



**2018**

**Annual Performance Report**

for

**The Professional Fish Harvesters  
Certification Board**

# Table of Contents

1.0	Message from the Chairperson .....	1
2.0	Overview.....	2
2.1	Board of Directors, Sub-Committees and Staff .....	2
2.2	Vision .....	3
2.3	Primary Lines of Business .....	3
2.4	Location and Contact Information .....	5
2.5	Finances .....	5
3.0	Highlights and Partnerships .....	5
4.0	Activities	
I.	Outcomes of 2018 Objectives .....	9
II.	Objectives for 2019.....	19
5.0	Opportunities and Challenges .....	20

Appendix A – 2018 Audited Financial Statements

## **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 2018. 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 2018 reporting period.

Again in 2018, 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 2018, 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, 2018 to December 31, 2018, 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. 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, 2018:

<b>Name</b>	<b>Representing</b>	<b>Title</b>	<b>Appointed Date</b>	<b>Expiry Date</b>
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
Vacant	FFAW	Member		
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
Vacant	Post Secondary Institution	Member		
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	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](http://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 9,110 fish harvesters registered with the PFHCB in 2018.

### **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](http://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 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  
368 Hamilton Avenue  
P.O. Box 8541  
St. John's, NL A1B 3P2  
709-722-8170 (phone)  
709-722-8201 (fax)  
[pfh@pfhcb.com](mailto:pfh@pfhcb.com)  
[www.pfhcb.com](http://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 2018 can be found in Appendix A.

Below is a summary of revenue and expenses for the year ending December 31, 2018.

Total Revenue	\$ 910,645
Total Expenses	\$ 920,529
Excess of Revenue over Expenses	\$ (9,884)

## **3.0 Highlights and Partnerships**

Highlights: In 2018 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 2018 are described in detail in section 4.0 (1) (Outcomes of Objectives); however, a few highlights are included below:

- 9,110 commercial fish harvesters were registered with the PFHCB in 2018. This number, while similar to 2017, does indicate a small decrease following three years (2015-2017) with less than one percent of annual variation.

<b>New Entrant</b>	<b>Apprentice</b>	<b>Northern Lab. Core</b>	<b>Level I</b>	<b>Level II</b>	<b>TOTAL</b>
452	2,821	9	474	5,354	9,110

- In 2018, approximately 200 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). 95 of those students were enrolled in Fishing Masters programs. 65 participated in classroom-based delivery and 30 were enrolled in the online delivery program. The majority of these FM students were under the age of 40.
- An additional 152 harvesters completed a five day Basic Safety Training course delivered by the PFHCB in 10 communities throughout the province between March 12 and April 13. Fifteen students attended the Marine First Aid portion only, and the remaining 137 completed the full five day course. An additional 40 Apprentice and Level I fish harvesters took advantage of the Board’s PLAR program – 226 total PLAR assessments were conducted in 11 different locations, and successful participants received more than 1,500 education credits toward PFHCB certification upgrading.
- In total, 115 fish harvesters had their certification level upgraded in 2018; 64 upgraded to Level I, and 51 upgraded to Level II. This number is an increase of 11 percent over 2017, and represents another positive sign that harvesters remain interested in certification upgrading. It is also important to note that the average age of those 115 harvesters is 35.68 years. This is particularly important in order to ensure that the PFHCB is certifying an adequate number of 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 2018, PFHCB staff assisted in maintaining the membership database for the Association. The PFHCB delivered seven Humane Harvesting and Quality/Health/Handling workshops throughout the province, with 95 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 6,800.
- In late 2017, DFO began a consultation process on proposed amendments to federal regulations that would modify the registration requirement for fish harvesters, 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.



On January 31, 2018 the PFHCB made a formal submission to DFO on the proposed regulatory amendment. The submission included recommendations on how the amended regulations should be implemented in order to achieve their full potential and intended purpose. We are anticipating a positive outcome to these consultations in 2019.

- On January 25, 2018, the PFHCB received notification that the Minister of FLR had approved a PFHCB criteria amendment. This amendment to the certification criteria was requested by the PFHCB 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 grants the PFHCB authority to carry out its intended mandate of registering and certifying NL fish harvesters with attachment to the NL 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 2018, 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's regional licensing policy requires harvesters to be registered as Level I or Level II before being eligible 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, and ensuring that fishing enterprises are operated by trained, certified professional fish harvesters.

