFHCB certification has been directly linked to DFO licensing policy in the NL Region. More specifically, DFO policy requires that fish harvesters be certified as a Level II with the PFHCB to be eligible for the reissuance of a federal species licence(s). Furthermore, since 2015, DFO licensing policy requires harvesters to be registered as Level I or Level II to be eligible as a substitute operator of a federal species licence. These linkages are indicative of DFO’s ongoing support for professional certification, and ensures that fishing enterprises in this province continue to be operated by trained, certified professional fish harvesters.

Additionally, since November 30, 2016, it is a DFO requirement for commercial sealers in the NL region to obtain an accredited workshop in the Humane Harvesting of Seals. As a result, the PFHCB, as an authorized deliverer of these workshops, continued to work closely with DFO staff in 2019 to ensure that NL sealers were given an opportunity to avail of the required workshop, and fulfill their licensing requirements. Throughout the year PFHCB staff worked closely with DFO licensing staff, and shared the commitment of ensuring that Newfoundland and Labrador commercial fish harvesters and sealers are operating in accordance with DFO’s licensing policies. Licensing compliance is a key part of professionalism amongst licensed harvesters, and the PFHCB remains committed to working with DFO on this important shared commitment.

II. Newfoundland and Labrador Fish Harvesting Safety Association (NL-FHSA)

In 2019, the PFHCB provided support for the Newfoundland and Labrador Fish Harvesting Safety Association (NL-FHSA) in fulfillment of a shared commitment to improve safety in the commercial fishery. The NL-FHSA continues to operate out of the PFHCB offices located at 368 Hamilton Avenue, with administrative support from the PFHCB staff. Throughout the year, the Board worked closely with NL-FHSA staff on safety-related initiatives, and Mark Dolomount, PFHCB’s Executive Director, currently holds the position of Vice-Chair of the NL-FHSA Board of Directors.

The PFHCB remains committed to the long-term success of the NL-FHSA, and will continue working closely with NL-FHSA staff to develop and implement meaningful safety initiatives, and to promote a safer fishing industry for all fish harvesters. The PFHCB has a legislated

mandate related to the safety of NL fish harvesters, and the Board remains committed to working with the NL-FHSA on this shared commitment, and will continue to support the safety initiatives of the Association.

III. Transport Canada (TC) – Dissemination/Clarification of Information on TC’s Federal Regulatory Requirements.

Since the coming into force of the new **Marine Personnel Regulations** of the **Canada Shipping Act** in 2007, the PFHCB has worked closely with TC to determine the impact of these new federal regulations on Newfoundland and Labrador’s fish harvesters, disseminate information regarding the new regulations to the province’s fish harvesters, and assist harvesters in attaining regulatory compliance. These efforts continued throughout 2019.

As reported in more detail in section 4.0, the PFHCB continues to work closely with TC, the NL-FHSA, other industry organizations, and certified fish harvesters to achieve maximum federal regulatory compliance. PFHCB staff has been directly involved in consultations surrounding the development of the new TC federal **Fishing Vessel Safety Regulations** that came into force in July, 2017. The PFHCB is also actively engaged with DFO on consultations related to proposed amendments to the current **Marine Personnel Regulations** that will impact NL fish harvesters. These federal regulatory amendments that impact training and certification requirements for all Canadian fish harvesters are expected to enter Canada Gazette in late 2020. The Board remains committed to informing NL fish harvesters on these regulatory requirements and assisting harvesters achieve compliance.

IV. Fisheries and Marine Institute – Promotion and Delivery of Fisheries Training

In 2011, MI established a new centre for Community Based Education Delivery (CBED) under the School of Fisheries. A large part of the mandate of CBED is the promotion, coordination and delivery of community-based fisheries training. The PFHCB has always worked closely with MI in promoting their fisheries training programs, but since the creation of CBED this relationship has been expanded and improved.

Throughout 2019, the PFHCB staff worked closely with MI staff on a number of initiatives related to promoting and supporting community-based fisheries training – both for the purpose of meeting the new federal regulatory requirements and meeting the PFHCB requirements for certification upgrading. One of the key shared commitments throughout this planning cycle has been the continued promotion of MI’s new online/computer-based delivery of Fishing Masters IV, which eliminates many of the accessibility barriers that traditionally make community-based Fishing Masters courses difficult to coordinate, particularly in remote areas of the province.

Other ongoing initiatives in support of this shared commitment included strategic planning to improve recruitment to fisheries training, distributing information on MI training opportunities, and supporting fish harvesters in the registration and tuition assistance process. In 2019, the PFHCB continued its collaboration with MI on two contracts to

update and improve the PFHCB's PLAR program as well as the PFHCB's curriculum for its five-Day Basic Safety Course.

V. **Appeal Board of the Professional Fish Harvesters Certification Board**

The PFHCB has a shared commitment with the PFHCB Appeal Board to ensure that Newfoundland and Labrador fish harvesters have access to an appeal process, whereby appeals are available in a timely manner, and in all regions of the province where appellants reside. The Appeal Board operates as an independent category three public entity, in accordance with sections 14-18 of the Act. The mandate of the Appeal Board is to provide an independent appeal process for any person who files a notice of appeal with the Executive Director of the PFHCB.

The PFHCB, through its ongoing administrative support of the PFHCB Appeal Board, is committed to assisting the PFHCB Appeal Board fulfill its mandate and stated objectives, as per the PFHCB Appeal Board's 2017-2019 Activity Plan. As outlined in its 2019 Performance Report, the PFHCB Appeal Board was successful in meeting its one stated objective, which included conducting 18 fish harvester appeals in six locations throughout the province.

4.0 Activities

I. Outcomes of Objectives

In its 2017-2019 Activity Plan, the PFHCB identified two strategic issues which reflect the challenges that continue to face our commercial fishery as a result of many factors, with the focus placed mainly on new/changing regulatory requirements and meeting the long-term human resource needs of the industry. For 2019, the Board has two primary issues and subsequent objectives by which it intends to address each issue. Each objective is accompanied by indicators to assist in monitoring and evaluating success. Throughout 2019, the Board worked on a variety of activities in fulfillment of its short-term and long-term goals and objectives, several of which have been highlighted in the previous two sections. What follows is a more detailed account of the outcomes of the Board's stated 2019 objectives, and how they were successfully achieved.

Issue #1 – New Federal Fishing Vessel Safety Regulations

The new federal Fishing Vessel Safety Regulations (of the **Canada Shipping Act**) came into force on July 13, 2017. As outlined below, these new regulations will have a significant impact on NL fishing crews – particularly vessel owners/operators. These new regulations include changes to current regulatory requirements, as well as significant new requirements for fishing vessels. For example:

- Changes to the lifesaving equipment requirements for fishing vessels.
- New stability requirements that will require all new fishing vessels, and some existing vessels, to be formally tested for adequate stability.
- Requirements for fishing vessels to have written safe operating procedures.

