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A clearly defined allocation review system would benefit from the establishment of quantifiable benchmarks that guarantee an allocation will be maintained over a five-year period. Benchmarks should set specific levels of performance for each area of review, and will therefore increase the objectivity of the evaluation process. When a company meets the established benchmarks, it would have assurance that its allocation will be maintained, barring any decrease in Total Allowable Harvest (TAH) for sustainability purposes.

Benchmarks would ensure that a Company's performance – under specific NWMB guidelines – determines its ability to maintain an allocation. Large corporations and their financial backers require certainty and an understanding that access to resources is not completely beyond their control. A system of benchmarks could achieve this, and allow the NWMB to receive assurance that specific stewardship, performance and benefits targets will be met.

Benchmarks should be set on a five-year basis to provide a reasonable degree of certainty, and should be established through a consultation process, including the NWMB, FAC, fisheries scientists, fisheries enterprises, and DFO. Benchmarks may include increasing or decreasing scales of measurement over the five-year period, as determined by the consulting parties.

## 2. Health, Safety and Security

### **HSE Evaluation Criteria Required**

The health and safety of employees is the number one concern for any business. For high risk occupations such as commercial fishing, health and safety must dominate every aspect of the business. Health and safety must be a key aspect of all Nunavut Fisheries Enterprise annual reports and plans submitted to NWMB, and must be a core area of evaluation.

In 2012 the Government of Canada released a report indicating there were an unacceptable number of deaths and injuries in the Canadian fishing industry despite many initiatives and safety programs. The report cited causes such as inadequate training and oversight, a failure to wear personal flotation devices, and an inadequate culture of safety. On average, about 13 employees are killed on the job annually in the fishing industry deaths a year. This unacceptable number must be reduced – to zero.

There is an inherent danger in providing a rating score for the number of new employees hired from a specific region without also providing a rating score for health, safety and environment (HSE) metrics. These should include HSE training, HSE practices, orientation and operational oversight. Increased Inuit participation cannot come at the expense of the safety and well-being of Inuit employees. Training, orientation, oversight and safety performance must be factored into all business plans and reports, and into the evaluation of business plans and reports.





five-year allocations, and when allocation decreases are considered (other than for scientific or sustainability reasons).

In addition to providing business plans, reports and supporting documentation, fisheries enterprises should be required to present their plans and benefits in a forum that is open to the public. This would create greater accountability and provide an opportunity for public scrutiny. Recognizing that public hearings are an onerous process, Baffin Fisheries suggests they respect commercial sensitivities, and be held only at long-term allocation periods, or every five years.

Additionally, if the NWMB or DFO seeks to significantly increase or decrease a company's allocation, all Nunavut enterprises should have an opportunity to hear the rationale behind the decision and question the increase or decrease in a consultative environment.

## 5. Continued emphasis on benefits to Nunavummiut

### **Measurement of Re-investment in Communities**

Baffin Fisheries is pleased to see the NWMB's commitment to ensuring benefits to Nunavummiut. In addition to the existing review criteria, Nunavut may benefit from additional criteria measuring long-term investments and commitment to improving economic opportunities and social benefits in our communities. For example, the allocation review process may include scoring for re-investment of fisheries enterprise profits into the company for vessel acquisition, community infrastructure, processing, development of the inshore fishery, a legacy fund, or new opportunities to be identified by the fisheries enterprises.

## 6. Increased cooperation among Nunavut Fisheries Enterprises.

Baffin Fisheries supports the NWMB's position on cooperation among Nunavut fishing enterprises. However, the Allocation Policy may benefit from greater guidance and enforcement of Section 9 (C) which requires allocation holders to provide a 'first opportunity to fish' to Nunavut-owned enterprises with excess capacity to fish at a competitive rate. This section would benefit from greater clarity on scoring and measurement of this requirement in the review process.

Baffin Fisheries recommends that this requirement be confirmed for all areas, both inside and outside the Nunavut Settlement Area. Nunavut Fishing Enterprises that have a negative balance of allocation transfer strictly for royalty should be required to demonstrate that the first opportunity to fish has been provided to a Nunavut-owned enterprise. This requirement should be monitored on an ongoing basis, so that it can be enforced by the NWMB before transfers are made.











**ii. Inuit Ownership**

After sustainability, Inuit ownership should be the top criterion for evaluation. With Inuit ownership and control, benefits can be maximized over the long term. The NWMB should consider a firm timeline in the Allocation Policy for ownership requirements.

**iii. Health, Safety, and Security**

Benchmarks and evaluation criteria should be added for measuring and enforcing the highest standards of health, safety and security.

**iv. Long term Investment**

The Policy would further benefit from the introduction of an evaluation criterion for measuring the reinvestment of profits in the industry and communities. Fish harvesting enterprises should be encouraged to reinvest profits in long term growth, and in new fisheries-related opportunities for Nunavummiut beyond the commercial offshore fishing industry.

**v. Specific Value for Each Area of Evaluation Criteria**

The Allocation Policy would also benefit from greater clarity on the scoring of elements within each Guideline listed under Section 7 of the Allocation Policy document: Governance and Business Capacity, Inuit Involvement, and Benefits to Nunavummiut. Each of these sections appears to have three or four areas where points are awarded. For example Section 7.1 has three areas worth 30 points and Section 7.2 has four areas worth 40 points. The policy would benefit from clarification of the value and prioritization of each measure used, including any new sections to be added.

**vi. Commercial Viability**

The Policy would also benefit from greater clarity on the measurement process for *commercial viability*. While BFC acknowledges and agrees with the evaluation criteria listed under Section 7.1, the Policy would be strengthened by greater clarity on the measurement of capacity to harvest, relative economic return, value added to the fishery, and stability of employment. In addition, these criteria should be scored on a five-year basis, but subject to a pass/fail benchmark analysis at annual evaluations.

**vii. First Opportunity to Fish**

The Allocation Policy would also benefit from greater guidance and enforcement of Section 9 (C) which requires allocation holders to provide a ‘first opportunity to fish’ to Nunavut-owned enterprises with excess capacity to fish at a competitive rate. This section would benefit from a mechanism for preventing unnecessary allocation transfer to non-Nunavut companies during each fishing season.

**7. What guidelines should be used to allocate commercial marine fisheries resources?**

1. Sustainability of the Resource
2. Inuit ownership and control, and the establishment of Inuit-owned enterprises with the knowledge, skills and resources to effectively harvest and manage the resource.
3. Health, Safety and Security
4. History in the fishery and contribution to its development



5. Planned long-term benefits to Nunavummiut, including development of new opportunities, such as inshore fisheries and other activities which lead to self-sufficiency for HTOs.
6. Growth potential of Inuit-owned enterprises including potential to grow beyond Nunavut borders
7. Community development

**8. How should allocation guidelines be evaluated and scored?**

- Discussed above in Allocation Guidelines – Overview, and in Questions 3-6.

**9. How can, or should existing allocation holders include all Qikiqtaaluk communities?**

The NWMB may consider:

- Development and support for an annual general meeting of all HTOs to discuss opportunities and cooperation
- Including increased community involvement as part of review criteria, and assign specific scoring values to various initiatives
- Development of an industry-wide legacy fund to share among all communities.

**10. If an appeal process for the Fisheries Advisory Committee’s recommendations were to be implemented, what parts of the recommendations should be subject to this process?**

The NWMB may consider:

- First, a paper review to ensure all relevant information was considered, and all processes followed.
- In the event of allocation modifications, allocation holders should be given an opportunity to address, in a public hearing process, all aspects of the evaluation and allocation recommendation.