

**STANDING FISH PRICE-SETTING PANEL
ANNUAL REPORT
2017 - 18**



Table of Contents

Message from the Chairperson	1
Public Body Overview	2
Highlights and Partnerships	4
Collective Bargaining Facilitation and Hearing Results	4
Report on Performance	5
Issue 1: Ensure binding collective agreements are established annually for particular species.....	5
Issue 2: Recommend legislative or regulatory amendments that provide a realistic mechanism for price setting.....	7
Opportunities and Challenges Ahead	8
Financial Information	9
Appendix A: Species Negotiations and Results Summary – 2017 Fishing Season	10

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Port-de-Grave, NL
By: Vince Andrews

Message from the Chairperson

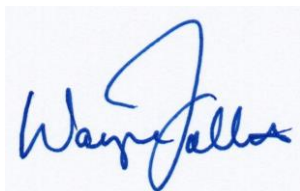
In the province of Newfoundland and Labrador, the **Fishing Industry Collective Bargaining Act** (the Act) regulates collective bargaining between fish harvesters and processors. This Act has been in place since 1971. In 2006, amendments to the legislation were passed resulting in the creation of the Standing Fish Price-Setting Panel (the Panel), whose main functions include: establishing the parameters for negotiations; facilitating collective bargaining; acting as an arbitration panel in the setting of fish prices and the conditions of sale; and ultimately setting fish prices when the parties to negotiations are unable to agree.

The past year was the first for the current Panel members. The transition to the new Panel went smoothly with the full cooperation of the parties to contract negotiations. Six face-to-face hearings were held and the Panel sanctioned other agreements reached on the eve of formal hearings. Contract negotiations are always challenging; however, the Panel was encouraged by the positive climate of negotiations between the parties and efficiency of the final offer selection process. The result has been timely decisions on price and conditions of sale for the normal opening dates for most fisheries.

As noted last year, the industry context continues to evolve. The ocean's ecosystem remains a significant challenge for the scientific community and those pursuing the fishery for a living. Shellfish and capelin stock declines and slowed cod recovery will continue to create economic challenges for the industry and communities. Fortunately, the markets for a number of key species are at an all-time high, softening some of the impacts of stock declines. The question remains whether these improved markets are temporary or a sign of a new normal. There are uncertainties with changing global trade relationships, but new trade agreements and expanding markets in Europe and China offer opportunity.

The Panel has an important role in contributing to the economic stability of the fishing industry. Facilitating and encouraging successful collective bargaining is paramount, but where necessary the Panel will set fish prices and conditions of sale through a well-managed, unbiased, timely and transparent process. Our commitment is to an evidence-based process which is effective and efficient.

The Panel is a Category Three entity and considered the Panel's 2017-20 Activity Plan during the preparation of this Annual Report, and is fully accountable for the preparation of the Annual Report and the achievement of the objectives contained within it.



Wayne Follett
Chair

Public Body Overview

The legislative authority establishing the Standing Fish Price-Setting Panel's role and responsibilities is contained in Sections 19.1 to 19.14 of the **Fishing Industry Collective Bargaining Act** (the Act) and associated **Regulations**. The Panel is classified as a Category Three Government entity.

This was the Panel's twelfth year of operation. Panel members included:

- **Mr. Wayne Follett** (Chair) - Term: January 10, 2017 – January 9, 2020
- **Mr. Bill Carter** (Vice-Chair) - Term: January 10, 2017 – January 9, 2020
- **Ms. Rosalind Walsh** (Member) - Term: January 10, 2017 – January 9, 2020
- **Mr. Brendan Condon** (Alternate-Member) - Term: January 10, 2017 – January 9, 2020

The Panel facilitator provided support for Panel activities and stakeholders' work in establishing fish prices. Administrative and secretarial support services continued to be provided by the Labour Relations Division of the Department of Advanced Education, Skills and Labour. Market intelligence support was provided by staff at the Department of Fisheries and Land Resources.