Additionally, as of November 30, 2016, it is a DFO requirement for commercial sealers in the NL region to attend 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 2018 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 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 2018, 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. In 2018 the PFHCB provided \$144,544 in direct financial support to the NL-FHSA. This represents the final 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 2018.

As reported in more detail in section 4.0, the PFHCB continues to work closely with TC, the NL-FHSA, 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 fish harvesters are expected to enter Canada Gazette in 2019. 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 2018, 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 2018 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 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 2018, the PFHCB supported a proposal by MI to recruit female fish harvesters to participate in community-based Fishing Master IV training/certification.

## **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 2018 Performance Report, the PFHCB Appeal Board was successful in meeting its one stated objective, which included conducting 23 fish harvester appeals in six locations throughout the province.

## **4.0 Activities**

### **I. Outcomes of 2018 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 2018 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 2018, 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 2018 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 #2:** By December 31, 2018, 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 two 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 13<sup>th</sup>, 2017. Therefore it was important for PFHCB staff to attain detailed information and a general understanding of the new federal regulatory requirements. To that end, as highlighted below a main priority of the PFHCB in 2018 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 2018 regional CMAC was held on March 27<sup>th</sup> in St. John's, and the PFHCB had two staff members 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 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 2018 national CMAC sessions that took place in Ottawa from May 1-3, and November 13-15. PFHCB representatives at these national CMAC sessions included one staff member, one Board member, and additional fish harvester representatives. The primary focus was on the requirements of the newly implemented **Fishing Vessel Safety Regulations**, their interpretation, implementation and enforcement. PFHCB representatives at the 2018 national CMAC also attended sessions pertaining to new amendments to the **Marine Personnel Regulations**, scheduled to enter Canada Gazette Part I in late 2019 or 2020.

In addition to regional and national TC CMAC meetings, during 2018, PFHCB representatives were 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 two separate face-to-face meetings that were held between TC and Atlantic-wide fishing industry partners in Halifax on March 19<sup>th</sup> and July 10<sup>th</sup> to discuss issues related to the new federal regulations. TC also held a regulatory information session in St. John's on November 29<sup>th</sup>, 2018, which was also attended by PFHCB representatives. PFHCB participated in a teleconference with Atlantic-wide

industry partners on February 27<sup>th</sup>, 2018, to discuss the impact of the new federal regulations on our respective regions, and to address common concerns. PFHCB also participated in three separate TC organized teleconferences in 2018, all in an effort to update industry stakeholders on the new federal regulatory requirements, and introduce TC's initiative to "enhance engagement" with industry stakeholders on the implementation of the new regulations. These teleconferences were held on April 26<sup>th</sup>, June 28<sup>th</sup> and August 16<sup>th</sup>. Each of these calls and meetings represented valuable opportunities for the PFHCB to communicate arising issues regarding the regulatory impact of the new federal **Fishing Vessel Safety Regulations**, and to better understand TC's intended implementation and enforcement strategies.

Throughout the year, all PFHCB staff continued to review the new regulatory requirements, with a focus on the three main areas: lifesaving equipment requirements, stability assessment requirements, and the requirement for written safety procedures. 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.

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. It is worth noting that 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 was a priority of PFHCB staff throughout the year. 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, BST instructors and PLAR assessors – in order to maximize the dissemination of information to fish harvesters throughout the province.

To this end, since the coming into force of the regulations on July 13<sup>th</sup>, 2017, the PFHCB has been actively acquiring and distributing information to fish harvesters on the new regulatory requirements. This activity and commitment continued in 2018, 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 annual activities, and database of certified fish harvesters, in order to assist fish harvesters with understanding the regulatory impact on their fishing enterprise.

In 2018, 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 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 by utilizing PFHCB MED instructors, first aid instructors, seal workshop facilitators and PLAR assessors, who met face-to-face with some 300

fish harvesters at the community level throughout the province in 2018. The PFHCB also distributed information on TC regulatory requirements to the Inshore Council of the FFAW-Unifor during their spring and fall meetings in 2018. 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 had an information booth at FFAW/Unifor's 12<sup>th</sup> Constitutional Convention held in Gander on November 5-6, 2018 and attended by approximately 200 delegates from throughout the province. This represented an invaluable opportunity to inform industry leaders about the details of the new federal regulations.

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 2018, as well as during the annual Fisheries Safety Symposium held in Gander on November 7<sup>th</sup>, 2018 and attended by approximately 100 fish harvesters and industry representatives.