Overall, the new regulations will impact all vessels less than 24 meters (m). Some parts of the new regulations will impact all vessels, while other elements of the regulations will impact vessels based on their size, sea area, and fishing activity.

The Newfoundland and Labrador fishing industry currently has approximately 3,600 fishing enterprises in the less than 24 meter category, and many enterprises have more than one registered fishing vessel. As a result, the impact of these new regulations will be significant, both in terms of the number of vessels impacted, as well as the potential cost, time and resources necessary to become compliant with the new regulatory requirements.

Regulatory compliance is considered a key part of being a professional fish harvester, and can contribute significantly to improved safety onboard fishing vessels. The PFHCB has always played a key role in assisting fish harvesters understand their regulatory requirements, and supported them in achieving and maintaining compliance. Over the next three years, the PFHCB will make every effort possible to meet our objectives on this strategic issue.

Objective #1: By December 31, 2019, the PFHCB will have assisted small vessel (<24m) owners/operators in understanding the new regulatory requirements of Transport Canada's federal Fishing Vessel Safety Regulations, and supported them in achieving compliance with their federal certification requirements.

Indicators: Attained detailed information and a general understanding of the new federal regulatory requirements.

Raised awareness of the new federal regulations amongst Newfoundland and Labrador fish harvesters.

Advised individual owners/operators on how to achieve compliance with new federal regulatory requirements.

Outcomes for Issue #1

The new **Fishing Vessel Safety Regulations** of the **Canada Shipping Act** came into force in July 2017. For several years leading up to the coming into force of these regulations, and since, the PFHCB has played an active lead role in advising TC on the regulatory impact on NL fish harvesters. More specific to the issue, Board staff have been increasing their working knowledge of the new regulatory requirements over the past three years so that the PFHCB can accurately inform NL fish harvesters of the new regulatory requirements, and advise and assist them on how to achieve regulatory compliance.

Unlike the **Marine Personnel Regulations** that came into force in 2007, the new **Fishing Vessel Safety Regulations** were not phased in over an extended period of time – these new Regulations came into force in their entirety on July 13th, 2017. Therefore, it was important for PFHCB staff to obtain detailed information to attain a general understanding of the new federal regulatory requirements. To that end, as highlighted below a main priority of the PFHCB in 2019, as it has been throughout this planning cycle, was to continue its consultation and communication with TC

and other industry organizations and stakeholders on the contents of the new regulations, their impact on fish harvesters, as well as TC's implementation and enforcement strategy.

TC's Canadian Marine Advisory Council (CMAC) sessions remain the most effective way for fishing industry representatives to receive detailed information and clarification regarding the federal regulatory requirements, including regulatory interpretations, impact and implementation. The Atlantic regional CMAC session, held alternately between NL and the Maritimes, fills a similar role on a regional level. Spring 2019 regional CMAC was held on January 8th in Dartmouth, Nova Scotia, and the PFHCB had a staff member and one Board member in attendance. As always, this was an important opportunity to discuss the regulations with TC and industry representatives from the Atlantic region in order to gain an increased understanding of the regulations and how TC is intending to implement and enforce them.

PFHCB also had representatives attend the 2019 national CMAC sessions that took place in Ottawa from April 16-17, 2019 and November 5-7, 2019. PFHCB representatives at these national CMAC sessions included one staff member, one Board member, and one fish harvester representative. The primary focus was on the requirements of the new **Fishing Vessel Safety Regulations**, their interpretation, implementation and enforcement. PFHCB representatives at the 2019 national CMAC also attended sessions pertaining to proposed amendments to the **Marine Personnel Regulations**, scheduled to enter Canada Gazette Part I in late 2020.

In addition to regularly scheduled regional and national TC CMAC meetings, during 2019 PFHCB representatives were also involved in a number of other information sessions with industry organizations and/or TC, in our ongoing effort to better understand the federal regulations and their implementation. These information sessions took the form of face-to-face meeting with TC as well as conference calls with both TC and other industry stakeholder organizations. PFHCB staff participated in a face-to-face meeting with TC and Atlantic fishing industry organization in Oak Island, NS on July 10, 2019. This meeting was part of TC's new "enhanced engagement" initiative with fishing industry representatives, and focused on the new construction standards of the Fishing Vessel Safety Regulations and their impact on fishing vessels. Regular communication with Transport Canada and other fishing industry organizations took place throughout the year, by email and teleconference, in an ongoing effort to better understand TC's **Fishing Vessel Safety Regulations**, including TC's planned implementation and enforcement strategies.

Throughout the year, all PFHCB staff continued to review the new regulatory requirements, with a focus on: lifesaving equipment requirements, stability assessment requirements, the requirement for written safety procedures, and construction standards. When necessary, PFHCB staff utilized its ongoing working relationship with regional and federal TC staff to assist in clarifying and/or interpreting various components of the regulations on behalf of fish harvesters.

In addition to these ongoing activities with TC and industry organizations, in 2019 PFHCB Executive Director, Mark Dolomount, was invited by TC to join a Canadian delegation attending meetings at the International Maritime Organization (IMO) in London, UK, April 29th-May 3, 2019. These meetings focused on international fisheries safety regulations, and represented a unique opportunity to better understand TC's incorporation of international regulatory obligations into Canadian regulations, such as the **Fishing Vessel Safety Regulations**. It was also an opportunity to

strengthen the working relationship between the PFHCB and senior TC representatives responsible for implementing fisheries safety regulations.

Finally, with regard to acquiring information on the federal regulatory requirements, the PFHCB remains on the email distribution list for all TC correspondence, including TC Ship Safety Bulletins. As a result of the PFHCB's continued participation in CMAC, and strong working relationship with TC and other industry stakeholder groups, PFHCB staff members have a comprehensive understanding of federal regulations and are well prepared to assist in raising the awareness of the new **Fishing Vessel Safety Regulations** amongst NL fish harvesters and to advise them on achieving compliance.

Contributing to a raised awareness of the new regulations amongst NL fish harvesters continued to be a priority of PFHCB staff throughout 2019. The PFHCB office continues to be a valuable source of information for fish harvesters inquiring about federal regulatory requirements, and The Board maintains a thorough file of information and resources relevant to all federal regulatory requirements. This is shared with our Board members, Appeal Board members, Basic Safety Training (BST) instructors, Seal Workshop instructors and PLAR assessors – in order to maximize the dissemination of information to fish harvesters throughout the province.

