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BC Aquaculture Licence Fees and Multi-Year Licensing

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Purpose

- Provide an update on licence fee and multi-year licensing implementation;
- Outline considerations related to multi-year licensing duration; and
- Seek feedback on an approach.



Background

- DFO became responsible for the regulatory control of BC aquaculture in December 2010.
- Under the *Pacific Aquaculture Regulations* (PAR) and the *Fishery (General) Regulations*, BC aquaculture operators are issued a federal aquaculture licence to operate.
- Since the PAR came into effect, DFO has been working to establish licence fees in consultation with licence holders, First Nations, and other stakeholders.



BC Aquaculture Licence Fees

- Following extensive public consultation under the *User Fees Act* between 2012 and 2014, including a Parliamentary review, the fee proposal was approved in November 2014.
- DFO is now finalizing the draft text for regulatory amendments to the PAR that will enable licence fees to be charged
 - This text will then require Government of Canada approval before it can come into force
 - It is anticipated that this should occur in April 2015
- DFO's objective is to implement the fees for the shellfish licence renewal on May 1, 2015.
 - It is anticipated that multi-year licensing will come into effect at the same time.



Licence Fee Structure

Sector	Flat Fee	Access-to-Resource Fee
Marine Finfish	\$100	\$2.50 / tonne (of maximum licensed biomass)
Shellfish	\$100	\$5.00 / hectare (licensed area of cultivation)
Freshwater / Land-Based facilities, including grow-outs, hatcheries, and broodstock facilities	\$100	No charge
Non-commercial facilities (e.g., enhancement, universities)	No charge	No charge

- The flat fee is charged only in Year 1 of a multi-year licence.
- There will also be a 2% annual inflation increase across all fees to ensure licence fees are in line with ongoing DFO licence administration costs.



Payment Process

- Work is underway to set up an online payment system.
 - Payments will be accepted via a secure, online payment system with all major credit cards and Interac accepted.
 - This will require licence holders to have a major credit card or Interac card and access to the internet.
- Once payment is confirmed, the licence will be issued.
 - Licences will not be issued until payment has been received.
- Further information on how and when payment is required will be provided in the coming weeks.



Multi-Year Aquaculture Licences

- To date, licences have been issued for periods ranging from 1 year (finfish) to 2 years (freshwater).
- Shorter-term licences made sense early in DFO's program based on several factors (e.g. refinement of licence conditions, ongoing First Nation consultation, evolving science advice, advisory processes).
- However, the program has largely stabilized based on science advice, best management practices, monitoring, etc.
- As a result, DFO is now moving forward with multi-year aquaculture licences.
 - Under the *Fisheries Act*, the Minister has authority to issue licences for up to 9 years.



Key Considerations

- A multi-year approach will allow for more operational certainty, longer term planning, and support investments in sustainable practices.
 - Licence terms also have a direct impact on the economic viability, stability, and investor confidence in the sector.
- Aquaculture operators will still have to meet their licence conditions throughout the period for which their multi-year licence is issued.
 - Should they contravene these conditions, DFO has the authority to suspend or revoke the licence.
- DFO also maintains the ability to amend licence conditions at any time in response to conservation and protection issues.
- Single year licences will continue to be issued for the Discovery Island area as the Department maintains its moratorium on aquaculture development in this area.



Multi-Year Licence Fees

- The approach to licence fees for multi-year licences would be slightly different than single year licences:
 - The \$100 flat fee would only be paid at the time of licence issuance or licence renewal
 - The 'access-to-resource' fee would be paid annually
- This will help to decrease any undue financial burden on smaller operators.
- Full payment for the duration of the licence is not possible due to DFO's financial management and accounting requirements.



Licence Term Considerations

Shellfish

- Monitoring / audit information have not identified significant issues that would require substantive changes to licence conditions
- Provincial tenures tend to be longer in duration relative to finfish (e.g. 15-25 years)

Marine Finfish

- Production cycles for Atlantic salmon are typically ~2 years
- No recent, substantive changes in conditions of licence
- Additional science work underway regarding fish health / wild-farmed interactions

Freshwater/Land-Based

- Wide variety of production methods and cycles
- No recent, substantive changes in conditions of licence
- Many facilities located on private land, meaning no Provincial tenure is required and no access to a federally regulated resource



Next Steps

- DFO continues to engage with industry, First Nations, provincial authorities, and environmental organizations in preparation for multi-year licensing.
 - February - April: Discussions with all sectors
- Processes for the issuance of multi-year licences will be in place as of Spring 2015 to allow for staggered issuance in keeping with the current licensing schedule:
 - May 1: Shellfish
 - June 19: Freshwater/Land-Based
 - December 19: Marine Finfish



Discussion Questions

- What licence terms make sense for the various sectors?
- Are there other operational, policy or further considerations?
- Other questions or comments?