Through these various means, the PFHCB reached thousands of fish harvesters with valuable information on the new TC **Fishing Vessel Safety Regulations** again in 2018. 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. The PFHCB 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 2018, 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 a regular 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 subsequently receives an increased number of inquiries from harvesters throughout the province 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 community-based delivery of PFHCB education initiatives such as BST Courses, Sealer Workshops, and PLAR Assessments.

The greatest amount of activity on this objective came as the result of calls and visits to the PFHCB office. Similar to the later part of 2017, following the coming into force of the new regulations in July, calls and visits from fish harvesters seeking information and advice on TC regulatory compliance were a regular occurrence in 2018 – with the highest frequency being in the first quarter of 2018, while harvesters were preparing for the 2018 season. Many of those inquiries were sparked by the PFHCB outreach activities noted above, as well as outreach work by other organization such as the NL-FHSA, FFAW, Marine Institute and TC. These requests for assistance with compliance are indicative of a continuously growing awareness of the new regulatory requirements, and a 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). For example, two vessels of the same length may have differing requirements because of the area in which they fish. Likewise, two vessels fishing in the same area may have differing requirements because of vessel length. This may result in fish harvesters being misinformed or confused about their respective requirements. Therefore, the PFHCB plays an important role, through its advisory activities, in clarifying regulatory requirements.

More specifically, much of the work on this indicator continues to focus on the new lifesaving equipment requirements of the regulations, as this seems to be the component of the new regulations causing the most confusion and raising the most clarification questions. 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 tend to begin with questions regarding the lifesaving equipment requirements for their vessel. The major of the requests for assistance come from vessel owners in the less than 15GT fleet. This is the case for two reasons: The vast majority of the NL fishing fleet (approximately 75-80 per cent) is less than 15GT; and vessels under 15GT do not fall under TC’s Canada Steamship Inspection (CSI) regime, and are less likely to receive the information directly from TC.

Throughout 2018, 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. In most cases, existing vessels are exempt from these stability tests, so 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. It is also worth noting that in 2018 TC published new Adequate Stability and Safety Guidelines for Fishing Vessels (TP 15393E) to accompany the new stability requirements. The PFHCB worked under contract with TC to assist in the development of these guidelines, which are an aid to fishing vessel owners and operators on how to take preventative measures to maintain their vessel's stability as well as provide guidance on best operational practices to avoid a swamping or capsizing of their fishing vessel.

Perhaps the biggest challenge resulting from the new **Fishing Vessel Safety Regulations** is 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 13th, 2017. While most vessel owners remain in non-compliance of this new requirement, as noted below, the PFHCB is working closely with the NL-FHSA on this regulatory gap. Providing advice to fish harvesters on this requirement is challenging, as PFHCB staff members are not trained Occupation Health and Safety professionals. Therefore, in order to address this regulatory compliance gap, in 2018 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.



In order for fish harvesters to reach regulatory compliance, they 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 through its 2018 activities on this issue the PFHCB has made a valuable contribution to the implementation of TC's new **Fishing Vessel Safety Regulations**, to advancing an industry-wide safety culture, and to improving safety onboard NL fishing vessels. While no official TC compliance statistics are available, TC officials in the NL region are reporting an overall increase in compliance, and an improving understanding of the new regulatory requirements 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 #2:** By December 31, 2018, 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 changed significantly. 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 dramatically 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 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, 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 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 "age issue" 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 2018 this was the group of certified fish harvesters that the PFHCB focused on for the purpose of identifying fish harvesters interested in Level II 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 cohort 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 2018, 456 new entrant Apprentices registered with the PFHCB, of which approximately 60 per cent were under the age of 40, and one third were 25 years of age or younger. This group of young new entrants is a positive indicator, and 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 2018 efforts to establish support mechanisms to assist Apprentice and Level I harvesters with certification upgrading.

It is also worth noting that one third of these new entrants were female fish harvester, which also inspired a shared initiative (explained below) aimed at recruiting female fishing enterprise owner/operators.

Building on the work begun in 2017 (the first year of this strategic issue), in 2018 the PFHCB utilized a variety of support mechanisms to encourage and assist fish harvester to achieve certification upgrading. The most basic, but most effective in generating requests for assistance, was the distribution of clear and detailed information and promotional materials on PFHCB certification and the upgrading criteria/process.

