



2017

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 2017. 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, for the results reported herein, and for ensuring that the information presented is a thorough and accurate representation of the Board's operations and activities in this 2017 reporting period.

Again in 2017, 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 2017, 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, 2017 to December 31, 2017, 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 and Land Resources (the Minister) upon recommendation from the respective organizations identified in Section 5 of the Act. The following is a list of Board members as of December 31, 2017:

Name	Representing	Title	Appointed Date	Expiry Date
Mr. William Broderick	FFAW	Chairperson	6/25/2015	6/24/2018
Mr. George Feltham	FFAW	Vice-Chairperson	6/25/2015	6/24/2018
Ms. Mildred Skinner	FFAW	Secretary	9/19/2016	12/31/2018
Mr. Carl Hedderson	FFAW	Member	6/25/2015	6/24/2018
Mr. Robert Keenan	FFAW	Member	9/19/2016	12/31/2018
Mr. Mike Noonan	FFAW	Member	9/19/2016	12/31/2018
Mr. Dwight Spence	FFAW	Member	9/19/2016	12/31/2018
Mr. Reginald Best	Fishing Cooperative	Member	9/19/2016	12/31/2018
Director of Sustainable Fisheries and Oceans Policy	FLR	Member	6/29/2017	6/28/2020
Director of Workforce Development	AESL	Member	6/29/2017	6/28/2020
Mr. Carey Bonnell	Post Secondary Institution	Member	6/25/2015	6/24/2018
Ms. Kimberley Penney	Federal	Member-at-Large (Internal)	6/25/2015	6/24/2018
Mr. Brooks Pilgrim	Federal	Member	6/25/2015	6/24/2018
Dr. Ratana Chuenpagdee	At-large	Member-at Large	6/25/2015	6/24/2018
Vacant	Indigenous Issues	Indigenous		

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 Vision

The PFHCB's vision is a viable Newfoundland and Labrador commercial fishery, sustained by independent professional fish harvesters committed to demonstrating appropriate knowledge, skills and commitment to safely and successfully meet the human resources needs of their industry, from which they can maintain their livelihood with respect and dignity.

2.3 Primary Lines of Business

I. Certification of Newfoundland and Labrador Commercial Fish Harvesters

The PFHCB has been responsible for registering and certifying commercial fish harvesters in Newfoundland and Labrador since 1997. Fish harvesters are required to submit a certification renewal application annually and pay the annual certification fee of \$75.00. New entrants are required to file a new entrant application and pay the annual certification fee of \$75.00. Upon approval of their application for certification, fish harvesters are issued a certification card inscribed with their name, Professional Fish Harvester number, and certification level. The entire application/certification process is conducted in accordance with the Act, the PFHCB certification criteria, and the PFHCB by-laws. Collection of annual certification fees is the PFHCB's primary source of operating revenue. There were 9,268 fish harvesters registered with the PFHCB in 2017.

II. Delivery of Basic Safety Training

Apprentice fish harvesters are required by Board criteria to complete a Basic Safety Training course prior to commencing their second fishing season. In 2002, the Board developed and introduced a Basic Safety Training (Marine Emergency Duties [MED] A3) course for apprentice fish harvesters and new entrants to the fishing industry.

The five-day course includes two days of General Seamanship and Stability, one day of MED A3, and two days of Marine Basic First Aid. This course also meets the Transport Canada (TC) mandatory MED requirement for harvesters on vessels fishing inside 25 miles (less than 150 Gross Registered Tonnage [GRT]). As a result, many Level I and Level II fish harvesters also complete the course in (or near) their communities in order to fulfill this federal requirement. Harvesters preferring to complete the MED A1 course (or other equivalent safety training) at the Fisheries and Marine Institute of Memorial University (MI) will be exempted, but the course must be completed prior to beginning the harvester's second fishing season.

III. Assisting Fish Harvesters with Certification Upgrading and Skills Development

Fish harvesters who wish to upgrade their certification level from Apprentice to Level I, or from Level I to Level II, must complete a minimum number of education credits and full-time fishing years, as per PFHCB criteria. Fish harvesters pursuing certification upgrading and skills development receive a range of information, guidance and advice from PFHCB staff. Board staff members also assess education information provided by harvesters and award credit toward certification upgrading.

While the vast majority of fisheries training is delivered by the Marine Institute, the Board does deliver a Prior Learning Assessment and Recognition (PLAR) program, which enables fish harvesters to acquire credits toward certification upgrading. More information on the PFHCB's PLAR program can be found on the Board's website at www.pfhcb.com. Since 2010, the PFHCB has also been involved in assisting the commercial sealing industry with industry-related skills development and certification. With its sealing industry partners, the PFHCB has successfully delivered information workshops in Humane Harvesting to more than 5,000 commercial sealers, and this activity has now become a primary activity (line of business) for the Board.

