RURAL OPPORTUNITIES FOR PROVINCIAL PROSPERITY

Recommendations to Protect and Promote Our Inshore Fishery
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 / ABOUT FFAW</td>
<td>50 years strong</td>
</tr>
<tr>
<td>4 / COASTAL COMMUNITIES AND THE INSHORE FISHERY</td>
<td></td>
</tr>
<tr>
<td>5 / RECOMMENDATION ONE &amp; TWO</td>
<td>Transparency in Fisheries Collective Bargaining</td>
</tr>
<tr>
<td>7 / RECOMMENDATION THREE</td>
<td>Supporting the Independent Owner-Operator Fishery</td>
</tr>
<tr>
<td>10 / RECOMMENDATION FOUR &amp; FIVE</td>
<td>New Generation in the Fishery</td>
</tr>
<tr>
<td>11 / RECOMMENDATION SIX</td>
<td>Union Busting and Contract Flipping</td>
</tr>
<tr>
<td>13 / RECOMMENDATION SEVEN</td>
<td>Increase the Minimum Wage</td>
</tr>
<tr>
<td>14 / RECOMMENDATION EIGHT &amp; NINE</td>
<td>Increase COVID-19 Protections</td>
</tr>
</tbody>
</table>
The Fish, Food and Allied Workers (FFAW-Unifor) is the largest private sector union in Newfoundland and Labrador, representing more than 15,000 workers, most of whom are employed in the fishing industry.

Since 1971, FFAW has played a vital role in shaping the economic, social and cultural landscape of Newfoundland and Labrador. FFAW members also work in the hospitality, brewing, metal fabrication and marine transportation.

Our members live in more than 500 coastal and rural communities around the province.

Providing overall direction for the Union is the Executive Board, which is composed of the President, Secretary Treasurer, two volunteer vice-presidents and twelve additional elected representatives from various sectors and geographic regions.

Representing fish harvesters, FFAW-Unifor’s Inshore Council is composed of approximately 30 volunteer members representing a variety of geographic, fleet, and demographic sectors in the fishery. On the industrial side of the Union, the Industrial-Retail-Offshore Council is composed of approximately 30 volunteer members representing various sectors and geographic areas.

At the local level within the fishery, FFAW-Unifor organizes dozens of fleet committees to represent fleets in a variety of regions comprised of hundreds of volunteers. Each fleet committee consists of numerous democratically elected harvesters that are responsible for addressing specific concerns of the fleet, keeping the fleet informed as to price and quota information, and representing the fleet at the negotiating table.

Without this extensive network of volunteers working on behalf of the people they represent, our Union would cease to function.
Coastal Communities and the Inshore Fishery

The provincial government has a critical and distinct role in the fishery. While management plans and quotas are determined by the federal government, the province does control how fish resources are managed and paid for once landed. Each year, millions of dollars in provincial tax revenue is derived from the industry from fish harvesters, plant workers, processing companies and related industries.

For FFAW-Unifor members in other sectors, the provincial government plays a direct role in advancing and protecting the rights of workers. Ensuring workers are able to join a union and that their union is respected and not undermined by employers is integral to labour harmony in Newfoundland and Labrador.

The inshore fishery, and the jobs created as spin-offs from the industry, have always been the driver of rural economic development in Newfoundland and Labrador, employing more people in rural communities than any other sector. In 2019, the inshore fishery contributed more than $1.5 billion to the provincial economy. The snow crab fishery alone was worth over $500 million in 2019. In 2020, at a time when countless sectors experienced lay-offs and closures, and despite uncertain markets and a dismal snow crab price, the fishery did not have any lay-offs. Thus, proving the economic stability a vibrant fishery provides to our rural coastal communities, and our province as a whole.

Newfoundland and Labrador must seize every opportunity to build on the strong economic foundation that the inshore fishery has built in our coastal communities over the past 20 years. The inshore fishery can continue to support working families in rural Newfoundland and Labrador but only if the people working on the front lines have a seat at the table with transparency and fairness in the process.

Protecting and promoting a fishery that serves communities, not corporations; that provides opportunities for young people and new immigrants to our province; that provides good wages and safe workplaces – these must be our priorities if we’re going to weather the current storm and come out of it with sustainable coastal communities and an economy where no one is left behind.
Fair collective bargaining is essential for good labour relations in the fishery and requires the sharing of information that goes to the essence of setting a per pound price for fish. Prices for a number of species such as snow crab, cod, and shrimp are negotiated by FFAW-Unifor and fish processing companies. If an agreement cannot be reached between the parties, the Standing Fish Price Setting Panel determines the minimum prices paid to harvesters. Members of the Panel are appointed by the provincial government and the Panel’s mandate is outlined in the Fishing Industry Collective Bargaining Act.

