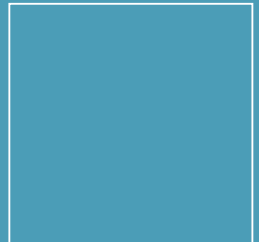


Safeguarding Our Fishing Rights The Future of Quota Management and Licensing in Scotland

Summary Paper



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SCOTTISH GOVERNMENT



The Scottish Government aims to work with the people of Scotland to create a more successful country, one with opportunities for all grounded in sustainable economic growth. The fishing industry makes a significant contribution to our coastal communities, local and national economy.

It is an important part of our future as well as a major factor in a culture and heritage fashioned by Scotland's long sea-faring tradition. Fishing in Scotland is not only about vessels at sea but also the many businesses which make up the infrastructure to support them, as well as processors, retailers, and consumers who benefit from supplies of this high quality healthy product.

The arrangements governing fishing rights are critical. This consultation concerns the future of our fishing rights that provide access to our fishing grounds. It is important that Government puts in place arrangements that safeguard these rights, while encouraging the flexibility and stability necessary for business growth.

The Scottish Government is seeking to withdraw from the CFP. We are seeking to return greater responsibility for fisheries management to Scotland, for example through our conservation credits scheme and through this consultation.

I am committed to our shared approach to fisheries management in Scotland, and never more so than in the case of quota and licensing, which are fundamental to the industry's future. I hope that you will carefully consider my proposals. Your views on this consultation are vitally important in shaping the future of fishing in Scotland.

A handwritten signature in black ink that reads "Richard Lochhead". The signature is written in a cursive, flowing style.

Richard Lochhead MSP

Cabinet Secretary for Rural Affairs and the Environment

SAFEGUARDING OUR FISHING RIGHTS – THE FUTURE OF QUOTA MANAGEMENT AND LICENSING IN SCOTLAND

The Scots are sea-farers and fishing has always been important to us. Today, it makes an important economic contribution to Scotland and the outlook is good. But economic impact is not the only thing that matters. Fishing is important to the people of Scotland who eat fish and who consider the fishing industry part of what shapes us as a nation, past, present and future. It's particularly important to those hard-working men and women in our coastal communities whose livelihoods depend on it.

The fishing industry has ridden rough waters in recent years, but now the seas are calmer. Fishing has changed and much of that change has come from within Scotland – from an industry which today places greater value to on its custodianship of the sea and the natural resource on which its future depends.

We are one of Europe's most important fishing nations, with some of the most productive seas in the world, first-class seafood products, and, above all, a sector with unmatched expertise and a will to succeed. Around 70% of quotas allocated in the UK are held by Scottish interests; Scottish vessels land two-thirds of the total value of UK quota landings; and Scotland has around 20 travel to work areas that are fishing dependent, compared to just four elsewhere. Fishing is 10 times more important to our economy than to other economies in the UK, so the arrangements governing fishing rights are very important to the future of many Scottish coastal communities.

Fisheries is devolved. By agreement until now quota and licensing arrangements have been overseen by the four UK Fisheries Administrations acting jointly. Increasingly, as fleet structures and policy objectives have diverged, this structure has constrained our ability to implement arrangements tailored to Scottish circumstances and meet the needs of this important Scottish industry. We are clear that the current approach is no longer sustainable and that is why we are now proposing distinctive arrangements in Scotland. While we are clear that Scotland's fishing destiny should be in Scotland's hands we also recognise the value of continuing interaction between different fleets in the UK and these proposals have been carefully designed to safeguard Scotland's fishing rights whilst allowing this interaction to continue.

Our Goals

How can Scotland's 21st-century fishing industry play its part in creating sustainable wealth for the nation, and strength and prosperity for rural communities? Our job as the Scottish Government is to help answer these questions. We've set down our ideas in this consultation document. Now we need your response.

We, and the industry together, believe that well managed quotas and licensing arrangements will anchor the future success of fishing in Scotland. We have a number of important goals to achieve:

1. to ensure that Scottish fishing communities retain their fishing rights, now and for the future, and that fishing rights remain a Scottish national asset
2. to promote a shared approach where all concerned are involved in managing Scottish quotas
3. to encourage quotas to be held by those who can fish them, and to prevent them from becoming a speculative asset
4. to provide a stable regulatory environment for the Scottish fishing fleet, for those investing in its future, and for fishing communities
5. to encourage the growth of businesses and the regeneration of the fleet, and to keep down the cost of quotas.

Stewardship and Access

Scotland is one of the largest sea-fishing nations in Europe. The seas around our coast have provided a rich harvest for our fishing industry for generations. They have also nourished a wide range of allied industries in our coastal communities.

In recent years the fishing industry has worked hard to re-establish a reputation – not just at home, but beyond our shores – for responsible fishing and stewardship of the marine environment. Increasingly, Scotland's fishermen promote the industry and their products by their own positive actions. They acknowledge the importance of proper regulation. The industry still faces challenges, but there has been a return of confidence and with it a renewed sense of vibrancy.