Additionally, it is also worth noting that fish harvesters at all certification levels enroll in the First Aid component of the PFHCB's community-based Basic Safety Training course to renew their expired Marine Basic First Aid certification in order to maintain provincial and federal regulatory requirements.

IV. Public Relations and Advocacy Initiatives

Through its Executive and Education Committees, and in partnership with other key industry groups such as the Canadian Council of Professional Fish Harvesters (CCPFH), the Board is continually engaged in a variety of activities related to public relations and advocacy on behalf of the professional fish harvesters of Newfoundland and Labrador. Promoting commercial fish harvesting as a professional occupation, including raising awareness about the skill requirements, technological advancements, and economic value of the industry, is central to the Board's overall activity plan. This is achieved through ongoing initiatives utilizing a variety of media sources.

Additionally, the Board plays an advisory role to the Federal and Provincial Governments in an effort to achieve public policy that is consistent with the overall good of fish harvesters and their industry. Key areas that the Board is currently working on in this regard are safety, fisheries licensing, federal regulatory requirements, provincial occupational health and safety requirements and fishery skills development.

2.4 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
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St. John's, NL A1B 3P2
709-722-8170 (phone)
709-722-8201 (fax)
pfh@pfhcb.com
www.pfhcb.com

2.5 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 and Land Resources (FLR) 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 2017 can be found in Appendix A.

Below is a summary of revenue and expenses for the year ending December 31, 2017.

Total Revenue	\$ 895,766
Total Expenses (including loss on disposed property)	\$ 919,241
Excess of Revenue over Expenses	\$ (23,474)

3.0 Highlights and Partnerships

In 2017 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 goals and objectives. The specifics of many of the Board's activities throughout 2017 are described in detail in section 4.0 (1) (Outcomes of Objectives); however, a few highlights are included below:

- 9,268 commercial fish harvesters were registered with the PFHCB in 2017. This number is similar to 2016, and represents a continued “leveling out” following several years with a consistent moderate downward trend in harvester certification.

New Entrant	Apprentice	Northern Lab. Core	Level I	Level II	TOTAL
558	2,749	9	461	5,491	9,268

- In 2017, approximately 250 fish harvesters received various fisheries-related training from MI. This training was comprised primarily of MED (A1 and A3), Radio Operation (ROC-MC), Small Vessel Operator Proficiency (SVOP) and Fishing Masters (FM IV & III). 106 of these students were enrolled in Fishing Masters programs. The majority of these FM students were under the age of 40, which is a positive indicator for recruitment and retention of younger competent harvesters.
- An additional 147 harvesters completed Basic Safety Training delivered by the PFHCB in 13 communities throughout the province. An additional 30 Apprentice and Level I fish harvesters took advantage of the Board’s PLAR program – 145 total assessments were conducted in 13 different communities, and successful participants received education credits toward PFHCB certification upgrading.
- In total, 104 fish harvesters had their certification level upgraded in 2017; 50 upgraded to Level I, and 54 upgraded to Level II. This number is an increase of 17 percent over 2016, and represents another positive sign that harvesters remain interested in certification upgrading. This is particularly important considering the overall downward trend in the number of certified harvesters over the past two decades, and the ongoing need for younger qualified harvesters to replace those aging Level II harvesters who are exiting the industry due to retirement.
- The PFHCB continued its support of the province’s sealing industry, through its administrative support of the Canadian Sealers Association (CSA), and the delivery of sealer information workshops in the Humane Harvesting and Quality/Health/Handling. In 2017, PFHCB staff assisted in maintaining the membership database for the Association. The PFHCB delivered 10 Humane Harvesting and Quality/Health/Handling workshops throughout the province, with 99 commercial sealers in attendance to fulfill their federal Fisheries and Oceans Canada (DFO) licensing requirements.
- In late 2017, DFO began a consultation process on proposed amendments to federal regulations that would modify the registration requirement for fish harvesters (licence holders and crew), and formally recognize the certification of fish harvesters by a provincial certification board within Federal regulations. The proposed changes would align DFO regulations with the current practice in Newfoundland and Labrador, where regional policy has recognized the PFHCB as the responsible organization for registering fish harvesters since 1997. DFO’s decision to move forward with these amendments represents a positive next step in strengthening DFO’s commitment to fish harvester

professionalization, and the PFHCB anticipates a positive outcome to this Federal amendment process.

- In August 2017 the PFHCB submitted a request for the Minister of FLR to approve an amendment to its certification criteria so that it accurately reflects the intentions of the Board’s mandate and current criteria as they relate to: 1) **Newfoundland and Labrador residency requirements** for individuals seeking PFHCB certification; and 2) **Attachment to the Newfoundland and Labrador fishing industry** for individuals seeking PFHCB certification. This amendment will grant the PFHCB appropriate authority to carry out its intended mandate of registering and certifying NL fish harvesters with attachment to the NL fishing industry.