As it stands, the Panel does not have a true picture of what each species is valued at after processing and what prices the processors get in the marketplace. Transparency through information sharing will more accurately inform all parties involved in price negotiations.

Transparency will vastly improve collective bargaining for fish harvesters in Newfoundland and Labrador. The current structure of the collective bargaining system is beneficial; however, the lack of accurate information being disclosed by processors undermines the credibility of the Panel's decisions.

Over the past eight years, just a handful of the largest fish processing companies in Newfoundland and Labrador have purchased dozens of smaller processing companies in the province. Some of those smaller purchased companies remain open while many are shuttered. This concentrated corporate control is not the way we facilitate rural vitality in the fishing sector, and it is not a system that can sustain these communities as we navigate increasingly uncertain times amidst global economic unrest.
Time and time again, large fish processing companies have engaged in cartel-like behaviour by refusing to buy products from local harvesters at the negotiated price. In 2019 processors staged an illegal lockout at the opening of the northern cod stewardship fishery and in 2010 they engaged in a prolonged lockout in the shrimp fishery. Our fisheries should not be subjected to the whim and ever-shifting interests of a small group of large processing companies when we continue to harvest significant quantities of high-quality product for promising markets.

It is a privilege to receive a licence for fish processing in this province. Yet, all too often large fish processing companies are not recognizing their role in conducting fair collective bargaining by providing accurate industry information regarding: product forms produced by species and accompanying by-products yields, and prices in domestic and international markets. If all parties want to ensure transparency and legitimacy in collective bargaining, there must be up to date industry-wide information that is essential for everyone at the negotiating table. Without the integrity of these agreed upon negotiating practices, harvesters and our communities pay the price for corporate greed, in profit that is dependent upon the exploitation of local resources and labour.

**Recommendation:**
Commit to collecting accurate information on all product forms processed in Newfoundland and Labrador, including information on production, yield, domestic and international prices for all species of fish, and accompanying by-products processed in Newfoundland and Labrador from processors.

**Recommendation:**
The Fishing Industry Collective Bargaining Act needs to be amended to allow for a 2nd reconsideration of a pricing decision by the Standing Fish Pricing Panel to provide more Panel accountability and ensure that collectively bargained prices are more reflective of the market.
Recommendation Three
SUPPORTING THE INDEPENDENT OWNER-OPERATOR FISHERY

While Owner-Operator and Fleet Separation policies were created by the federal government, the policies biggest impacts are felt by the province. Both policies are established to ensure that those who live closest to the resource are the primary beneficiaries of the resource. The policies are directed specifically at processing companies, as fleet separation explicitly prohibits processing companies from acquiring fishing licenses and establishing vertical integration of the inshore fishery. Owner-operator further strengthens fleet separation by requiring that the license holder be present on the vessel when the quota attached to his/her license is being fished. This policy forbids resource rent and ensures that only active harvesters benefit from the right to harvest fish.

For the past twenty-five years, processing companies have been engaged in an ongoing effort to undermine or circumvent owner-operator and fleet separation. This has been done through a variety of legal instruments, all of which have the same effect of vesting the controlling interest of an inshore fishing license to the name of the processing company. For example, the recent Elson case heard in federal court involved a fishing license under the control of the Quinlan Brothers. In this case, Quinlan Brothers retained all control over the license, including when it was fished, who fished it, and when and how the license could be sold. In fact, if Mr. Elson died, Quinlan Brothers retained control over how Mr. Elson’s estate could sell the license.

Processing companies are able to establish these restrictive agreements in part because they are not subject to federal jurisdiction. The companies are not required to make a sworn statement, which carries the weight of law, attesting that they do not have harvesters in controlling agreements. Other tools for enforcement, such as strict auditing rules for processing companies, should also be considered.

Harvesters, however, have no jurisdictional shelter. Most harvesters are passive actors in a controlling agreement – it provides them with the opportunity to fish and earn some income – but they are not the driving force behind the agreement, nor are they the one in control. Despite this secondary role in the agreement, harvesters are the primary target of DFO. It is the harvester that gets placed before the licensing review board and whose future to earn a living from the sea is placed into doubt.
Meanwhile the processing company remains legally unscathed and can move on to the next controlling agreement. No one questions its role in the agreement or penalizes them for contravening a regulation.