Our commitment is to every part of the industry in its efforts to prosper and grow. This means we must manage our fisheries in Scotland in a way that is appropriate to the industry’s needs.

Safeguarding our Rights

Fishing rights are the lifeblood of our fishing communities. The fishing quotas we receive are an asset of national importance. We all have a stake in them – quota holders, Government and the Scottish people at large.

The fishing industry is committed to responsible and sustainable fishing. Our job is to help the industry grow, to maintain a level playing field for quota holders, and to safeguard the public interest in this important asset. We have to balance the rights and responsibilities of fishermen with the national interest. We need a framework that can deal with unforeseen shocks, such as a change in the EU quota share. And we must work towards sustainable economic growth. Against this background, we propose to:

- grant “stewardship rights” which will offer quota holders more certainty in respect of their share of the annual quota allocations
- periodically review these arrangements in light of the benefits they bring to Scottish fishing communities and the wider Scottish economy
- define “Scottish quota” as quota deriving from the Fixed Quota Allocation units associated with the licence of a Scottish fishing vessel and, in the first instance, managed either by a Scottish Fish Producer Organisation or directly by the Scottish Government Marine Directorate
- set up a public register of Scottish quota holders that gives details of Fixed Quota Allocation holdings associated with individual Scottish licences. This will make information on quota holdings more transparent and easier to access
- issue a set of unique serial numbers that identify Scottish Fixed Quota Allocations and allow us to track their movements.

Fishermen at the Heart of Quota Management

We want to make sure that fishing rights remain in the hands of Scottish fishing communities for the social and economic benefits they bring. The closer the quota is held to those who actually fish it, the more control these communities have over their destinies. By improving the current quota allocation and access arrangements, and making them flexible enough to meet the needs of fisheries businesses, we plan to put Scottish fishermen at the heart of quota management.

The measures we propose will define the way we manage quota in Scotland and lay the foundations for the future growth of the fishing industry. We propose to:

- keep the link between quotas and individual vessels by continuing to allocate quotas on the basis of the number of Fixed Quota Allocation units held on licences. This system is well-established and understood. It helps hold costs down. It allows the Scottish fishing fleet to know where it stands and plan ahead, and it helps keep fishing rights within Scottish fishing communities
- allow Scottish Producer Organisations limited access to strictly controlled “dummy” licences that they can use for community quota schemes, or for the benefit of their members and/or the wider community
- require the holders of Fixed Quota Allocation units who are not active in the fishing industry to relinquish their Fixed Quota Allocation holdings to active fishermen within 6 months of the establishment of a Scottish system. This helps keep quotas close to those who fish them
- require Scottish quota holders to show that at least 70% of their business income over three years is derived from catching and marketing fish as a way to help keep quotas linked to those most active within the industry
- introduce an incentives scheme for key fish stocks to make it easier for those who can fish them to hold the necessary quotas, while taking account of the relevant economic, social and environmental factors
- allow active licence-holders to transfer their Fixed Quota Allocations without the need for a formal licence transaction with a view to helping quota holders align their fishing opportunities better with their quota holdings, while reducing costs and paperwork

- continue to allow quota holders to transfer their quotas or Fixed Quota Allocations within the UK. Where fishermen who acquire Scottish Fixed Quota Allocations or quotas are asked to demonstrate a genuine and direct economic benefit to Scotland
- modernise the whole quota management system by moving it from the current paper-based arrangements to the internet.

Supporting our Communities

It's essential to the wellbeing of our coastal communities that quotas are available to all fishermen, whether they're members of Producer Organisations, or in the 10 metre and under (10mu) sector, or the non-sector.

We devolve most of the management of quotas to Producer Organisations, along with the responsibilities for marketing. We recognise them on the basis that there are clear economic links between their members and the areas they represent, and that their underlying aim is to support their local fishing industry and the wider community.

In the case of Producer Organisations we propose to:

- start by allocating Scottish quota only to Producer Organisations recognised in Scotland. If any organisations outside Scotland subsequently acquire Scottish quotas or Fixed Quota Allocations, they will be asked to demonstrate economic benefit to Scotland
- ensure that all Producer Organisations' plans and strategies properly reflect members' requirements
- review the arrangements for Producer Organisation board membership and consider including non-executive board members
- standardise the disciplinary processes relating to Producer Organisations so that they are all working to the same system
- encourage Producer Organisations to develop marketing plans which are in line with the overall aims of the industry, and which deliver benefits to their local communities
- ensure that our management arrangements for Scottish Producer Organisations are as transparent and accountable as possible.