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 2017, the PFHCB collaborated 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 to receive the transfer of a federal species licence(s). Furthermore, since 2015, DFO has a regional licensing policy requiring harvesters to be registered as Level I or Level II before being eligible to be designated as a substitute operator of a federal species licence. This is a positive step in strengthening the linkage between DFO regional licensing policy and PFHCB certification.

Additionally, as of November 30, 2016 (extended from the original deadline of December 31, 2015), 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 throughout 2017 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 fish harvesters/sealers are acting in accordance with DFO’s licensing policies. Licensing compliance is a key part of professionalism amongst licenced 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 2017, 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. To that end, in 2017 the PFHCB provided \$70,151 in direct financial support to the NL-FHSA. This represents the second installment of the \$283,000 in total funding committed to the NL-FHSA to carry out its work in 2016, 2017 and 2018. 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 2017.

As reported in more detail in section 4.0, the PFHCB continues to work closely with both TC and Newfoundland and Labrador 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, and the development of stability guidelines to accompany these new 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. The Board remains committed to keeping NL fish harvesters informed on the requirements of new and existing regulations and assisting harvesters achieve compliance with their federal regulatory requirements.

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 2017, the PFHCB staff worked closely with CBED 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 in

2017 was the continued promotion of MI's new online/computer-based delivery of Fishing Masters IV, which eliminates many of the geographical/travel 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 of promotion and delivery of fisheries training 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.

V. Canadian Council of Professional Fish Harvesters (CCPFH) – Human Resource Initiatives

As has been the case since 1997, in 2017 the PFHCB worked closely with the CCPFH on a significant national initiative related to our shared commitment of advancing fish harvester training and skills development/utilization.

In October 2014, the PFHCB signed on as a community partner for a new two and a half year national study that will document skill needs and labour supply challenges in coastal communities where seasonal fisheries are essential to the local economy. This looks at labour market mobility and occupational pluralism trends and needs amongst Canadian fish harvesters, and will help create a strategy to match skill sets with job market opportunities by focusing on seasonality and labour market gaps. This project has been extended and will now conclude with the release of a final report in early-mid 2018.

The PFHCB fulfilled its formal contractual obligations as the Atlantic Canada Regional partner on this project in 2016, but in 2017 the PFHCB was asked to delivery on an additional piece of work as part of the expanded/extended project. In December 2017, the PFHCB submitted a revised report to the CCPFH which included an in-depth internal data analysis of NL fish harvester education and employment information and trends, which expanded the original 2-year time series of the original report, to a 4-year time series (2013-2016). The report was generated utilizing information held in the PFHCB database, and was a valuable "NL case study" contribution to the larger Canada-wide project.

VI. 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 2017

Performance Report, the PFHCB Appeal Board was successful in meeting its one stated objective, which included conducting 35 fish harvester appeals in four locations throughout the province.

4.0 Activities

I. Outcomes of 2017 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 training and meeting the long-term human resource needs of the industry. For 2017 the Board has identified 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 2017, the Board worked on a range 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 2017 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, 2017, 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, as well as gaining working knowledge of the new regulatory requirements so that Board staff can help raise awareness of the new regulatory requirements amongst NL fish harvesters, and to 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 attain detailed information and a general understanding of the new federal regulatory requirements in a timely manner. To that end, as highlighted below a main priority of the PFHCB - particularly in the first half of 2017 – was consulting 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 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 2017 regional CMAC was held on March 16th in Halifax, and the PFHCB had staff and Board member representatives in attendance. Being the last CMAC session before the July 13th coming into force date, this was an important opportunity to discuss the regulations with TC and industry representatives in order to gain an increased understanding of the regulations.

During the winter and spring of 2017, PFHCB representatives were involved in a variety of information sessions with industry organizations and/or TC, in preparation for the coming into force and implementation of the new regulations. Two separate face-to-face meetings were held with Atlantic-wide fishing industry partners in Halifax on March 15th and May 29th to discuss issues

related the new regulations. The PFHCB participated in two additional industry teleconferences that were organized by an ad-hoc working group of the Canadian Independent Fish Harvesters Federation, on April 3rd and June 2nd to discuss details of the new regulations.

More notably, the PFHCB was involved in a number of meetings, calls and information sessions with TC in the months leading up to July 13th. These included teleconferences and meetings with senior TC staff, including a meeting with the Director General of TC Marine Safety in March and a meeting with the Minister of TC in early May. Both sessions provided an opportunity for the PFHCB to express concerns over the regulatory impact of the new regulations, and to better understand TC's intended implementation and enforcement strategies.

In 2017, the PFHCB had representatives attend the national CMAC session that took place in Ottawa from December 1-3, 2017. PFHCB representatives at this CMAC session included a combination of staff members, Board members, and fish harvesters. Many issues were monitored by PFHCB representatives at this 2017 CMAC consultation session; however the primary focus was on the requirements of the new Fishing Vessel Safety Regulations and their implementation.