The most distressing aspect of controlling agreements is how pervasive they remain in our fishery. Processing companies control a greater share of the inshore fishery with every year that passes and they are not held to account. The impact has been terrible for the fishery—the price of licenses is incredibly inflated, creating significant barriers for new entrants. These new entrants are the future of our fishery and rural NL. The pervasiveness of controlling agreements is setting up an environment whereby the next generation of harvesters will not see the benefits of owner-operator and processing companies will control the plants and the quota in the ocean.

Compounding this problem is that controlling agreements will exist in perpetuity because the company will not die and thus will never have to relinquish control. A controlling agreement essentially removes a license from the inshore fleet, moving it to a hidden asset of the company.

When Royal Greenland sought to acquire Quin-Sea in 2016, FFAW wrote the province stressing the numerous controlling agreements held by Quin-Sea that would now belong to a crown corporation of another country. We sought to bring attention to the role that the province can take in helping eliminate controlling agreements and safeguard against corporate concentration.
In 2020, we were vocal in our expressing our concerns about the purchasing of Quinlan Brothers Ltd. by Royal Greenland. Quinlan Brothers is long believed to be the processing company with the largest number of controlling agreements. Therefore, the purchase of Quinlan Brothers by Royal Greenland will put many controlling agreements under the control of a crown corporation from Greenland.

The recent federal regulations to enshrine owner-operator and fleet separation are a significant win for harvesters in Newfoundland and Labrador. Controlling agreements have been one of the biggest threats to the inshore fishery, and FFAW has worked in collaboration with like-minded organizations in Canada for the past several years to see regulatory changes to be put in place that protect small-boat owner-operators. Ultimately, regulatory changes protect the inshore fishery from being vertically integrated, and assert communities as the primary beneficiaries of our fishing resources.

It is essential that the province reciprocate and close off any jurisdictional loopholes that will allow controlling agreements to continue. Processing companies are the driving force behind controlling agreements and the province has jurisdiction over the operation of these companies. The province needs to enact regulations that mirror the purpose of the federal regulations so that processing companies can be held to account for decades of behaviour that has undermined the sustainability of our coastal communities.

**Recommendation: Enact regulations that mirror the purpose of the new federal regulations that protect owner-operator fisheries. The province must enact these laws to eliminate processor control over inshore fishing licenses, as this remains the biggest threat to the sustainability of the inshore fishery and coastal communities.**
The growth in value of wild fisheries provides significant opportunities for growth in coastal Newfoundland and Labrador. As with many industries, the fishery in Newfoundland and Labrador is transitioning and facing demographic challenges. A recent comprehensive study conducted by the Canadian Council of Professional Fish Harvesters highlighted these opportunities and challenges.

Young fish harvesters often encounter barriers to purchasing their own enterprise due to processing companies who circumvent the fleet separation policy in order to control inshore licenses or due to well-established fish harvesters consolidating quotas.

In Newfoundland and Labrador, we have one of the highest rates of women involvement in the fishery at approximately 28%. However, this participation is largely at the crew level and there remains considerable barriers to women owning an enterprise. In order to build a strong inshore fishery for the next generation, women will need to be on the water and at the helm.

In order to reduce barriers to young people and women getting involved in the fishery, special consideration must be given to ensure they have an opportunity to transition and become enterprise owners. There are a variety of measures government can take, including making adjustments to the provincial loan guarantee program to improve the ability for young people to purchase their own enterprise.

Recommendation: Support young harvesters and new entrants with adjustments to the loan guarantee programs, strengthen legislation against controlling agreements, and provide funding for women entering the fishery.

Recommendation: Promote access and predictability in the inshore fishery by supporting significant inshore access to the emerging Gulf Redfish fishery and by supporting inshore harvester efforts to secure formal recognition by the federal government that the first 115 000mt of northern cod will be allocated to NL inshore harvesters and Indigenous groups.
Free and fair collective bargaining has been eroded in Newfoundland and Labrador over time. Employers engage in tactics to sidestep workers’ rights and, unfortunately, our labour legislation has failed to hold those employers accountable.