Information on certification upgrading, including a color PFHCB brochure outlining professional certification and its benefits, was distributed to fish harvesters throughout the year. In addition to the information distribution efforts outlined below, in 2018 the PFHCB also began the process of upgrading an improving its **Professional Certification & Certification Upgrading** brochure. A package of new materials, including the new revised brochure, will be aimed more specifically at promoting certification upgrading and encouraging younger harvesters to access the resources support available from the PFHCB.

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 2017, the PFHCB introduced a new procedural mechanism, established for the purpose of supporting fish harvesters pursuing certification upgrading. Beginning in early 2017, and continuing throughout 2018, a tracking system was implemented to record all 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 all information and assistance required to achieve their desired goal. In its ongoing effort to address the issue of recruitment and retention, the PFHCB recorded and maintained contact with all fish harvesters who expressed an interest in pursuing certification upgrading since this procedure was implemented. 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 assigned a full staff position to the duties related to recruitment, retention and supporting harvesters working toward certification upgrading. One of the key duties of this position in 2018 was to carry out the enhancement to the Board's PLAR program.

PLAR is one of the most noteworthy 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. The goal of the review was to improve the overall efficiency and reliability of the program, but perhaps more important to this specific issue, it also included the development of additional assessment areas that would increase the total number of credits available through PLAR.

This expansion of the PLAR program will further improve what has already proven to be a valuable support mechanism for harvesters pursuing certification upgrading. To that end, in 2018 the PFHCB contracted the Marine Institute to develop two new PLAR assessments, the enhancement of another assessment, and assessor guides to accompany each of the three. These included Fishing Technique assessments in Seining (5 credits), Otter Trawl (5 credits) and Hydraulic Systems (10 credits). It is anticipated that these new assessments, and corresponding additional education credits, will be ready for delivery in early 2019.

As noted above, a growing number of young women are entering the fishing industry – one third of 2018 new entrants were females, and one quarter of those female new entrants were under the age of 25. With women continuing to form a larger percentage of our provincial labour force, and many women moving into non-traditional careers, the PFHCB has made the recruitment, retention and certification upgrading of female harvesters a priority in our efforts on this strategic issue. In order to ensure an adequate supply of skilled labour in the harvesting sector in future, it is believed that women will have to enter the fishery in even larger number. Therefore, in 2018, the PFHCB partnered with the Marine Institute on an initiative aimed at recruiting female fish harvesters to enroll in community-based Fishing Masters training. A proposal was submitted to TC under the Marine Training Program Request for Proposals in October, 2018, and we are hoping for a favorable response. If the proposal is successful, training will begin in 2019, and the PFHCB will utilize its database of certified fish harvesters to lead the recruitment portion of the project.

Another mechanism specifically aimed at supporting recruitment and retention of skilled labour in the fishing industry 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 2018. 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 2018 Crewfinder was also utilized by PFHCB staff in order 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 2018 the PFHCB concluded its work as a community partner on a national study by the CCPFH that documents skill needs and labour supply challenges in coastal communities where seasonal fisheries are essential to the local economy. The study focused on many items relevant to recruitment and labour supply, including labour market mobility and occupational pluralism trends and needs amongst Canadian fish harvesters. This project, which concluded with the release of its final report in August, 2018, includes recommended strategies aimed at matching skill sets with job market opportunities by focusing on seasonality and labour market gaps. It also includes recommendations regarding fish harvester utilization of their skills to pursue alternative employment and income sources outside the fishing season. This expansive piece of work is very relevant to the PFHCB's activities around recruitment and retention of fish harvesters and its support for harvesters pursuing certification upgrading. This shared partnership with the CCPFH was an extremely valuable and worthwhile initiative, as the final results of this study will be used, where appropriate, in subsequent years as the PFHCB continues to established support mechanisms to recruit fish harvesters and assist them in pursuing certification upgrading.

Finally, it is also worth noting that in 2018 was successful in receiving ministerial approval of a PFHCB criteria amendment. This amendment, approved by the Minister of Fisheries and Land Resources in early 2018, ensures 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 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 2019 (Year 3 of the Board's 2017-2019 Activity Plan)**

### **Issue #1 – New Federal Fishing Vessel Safety Regulations**

**Objective #3:** By December 31, 2019, the PFHCB will have assisted small vessel (<24m) owners/operators in understanding the new regulatory requirements of TC'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.