Funding for the Panel is contained in budget estimates under the Department of Advanced Education, Skills and Labour (see Financial Information on page nine for more details). The Panel's office is located at: 2nd Floor, Beothuk Building, 20 Crosbie Place, St. John's, NL, A1B 4J6, telephone: (709) 729-2711.

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 Land Resources. 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.

Additional information regarding the Panel, including its schedule of hearings and pricing decisions, can be found at www.gov.nl.ca/fishpanel.

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 Land Resources, 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 agreements must be in effect, potential hearing dates, and places where the Panel will hold hearings and receive submissions in the event binding agreements 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.

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 Provincial Government departments.

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. In addition, 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.

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.

In order 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 Land Resources. 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.

Highlights and Partnerships

Collective Bargaining Facilitation and Hearing Results

On March 2, 2017, the Panel advised the parties to collective bargaining of the deadlines for binding agreements on prices and conditions of sale for 2017-18 for the species lobster, snow crab, shrimp, whelk, lumproe, cod, capelin, squid, halibut, herring, 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 2017, the Panel conducted a total of eight hearings related to prices and conditions of sale. Three of the hearings were related to the species shrimp (spring, summer, and fall), and one each for the species crab, lobster, cod, lumproe, and capelin. In five of the hearings held, participants were the Fish, Food and Allied Workers Union (FFAW) and the Association of Seafood Producers (ASP). Of the five resulting decisions, the Panel selected the position of FFAW on three 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 SPONL. On two occasions where there was no majority processor representation (cod and lumproe), the Panel accepted and confirmed agreements that had been reached between FFAW, ASP and Icewater Seafoods Inc. (lumproe) and FFAW and Icewater Seafoods Inc. (cod). In each instance where the Panel accepted and confirmed agreements between FFAW and ASP/Icewater Seafoods Inc., those agreements became binding on all who harvested/processed the specific species.

Please see Appendix A for the Species Negotiations and Results Summary – 2017 Fishing Season.

Report on Performance

In its 2017-20 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; and (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 2017-20 Activity Plan, the objectives and indicators identified by the Panel apply to the 2017-18, 2018-19 and 2019-20 fiscal years.

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

Objective: By March 31, 2018, the Panel will have ensured 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 Land Resources.

Indicators for 2017-18	Performance for 2017-18
Industry stakeholders responsible for collective bargaining of fish species were notified of the dates by which binding collective agreements were to be in effect	The Panel consulted with industry stakeholders prior to the start of the 2017 fishing season, and advised by way of a letter to all stakeholders on March 2, 2017, the dates by which binding collective agreements were to be in place for lobster, snow crab, shrimp, whelk, lumproe, cod, capelin, squid, halibut, herring, and mackerel. This consultation was conducted just prior to the 2017-18 fiscal year, as the Panel advises industry stakeholders early in the calendar year to ensure that they may have meaningful input in establishing an appropriate schedule for collective bargaining. The Panel provided similar notification to industry stakeholders in advance of the 2018 fishery on March 1, 2018.
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	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. Please see Appendix A for a full summary of 2017 fishing season activity.

Indicators for 2017-18	Performance for 2017-18
<p>Industry stakeholders responsible for collective bargaining of fish species were notified of hearing dates, where the parties did not achieve a collective agreement</p>	<p>The Panel advised industry stakeholders on March 2, 2017 of the dates on which hearings would be held for all species, should they be necessary. Consultation was conducted just prior to the 2017-18 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 2018 fishery on March 1, 2018.</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 2017, 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, lumproe, and capelin.</p> <p>Please see Appendix A for a full summary of 2017 fishing season activity.</p>
<p>Following a hearing, the Panel made timely decisions, which 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. Eight notifications related to decisions were distributed and posted on the website in 2017.</p>

At the end of 2017-18, the first of three years covered in the 2017-20 Activity Plan, the Panel had ensured that collective agreements were in place and prices and conditions of sale were established in accordance with deadlines established by the Minister of Fisheries and Land Resources, for all species subject to collective bargaining.