Throughout the year, all PFHCB staff continued to review the details on the new regulatory requirements, with a focus on the three major areas of change: lifesaving equipment requirements, stability assessment requirements, and the requirement for written safety procedures. Numerous calls and emails were placed to regional and national TC personnel requesting clarification and interpretation on a number of sections of the regulations.

Finally, with regard to acquiring information on the federal regulatory requirements, the PFHCB remains on the email distribution list for all TC correspondence, and the Board maintains a thorough file of information relevant to all federal regulatory requirements. It is worth noting that as a result of the PFHCB's continued participation in CMAC, and strong working relationship with TC, PFHCB staff members have a comprehensive understanding of federal regulations and are well positioned to assist in raising the awareness of the new Fishing Vessel Safety Regulations amongst NL fish harvesters and to advise them on achieving compliance.

The PFHCB office continues to be a main source of information for fish harvesters inquiring about federal regulatory requirements, and contributing to a raised awareness of the new regulations amongst NL fish harvesters was a priority of PFHCB staff throughout the year.

Leading up to (and since) the coming into force of the regulations on July 13th, 2017, the PFHCB has been actively acquiring and distributing information to fish harvesters on the new regulatory requirements. This activity and commitment was ongoing in 2017, as the knowledge and information gathered by the PFHCB was disseminated to 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 the year, as highlighted below, the PFHCB utilized its database of licenced fish harvesters to reach those fish harvesters, and to assist them with understanding the regulatory impact on their fishing enterprise.

In 2017, the PFHCB communicated the new federal requirements to fish harvesters in a variety of ways, including email distributions, information distribution directly from the PFHCB office, by utilizing media outlets like **The Fisheries 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 by utilizing PFHCB MED instructors, first aid instructors, seal workshop facilitators and PLAR assessors, who met face-to-face with more than 200 fish harvesters at the community level throughout the province in 2017. The PFHCB also distributed information on TC regulatory requirements to the Inshore Council of the FFAW-Unifor. This elected body of 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 community outreach activities during the winter and spring of 2017.

Through these various means, the PFHCB reached thousands of fish harvesters with valuable information on the new TC Fishing Vessel Safety Regulations in 2017. The Board is confident that its efforts on this issue throughout the year (and in previous years) 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. The PFHCB will continue to gather and disseminate information to certified fish harvesters on the federal regulatory requirements, as regulatory compliance is an ongoing activity that is consistent with the underlying objectives of professional certification.

Throughout 2017, the PFHCB staff members, BST Instructors and PLAR Assessors worked directly with individuals and groups of fish harvesters in fulfillment of our objective to advise owner/operators on how to achieve compliance with the new fishing Vessel Safety Regulations.

Since the PFHCB office is a main source of information regarding federal regulatory requirements, as fish harvesters become more aware of the new Fishing Vessel Safety Regulations the PFHCB subsequently receives an increased number of inquiries from harvesters throughout the province seeking advice and guidance on achieving regulatory compliance. While advice was provided to fish harvesters throughout the year, most requests from harvesters came following the July 13th, 2017 coming into force date of the new regulations.

The greatest amount of activity on this objective came as the result of calls and visits to the PFHCB office. During the second half of 2017, calls and visits from fish harvesters seeking information and advice on TC regulatory compliance were a daily occurrence. The majority of those inquiries were sparked by the PFHCB outreach activities to raise awareness of the new regulations, as well as outreach work by other organization such as the NL-FHSA, FFAW and TC – a clear indication that efforts to raise awareness of the new regulations amongst fish harvesters were successful.

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 determined by vessel length and area of operation) creates many permutations and combinations of requirements among the small boat fishing fleet (<24 meters) and often results in fish harvesters being uninformed about their respective requirements. Therefore, the PFHCB played an important role, through its advisory activities, in clarifying regulatory requirements for fish harvesters.

More specifically, much of the work on this indicator focused on the new lifesaving equipment requirements of the regulations. Since one of the main components of the new regulations is an increased amount of equipment required on smaller fishing vessels operating closer to shore, requests for clarification and advice from fish harvesters tended to begin with questions regarding the lifesaving equipment requirements for their vessel. Advice was also provided on the stability requirements of the new regulations, which also require stability testing on some smaller vessels not previously required to have formal stability tests. In most cases existing vessels are exempt from the stability test requirements of the new regulations, so the advice to harvesters usually focused on whether or not their vessel is required to undergo a formal stability and, if so, what type of test is required.

