

**Standing Fish Price-Setting Panel**

# **Annual REPORT 2015- 2016**

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## Message from the Acting Chairperson

In accordance with Government's commitment to transparency and accountability, as Acting Chair of the Standing Fish Price-Setting Panel and in accordance with the *Transparency and Accountability Act*, I am pleased to submit the Annual Performance Report for 2015-16. This report was prepared under the direction of Panel members and, as such, the members are accountable for the results reported. The Annual Report applies to Panel activities from the period of April 1, 2015 to March 31, 2016.

Regrettably, the Chair of the Panel since its inception in 2006, Mr. Joseph P. O'Neill, passed away on February 1, 2016. All three Panel members were appointed in 2006 and were beginning their eleventh year. During his tenure, Mr. O'Neill was dedicated to the mission statement of the Panel and the objectives of ensuring a positive and stable environment to enhance collective bargaining in the fishing industry. His objectivity and sense of fairness, combined with a long and outstanding career in labour relations, secured his role in directing the Panel activities in its first decade. His presence as a colleague and friend to the Panel members and the facilitator is and will continue to be sorely missed.

This Annual Report of the Panel provides a record of the activities and actions of the Panel during its tenth year. The primary role of the Panel is to ensure that prices and conditions of sale for the various species of fish, subject to collective bargaining, are in place prior to the start of each fishery. The facilitator from the Labour Relations Division, acting on behalf of the Panel, was available to industry participants to facilitate the process of collective bargaining; and to promote collaborative approaches to issues within the industry.

A collaborative approach to collective bargaining in the industry is essential as we approach a period of uncertainty and transition. The decline in stocks of shrimp and crab available to the inshore fishery, and the increases in cod stocks, will be dominating factors in the coming years. The Panel is encouraged by the approach taken by the parties in 2015 to deal with critical issues inherent in the potential return to a major groundfish industry in the province. The future success of the industry is dependent on the goodwill and cooperation of participants, to ensure maximum returns for the benefit of all. The Panel and staff will continue their efforts to assist parties and ensure timely decisions on issues that are brought to its attention.



**WILLIAM WELLS**  
**VICE CHAIR**



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## Public Body Overview

The legislative authority establishing the Standing Fish Price-Setting Panel's role and responsibilities is contained in Section 19 of the *Fishing Industry Collective Bargaining Act (Act)* and associated Regulations. The Panel is classified as a Category 3 Government entity.

This was the Panel's tenth year of operation. Panel members included: Mr. Joe O'Neill, Chair; Mr. Bill Wells, Vice-Chair; Mr. Max Short, member; as well as Ms. Rosalind Walsh, and Mr. Ed Hussey as alternate members. The Panel facilitator provided support for Panel activities and stakeholders' work in establishing fish prices. Administrative and secretarial support services during the Panel's tenth year of operation continued to be provided by the Labour Relations Division of the Labour Relations Agency. Market intelligence support was provided by staff at the Department of Fisheries and Aquaculture.

Funding for the Panel is contained in budget estimates under the Labour Relations Agency (see Financial Information on page 9 for more details). The Panel's office is located at: 2nd Floor, Beothuck Building, 20 Crosbie Place, St. John's, Newfoundland and Labrador, A1B 4J6, telephone: (709) 729-2711.

### Mandate

The mandate of the Panel is to annually identify, following consultation with the stakeholders, particular fish species for collective bargaining, and to ensure that prices and conditions of sale are in place by the date established by the Minister of Fisheries and Aquaculture. The Panel establishes parameters to facilitate collective bargaining, acts as an arbitration panel where the parties to negotiations fail to agree, and has the authority to set prices when negotiations do not take place.

### Lines of Business

#### *Establishing A Schedule Of Hearings*

On an annual basis, the Panel will consult with parties to negotiations to determine the particular fish species to be bargained under the *Act* for the coming season.

