A FAIR AND SUSTAINABLE FISHERIES BILL AND POST-BREXIT LEGISLATION



Westminster Hall, 1st November 2018

Brexit has been presented as a beacon of hope for fishers. Many in coastal communities are looking to Brexit to lift them out of the economic hardship in which they feel trapped. But modelling from the New Economics Foundation has shownⁱ that without action, Brexit risks creating as many 'losers' as 'winners' across the diverse UK fishing fleet.

Only in the (very unlikely) scenario that Ministers put fisheries above all other interests in negotiations with the EU will there be benefits across the UK fleet. In the more likely scenarios, the trade-offs of Brexit see some fishers (mainly smaller boats) do far worse than others.

- The majority of ports around the UK (60% of ports above £100,000 in landings) receive most of their value from the shellfish they land from vessels using pots and traps, or dredgers. Most of these landings are from small-scale vessels catching shellfish for EU export, which may face new **tariffs and non-tariff barriers**.
- Brexit alone also won't improve the environmental performance of the UK fleet, with **quota** likely to be awarded to the same quota holders, fishing the same way, without any requirement to innovate or demonstrate high environmental standards.
- And the greatest threat of all is that of **overfishing**; the history of quota-setting with multiple countries over shared fish stocks is that limits are set far above scientific advice.

Future fisheries legislation alone won't solve all these issues (trade barriers won't be decided on fisheries alone), but new fisheries legislation is an opportunity to improve the way that UK fisheries management is enshrined in law – correcting long-standing failings that have contributed to a sense of grievance in fishing communities.

FOUR PRIORITIES FOR POST-BREXIT FISHERIES MANAGEMENT

1) <u>The ocean is an ecosystem, which is under pressure</u>

Fish – those we fish, and those we don't – live in ecosystems, the health of which is critical for their long-term survival as well as being important for biodiversity and in their own right. Fishing also can't be seen in isolation from other sectors that use the sea, such as energy production or communications (e.g. sub-sea cabling). Making this wider set of ecosystem services – from food provision, to regulating our climate, through to biodiversity, recreation, tourism and wellbeing – explicit is essential to manage the impacts of different sectors. It also facilitates pursuing temporal or spatial measures such as limits on fishing during spawning season or protection of essential fish habitats such as nursery areas.

It is laudable that the Fisheries Bill includes an ecosystem-based approach to fisheries management as a top-level objective, but this should be amended to include a clear legal duty on all authorities to exercise their functions in accordance with these objectives.

2) <u>Fish are a public resource, and quota should be used for the public good</u>

Fishing quota provides an opportunity to commercially fish a resource that belongs to everyone. This should be seen as a privilege, not a right. Yet the right to fish has been effectively privatised over the last 30 years. The UK has always had the ability to allocate quota to reward particular types of fishing practice or support broader social or economic goals but has chosen not to.

There are only so many fish to go round and fishers that hold quota shares based on a track record of landings have developed a "legitimate expectation" that they will continue to have this share in perpetuity. This acts as a barrier to entry for new fishers and for allocating quota to incentivise sustainable practices or other societal goals, for example to incentivise lower discard rates, reduce carbon emissions, or support low-impact fishing gear.

Using resources to support the public good is the overarching principle of the Government's new approach to agriculture and should be extended to fisheries. Post-Brexit, quota and other fishing opportunities should be increasingly allocated according to particular goals.

The Fisheries Bill does not detail how quota will be allocated. Future fisheries legislation should create a new 'quota reserve' system that sets aside a percentage of quota and allocates it as an incentive to deliver on public goods – environmental and social goals – and to help new, low-impact fishers establish themselves in the industry. While the White Paper mentions the creation of a quota reserve for any new quota gained, this should also include existing quota.

3) Reallocation of quota and decision making by fishing communities

Fishing matters for, and because of, coastal communities. Catching fish contributes less than 0.05% to UK GDP, approximately the size of the locks and hinges industry. Yet it is hugely totemic; new fisheries legislation has been keenly followed and scrutinised. This is because fishing is a local, not a national, story, disproportionately important culturally and economically to the UK's fishing towns and villages – many of which are among the UK's least prosperous areas.

In aggregate, profits in the industry have never been higher (£207 million in 2016, with net profit margins over 25% for the largest vessels), but it doesn't feel this way in many fishing communities. Profits and associated benefits are not distributed evenly throughout the fleet or ports. Small boats (under 10m) make up 77% of the UK fishing fleet but hold less than 2% of quota. Empowered local management, and a fairer distribution of quota, is essential.

Future legislation should initiate a process of 'quota reallocation', ensuring that those fishers currently left out of the system receive a quota share that is fair and viable. In addition, the UK fisheries administrations should give greater decision-making powers to local and regional management. In England, this means extending the geographical remit of Inshore Fisheries and Conservation Authorities (IFCAs) from the current 6 miles to 12, to allow for local solutions to unique environmental challenges along our coastline.

4) Managing fisheries costs money

In most resource extraction industries, companies that profit from a resource pay for access and for the costs of running the system. But in fisheries, the public picks up the cost. This constitutes an effective public subsidy to fishers – particularly egregious given high overall profits in the industry (see #3) and the cap on fishing licences which limits new entry (#2).

Following our departure from the EU, subsidies from the European Maritime and Fisheries Fund (EMFF), worth £30 million a year, will also cease to be available to the UK industry. Yet industry is likely to continue to need direct support, for example infrastructure improvements to deal with increased landings after Brexit, research and development around low-impact fishing gear.

The fisheries administrations should review the support available for the industry and institute a 'resource levy', differentiated to incentivise boats to land in UK ports, to recover costs.

¹ Carpenter, G. (2017) 'Not in the Same Boat: The Economic Impact of Brexit Across UK Fishing Fleets', New Economics Foundation, London, UK. Retrieved from <u>https://neweconomics.org/uploads/files/Not-in-the-Same-Boat-PDF.pdf</u>