Since the coming into force of the **Fishing Vessel Safety Regulations** on July 13, 2017, the PFHCB has been actively acquiring and distributing information to fish harvesters on the new regulatory requirements. This activity and commitment continued in 2019, as the knowledge and information gathered by the PFHCB was disseminated to fish harvesters in a variety of ways. The overall emphasis of this activity is to inform harvesters of TC's new regulations, raise awareness of the new regulatory requirements and promote compliance. Throughout 2019, as highlighted below, the PFHCB utilized its annual activities, and database of certified fish harvesters, in order to assist fish harvesters with understanding the regulatory impact on themselves and/or their fishing enterprise.

In 2019, the PFHCB continued to communicate the new federal regulatory requirements to fish harvesters in a variety of ways, including email distributions, information distribution directly from the PFHCB office, by utilizing media outlets like CBC's **The Broadcast**, and using print media such as the FFAW/Unifor **Union Forum** magazine and the PFHCB's newsletter **On The Water**. Broad dissemination of TC regulatory related information was also achieved in 2019 by utilizing PFHCB field staff, including MED instructors, first aid instructors, seal workshop facilitators and PLAR assessors, who met face-to-face with approximately 400 fish harvesters at the community level throughout the province. The PFHCB also distributed information on TC regulatory requirements to the Inshore Council of the FFAW/Unifor during their 2019 bi-annual meetings held March 7-8, 2019 and October 16-17, 2019. This elected body of 30 fish harvester leaders is an effective network for disseminating information to owner/operators and crewmembers throughout the province.

The PFHCB also worked closely with the NL-FHSA to distribute relevant information to fish harvesters during the NL-FHSA's annual community outreach activities in 2019, as well as during the 4th annual Fisheries Safety Symposium and Trade Show held in Gander on October 18, 2019 and attended by approximately 80 fish harvesters and industry representatives. The PFHCB also

worked closely with the NL-FHSA on the development of a Safety Logbook, designed specifically for Newfoundland and Labrador fish harvesters – owner operators and crew members. One of the intended objectives of the new logbook is to raise awareness regarding TC regulatory requirements, including the lifesaving equipment and written safety procedure requirements of the new **Fishing Vessel Safety Regulations**. The logbook was completed in 2019, and the PFHCB is pleased to be assisting with the distribution of 5,000 units to fish harvesters throughout the province.

Through these various means, the PFHCB reached thousands of fish harvesters with valuable information on the new TC **Fishing Vessel Safety Regulations** again in 2019. The Board is confident that its efforts on this issue throughout the year has resulted in fish harvesters being increasingly aware of the new federal regulations, and has contributed significantly to harvesters having a better understanding of their respective regulatory requirements, and how to achieve compliance. As noted in the PFHCB's 2020-2022 Activity Plan, the Board will continue to gather and disseminate information to certified fish harvesters on federal regulatory requirements, as regulatory compliance is an underlying and important objective of professional certification.

Throughout 2019, the PFHCB staff members, Board members, BST Instructors, Seal Workshop facilitators and PLAR Assessors worked directly with individuals and groups of fish harvesters in fulfillment of our objective to advise NL fish harvesters on how to achieve compliance with the new **Fishing Vessel Safety Regulations**.

Since the coming into force of these new regulations, the PFHCB has been assisting harvesters on an ongoing basis, and has established itself as a main source of information regarding federal regulatory requirements. Therefore, as fish harvesters become more aware of the new **Fishing Vessel Safety Regulations**, the PFHCB has subsequently been receiving an increased number of inquiries from harvesters seeking advice and guidance on achieving regulatory compliance. This is evidenced by the influx of calls received at the PFHCB office regarding TC regulations following the annual delivery of the PFHCB community-based education initiatives such as BST courses, Sealer workshops, and PLAR assessments.

The greatest amount of activity on this objective comes from calls and visits to the PFHCB office. As has been the case since the coming into force of the new regulations in July 2017, calls and visits from fish harvesters seeking information and advice on TC regulatory compliance were a regular occurrence throughout 2019. However, the highest frequency of inquiries occurred in the first quarter of the year, while harvesters were preparing for the 2019 season. Many of those inquiries were sparked by the PFHCB outreach activities noted above, as well as outreach work by other organizations such as the NL-FHSA, FFAW, Marine Institute and TC.

It has been two and a half years since the coming into force of the new **Fishing Vessel Safety Regulations**, but the PFHCB still receives regular requests for assistance with clarification and compliance, which is indicative of a continuously growing awareness of the new regulatory requirements, and an ongoing commitment from NL harvesters to achieve compliance. The advice provided to harvesters focused on the specific regulatory requirements for their individual vessel/enterprise, based on the size of the vessel and its area of operation. This “risk-based” approach to regulating by TC (with requirements mostly determined by vessel length and

area of operation) creates many permutations and combinations of requirements among the small boat fishing fleet (<24 meters). Therefore, the PFHCB plays an important role, through its advisory activities, in clarifying regulatory requirements.

In 2019 the PFHCB continued to receive regular inquiries from fish harvesters with clarification and compliance-related inquiries concerning the new lifesaving equipment requirements. This is expected, as the new regulations require an increased amount of equipment on smaller fishing vessels operating closer to shore. The majority of the requests for assistance come from vessel owners in the less than 15GT fleet. This is expected, as the vast majority of the NL fishing fleet (approximately 75-80 per cent) is less than 15GT, and those vessels do not fall under TC's Canada Steamship Inspection (CSI) regime, and are less likely to receive the information directly from TC.

Throughout 2019, advice was also provided on the stability requirements of the new regulations, which require stability testing of some smaller vessels not previously required to have formal stability tests. However, in most cases, existing vessels are exempt from these stability tests. As a result, inquiries related to this portion of the new regulations have declined in the past year, as the impact on NL fishing vessels has been relatively small compared to other sections of the regulations. That said, regulations to ensure adequate stability on fishing vessels are of critical importance, and the PFHCB continues to inform fish harvesters of their regulatory responsibilities related to vessel stability. The advice to harvesters usually focuses on whether or not their vessel is required to undergo a formal stability assessment and, if so, what type of assessment is required.

However, despite a continued focus on lifesaving equipment and stability requirements, much of the work on this indicator in 2019 shifted to focus on what is arguably the biggest compliance challenge of the new **Fishing Vessel Safety Regulations** - the requirement for written safety procedures on ALL fishing vessels. This has never previously been a requirement for fishing vessels, and most vessel owners were in non-compliance when the requirement came into force on July 13, 2017. Many vessel owners remain in non-compliance of this new requirement, so as previously noted, the PFHCB is working closely with the NL-FHSA on this regulatory gap.

In order to address this regulatory compliance gap, in 2019 the PFHCB continued working closely with the NL-FHSA on initiatives aimed at enabling fish harvesters to conduct hazard assessments of their own vessels and to develop safety procedures specific to the vessel and its operations. The NL-FHSA has the required expertise in hazard assessment and written safety procedures, and is expanding its resources in this area. The PFHCB has committed to assisting with information dissemination and encouraging harvesters to contact the NL-FHSA for assistance. The development and distribution of the NL-FHSA's Safety Logbook will contribute significantly to bridging this regulatory gap. The logbook includes detailed information on hazard assessment, and has sample safety procedures designed to be adapted to any fishing vessel and meet the TC regulatory requirements for written safety procedures.

