

## BIM EMFAF Work Programme Project Report 2022

<b>BENEFICIARY:</b>	Bord Iascaigh Mhara
<b>PROJECT REFERENCE NUMBER:</b>	22/SFS/ESS-BG009-BR024
<b>NAME OF PROJECT:</b>	<b>Labour Force Analysis of the Irish Fishing Fleet</b>
<b>IMPLEMENTATION PERIOD:</b>	1st January to 31st December 2022

### Project Scope

The first part of this study will assess the current labour structures that exist across the Irish fishing fleet. The Irish fleet is composed of a variety of fleet segments that target distinct fisheries. Labour systems used across these segments will be assessed. The study will look at the make-up of the crews on board Irish fishing vessels in terms of how they are employed. It will document the differences in the terms of conditions of employment as well as evaluating the pros and cons of the different crew working arrangements for the employer and the employee in terms of tax, social welfare, benefits.

The second part of the study will evaluate the attractiveness of working in the Irish fishing industry. This will be done by comparing the working conditions, the employment conditions, and the overall benefits with other sectors of the economy that compete for labour with the fishing sector. The real costs to the employer of different employment categories will be assessed. The main constraints to recruitment and possible ways to mitigate against these constraints will be identified. Finally, the study will identify ways of improving the training incentives and career structures within the industry which will help to attract and retain crew.

### Objectives

The objectives of this study were as follows:

- Description of how crew are employed including terms and conditions, tax and welfare rules across Irish fleet segments
- Evaluation of the real costs to the employer of different employment categories
- Pros and cons of the different crew structures in terms of tax, social welfare, benefits etc.
- Roadmap to improve attractiveness of working in the Irish fishing industry

### Outcomes

The final report has been delivered which details the main employment profiles in the Irish fishing sector. The report details the findings of a comprehensive survey carried out on the crew and vessel owners of fishing vessels in the Irish fleet and their views on the costs and benefits of the various employment types available on-board fishing vessels. The report is composed of chapters that detail the employment profiles in the sector, the strength and weaknesses of the different employment profiles, the challenges of attracting new entrant to the sector, the fishing sector in the context of the wider labour market and finally a roadmap to improving the attractiveness of working in the sector.



The key findings of the study are as follows:

- The pelagic sector contains the largest portion of crew employed on a PAYE basis. The share fishing model dominates in the other fleet segments.
- Crew in the pelagic segment report the highest average weekly earnings.
- Crew typically see the share fishing model as the most advantageous in terms of maximising income. However, access to the social welfare system and certainty of income was seen as a key advantage of PAYE employment.
- Employers prefer share fishing arrangements as offering the most flexibility of doing business as well as having the lowest administrative burden from an employer's perspective.
- There are significantly higher real costs to employers of employing individuals on a PAYE basis in terms of employers PRSI and other costs associated with the rights of PAYE workers to paid holidays and other time off.
- Key challenges to attracting new entrants to the sector include:
  - The perception of the fishing sector as one in decline.
  - Increased competition from other sectors for relatively low skilled labour and relatively lower earnings in most segments of the fishing fleet than available in other sectors.
  - A lack of clarity on career progression opportunities within the sector.
  - The lack of access to the social welfare system under the share fishing model.
  - The administrative burden on new entrants to manage their own tax affairs under the share fishing system.

The key recommendations following from these findings are:

#### **Engagement and Awareness**

- Efforts should be made to increase engagement with schools, career guidance counsellors, and transition year students to maximise awareness of the fishing sector as a career, including exploring the introduction of an enhanced trainee deckhand programme.
- Undertake a communications campaign to improve the perception of the sector as a viable sector in which to build a career and not a sector in terminal decline.

#### **Career Progression and Training**

- Consideration should be given to the development of an apprenticeship programme for new entrants to the fishing sector.
- Explore the potential for the establishment of a formal qualification in seafaring which would qualify individuals to work in the fishing sector and other sectors of the maritime economy.
- Explore the potential of introducing additional qualifications prior to the full skippers' ticket such as a watchkeepers ticket to enable crew to assume additional responsibilities in their roles.
- Explore the possibility of introducing a seaman's book for the fishing sector in Ireland to track an individual's employment history, skills and qualifications in the sector.

#### **Employment Practices**

- BIM should ensure that all employers in the sector are aware of the process of employing people as PAYE workers and that supports are available to assist employers with the administrative process of becoming PAYE employers.
- Consideration should be given to encouraging employers in a position to do so to employ crew on a PAYE basis but with a portion of their income continuing to be contingent on a share of the overall catch.



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## Taxation

- Consideration should be given to reform of the tax treatment of the sector focusing on facilitating access to the social welfare system but retaining an element of the potential windfall benefits of the share fishing model under a PAYE system.
- Consideration should also be given to the possibility of reforming the existing fisher tax credit to align with the allowances available under the seafarers' allowance. Additionally, consideration should be given to the potential benefits to the sector of instituting a separate or alternative allowance based on days spent at sea.

A webinar to discuss the findings and recommendations with key stakeholders is planned for Q1 of 2023.

## Summary of Project Spend

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Total Approved Costs	€45,000
Total Eligible Expenditure	€43,907
EMFAF Eligible Expenditure	€21,954
Exchequer	€21,954

Report by: Richard Curtin

Date: February 2023



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