The Minister of Fisheries and Aquaculture, on an annual basis, sets dates by which prices and conditions of sale must be in effect for the species subject to collective bargaining. The Panel will then provide written notice to applicable industry stakeholders, of particular fish species subject to collective bargaining; the date by which binding agreement(s) must be in effect; potential hearing date(s); and place(s) where the Panel will hold hearings and receive submissions in the event binding agreement(s) have not been achieved.

#### *Providing Support To Collective Bargaining*

##### Rules and Procedures

The Panel, in consultation with the major parties to negotiations, has established its Rules and Procedures, as provided under Section 19.4 of the *Act*, for the purpose of carrying out its duties. The intent of its Rules and Procedures is to provide direction to parties to negotiations through the various collective bargaining stages, including the hearing stage, if necessary.

## Public Body Overview continued

### Facilitation

The Panel provides the services of a facilitator to parties to negotiations for all species identified in the schedule of negotiations. The facilitator provides support to the parties by helping to identify outstanding issues and mediating/facilitating the collective bargaining process to assist parties in reaching a collective agreement. The facilitator also coordinates activities between the Panel, the parties to negotiations, and relevant government departments.

### Vision

The Panel envisions that their work with industry stakeholders will help achieve the optimum economic value from the fishing industry and thus contribute to economic growth, competitiveness and prosperity for the provincial economy.

The vision of the Panel is of an optimal collective bargaining climate between fish harvesters and processors in the province to ensure that binding collective agreements are in place for the timely commencement of the fisheries on an annual basis.

### Mission

The mission statement identifies the priority area of the Panel over the next three years. As a Category 3 Government entity, the Panel has exercised the option of adopting the mission of the responsible department and indicating how they will be contributing to the results. The Panel has a unique mandate to facilitate and act as an arbitration panel to the collective bargaining regime for the harvesting and processing sectors in the province's fishing industry, ensuring that fish prices and conditions of sale are in place to enable fisheries to start on a timely basis every year. Due to the repetitive nature of the mandate, a separate Mission statement for the Panel was deemed unnecessary. The Panel's mission may be considered in the context of the Mission of the Labour Relations Agency.

In the context of the Labour Relations Agency's Mission, to provide improved labour relations supports conducive to positive workplace relations, it is the Panel's intent to work with relevant industry stakeholders to annually identify particular fish species subject to collective bargaining and ensure that prices and conditions of sale are in place prior to dates established by the Minister of Fisheries and Aquaculture. In the absence of such binding agreements, the Panel will establish hearing dates, receive submissions from industry stakeholders, and conduct hearings to establish such prices and conditions of sale, to enable timely openings of the relevant fisheries.

The intended results include successfully negotiated prices and conditions of sale for the majority of fish species, timely decisions on prices and conditions of sale for the normal opening dates for most fisheries, and certainty over prices and conditions of sale for all stakeholders in the industry; thereby, providing specific labour relations supports and contributing to the Mission of the Labour Relations Agency.

#### ***Labour Relations Agency Mission Statement:***

**By March 31, 2017, the Labour Relations Agency will have improved labour relations supports conducive to positive workplace relations.**



# Highlights and Accomplishments

## Collective Bargaining Facilitation and Hearing Results

On February 19, 2015, the Panel advised the parties to collective bargaining of the deadlines for binding agreements on prices and conditions of sale for 2015-16 for the species lobster, snow crab, shrimp, whelk, lumpfish (roe), cod, capelin, squid, halibut, sea urchin, and mackerel. The Panel also advised of the dates on which hearings would be held for the individual species, should a binding agreement not be achieved.

In the calendar year 2015, the Panel conducted a total of eight hearings and one reconsideration hearing, all of which were related to prices and conditions of sale. Three of the hearings were related to the species shrimp (spring, summer, and fall), two for the species crab, and one each for the species lobster, cod, squid, and mackerel. In six of the hearings held, participants were Fish, Food and Allied Workers Union (FFAW) and Association of Seafood Producers (ASP). Of the six resulting decisions, the Panel selected the position of the FFAW on four occasions, and the position of ASP twice. On one occasion, the participants were FFAW and Seafood Producers of Newfoundland and Labrador (SPONL), and the Panel selected the position of the FFAW. On another occasion, the participants were the FFAW, ASP, SPONL, and a group of independent processors. On that occasion, the Panel elected to establish its own price. For the species halibut, lumpfish (roe), whelk, sea urchin, and capelin, the Panel accepted and confirmed agreements that had been reached between the FFAW and ASP, the FFAW and SPONL, or the FFAW and an independent processing company, making those agreements binding on all who harvested/processed the specific species.

