

The Fishing Industry and COVID-19 Proposal for Federal Income Supports

Income Support

In 2019, more than 15,000 people were employed in the fishing sector throughout more than 400 communities in Newfoundland and Labrador. This total included 9,130 people working in commercial fish harvesting and 6,120 people employed in processing activities at 90 active plants. Employment levels in 2019 were on par with 2018 levels, reflecting a stable, seasonal workforce.

Individuals working in the fish harvesting and fish processing sectors tend to have long-term attachment to the industry. Further, compared to other fishing industries in Canada, Newfoundland and Labrador has a greater local workforce employed, compared to other jurisdictions who engage more temporary foreign workers to fill these roles, particularly in fish processing operations.

On April 9, 2020, the federal Department of Fisheries and Oceans (DFO) advised that inshore commercial fisheries in Newfoundland and Labrador will not open before May 1, 2020. DFO also advised that once decisions are made on a fishery-by-fishery basis, these decisions will be communicated via Notices to Harvesters.

DFO has committed to make these decisions based on science, conservation and input from the fishing industry. At this time, it is unknown whether, and if so, how, fisheries will open in Newfoundland and Labrador in 2020, which is creating uncertainty for individuals in the sector, including many whose regular and fishing Employment Insurance (EI) benefit claim periods are nearing expiry or have recently been exhausted.

Based on average monthly EI caseloads in 2019 outlined in the table below, approximately 200-500 fish plant workers see their regular EI claims exhausted each month. The EI regulations for self-employed fish harvesters allow for summer Fishing EI benefits (the earliest start date for the qualifying period is the week of March 1) and for winter Fishing EI benefits (the earliest start date for the qualifying period is the week of September 1). As a result of this regulatory framework, the EI entrance and exit pattern for fish harvesters is unique, with EI Fishing claim exits occurring primarily in the period between March and June, and then later in the year in November.

The Newfoundland and Labrador Department of Fisheries and Land Resources offers the following recommendations on how to address the uncertainty of this situation, and support workers in the fishing industry through this pandemic.

1. Immediately announce that all active regular and Employment Insurance fishing beneficiary's claims will be extended until the date that a final decision is made about their relevant season opening. If a decision is taken to cancel a fishery in 2020, self-employed fish harvesters will become immediately eligible for an income replacement program that would continue until season opening in 2021. This income replacement program should provide a similar level weekly benefit to the beneficiaries Employment Insurance claim(s) for the 2019 fishing season(s).
2. Immediately announce that all Employment Insurance Fishing beneficiaries, whose claims expired from January 1, 2020 onwards, will be eligible for the Canada Emergency Response Benefit. Once the 16-week CERB expires, if the fisheries do not open in 2020 or the

prosecution of the fishery is reduced, all self-employed fish harvesters and regular EI beneficiaries would become eligible for the income replacement program outlined in bullet 1 above.

3. As of April 16, 2020, individuals who work in seasonal jobs in the fishery are now eligible for the CERB. Once the 16-week CERB expires, if the fisheries do not open or the prosecution of the fishery is reduced and regular EI hours are impacted, all fish plant workers and other employees in the fishing sector would become eligible for the income replacement program outlined in bullet 1 above.
4. Ensure that Canada Pension Plan and Old Age Security monthly payments are not clawed back from CERB payments.

If a decision is taken to delay fisheries beyond May 1, 2020, further federal income supports will be required to ensure no gap in earnings. This provision is necessary to ensure: (1) no undue hardship to individuals working in the sector, and (2) individuals with attachment to fishing industry jobs remain available for employment with enterprise owners and at fish processing plants. Given the geographic dispersion of these operations, and the fact that the sector may only be given a few weeks' notice to restart, individuals will need to remain available to go to work.

Fishing Industry Employment Insurance Claimants

Claims Active Between September 1, 2019 and March 15, 2020 (NL)

Occupation	Number of Individuals*	Average Eligible Weekly Benefit
Fish Harvester (Regular EI)	454	\$548
Fish Harvester (Fishing EI)	8,193	\$531
Fish Plant Worker	4,438	\$445

*For people with more than one active claim during the period, the benefit is based on most recent claim.

Source: Special Tabulation by Newfoundland and Labrador Statistics Agency, Department of Finance.

If fisheries do not open in 2020 or the prosecution of the fishery is reduced, an income supplement up until the 2021 fishing season will be necessary. Considering average weekly benefits and the number of individuals in receipt of regular and fishing EI during the off-season in 2019, this benefit could cost the federal government up to \$342 million for fishing sectors in Newfoundland and Labrador for a 52 week benefit. Given the amount of federal funding allocated to industry and income response measures for Canadians impacted in other ways because of COVID-19, this is a reasonable cost and is equivalent to extending the existing benefit level of the Canada Emergency Response Benefit to seasonal workers until their employers/sectors are opened in 2021.

5. Deliver an employment extension program, if fisheries are delayed for an extended period and individuals employed in the sector for a short period are unable to work the minimum number of hours required in their region to qualify for regular or fishing Employment Insurance benefits.

Within Newfoundland and Labrador, there are two EI regions: (1) St. John's, which requires 595 insured hours to qualify for Regular EI benefits, and (2) Newfoundland/ Labrador, which requires 420 hours to qualify for Regular EI benefits. Assuming an average of 40 hours work per week, this would require someone to be employed for 10.5 weeks in Newfoundland/Labrador region and almost 15 weeks in St. John's region. If seasons open for less time, and the overall economy remains strained because of COVID-19 impacts, employment opportunities will need to be generated to fill this gap. A federal funding could be provided to the Government of Newfoundland and Labrador to deliver this targeted support, in collaboration with local governments and community partners. The specific cost to deliver such a program would depend on an assessment of the gaps in insurable earnings, once a decision is taken on whether or not to open fisheries in Newfoundland and Labrador.

6. Implement an income replacement initiative for older workers in the fish harvesting and processing sectors.

The demographics of the Newfoundland and Labrador fishing industry must be taken into consideration when establishing income support programs, particularly as many people working in the sector are older workers, who may also have underlying health conditions and/or compromised immune systems. Some individuals may be absent from work or unable to accept work due to these factors, which place them at greater risk of illness from COVID-19. Individuals must not have their incomes impacted because of their age or health status. The federal Targeted Initiative for Older Workers defines an older worker starting at age 55; accordingly, it is recommended that workers aged 55 or above be eligible for a dedicated income replacement program equivalent to the CERB or average earnings accrued during 2019 while the COVID-19 pandemic is occurring.

7. Deliver a wage top up program for essential workers that includes fishing enterprises and fish plant operations, among other fishing businesses such as cold storage facilities.

It is understood that the Government of Canada is considering an "essential worker program". This program should provide a wage top up for individuals undertaking important work in the food sector, which includes the fishery.