The Scottish 10mu and non-sector combine to make up a diverse fleet which mainly fishes inshore waters. These vessels form an important part of many fishing communities around our coastline, including some of the most remote parts of the country. We propose to:

- maintain the “pool” arrangements which enable us to allocate quota to a wide range of 10mu and non-sector fishermen, most of whom fish inshore waters, and who prefer not to become members of a Producer Organisation
- introduce permits for the crucial Scottish langoustine (nephrops) fishery, which is of great importance to many non-sector and 10mu vessels. We are concerned about limiting langoustine fishing effort to protect both the health of the stock and the livelihoods of those fishermen who depend on it. In due course we may also consider other restrictions such as limits on the numbers of creels or the type of gear used by trawlers
- review the Scottish North Sea langoustine quota allocation to 10mu and non-sector groups. This has been problematic in recent years, largely because of low quota levels against a backdrop of under-fishing of langoustine generally. Now we are proposing to increase the initial “pool” allocations of North Sea langoustine, from 2009, by transferring a small amount of quota, taking into account circumstances in the fishery, from Scottish Producer Organisations. This arrangement will be reviewed and consulted on each year
- introduce an “exit” scheme that would enable vessels with the necessary capacity and ambition to quit the 10mu and non-sector pools and join a Producer Organisation. By allowing them to leave the pool with some quota on a temporary basis, and make it easier for them to make the transition.

The Licensing System

The new quota management arrangements will need a complementary new Scottish licensing system which:

- maintains the link between vessels' activities and their ability to create economic and social benefit for Scottish fishing communities
- maintains the necessary controls, is simple, easy to understand and not unduly burdensome on fishing businesses.

A central plank of the new licensing system will be the definition of what a Scottish vessel is, along with evidence of its economic link to Scottish fishing communities. We propose that it will be a condition of a Scottish licence that fishing vessels carry a Scottish Port Letter Number (PLN) and be directly administered by Scottish Fishery Offices and a member of a Scottish recognised Producer Organisation, or managed directly by the Scottish Government Marine Directorate. We want to make sure that the licensing process is simple, effective, and business-friendly. We will set up a Scottish licence review body.

Maintaining our Skills

Without new young crews and skippers all our other efforts are in vain. The fishing industry depends on them. So does our vision of strong, prosperous coastal communities. Improving access to quota and licences is a vital piece of the jigsaw. It will help break down the current barriers to entry, and encourage more people to pursue careers in the fishing industry. We're talking with the Scottish Fisheries Council to see how best to recruit new blood to the industry. We envisage some kind of new entrants' scheme, along with a national quota reserve.

Working with Others

How will our system work alongside those in other parts of the UK? We have to recognise that they may also evolve, and while it's our priority to look after our own fishing communities, it will certainly be in Scotland's best interests to work closely with our counterparts and businesses elsewhere. To this end we propose to continue allowing licence transactions, quota swaps or leases, and Fixed Quota Allocation transfers between Scotland and other areas of the UK.

Over to You

These proposals concern everyone who has a stake in Scotland's fishing industry. To do the best for the industry we need to hear the widest range of opinions. We would like to hear your views on what we've outlined here, and also any further ideas that would help us improve quota and licensing arrangements in Scotland. In the first instance, please let us know what you think about our proposals for:

- 1 Stewardship rights which create greater certainty for quota holders while safeguarding the position for future generations.
- 2 Holding licences for producer organisations.
- 3 The importance of clear links between quota holders and the active fishing industry in Scotland.
- 4 A quota incentive scheme that optimises quota uptake and reduces costs for the active industry.
- 5 Giving quota holders greater flexibility by allowing Fixed Quota Allocation transfers from an "active" licence.
- 6 Modernising the current arrangements for quota administration and exchange through an internet-based management system.
- 7 Continuing to allow Scottish Producer Organisations and quota holders to exchange in-year quota and Fixed Quota Allocations with Producer Organisations or vessel owners elsewhere in the UK.
- 8 Improving sectoral management in Scotland.
- 9 A package of measures to safeguard the viability of inshore vessels fishing quota species.
- 10 Identifying Scottish vessels.
- 11 Requiring non-Scottish quota holders to show a beneficial economic link to Scotland's fishing industry.
- 12 A new Scottish licensing system.
- 13 Encouraging new blood into the fishing industry.

Getting in Touch

It's our standard practice to allow for a 12-week consultation period.

We therefore need to have your written comments by 21 August 2008.

Members of the Scottish Government Marine Directorate will be holding meetings with stakeholders around the coast of Scotland in the coming weeks. You can find details of these events at <http://www.scotland.gov.uk/Home>.

You can also get copies of the consultation document from the Scottish Government website <http://www.scotland.gov.uk/Consultations/Current> and at local fishery offices.

Once we've analysed your responses, we'll produce a post-consultation report that sets out our conclusions and proposals for changes to the current management arrangements. We'll also draft and invite consultation on Scottish quota management rules for 2009, along with revised licensing arrangements, in autumn 2008.

Please send your comments by mail or email to:

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We may make the responses to this consultation paper available to the public and to the Scottish Parliament. We will acknowledge responses and may publish an analysis of the responses after the consultation. If you respond to this consultation, we would ask you to complete an information form. This will ensure that we handle your responses appropriately.



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