Perhaps the biggest challenge to NL fish harvesters as a result of the new **Fishing Vessel Safety Regulations** is the requirement for written safety procedures on ALL Canadian fishing vessels as of July 13th, 2017. Having safety procedures documented in writing has never been a requirement for fishing vessels in the past, and most enterprise owners found themselves in non-compliance of this new regulatory requirement – and most remain in non-compliance. This new requirement also posed a significant challenge to the PFHCB in providing sound advice to fish harvesters on this requirement, as the PFHCB staff has no expertise in this area and no ability to provide individual harvesters with assistance on reaching compliance. In an effort to address this regulatory compliance gap, the PFHCB began working with the NL-FHSA on an initiative aimed at enabling fish harvesters to conduct hazard assessments of their vessels and to develop safety procedures specific to their vessel and fishing operations. This work is in the early stages and will continue into 2018.

In order for fish harvesters to reach regulatory compliance, a critical first step is to 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 how to achieve compliance, we are confident that through its 2017 activities the PFHCB has made a valuable contribution to the implementation of the new **Fishing Vessel Safety Regulations**, and to improving safety onboard NL fishing vessels.

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, 2017, 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 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 changed dramatically. The abundance of labour available in the late 1990's is no longer present, and the current fisheries labour force has increased dramatically in age over that 20 year period. This 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.

In addressing this issue, the first step taken by the PFHCB in 2017 (the first year of this three-year 2017-2019 planning cycle) was to conduct 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, it was important to have a full and clear understanding of the demographic composition of the current labour force, particularly age and certification level of licence holder and crew members. The results of this assessment, though not surprising, certainly illustrated the need for recruitment and retention of younger fish harvesters. For example, from 2001 to 2016, the percentage of certified fish harvesters under the age of 40 had declined from 53 per cent in 2001 to less than 20 per cent in 2016. Conversely, the percentage of fish harvesters over the age of 60 has increased from only 2 per cent in 2001 to approximately 25 per cent in 2016. The increase in age is even more dramatic in the case of Level II fish harvesters, where the percentage of harvesters over the age of 60 has increased from only 3 per cent in 2001, to more than 30 per cent in 2016.

The demographic assessment indicates a looming “age issue” in the current fish harvester labour force. However, the number of certified fish harvesters, including the number of Level II harvesters, has remained stable in comparison to the number fishing enterprises. While the number of certified fish harvesters, including Level II harvesters, has declined steadily over the past 20 years, the decline has been in nearly perfect proportion to the decline in the number enterprises. The following chart demonstrates the stability over time in the number of Level II certified harvesters, when compared to the number of Core and Non-Core fishing enterprises:

	<u>2000</u>	<u>2002</u>	<u>2004</u>	<u>2006</u>	<u>2008</u>	<u>2010</u>	<u>2012</u>	<u>2014</u>	<u>2016</u>
Total Enterprises (CORE & N-CORE)	5410	5015	4987	4927	4820	4594	4248	3845	3620
Level II Harvesters	8702	7998	8087	7815	7428	7039	6610	6137	5720
Rate of Level II per Total Enterprises	1.61	1.59	1.62	1.59	1.54	1.53	1.56	1.60	1.58
% Level II Owning an Enterprise	62%	63%	62%	63%	65%	65%	64%	63%	63%
% Level II's NOT Owning an Enterprise	38%	37%	38%	37%	35%	35%	36%	37%	37%

Not only did this demographic assessment provide the PFHCB with a better understanding of the current labour force and the aging fish harvester population issue, it also 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 approximately 2,200 Apprentice and Level I fish harvesters who are 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 Core fishing enterprises as the current group of enterprise owners move closer to retirement.

In its efforts to further identify fish harvesters as strong candidates for certification upgrading, the PFHCB staff also conducted a full review of Apprentice and Level I fish harvesters who had begun accumulating credits toward certification upgrading, but who fell short of the full amount of credits required for upgrading. This group was identified as the most likely cohort of all certified harvesters to continue their pursuit of Level II certification, and was the primary focus of PFHCB staff recruitment efforts in 2017.

Finally, each year the PFHCB received New Entrant applications from hundreds of new entrants who enter the industry for the first time as crew members. In 2017 more than 550 new entrants registered with the PFHCB, of which 70 per cent were under the age of 45. This group is also identified as candidates for future certification upgrading, and along with the two groups identified above, were the focus of the PFHCB’s efforts to establish support mechanisms to assist Apprentice and Level I fish harvesters achieve certification upgrading.

The PFHCB established and utilized a variety of support mechanisms in 2017 to encourage and assist fish harvester to achieve certification upgrading. The most basic, but perhaps the most important, was producing and distributing clear and detailed information and promotional materials on PFHCB certification and the upgrading criteria/process.

Information on certification upgrading, including a glossy PFHCB brochure outlining professional certification and its benefits, 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 during the delivery of community based training courses. Print ads aimed at promoting and encouraging professional certification were also distributed by email, webpage, newsletters and other industry publication. 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 better and more frequent information on the requirements and opportunities for certification upgrading.