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

Objective: By March 31, 2018, the Panel, where in its opinion it was warranted, made recommendations to the Minister responsible, with respect to an amendment to, or modification of, the **Fishing Industry Collective Bargaining Act and Regulations**.

Indicators for 2017-18	Performance for 2017-18
The collective bargaining process was monitored	Throughout the 2017-18 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 proposed, as warranted	The Panel, as warranted, makes representation to the Minister of Advanced Education, Skills and Labour and the Minister of Fisheries and Land Resources on the collective bargaining framework for the fishery and on possible amendments to the legislation. It was not deemed necessary during the 2017-18 fiscal year to make representation to either Minister.

At the end of 2017-18, the first of three years covered in the 2017-20 Activity Plan, the Panel had ensured that it had, where 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**.

Opportunities and Challenges Ahead

The outlook for 2018 is for further quota reductions in key species. The outlook for cod, which has been on an upward trajectory in recent years is not as promising and this is a concern given the expectations, and the investments as a result of these expectations.

Fortunately, from a market perspective, crab in particular has been very strong in recent years, and the 2018 crab market is projected to be equally as strong, or better than what was a very strong market in 2017. Following years of market and resource decline, shrimp markets are anticipated to be stable in 2018, with the possibility of market improvement compared to 2017.

Lobster markets which were very strong in 2017, look promising again in 2018. The challenge in the lobster industry is finding a raw material price formula with which all stakeholders are comfortable.

The Market Intelligence Unit of the Department of Fisheries and Land Resources will continue to provide market intelligence information for each species subject to collective bargaining. The information is used by the parties to collective bargaining, and is especially helpful to Panel members in their deliberations. The Market Intelligence Unit has used feedback from industry stakeholders over the years to provide direction to market consultants on the type of information that is most relevant and useful. With markets becoming increasingly complex and diverse, the role of the Market Intelligence Unit continues to be a key component in the collective bargaining process going forward.

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 the Provincial 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 2017-18.

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, 2018. 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, 2018
(Unaudited)**

Summary of Expenditures For the Year Ended March 31, 2018			
Activity – 4.1.04	Actual Expenditure \$	Amended Budget \$	Original Budget \$
Salaries	99,925	100,000	99,900
Transportation and Communication	11,410	17,800	17,800
Professional Services	58,559	80,000	80,000
Purchased Services	7,280	11,600	11,600
Property, Furnishings and Equipment	-	100	100
Total	177,174	209,500	209,400

Appendix A

Species Negotiations and Results Summary – 2017 Fishing Season

Species	Parties to Bargaining	Agreement Reached	Hearing Held	Panel Decision
Crab	ASP and FFAW	No	Yes	FFAW
Shrimp (Spring)	ASP and FFAW	No	Yes	ASP
Halibut	SPONL and FFAW	Yes	No	Not Applicable
Lobster	SPONL and FFAW	No	Yes	SPONL
Whelk	ASP and FFAW	Yes	No	Not Applicable
Lumpfish (roe)	Independents, ASP and FFAW	Yes	Yes	Panel Confirmed Agreement
Cod	Independents and FFAW	Yes	Yes	Panel Confirmed Agreement
Capelin	ASP and FFAW	No	Yes	FFAW
Shrimp (Summer)	ASP and FFAW	No	Yes	FFAW
Squid	ASP and FFAW	Yes	No	Not Applicable
Shrimp (Fall)	ASP and FFAW	No	Yes	ASP

Definitions:

ASP: Association of Seafood Producers

FFAW: Fish, Food and Allied Workers Union

SPONL: Seafood Producers of Newfoundland and Labrador



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<http://www.gov.nl.ca/fishpanel>