2019 is the final year of the Board's 2017-2019 planning cycle, and the final year that the new federal **Fishing Vessel Safety Regulations** will be identified as a strategic issue in the PFHCB's Activity Plan. While the Board will continue to assist fish harvesters by providing information on these regulations, and assisting with regulatory compliance, beginning in 2020 the Board's focus

will shift to amendments being made to the federal **Marine Personnel Regulations**. Therefore, it is important to highlight the successes on this strategic issue over the past three years. In order for fish harvesters to reach regulatory compliance, they first must fully understand the specific requirements of their individual vessels. By gaining an understanding of the new regulations, raising awareness of the new regulations amongst fish harvesters, and providing advice to harvesters on regulatory compliance, we are confident that throughout its 2017-2019 activities on this issue the PFHCB has made a valuable contribution to the implementation of TC's new **Fishing Vessel Safety Regulations**. In doing so, we are proud to have contributed to advancing an industry-wide safety culture in the harvesting sector, and to improving safety onboard NL fishing vessels. While no official TC compliance statistics are available, TC officials in the NL region continue to report an overall increase in compliance, and an improving understanding of the various requirements of the **Fishing Vessel Safety Regulations** among NL fish harvesters.

Issue #2 – Recruitment and Retention of a Skilled Fisheries Labour Force

Recruitment and retention of skilled labour in the harvesting sector of the Newfoundland and Labrador fishery is a priority for the PFHCB. The Provincial Labour Market Outlook prepared by the Department of Advanced Education, Skills and Labour identifies "Fishing Vessel Masters and Skippers" as an occupation with one of the highest job prospects from 2016-2025. It ranks third out of 120 occupational categories, and has an occupational rating of 4 (scale of 1-4), defined as: "Projected labour supply is expected to lag projected job openings. Significant labour supply responses will be required to meet demand. Competition for qualified labour will be strong."

Furthermore, approximately 65 per cent of federal Core species licence holders in the Newfoundland and Labrador commercial fishery are over the age of 50. Comparatively, less than 10 per cent of Level II fish harvesters (those eligible to receive the transfer of a federal Core licence) are under the age of 40. If the issues of recruitment and retention of skilled labour are not addressed, a labour shortage will likely develop over the coming decade.

In an effort to recruit and retain an adequate skilled labour force to meet the future industry demands (including adequate numbers of Level II fish harvesters to receive the transfer of licences from retiring enterprise owners), the PFHCB has set the following objectives for this planning cycle. Success on this strategic issue is critical to the PFHCB's vision and long-term objectives.

Objective #1: By December 31, 2019, the PFHCB will have recruited and supported fish harvesters to pursue Level II professional certification.

Indicators: Identified Apprentice and Level I fish harvesters in the PFHCB's registry/database who would be candidates for certification upgrading.

Established support mechanisms to assist Apprentice and Level I fish harvesters interested in pursuing certification upgrading.

Outcomes for Issue #2

The Board's commitment to the recruitment and retention of younger fish harvesters, in an effort to ensure an adequate skilled labour force to meet future industry needs, has been ongoing since the PFHCB was established in 1997. However, over the past 20 years the demographic of our province and its fishing industry's labour force has continued to change. The abundance of labour available in the late 1990's is no longer present, and the age of the current fisheries labour force has increased significantly over that 20-year period. This trend is not unique to the fishing industry, and many other industries are facing similar labour challenges. For this reason, the fish harvesting sector finds itself competing against other sectors for the limited labour supply currently available in our province. The ongoing demographic transformation has raised many questions and concerns about future labour supply, which is why the PFHCB has identified this issue as a priority in its current strategic planning cycle. With less people available, coupled with an aging current labour force, the fish harvesting sector must be more diligent and creative in attracting new workers.

The PFHCB holds the database of all registered fish harvesters in NL – both owner operator and crew members. Consequently, the PFHCB is the only agency capable of producing a full demographic profile of the NL fish harvesting sector. In 2017 (the first year of this current planning cycle), as a first step in addressing this issue, the PFHCB conducted a full demographic assessment of the PFHCB's database of certified fish harvesters. In order to address the issue of labour supply, including retention and recruitment, the critical first step was to gain a full and clear understanding of the demographic composition of the current labour force, particularly age and certification level of licence holders and crew members.

The results of this assessment, as outlined in the Board's 2017 Performance Report, certainly illustrated the need for recruitment and retention of younger fish harvesters. While the demographic assessment indicated an underlying "aging fish harvester population" in the current fish harvester labour force, there were also positive indicators and areas for the PFHCB to focus its recruitment efforts. For example, the number of certified fish harvesters, including the number of Level II harvesters, has remained stable in comparison to the number of fishing enterprises. Also, and perhaps more importantly, the demographic assessment helped identify Apprentice and Level I fish harvesters in the PFHCB's registry/database who would be candidates for certification upgrading. For example, the assessment identified more than 2,000 Apprentice and Level I fish harvesters under the age of 45, and who currently do not hold a federal species licence. This group represents the largest pool of candidates for certification upgrading, and potential recipients of federal fishing enterprises as the current group of enterprise owners move closer to retirement. For these reasons, in 2019 the PFHCB continued to focus on this group of certified fish harvesters, combined with all 2019 New Entrants, for the purpose of identifying fish harvesters interested in certification upgrading, and supporting them in that pursuit.

Additionally, in order to further identify fish harvesters that are strong candidates for certification upgrading, the PFHCB staff continued to focus on Apprentice and Level I fish harvesters who had already begun accumulating credits toward certification upgrading, but who fell short of the full required number of education credits. Since this group of fish harvesters has already

demonstrated an interest, and taken the first step toward certification upgrading, they were the most obvious and likely to take advantage of PFHCB resources and support.

Finally, in 2019, 468 new entrant Apprentices registered with the PFHCB, of which approximately two thirds were under the age of 40, and one third were 25 years of age or younger. This 2019 new entrant number represents a small increase over 2018, and overall these new entrants were younger than the 2017 or 2018 new entrants - another positive indicator that young Newfoundlanders and Labradorians remain interested in employment as fish harvesters. This group of young new entrants was identified as a primary cohort of candidates for future certification upgrading and PFHCB recruitment/retention efforts. Combined with the groups noted above, these harvesters were the focus of the PFHCB's 2019 efforts to establish support mechanisms to assist Apprentice and Level I harvesters with certification upgrading. It is also worth noting that similar to the first two years of this planning cycle, one third of these new entrants were female fish harvester, which is consistent with an overall trend of more female fish harvesters owning and operating fishing enterprises.