A new mechanism that was established by the PFHCB in 2017 for the purpose of supporting fish harvesters pursuing certification upgrading, was a tracking system implemented to record fish harvesters who inquired about, or expressed interest in certification upgrading. The goal is to have PFHCB staff continue following up with these individuals to ensure that they are provided with any all information and assistance required to continue their certification upgrading. Past practice was for staff to inform harvesters of their certification upgrading requirements and to offer further support, but the responsibility for follow-up was left with the individual fish harvester. In an effort to address the issue of recruitment and retention, the PFHCB has committed to maintaining contact with all fish harvesters who express an interest in pursuing certification upgrading, and to providing a “personalized road map” to ensure they are able to achieve their professional certification goals.

One of the most noteworthy support mechanisms that the PFHCB has in place for fish harvesters pursuing certification upgrading is its PLAR program. While the vast majority of education credits for certification upgrading come from fisheries training delivered by the Marine Institute, the Board does deliver a PLAR program, which enables fish harvesters to acquire credits toward certification upgrading. 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. Harvesters who avail of PLAR must be able to successfully demonstrate their prior learned skills through an assessment by a trained Level II professional fish harvester. Up to 75 education credits can be attained if an individual successfully challenges and passes the ten skill sets available.

In 2017, as part of its renewed commitment to supporting and assisting Apprentice and Level I fish harvesters interested in pursuing certification upgrading, the PFHCB began a full review of its current PLAR program. In addition to making improvements pertaining to the reliability and validity of the assessment tools, the program review included an assessment of current assessment subjects and the credit awarded for each – with a goal of adding additional assessment areas and increasing the number of credits available through PLAR. The intended expansion of the PLAR program will further improve what has already proven to be a valuable support mechanism for harvesters pursuing certification upgrading.

Another support mechanism that was promoted by the PFHCB in 2017 was CrewFinder, the PFHCB’s free service aimed at connecting certified fish harvesters with owner/operators who have

crew positions available. Given the geographic diversity of the province's fishing industry, it is often difficult for unemployed fish harvesters 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. Crewfinder is also utilized by PFHCB staff in order to identify Apprentice and Level II fish harvesters who may be interested in skills development (nautical certification/training) and/or certification upgrading in order to improve their employability in the industry.

In 2017 the PFHCB continued its work as a community partner on a national study by the CCPFH that is documenting skill needs and labour supply challenges in coastal communities where seasonal fisheries are essential to the local economy. This study looks at labour market mobility and occupational pluralism trends and needs amongst Canadian fish harvesters, and will help create a strategy to match skill sets with job market opportunities by focusing on seasonality and labour market gaps. This project which will now conclude with the release of a final report in early-mid 2018 is very relevant to the PFHCB's activities around recruitment and retention of fish harvesters and its support for harvesters pursuing certification upgrading. One of the long-standing challenges of recruiting fish harvesters is the seasonal nature of the fishing industry, and this study is investigating ways to support fish harvesters in utilizing their skills to pursuing alternative employment and income sources outside the fishing season. The final results of this study will be used, where appropriate, in subsequent years as the PFHCB continues to establish support mechanisms to recruit fish harvesters and assist them in pursuing certification upgrading.

Finally, it is also worth noting that in 2017 the PFHCB requested that the Minister of FLR approve a PFHCB criteria amendment. The requested amendment would ensure that fish harvesters pursuing certification with the PFHCB have residency in NL and attachment to the NL fishing industry. This is very relevant to Board's efforts on recruitment and retention of fish harvesters, and support for those harvesters pursuing certification upgrading, as it would ensure that NL fish harvesters remain the primary beneficiaries of NL's valuable commercial fisheries resources.

II. Objectives for 2018 (Year 2 of the Board's 2017-2019 Activity Plan)

Issue #1 – New Federal Fishing Vessel Safety Regulations

Objective #2: By December 31, 2018, the PFHCB will have continued assisting small vessel (<24m) owners/operators in understanding the new regulatory requirements of TC's federal **Fishing Vessel Safety Regulations**, and continued supporting them in achieving compliance with their federal certification requirements.

Indicators: Attained detailed information and an increased 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.

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

Objective #2: By December 31, 2018, the PFHCB will have continued recruiting and supporting 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.

5.0 Opportunities and Challenges Ahead

As reported in previous years, many of the opportunities and challenges of the PFHCB change little from year to year. We anticipate that 2018 will bring new opportunities for the Board, but the underlying challenges remain the same. The ongoing trends of an aging fish harvester population (particularly in the case of licence holders) and associated 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. The PFHCB identifies the following challenges and opportunities for 2018.

Challenges:

The recruitment and retention of young fish harvesters is 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 amount 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.