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

**Objective #3:** 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.

## **5.0 Opportunities and Challenges**

The notable opportunities and challenges of the PFHCB have changed very little since the start of this current 2017-2019 planning period. We anticipate that 2019 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 2019.

### **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 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.

The new federal **Fishing Vessel Safety Regulations** of the **Canada Shipping Act** came into force in July, 2017. These new regulations continue to have a significant impact on NL fishing enterprises, as owner operators 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 fully understanding 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 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 for the remainder of this planning period.

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 the 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 2018, DFO continued its consultation process on proposed federal regulatory amendments that would formally recognize the certification of fish harvesters by a provincially legislated certification board such as the PFHCB. The proposed changes 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. We anticipate that these proposed regulatory amendments will enter Canada Gazette Part one in 2019.

The two federal regulations identified above, while creating challenges for the industry and the PFHCB, also represent important 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 associated with recruitment and labour supply/stability, there is positive news in the industry regarding the number of young new entrants, the number of young harvesters enrolled in fisheries training, and the number of young harvesters expressing interest in certification upgrading for the purpose of acquiring a licence. More specifically, the value and abundance in the lobster fishery has sparked a significant increase in inquiries from young fish harvesters at the PFHCB office. Also, a 2018 report from the CCPFH, indicating a 106 per cent increase in fish harvester incomes in NL between 2000 and 2015 is encouraging news for new entrants. Combined, these represent opportunities for the PFHCB to promote recruitment to the fishing industry and support those young harvesters who are interested in a career in fish harvesting.

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**

2018 Audited Financial Statements

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**PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD**

**Financial Statements**

**Year Ended December 31, 2018**

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**INDEPENDENT AUDITOR'S REPORT**

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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, 2018, 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, 2018, 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:

*(continues)*

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  
March 29, 2019



Quinlan & Taylor CPA Professional Corporation

**PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD**

**Statement of Financial Position**

**December 31, 2018**

	2018	2017
<b>ASSETS</b>		
Current		
Cash	\$ 5,335	\$ 9,155
Term deposits	1,211,867	1,272,054
Accounts receivable	41,895	48,834
Due from related parties (Note 6)	62,688	5,737
Prepaid expenses	6,081	6,742
	<b>1,327,866</b>	<b>1,342,522</b>
Property, plant and equipment (Note 3)	1,420,548	1,463,634
	<b>\$ 2,748,414</b>	<b>\$ 2,806,156</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current		
Accounts payable and accrued liabilities	\$ 96,727	\$ 95,775
H.S.T. payable	8,465	5,107
Unearned revenue	39,900	33,100
Current portion of long term debt (Note 4)	388,407	63,200
	<b>533,499</b>	<b>197,182</b>
Long term debt (Note 4)	-	388,907
Accrued severance pay (Note 5)	85,184	80,452
	<b>618,683</b>	<b>666,541</b>
Net Assets		
Unrestricted fund	724,331	706,259
Invested in capital assets	1,405,400	1,433,356
	<b>2,129,731</b>	<b>2,139,615</b>
	<b>\$ 2,748,414</b>	<b>\$ 2,806,156</b>

ON BEHALF OF THE BOARD

*William Brodeur* Director  
*George Feltner* Director

See notes to financial statements

**QUINLAN  
& TAYLOR**

**PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD**

**Statement of Revenues and Expenditures**

**Year Ended December 31, 2018**

	2018	2017
<b>Revenues</b>		
Registration fees	\$ 697,255	\$ 708,025
Interest income	39,699	43,771
Other revenue	57,497	35,256
CCPFH funding	5,100	-
Prior learning assessment and recognition	10,130	8,350
Basic safety training	46,700	45,460
Sealer workshop funding	4,764	5,404
Rental revenue	49,500	49,500
	<b>910,645</b>	<b>895,766</b>
<b>Expenses</b>		
Advertising and promotional material	17,150	7,119
Amortization	47,598	46,893
Appeals	12,216	22,021
Building operations	54,664	58,227
Business tax	11,334	11,334
Communications	8,488	10,964
Insurance	5,942	5,818
Interest and bank charges	11,419	10,573
Interest on long term debt	15,489	18,341
Meetings - board and other	34,135	46,092
Membership fees	44,590	45,485
NL - FHSA program	142,544	70,151
Office and computer supplies	21,875	27,246
Postage	21,729	24,734
Printing	-	7,179
Prior learning assessment and recognition project	20,206	10,015
Professional fees	27,289	77,265
Public relations initiatives	10,462	1,650
Safety training	45,777	55,390
Sealer workshop expenses	6,814	4,815
Wages and employee benefits	360,808	357,536
	<b>920,529</b>	<b>918,848</b>
<b>Deficiency of revenues over expenses from operations</b>	<b>(9,884)</b>	<b>(23,082)</b>
<b>Other income</b>		
Loss on disposal of property, plant and equipment	-	(393)
<b>Deficiency of revenues over expenses</b>	<b>\$ (9,884)</b>	<b>\$ (23,475)</b>