Building on the work begun in 2017 and 2018 (the first two years of this strategic issue), in 2019 the PFHCB utilized a variety of support mechanisms to encourage and assist fish harvesters to achieve certification upgrading. The most basic, but most effective way to generate requests for assistance with certification upgrading, has proven to be the distribution of clear and detailed information and promotional materials on PFHCB certification and the upgrading criteria/process.

During winter 2019, the PFHCB completed a revitalization of the Board's **Professional Certification & Certification Upgrading** brochure. The new revised brochure features photos of young harvesters, and includes information specific to clarifying the certification upgrading process. It is also aimed more specifically at promoting certification upgrading and encouraging younger harvesters to access the resources and support available from the PFHCB. The improvements to the brochure were largely the result of feedback received from harvesters during the first two years of this planning cycle.

Prior to the start of the 2019 fishing season, the **Professional Certification & Certification Upgrading** brochure accompanied by a personalized letter was sent to all Apprentice and Level I fish harvesters. The letter introduced the new brochure, promoted the benefits of professional certification, and encouraged harvesters to contact the PFHCB with any requests or inquiries related to certification or certification upgrading. Additionally, throughout 2019 the new brochure accompanied by a "welcome letter" was mailed to all 2019 new entrants. Similar to the letter sent to all Apprentices and Level I harvesters, the letter sent to new entrants congratulated them on their decision to enter the fisheries labour force, explained the importance of professional certification, outlined the certification upgrading process, and encouraged new entrants to consider the benefits of upgrading to Level I and/or Level II.

Additional information on certification upgrading, was distributed to fish harvesters throughout the year. Information on certification and certification upgrading was sent by mail and email, promoted on the PFHCB webpage, and included in the PFHCB newsletter **On The Water**. Information of PFHCB certification was also included in the FFAW/Unifor **Union Forum** magazine, as well as **The Navigator**. Information was also disseminated by staff at the PFHCB office, at

community meetings/visits, as well as by PFHCB instructors and PLAR assessors during the delivery of community-based initiatives. Print ads aimed at promoting and encouraging professional certification were also distributed by email, webpage, newsletters and other industry publications.

These activities were intended to serve the dual purpose of recruiting/retaining fish harvesters as well as encouraging and supporting pursuit of certification upgrading, and are part of a commitment of the PFHCB to provide fish harvesters with clear, informative and more frequent information on the requirements and opportunities for certification upgrading. All information includes an open invitation and encouragement for fish harvesters to contact the PFHCB office for additional information, clarification, guidance and/or support in their efforts to achieve certification upgrading.

In 2019, the PFHCB continued to utilize a procedural tracking system implemented in 2017. This system was created for the purpose of supporting fish harvesters pursuing certification upgrading. PFHCB staff now record all fish harvesters who inquired about, or expressed interest in certification upgrading. The purpose is to have PFHCB staff continue following up with these individuals to ensure that they are provided all information and assistance required to achieve their desired certification goal. In its ongoing effort to address the issue of recruitment and retention, the PFHCB has recorded and maintained contact with approximately 750 fish harvesters who have expressed an interest in pursuing certification upgrading since this procedure was implemented in 2017. When following up with these individuals, the goal is to provide a clear and concise “personalized road map” to ensure they understand the certification requirements, how best to meet their requirements, and what assistance and support is available to assist along the way.

Additionally, in order to further advance the Board’s work in meeting the objectives of this strategic issue, the PFHCB maintains a full staff position, assigned duties related to recruitment, retention and supporting harvesters working toward certification upgrading. An additional duty assigned to this position in 2019 was to complete the enhancement to the Board’s PLAR program which began in 2018.

PLAR is one of the most effective support mechanisms that the PFHCB has in place for fish harvesters pursuing certification upgrading. While most education credits for certification upgrading come from formal training delivered by the Marine Institute and other training institutions, the Board does deliver a PLAR program, which enables fish harvesters to acquire education credits from hand-on informal learning. PLAR has been offered by the Board annually since 2000, and provides an opportunity for experienced Apprentice and Level I harvesters to obtain credit toward certification upgrading from prior learned fishing skills. PLAR allows harvesters to demonstrate their prior learned skills through an assessment by a trained Level II professional fish harvester. Education credits (5 or 10 credits per assessment, depending on the specific assessment) can be attained if an individual successfully challenges and passes a PLAR assessment.

The PFHCB initiated a full review of its PLAR In 2017, as part of its renewed commitment to the objectives of this strategic issue of recruitment and retention of a skilled labour force, which included supporting and assisting fish harvesters interested in pursuing certification upgrading. In

2018 the PFHCB began an expansion of the PLAR program, through a contract with MI, aimed at expanding and improving what has already proven to be a valuable support mechanism for harvesters pursuing certification upgrading. In 2019 that contract was concluded with the introduction of two new PLAR assessments and the enhancement of a third assessment. The significance of this expansion of the PLAR program is that it broadens the skill assessment subjects available to harvesters, and increased the number of PLAR credits available by 15.

Throughout 2019, the PFHCB staff members, Board members, BST Instructors, Seal Workshop facilitators and PLAR Assessors used their various contacts and interactions with fish harvesters throughout the province to promote professional certification and to advise harvesters on the certification criteria. Perhaps the most noteworthy of these activities is the PFHCB's annual delivery of Basic Safety Training courses to apprentice fish harvesters throughout the province. For example, in 2019 courses were delivered in 17 communities throughout the province, with approximately 250 participants. In most cases, these participants are new entrant Apprentices, and the PFHCB instructors are able to introduce the PFHCB, the certification structure, and the benefits and process of certification upgrading. The week-long course provides many opportunities for the instructors to educate young harvesters about the PFHCB and opportunities in the fishing industry, and helps fulfill the Board's objectives to recruit and support harvesters to pursue certification upgrading.

Another mechanism specifically aimed at supporting recruitment and retention of skilled labour, and promoting certification upgrading, is the PFHCB's CrewFinder. This free service, aimed at connecting certified fish harvesters (and new recruits) with owner/operators who have crew positions available, was continued and promoted throughout 2019. Given the geographic diversity of the province's fishing industry, it can be difficult for unemployed fish harvesters or new entrants to make contact with owner/operators looking to fill crew positions – and vice versa. The CrewFinder service functions in a dual purpose of supplying owner/operator with a source of available labour, and retaining certified fish harvesters that may otherwise leave the industry in search of work elsewhere. In 2019, PFHCB continued to utilize CrewFinder as a means to identify Apprentice and Level I fish harvesters who may be interested in skills development and/or certification upgrading in order to improve their employability in the industry.