The new federal **Fishing Vessel Safety Regulations** of the **Canada Shipping Act** came into force in July, 2017. These new regulations are already having a significant impact on NL fishing enterprises, as owner operators begin to familiarize themselves with the regulatory requirement and work toward compliance. Regulatory compliance with these new regulations is a significant challenge for the industry generally, and the PFHCB specifically as the Board strives to assist harvesters with the new regulatory requirements. This is particularly true in the case of the new requirement for written safety procedures – a regulatory requirement that forced the vast majority of NL fish harvesters into non-compliance when it came into force in July, 2017. Supporting NL harvesters to reach compliance on this and other regulatory requirements will continue to challenge the PFHCB over the coming years.

TC is also in the process of amending the federal **Marine Personnel Regulations**, which 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 proposed changes represent a short-term challenge to the PFHCB, as Board staff work with TC to understand the proposed changes and their impact on NL harvesters. When the amended regulation comes into force (proposed for 2019) the PFHCB will have the added challenge of informing fish harvesters of any changes and new requirements, and assisting harvesters in achieving and maintaining their certifications and regulatory compliance.

Opportunities:

Since its inception in 1997, the PFHCB has made continuous efforts to have DFO make necessary federal regulatory amendment(s) to recognize professional certification. In 2017, DFO began a consultation process on such proposed amendments that would modify the registration requirement for fish harvesters (licence holders and crew), and formally recognize the certification of fish harvesters by a provincial certification board within Federal regulations. The proposed changes would align DFO regulations with the current practice in Newfoundland and Labrador, where regional policy has recognized the PFHCB as the responsible 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.

A proposed amendment to the PFHCB certification criteria presented to the Minister of FLR by the PFHCB in 2017, if approved, represents an opportunity to strengthen the board's criteria so that it more accurately reflects the intentions of the Board's mandate and objectives as they relate to: 1) **Newfoundland and Labrador residency requirements** for individuals seeking PFHCB certification; and 2) **Attachment to the Newfoundland and Labrador fishing industry** for individuals seeking PFHCB certification. This amendment will grant the PFHCB appropriate authority to register and certify NL fish harvesters, and to ensure that NL professional fish harvesters remain the primary beneficiaries of our province's limited valuable fisheries resources.

The two federal regulations identified above as creating challenges for the industry and the PFHCB, also represent important opportunities to 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 fishing 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.

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 2017-19 Activity Plan.

Appendix A

2017 Audited Financial Statements

PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD

Financial Statements

Year Ended December 31, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Professional Fish Harvesters Certification Board

We have audited the accompanying financial statements of Professional Fish Harvesters Certification Board, which comprise the statement of financial position as at December 31, 2017 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Professional Fish Harvesters Certification Board as at December 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Quinlan & Taylor CPA Professional Corporation

St. John's, Newfoundland and Labrador
April 19, 2018

PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD

Statement of Financial Position

December 31, 2017

	2017	2016
ASSETS		
Current		
Cash	\$ 9,155	\$ 34,996
Term deposits	1,272,054	1,283,489
Accounts receivable	48,834	54,639
Due from related parties (Note 6)	5,737	5,561
Prepaid expenses	6,742	7,180
	1,342,522	1,385,865
Property, plant and equipment (Note 3)	1,463,634	1,494,545
	\$ 2,806,156	\$ 2,880,410
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 95,775	\$ 102,593
H.S.T. payable	5,107	-
Unearned revenue	33,100	25,400
Current portion of long term debt (Note 4)	63,200	60,850
	197,182	188,843
Long term debt (Note 4)	388,907	452,106
Accrued severance pay (Note 5)	80,452	76,371
	666,541	717,320
Net Assets		
Unrestricted fund	706,259	683,691
Invested in capital assets	1,433,356	1,479,399
	2,139,615	2,163,090
	\$ 2,806,156	\$ 2,880,410

ON BEHALF OF THE BOARD

Kimberley Penney Director
William Broderick Director

See notes to financial statements

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& TAYLOR**

PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD

Statement of Revenues and Expenditures

Year Ended December 31, 2017

	2017	2016
Revenues		
Registration fees	\$ 708,025	\$ 709,450
Interest income	43,771	44,502
Other revenue	35,256	36,381
CCPFH Funding	-	67,941
Prior learning assessment and recognition	8,350	9,050
Basic safety training	45,460	43,880
Sealer workshop funding	5,404	16,235
Rental revenue	49,500	49,500
	895,766	976,939
Expenses		
Advertising and promotional material	7,119	10,092
Amortization	46,893	45,929
Appeals	22,021	31,297
Building operations	58,227	56,673
Business tax	11,334	11,206
Communications	10,964	11,210
CCPFH project	-	53,116
Insurance	5,818	5,201
Interest and bank charges	10,573	10,123
Interest on long term debt	18,341	22,514
Meetings - board and other	46,092	36,681
Membership fees	45,485	45,790
NL - FHSA program	70,151	70,000
Office and computer supplies	27,246	24,019
Postage	24,734	26,419
Printing	7,179	6,499
Prior learning assessment and recognition project	10,015	11,466
Professional fees	77,265	45,155
Public relations initiatives	1,650	8,538
Safety training	55,390	52,385
Sealer workshop expenses	4,815	10,854
Wages and employee benefits	357,536	353,791
	918,848	948,958
Other income		
Loss on disposal of property, plant and equipment	(393)	-
Excess (deficiency) of revenues over expenses	\$ (23,475)	\$ 27,981