See notes to financial statements

**QUINLAN  
& TAYLOR**

PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD

Statement of Changes in Net Assets

Year Ended December 31, 2018

	Unrestricted Fund	Invested in Capital Assets	2018	2017
Net assets - beginning of year	\$ 706,259	\$ 1,433,356	\$ 2,139,615	\$ 2,163,090
Net change in invested property, plant and equipment	(19,642)	19,642	-	-
Deficiency of revenues over expenses	37,714	(47,598)	(9,884)	(23,475)
Net assets - end of year	\$ 724,331	\$ 1,405,400	\$ 2,129,731	\$ 2,139,615

See notes to financial statements

QUINLAN  
& TAYLOR

**PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD**

**Statement of Cash Flows**

**Year Ended December 31, 2018**

	2018	2017
<b>Operating activities</b>		
Deficiency of revenues over expenses	\$ (9,884)	\$ (23,475)
Items not affecting cash:		
Amortization of property, plant and equipment	47,598	46,893
Loss on disposal of property, plant and equipment	-	393
	37,714	23,811
Changes in non-cash working capital	23,442	16,312
Cash flow from operating activities	61,156	40,123
<b>Investing activity</b>		
Purchase of property, plant and equipment	(4,512)	(16,375)
<b>Financing activities</b>		
Advances to related parties	(56,951)	(176)
Repayment of long term debt	(63,700)	(60,848)
Cash flow used by financing activities	(120,651)	(61,024)
Decrease in cash flow	(64,007)	(37,276)
Cash - beginning of year	1,281,209	1,318,485
Cash - end of year	\$ 1,217,202	\$ 1,281,209
<b>Cash flows supplementary information</b>		
Interest received	\$ (39,699)	\$ (43,771)
Interest paid	\$ 26,908	\$ 28,913
<b>Cash consists of:</b>		
Cash	\$ 5,335	\$ 9,155
Term deposits	1,211,867	1,272,054
	\$ 1,217,202	\$ 1,281,209

See notes to financial statements

**QUINLAN  
& TAYLOR**



# PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD

## Notes to Financial Statements

Year Ended December 31, 2018

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### 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, 2018**

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. PROPERTY, PLANT AND EQUIPMENT

	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
	<b>\$ 2,017,824</b>	<b>\$ 597,276</b>	<b>\$ 1,420,548</b>

	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
	<b>\$ 2,013,313</b>	<b>\$ 549,679</b>	<b>\$ 1,463,634</b>

PROFESSIONAL FISH HARVESTERS CERTIFICATION BOARD

Notes to Financial Statements

Year Ended December 31, 2018

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4. LONG TERM DEBT

	2018	2017
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 \$1,392,633.	\$ 388,407	\$ 452,107
Amounts payable within one year	<u>(388,407)</u>	<u>(63,200)</u>
	<u>\$ -</u>	<u>\$ 388,907</u>

Principal repayment terms are approximately:

2019	<u>\$ 388,407</u>
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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, 2018**

**6. RELATED PARTIES**

	<b>2018</b>	<b>2017</b>
<u>Related party transactions</u>		
Newfoundland and Labrador Fish Harvesting Safety Association Incorporated <i>(Overlapping directors)</i>		
Funding	\$ 142,544	\$ 70,151
Administrative assistance	21,739	20,566
Office equipment	-	4,348
Office space	17,391	4,348
Office supplies	-	1,739
Wage reimbursement	15,381	5,737
	<b>\$ 181,674</b>	<b>\$ 101,152</b>

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

	<b>2018</b>	<b>2017</b>
Current portion due from related party Newfoundland and Labrador Fish Harvesting Safety Association Incorporated	<b>\$ 62,688</b>	<b>\$ 5,737</b>

**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, 2018.

**(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.