In July 2019, the PFHCB organized a half-day Recruitment and Retention Strategy Session with invites sent to FFA, ISL, MI, FFAW, and NL-FHSA. Following this session, two opportunities arose to partner on initiatives related to recruitment and retention. The first was an initiative undertaken by the FFAW to organize a "Young Harvester Forum". PFHCB staff worked closely with FFAW staff on the planning and organizing of this event, which is aimed at promoting and celebrating the fishing industry as a viable and exciting career for young Newfoundlanders and Labradorians. This event is anticipated to take place in the winter of 2020.

Secondly, in early fall of 2019, the PFHCB was approached by the CCPFH, who had recently had their "Meeting the Labour Supply Challenge in the Atlantic Canada Fish Harvesting Sector" project approved by the Atlantic Canada Opportunities Agency (ACOA) approved. This is an extension of a "Skill Needs and Labour Supply Challenges" project that the PFHCB previously partnered on with the CCPFH. The PFHCB is very pleased to be partnering on this new initiative with the CCPFH, as it is consistent with the PFHCB's goals and objectives on this strategic issue. The project will include

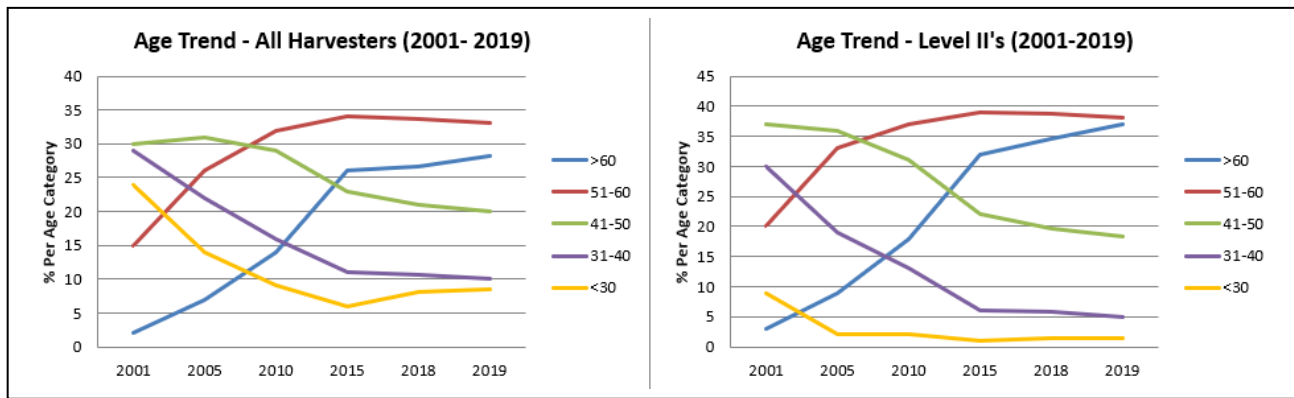
regional planning workshops in early 2020 and an Atlantic regional conference. The major output of the project is a comprehensive strategy for attracting and retaining new labour supply in the fishing industry. The PFHCB accepts this as an exciting and important opportunity to address the recruitment challenges facing the industry over the coming years.

Finally, it is also worth noting that in December 2019 the PFHCB introduced a new Re-Entry Policy for fish harvesters looking to re-enter the fishing industry following an extended leave of absence. This new policy will provide harvesters who previously held Level I or Level II certification a clear pathway for having their Level I or Level II certification reinstated once they demonstrate their return to full-time fishing. Additionally, the policy allows Apprentice fish harvesters returning from extended leaves from the industry to access their prior full-time fishing years for the purposes of certification upgrading. The PFHCB is confident that this change will result in more harvesters having their Level I and Level II status reinstated, and make certification upgrading for Apprentices more flexible. This is very relevant to Board's efforts on recruitment and retention of fish harvesters, as it provides supports and flexibility for harvesters pursuing certification upgrading, while maintaining assurance that full-time fish harvesters remain the primary beneficiaries of NL's valuable commercial fisheries resources.

While 2019 is the final year of the PFHCB's 2017-2019 planning cycle, the Board's work pertaining to the issue of **Recruitment and Retention of a Skilled Fisheries Labour Force** will continue through the 2020-2022 planning period. However, it is important to note the successes of the PFHCB in meeting its stated objectives to date on this issue. In the three years 2017-2019, the PFHCB certified 1478 new entrant Apprentices – a seven per cent cumulative increase in the number of new entrants compared to the previous planning cycle from 2014-2016. These new entrants, in addition to more than 2700 other Apprentices and nearly 500 Level I's received detailed information on PFHCB certification upgrading criteria, and upgrading support through the variety of support mechanisms established by the PFHCB.

Apprentice and Level I fish harvester who contacted the PFHCB regarding certification upgrading were tracked and followed-up with to ensure they had a clear understanding of the certification requirements and all supports available to assist them in their pursuit of certification upgrading. During this planning cycle there were year-over-year increases in the number of Apprentice and Level I fish harvesters enrolled in the Board's 5-Day Basic Safety Course (147, 152 and 232) and in the Board's PLAR program (30, 40 and 48). Through PLAR, more than 4,000 education credits were awarded to Apprentice and Level I harvesters pursuing certification upgrading. Additionally, over the 2017-2019 planning cycle, more than 650 fish harvesters completed fisheries training at MI, with approximately 75% of those students enrolled in Fishing Master programs. As a result of these combined supports, there was a year-over year increase in the number of fish harvesters achieving certification upgrading from 2017-2019 (104, 115 and 132).

Finally, it is worth noting that during the 2017-2019 planning cycle, the total number of certified fish harvesters remained stable between 9000-9,400, and the 20-year trend of an aging fish harvester demographic began to stabilize. As evidenced in the graphs below, an increase in the number of young harvesters entering the fishery, as well as returning to the fishery, and upgrading their certification levels, has resulted in a "levelling out" of the alarming aging trend that has been looming since the late 1990's.



The PFHCB is extremely encouraged by the success achieved in meeting the objectives of this very important strategic issue. We look forward to continuing these positives trends and growing the numbers of fish harvesters recruited and retained, as we strive to ensure an adequate supply of skilled labour in our province’s fish harvesting sector.

5.0 Opportunities and Challenges

The opportunities and challenges of the PFHCB have changed very little since the start of this current 2017-2019 planning period. As outlined in our new 2020-2022 Activity Plan, we anticipate that 2020 will bring some new opportunities for the Board, but the underlying challenges remain the same. The ongoing labour supply issues, as well as the continued changes to federal TC regulatory requirements, create many challenges for our province’s fishing industry, including challenges for the PFHCB. However, the industry remains one of vital importance to hundreds of coastal communities, to tens of thousands of individuals, and to our provincial economy as a whole.