See notes to financial statements

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PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD

Statement of Changes in Net Assets

Year Ended December 31, 2017

	Unrestricted Fund	Invested in Capital Assets	2017	2016
Net assets - beginning of year	\$ 683,691	\$ 1,479,399	\$ 2,163,090	\$ 2,135,109
Net change in invested property, plant and equipment	(850)	850	-	-
Deficiency of revenues over expenses	23,418	(46,893)	(23,475)	27,981
Net assets - end of year	\$ 706,259	\$ 1,433,356	\$ 2,139,615	\$ 2,163,090

See notes to financial statements

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& TAYLOR**

PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD

Statement of Cash Flow

Year Ended December 31, 2017

	2017	2016
Operating activities		
Excess (deficiency) of revenues over expenses	\$ (23,475)	\$ 27,981
Items not affecting cash:		
Amortization of property, plant and equipment	46,893	45,929
Loss on disposal of property, plant and equipment	393	-
	<u>23,811</u>	<u>73,910</u>
Changes in non-cash working capital	16,312	(46,019)
Cash flow from operating activities	<u>40,123</u>	<u>27,891</u>
Investing activity		
Purchase of property, plant and equipment	(16,375)	(5,761)
Financing activities		
Advances from (to) related parties	(176)	15,259
Repayment of long term debt	(60,848)	(146,675)
Cash flow used by financing activities	<u>(61,024)</u>	<u>(131,416)</u>
Decrease in cash flow	<u>(37,276)</u>	<u>(109,286)</u>
Cash - beginning of year	1,318,485	1,427,771
Cash - end of year	<u>\$ 1,281,209</u>	<u>\$ 1,318,485</u>
Cash flow supplementary information		
Interest received	\$ (43,771)	\$ (44,502)
Interest paid	\$ 28,913	\$ 32,636
Cash consists of:		
Cash	\$ 9,155	\$ 34,996
Term deposits	1,272,054	1,283,489
	<u>\$ 1,281,209</u>	<u>\$ 1,318,485</u>

See notes to financial statements

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& TAYLOR**

PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD

Notes to Financial Statements

Year Ended December 31, 2017

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, 2017

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. Property, plant and equipment 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. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2017 Net book value
Land	\$ 150,000	\$ -	\$ 150,000
Land improvements	51,525	28,113	23,412
Building	1,551,190	290,848	1,260,342
Equipment	121,131	102,597	18,534
Computer equipment	132,390	121,539	10,851
Signs and logo	7,077	6,582	495
	\$ 2,013,313	\$ 549,679	\$ 1,463,634

	Cost	Accumulated amortization	2016 Net book value
Land	\$ 150,000	\$ -	\$ 150,000
Land improvements	51,525	25,512	26,013
Building	1,551,190	252,068	1,299,122
Equipment	124,777	114,580	10,197
Computer equipment	127,893	119,388	8,505
Signs and logo	7,077	6,369	708
	\$ 2,012,462	\$ 517,917	\$ 1,494,545

PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD

Notes to Financial Statements

Year Ended December 31, 2017

4. LONG TERM DEBT

	2017	2016
The Toronto Dominion Bank loan bearing interest at 3.78% per annum, repayable in monthly blended payments of \$6,599. The loan matures on December 23, 2019 and is secured by land and building at 368 Hamilton Avenue, St. John's, NL which has a carrying value of \$1,433,754.	\$ 452,107	\$ 512,956
Amounts payable within one year	(63,200)	(60,850)
	<u>\$ 388,907</u>	<u>\$ 452,106</u>

Principal repayment terms are approximately:

2018	\$ 63,200
2019	<u>388,907</u>
	<u>\$ 452,107</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.

5. 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.

PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD

Notes to Financial Statements

Year Ended December 31, 2017

6. RELATED PARTIES

	2017	2016
<u>Related party transactions</u>		
Newfoundland and Labrador Fish Harvesting Safety Association Incorporated <i>(Overlapping directors)</i>		
Funding	\$ 70,151	\$ 70,000
Administrative assistance	20,566	20,163
Office equipment	4,348	5,000
Office space	4,348	5,000
Office supplies	1,739	2,000
	\$ 101,152	\$ 102,163

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

	2017	2016
Current portion due from related party Newfoundland and Labrador Fish Harvesting Safety Association Incorporated	\$ 5,737	\$ 5,561

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, 2017.

(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.