The Panel also received a request during the 2015 Fishing Season from the FFAW under Section 19.14(1) of the *Act*, to reconsider its original decision on crab. The Panel accepted the FFAW request and selected the position of the FFAW, thereby, altering its original decision.

Please see Appendix A for the Species Negotiations and Results Summary - 2015 Fishing Season.

# Report on Performance

In its 2014-2017 Activity Plan, the Panel identified two strategic issues aimed at ensuring that fish prices and conditions of sale were in place for species under consideration between the parties to collective bargaining in the fishing industry: (1) Ensure binding collective agreements are established annually for particular species; (2) Recommend legislative or regulatory amendments that provide a realistic mechanism for price setting. The issues and established objectives to address them are referenced throughout the report. The following table provides a summary of the Panel's objectives and its success in achieving those objectives. As stated in the 2014-17 Activity Plan, the objectives, measures and indicators identified by the Panel apply to the 2014-15, 2015-16 and 2016-17 fiscal years.

**Issue 1: Ensure binding collective agreements are established annually for particular species.**

**Objective:** By March 31, 2016, the Standing Fish Price-Setting Panel will have ensured that collective agreements were in place and prices and conditions of sale for fish species were established prior to the date established by the Minister of Fisheries and Aquaculture.

**Measure 1:** Ensured binding collective agreements were in place.

Indicators for 2015-16	Performance for 2015-16
<p>Industry stakeholders responsible for collective bargaining of the fish species were notified of the dates by which binding collective agreements were to be in effect.</p>	<p>The Panel consulted with industry stakeholders prior to the start of the 2015 fishing season, and advised by way of a letter to all stakeholders on February 19, 2015, the dates by which binding collective agreements were to be in place for lobster, snow crab, shrimp, whelk, lumpfish (roe), cod, capelin, squid, halibut, sea urchin and mackerel. This consultation was conducted just prior to the 2015-16 fiscal year, as consultation is required early in the calendar year to ensure that industry stakeholders may have meaningful input in establishing an appropriate schedule for collective bargaining. The Panel provided similar notification to industry stakeholders in advance of the 2016 fishery on March 9, 2016.</p>
<p>Requisite facilitation/ mediation services were made available to the parties to collective bargaining through the Panel facilitator, to assist the parties in achieving a collective agreement.</p>	<p>The Panel facilitator worked with the parties to collective bargaining for all species throughout the fishing season to help achieve binding collective agreements on fish prices and conditions of sale. The facilitator was available on a full time basis throughout the year to support collective bargaining by answering enquiries, scheduling panel meetings and coordinating all administrative communications and functions.</p> <p>Please see Appendix A for a full summary of 2015 fishing season activity.</p>

## Report on Performance continued

Measure 2: Ensured prices and conditions of sale were established.