As it has since 1997, the PFHCB will continue to explore and maximize all available new opportunities, while addressing these identified challenges to largest extent possible. The PFHCB identifies the following challenges and opportunities for 2020.

Challenges:

The recruitment and retention of young fish harvesters remains critical to meeting the long-term human resource needs of the fishing industry, and remains a primary challenge and strategic issue of the PFHCB. The last two decades have been a period of industry rationalization, during which time considerable efforts have been made to reduce the number of fish harvesters and fishing enterprises through licence buy-backs, enterprise combining, buddy-up arrangements and other means. While the underlying goal of industry rationalization has been enterprise/income viability for the current and future generations of harvesters, the ability to recruit and retain new entrants to the industry means reversing a counterintuitive trend. Therefore, it remains a challenge for the PFHCB, and other industry stakeholders, to attract adequate numbers of certified fish harvesters to meet the ongoing labour demands of the industry. This is particularly challenging in

meeting the labour requirements for certified Level II fish harvesters – those harvesters eligible to receive the transfer of a Core federal species licences.

The introduction of new and amended federal Transport Canada regulations impacting the fishing industry also remains an ongoing challenge of the PFHCB. Since its inception in 1997, the PFHCB has assumed a key role in disseminating information to NL fish harvesters on key federal regulatory requirements, while encouraging and supporting compliance. Since the federal **Fishing Vessel Safety Regulations** of the **Canada Shipping Act** came into force in July, 2017, these new regulations have had an impact on NL fishing enterprises, as owner operators familiarize themselves with the regulatory requirement and work toward compliance.

Similarly, the amended federal **Marine Personnel Regulations**, due to enter Canada Gazette I in 2020, will result in significant changes to the current training requirements for Canadian fish harvesters. The existing Fishing Masters certificate regime, and other master/mate certification, will see changes to certificate names, curriculum, and validity. These amendments represent a challenge to the PFHCB, as Board staff work with TC to understand the changes and their impact on NL harvesters. These challenges are reflected in the strategic issues of the PFHCB in its new 2020-2022 Activity Plan, as the Board takes on the challenge of informing fish harvesters of the regulatory amendments, and assisting harvesters in achieving and maintaining their certifications and regulatory compliance.

Opportunities:

In 2018, DFO drafted a federal regulatory amendment that would formally recognize the certification of fish harvesters by a provincially legislated certification board such as the PFHCB. The amendment entered Canada Gazette Part I in February of 2019, proposing changes that would align DFO regulations with the current practice in Newfoundland and Labrador, where regional policy has recognized the PFHCB as the sole organization for registering fish harvesters since 1997. DFO's decision to move forward with these amendments represents a significant opportunity to strengthen DFO's commitment to professional certification. The amendment stalled during the consultation phase of the Canada Gazette process, due to concerns brought forward by industry organizations. However, we fully anticipate that these proposed regulatory amendments will be achieve Royal Consent, and achieve its intended purpose of recognizing provincial certification Boards, and their linkages with DFO regional licensing policies.

The two federal regulations previously identified, while creating challenges for the industry and the PFHCB, also represent continued opportunities to increase the competency of fish harvesters and advance safety in the fishing industry – both in terms of increasing education and certification levels of commercial fish harvesters, more and improved lifesaving equipment on fishing vessels, as well as improving occupational health and safety practices amongst fish harvesters. In partnership with the NL-FHSA and other industry partners, the PFHCB will seize these opportunities by working with fish harvesters to

achieve and maintain compliance with the new federal regulations, and thus advancing the overall safety culture in the fishing industry.

Despite the challenges identified with recruitment and retention of labour, there is some positive news in the industry regarding the number of new entrants, the number of young harvesters enrolled in fisheries training, and the number of young harvesters expressing interest in certification upgrading. Additionally, in 2019, the trend of an aging fish harvester population has shown signs of stabilizing. As noted in the Board's 2020-2022 Activity Plan, the PFHCB will continue to maximize these opportunities and work with other industry organizations to ensure that the present and future labour supply needs of the industry are met.

The PFHCB remains well positioned to make a significant contribution to addressing these challenges, and to maximize these identified opportunities. The Board of Directors and staff of the PFHCB remain committed to dealing with these and other issues outlined in the Board's new 2020-22 Activity Plan.

Appendix A

2019 Audited Financial Statements

PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD
Financial Statements
Year Ended December 31, 2019

QUINLAN & TAYLOR CPA PROFESSIONAL CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Members of Professional Fish Harvesters Certification Board

Opinion

We have audited the financial statements of Professional Fish Harvesters Certification Board (the Company), which comprise the statement of financial position as at December 31, 2019, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

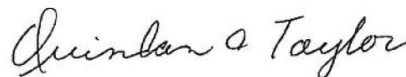
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Independent Auditor's Report to the Members of Professional Fish Harvesters Certification Board *(continued)*

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

St. John's, Newfoundland and Labrador
July 20, 2020



Quinlan & Taylor CPA Professional Corporation

PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD
Statement of Financial Position
December 31, 2019

	2019	2018
ASSETS		
Current		
Cash	\$ 32,600	\$ 5,335
Term deposits	1,295,626	1,211,867
Accounts receivable	50,572	41,895
Due from related parties (Note 3)	-	62,688
Prepaid expenses	11,936	6,081
	<u>1,390,734</u>	<u>1,327,866</u>
Property, plant and equipment (Note 4)	<u>1,374,044</u>	<u>1,420,548</u>
	<u>\$ 2,764,778</u>	<u>\$ 2,748,414</u>
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 116,475	\$ 96,727
H.S.T. payable	5,028	8,465
Unearned revenue	36,540	39,900
Current portion of long term debt (Note 5)	<u>48,450</u>	<u>388,407</u>
	<u>206,493</u>	<u>533,499</u>
Long term debt (Note 5)	<u>274,053</u>	<u>-</u>
Accrued severance pay (Note 6)	<u>90,813</u>	<u>85,184</u>
	<u>571,359</u>	<u>618,683</u>
Net Assets		
Unrestricted fund	<u>834,523</u>	<u>724,331</u>
Invested in capital assets	<u>1,358,896</u>	<u>1,405,400</u>
	<u>2,193,419</u>	<u>2,129,731</u>
	<u>\$ 2,764,778</u>	<u>\$ 2,748,414</u>

ON BEHALF OF THE BOARD

 Director
 Director

See notes to financial statements

**QUINLAN
& TAYLOR**

PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD
Statement of Revenues and Expenditures
Year Ended December 31, 2019