Large corporations have long worked to undermine the strength and success of organized labour through the use of contract-flipping, whereby contracts of unionized units at work sites are put up for tender, thus jeopardizing the job security of unionized units.

Contract-flipping is anti-worker. Not only does it threaten organized labour, it destabilizes the workplace and leaves workers and their families with no sense of security for their future. In Newfoundland and Labrador, FFAW-Unifor members at Long Harbour and our offshore tanker members have been directly impacted by this issue. Strengthening successor rights at worksites that utilize contract-flipping will help provide for the fair and consistent treatment of workers and the protection of collective bargaining rights.

Further eroding workers’ collective bargaining rights is the use of scab replacement workers in cases of lawful work stoppages. This is regressive and anti-worker. For years, the labour movement in Newfoundland and Labrador has called on successive government to remove the ability for employers to use scab labour in order to facilitate smoother labour relations and shorten labour disputes. The provincial government has the responsibility to ensure all businesses, whether domestic or foreign, are still beholden to the same Labour Relation Act.
Recommendation: Commit to amending the Labour Relations Act to address the following:

- If a company re-tenders work provided by a third party, that any bargaining rights related to the contracted work is maintained, even if the third-party provider changes, as if there had been a sale of business.

- Appoint a special mediator with the power to compel parties to meet and negotiate in good faith, after 90 days of a strike or lockout.

- Allow either party to apply to the Labour Relations Board for an order requiring the resolution of a strike or lockout by binding arbitration and provide the Board with specific authority to make such an order.

- Ban the use of scab replacement workers.
Fairness must extend throughout every sector of our provincial economy with a commitment to a living wage for all workers. Minimum wage legislation that provides a living wage has the ability to generate economic growth, reduce inequality, reduce healthcare costs, support vibrant rural communities and ensure dignity for all workers.

There is no more effective measure when it comes to poverty reduction and economic stimulation, than a robust minimum wage. A $15 minimum wage in this province would enable low wage workers to be more secure and able to engage in the local economy with the purchasing of goods and services. This in turn would boost provincial tax revenues and reduce low-income workers’ reliance on a range of costly social support programs. In a province like Newfoundland and Labrador where the economy continues to face multiple stressors amid a growing deficit and pandemic, it is important to ensure all workers are able to participate and contribute to our rebuilding with a living wage.

**Recommendation:** Increase the minimum wage to $15 an hour immediately with a plan to gradually work towards a living wage that is tied to the Consumer Price Index for the province.
There is no doubt that the impact of the global pandemic has left an indelible mark on our workplaces, workers, and the province. We have learned that workers are at risk at work, at home and in the community.

COVID-19 amplifies the reason why workers have a right to safe workplaces and why they have a right to participate in discussions about what must be done to maintain the highest levels of safety. Essential workers, which include our members in food supply, must be assured that if they contract the virus, their health and their financial needs will be taken care of.

There must be standardization of all personal protective equipment to meet national standards with the legislated requirement that employers ensure every worker is guaranteed this equipment. Additionally, if the equipment or safety measures for COVID-19 cannot maintained and workers must leave the workplace, there should be no loss of pay.

The economic uncertainty with market delays, shutdowns and mass layoffs, exacerbated stressors for workers leading to increased pressures on mental health. In a recent survey to our membership, mental health was a main concern with a vast majority admitting to experiencing diminished mental health due to the pandemic. Unfortunately, only a very small percentage had sought help. Given the rural and aging demographic of our membership, many of the supports available are not easily accessible.

As public health and science authorities have predicted, there will be future pandemics and we must ensure our workers are protected and prepared with protective equipment, and increased mental health and financial supports.

**Recommendation Eight and Nine**  
**INCREASE COVID 19 PROTECTIONS**

Recommendation: There must be a standardization of respirators, PPE, and OHS requirements at every workplace, this includes changes to Worker’s Compensation guidelines for pandemic pay.

Recommendation: Increased mental health supports and infrastructure for our rural communities.
The provincial government has a critical and distinct role in the fishery. While management plans and quotas are determined by the federal government, the province does control how fish resources are managed and paid for once landed. Each year, millions of dollars in provincial tax revenue is derived from the industry from fish harvesters, plant workers, processing companies and related industries.

For FFAW members in other sectors, the provincial government plays a direct role in advancing and protecting the rights of workers. Ensuring workers are able to join a union, that their union is respected and not undermined by employers, and that we move towards a living wage is integral to labour harmony in Newfoundland and Labrador.