Indicators for 2015-16	Performance for 2015-16
<p>Industry stakeholders responsible for collective bargaining of the fish species were notified of hearing dates, where the parties did not achieve a collective agreement.</p>	<p>The Panel advised industry stakeholders on February 19, 2015 of the dates on which hearings would be held for all species, should they be necessary. This consultation was conducted just prior to the 2015-16 fiscal year, as the Panel advises industry stakeholders early in the calendar year to ensure that stakeholders have adequate time to prepare for collective bargaining and conclude collective agreements prior to the scheduled hearings for each particular species. The Panel provided similar notification to industry stakeholders in advance of the 2016 fishery on March 9, 2016.</p>
<p>Where collective agreements were not achieved, hearings were conducted to provide the parties to collective bargaining an opportunity to represent their respective positions to the Panel.</p>	<p>The Panel conducted a total of eight hearings in 2015, allowing the parties to collective bargaining an opportunity to represent their respective positions. Three of the hearings were related to the species shrimp (spring, summer, and fall), and one each for the species crab, lobster, cod, squid, and mackerel. In addition, the Panel held one reconsideration hearing relating to crab.</p> <p>Please see Appendix A for a full summary of 2015 fishing season activity.</p>
<p>Following a hearing, the Panel made timely decisions that established prices and conditions of sale for the particular fish species.</p>	<p>For each species under consideration, the Panel made timely decisions, typically within two days of the hearing, prior to the start of the fishery for the species under consideration.</p>
<p>The Panel advised all industry stakeholders affected by its decision for a particular species.</p>	<p>When a hearing was required, the Panel notified the parties to collective bargaining (and other affected stakeholders) of its decision at least three days prior to the start of the fishery. Written copies of the Panel decisions were sent to impacted stakeholders and placed on the Panel's website for public viewing. Thirteen notifications related to decisions were distributed and posted on the website in the 2015 Fishing Season.</p>

## Report on Performance continued

### Issue 2: Recommend legislative or regulatory amendments that provide a realistic mechanism for price setting.

Objective: By March 31, 2016, the Standing Fish Price-Setting Panel, where in its opinion it was warranted, made representations to the minister responsible, with respect to an amendment to, or modification of, the *Fishing Industry Collective Bargaining Act and Regulations*.

Measure 1: Representation made to the responsible minister, if warranted.

Indicators for 2015-16	Performance for 2015-16
The collective bargaining process was monitored.	Throughout the 2015-16 season, the Panel continuously monitored the collective bargaining process to ensure that where the services of the Panel were required in relation to assisting in the setting of fish prices, parties were engaged and provided with support in order to ensure the timely commencement of the fishery.
Recommendations for changes to the legislation and regulations made, as warranted.	The Panel, as warranted, makes representation to the Minister Responsible for the Labour Relations Agency and the Minister of Fisheries and Aquaculture on the collective bargaining framework for the fishery and on possible amendments to the legislation. It was not deemed necessary during the 2015-16 fiscal year to make representation to the minister.

# Opportunities and Challenges Ahead

## Collective Bargaining Outlook for 2016-17

A frequent observation is the only certainty heading into any fishing season is uncertainty and perpetual transition. The transition sometimes manifests itself in the form of challenges and threats like the resource shortages currently facing stakeholders in the crab and shrimp fisheries. In the case of cod however, the apparent growth in this resource should present future opportunities. Maximizing these potential opportunities is not without challenges. These challenges will likely have an impact on the collective bargaining process.

Looking ahead to 2016-17, there are some potential opportunities and challenges with specific species.

Shrimp: Resource shortages and quota cuts are a potential threat to stakeholders in the shrimp fishery. The pricing decisions in 2016 could have a significant impact on the people who catch shrimp, and those who process and sell the finished product.

Lobster: Over the past several years, parties to collective bargaining have focused on finding a formula that relates the price of lobsters for harvesters to the prices obtained in the market. There have been various adjustments to this formula to account for concerns on both sides, and while it is still a work in progress, there appears to be a real opportunity to stabilize the pricing structure.

Crab: Crab price negotiations are frequently contentious, which is not surprising, considering it is the most valuable species in the province in terms of landed and production value. One of the key challenges, reflected in the Panel's written decisions in the 2015 Fishing Season, is the bonus payment structure (monies paid over and above the minimum price established by the Panel or by mutual agreement between the parties). The Panel has asked industry moving forward, to consider implications of the bonus payment structure on all industry stakeholders.

Cod: There have been some creative and productive discussions during cod negotiations in recent years. This industry is trending up, and stakeholders seem determined to work together to take full advantage of this opportunity. The FFAW and the province's largest cod producer, Icewater Seafoods Inc., have successfully negotiated price agreements more often than not, over the past few years. While there was not an agreement in 2015, there were productive dialogues on issues such as quality and grading standards. The challenge in 2016 is to build on the positive developments of recent years.