	2019	2018
Revenues		
Registration fees	\$ 700,320	\$ 697,255
Interest income	40,056	39,699
Other revenue	42,185	57,497
CCPFH funding	-	5,100
Prior learning assessment and recognition	12,065	10,130
Basic safety training	68,790	46,700
Sealer workshop funding	7,756	4,764
Rental revenue	49,500	49,500
	920,672	910,645
Expenses		
Advertising and promotional material	7,692	17,150
Amortization	46,505	47,598
Appeals	12,259	12,216
Building operations	64,910	54,664
Business tax	12,851	11,334
Communications	7,749	8,488
Insurance	6,091	5,942
Interest and bank charges	12,207	11,419
Interest on long term debt	13,284	15,489
Meetings - board and other	32,710	34,135
Membership fees	44,265	44,590
NL - FHSA program	-	142,544
Office and computer supplies	33,510	21,875
Postage	21,675	21,729
Prior learning assessment and recognition project	20,152	20,206
Professional fees	37,007	27,289
Public relations initiatives	5,753	10,462
Safety training	61,709	45,777
Sealer workshop expenses	4,721	6,814
Wages and employee benefits	411,934	360,808
	856,984	920,529
Excess (deficiency) of revenues over expenses	\$ 63,688	\$ (9,884)

See notes to financial statements

**QUINLAN
& TAYLOR**

PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD
Statement of Changes in Net Assets
Year Ended December 31, 2019

	Unrestricted Fund	Invested in Capital Assets	2019	2018
Net assets - beginning of year	\$ 724,331	\$ 1,405,400	\$ 2,129,731	\$ 2,139,615
Excess of revenues over expenses	110,192	(46,504)	63,688	(9,884)
Net assets - end of year	\$ 834,523	\$ 1,358,896	\$ 2,193,419	\$ 2,129,731

See notes to financial statements

**QUINLAN
& TAYLOR**

PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD
Statement of Cash Flows
Year Ended December 31, 2019

	2019	2018
Operating activities		
Excess (deficiency) of revenues over expenses	\$ 63,688	\$ (9,884)
Item not affecting cash:		
Amortization of property, plant and equipment	46,505	47,598
	110,193	37,714
Changes in non-cash working capital	4,048	23,442
Cash flow from operating activities	114,241	61,156
Investing activity		
Purchase of property, plant and equipment	-	(4,512)
Financing activities		
Advances from (to) related parties	62,688	(56,951)
Repayment of long term debt	(65,905)	(63,700)
Cash flow used by financing activities	(3,217)	(120,651)
Increase (decrease) in cash flow	111,024	(64,007)
Cash - beginning of year	1,217,202	1,281,209
Cash - end of year	\$ 1,328,226	\$ 1,217,202
Cash flows supplementary information		
Interest received	\$ (40,056)	\$ (39,699)
Interest paid	\$ 25,491	\$ 26,908
Cash consists of:		
Cash	\$ 32,600	\$ 5,335
Term deposits	1,295,626	1,211,867
	\$ 1,328,226	\$ 1,217,202

See notes to financial statements

**QUINLAN
& TAYLOR**

PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD

Notes to Financial Statements

Year Ended December 31, 2019

1. DESCRIPTION OF OPERATIONS

The Professional Fish Harvesters Certification Board (the "Board") is a not-for-profit organization, enacted in June, 1996 under the Newfoundland act entitled "Professional Fish Harvesters Act." The Board commenced active operations in February, 1997. The Board has a number of objectives including the promotion of the interest of fish harvesters as a professional group, defining standards for professionalism and acting in an advisory role to the federal and provincial governments. The company is exempt from income taxes in accordance with Section 149(1) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and Cash Equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in term deposits and are valued at cost plus accrued interest. The carrying amounts approximate fair value.

Revenue Recognition

Registration fees are recognized as revenue on an accrual basis of accounting.

The Board follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable.

Contributed Services

Contributed services are recognized in the financial statements when the fair value of such services may be reasonably determined.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(continues)

PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD

Notes to Financial Statements

Year Ended December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

Land improvements	10%	declining balance method
Building	40 years	straight-line method
Equipment	20%	declining balance method
Computer equipment	20%	declining balance method
Signs and logo	30%	declining balance method

The company regularly reviews its property, plant and equipment to eliminate obsolete items. Government grants are treated as a reduction of property, plant and equipment cost.

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

3. RELATED PARTIES

	2019	2018
<u>Related party transactions</u>		
Newfoundland and Labrador Fish Harvesting Safety Association Incorporated <i>(Overlapping directors)</i>		
Funding	\$ -	\$ 142,544
Administrative assistance	21,739	21,739
Office space	17,391	17,391
Wage reimbursement	-	15,381
	\$ 39,130	\$ 181,674

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due to related parties

	2019	2018
Current portion due from related party Newfoundland and Labrador Fish Harvesting Safety Association Incorporated		
	\$ -	\$ 62,688

PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD

Notes to Financial Statements

Year Ended December 31, 2019

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2019 Net book value
Land	\$ 150,000	\$ -	\$ 150,000
Land improvements	51,525	32,563	18,962
Building	1,551,190	368,408	1,182,782
Equipment	125,642	110,530	15,112
Computer equipment	132,390	125,445	6,945
Signs and logo	7,077	6,834	243
	<u>\$ 2,017,824</u>	<u>\$ 643,780</u>	<u>\$ 1,374,044</u>

	Cost	Accumulated amortization	2018 Net book value
Land	\$ 150,000	\$ -	\$ 150,000
Land improvements	51,525	30,456	21,069
Building	1,551,190	329,628	1,221,562
Equipment	125,642	106,753	18,889
Computer equipment	132,390	123,709	8,681
Signs and logo	7,077	6,730	347
	<u>\$ 2,017,824</u>	<u>\$ 597,276</u>	<u>\$ 1,420,548</u>

PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD
Notes to Financial Statements
Year Ended December 31, 2019

5. LONG TERM DEBT	2019	2018
The Toronto Dominion Bank loan bearing interest at 4.01% per annum, repayable in monthly blended payments of \$5,043. The loan matures on December 23, 2024 and is secured by land and building at 368 Hamilton Avenue, St. John's, NL which has a carrying value of \$1,351,746.	\$ 322,503	\$ 388,407
Amounts payable within one year	(48,450)	(388,407)
	<u>\$ 274,053</u>	<u>\$ -</u>

Principal repayment terms are approximately:

2020	\$ 48,450
2021	50,450
2022	52,500
2023	54,650
2024	116,453
	<u>\$ 322,503</u>

The above mortgage with the Toronto Dominion Bank is entered into jointly with Fish, Food and Allied Workers (FFAW-Unifor). The original mortgage amount was \$1,800,000.

6. ACCRUED SEVERANCE PAY

The Board has established retirement benefits for its employees. The cost is accrued annually in accordance with the established guidelines and policies.

7. FINANCIAL INSTRUMENTS

The company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of December 31, 2019.

(a) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the company manages exposure through its normal operating and financing activities. The company is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the company is not exposed to significant other price risks arising from these financial instruments.