Sea Urchin: The FFAW first introduced sea urchin to the current collective bargaining regime in 2014, and for the second consecutive year the FFAW achieved a collective agreement on raw material pricing for this species with a group of independent sea urchin producers. As there was no history of negotiations for this species prior to 2014, there was a steep learning curve related to issues such as quality and handling and how they affected raw material pricing. The information base is evolving and it will be interesting to see if that, and previous success, will translate into another successful round of collective bargaining in the 2016 Fishing Season.

## **Opportunities and Challenges Ahead continued**

The Panel will continue to have the opportunity and benefits of potential Market Intelligence from the Department of Fisheries, Forestry and Agrifoods (DFFA) and dialogue regarding the *Act* in 2016-17.

### **Market Intelligence**

The Market Intelligence Unit of the DFFA continues to provide the Panel and industry stakeholders involved in collective bargaining with market intelligence information. The Panel will meet with industry stakeholders and officials of the DFFA prior to the start of the fishing season to provide feedback on the previous year's market intelligence reports. The feedback is typically related to the quality and relevance of market reports for each species, and reports are often adjusted in subsequent years to reflect input from the Panel and industry. New species have been added to the collective bargaining process in recent years; therefore, feedback on market intelligence, particularly for these new species, remains important. DFFA will organize a review session ahead of the 2017 season to assist with ongoing sharing of market intelligence.

### ***Fishing Industry Collective Bargaining Act***

Having legislation that is reflective of the needs of industry is an essential requirement for an effective and efficient collective bargaining process. Throughout the course of each season, the Panel continually assesses the legislative regime and encourages feedback from industry stakeholders regarding their experience. In instances where it is felt changes could improve the process, representation is made to government. It is through this evaluative and collaborative approach that the process remains current and the fishery continues to be a major contributor to the provincial economy.

## Financial Information

The following table is a summary of Panel expenditures for 2015-16.

Expenditures included in this document are un-audited and based on public information provided in the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the Year Ended March 31, 2016. Audited financial statements are a requirement at the government level and are made public through the Public Accounts process; however, the Standing Fish Price-Setting Panel is not required to provide a separate audited financial statement.

**Standing Fish Price-Setting Panel  
Summary of Expenditures  
For the Year Ended March 31, 2016  
(Unaudited)**

Summary of Expenditures For the Year Ended March 31, 2016				
Activity		Actual Expenditure \$	Amended Budget \$	Original Budget \$
1.1.04.01	Salaries	96,925	97,100	94,500
1.1.04.03	Transportation and Communication	1,727	7,800	7,800
1.1.04.04	Supplies	-	-	-
1.1.04.05	Professional Services	77,052	115,000	115,000
1.1.04.06	Purchased Services	15,981	15,500	15,500
1.1.04.07	Property, Furnishings and Equipment	-	400	400
<b>Total</b>		<b>191,685</b>	<b>235,800</b>	<b>233,200</b>

# Appendix A

## Species Negotiations and Results Summary - 2015 Fishing Season

Species	Parties to Bargaining	Agreement Reached	Panel Decision
Crab	ASP and FFAW	No	ASP
Crab Reconsideration	ASP and FFAW	No	FFAW
Shrimp (Spring)	ASP and FFAW	No	FFAW
Halibut	SPONL and FFAW	Yes	Not Applicable
Lobster	SPONL and FFAW	No	FFAW
Whelk	ASP and FFAW	Yes	Not applicable
Lumproe	Independents, ASP, and FFAW	Yes	Panel Confirmed Agreement
Cod	Independents, ASP, and FFAW	No	Panel Set Price
Capelin	ASP and FFAW	Yes	Not applicable
Shrimp (Summer)	ASP and FFAW	No	FFAW
Squid	FFAW	No	FFAW
Sea Urchin	Independents and FFAW	Yes	Panel Confirmed Agreement
Shrimp (Fall)	ASP and FFAW	No	FFAW
Mackerel	ASP and FFAW	No	ASP





