

RURAL AFFAIRS AND ENVIRONMENT COMMITTEE

Wednesday 5 November 2008

Session 3

£5.00

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RURAL AFFAIRS AND ENVIRONMENT COMMITTEE

20th Meeting 2008, Session 3

CONVENER

*Roseanna Cunningham (Perth) (SNP)

DEPUTY CONVENER

*John Scott (Ayr) (Con)

COMMITTEE MEMBERS

Karen Gillon (Clydesdale) (Lab)

*Liam McArthur (Orkney) (LD)

*Alasdair Morgan (South of Scotland) (SNP)

*Elaine Murray (Dumfries) (Lab)

*Peter Peacock (Highlands and Islands) (Lab)

*Bill Wilson (West of Scotland) (SNP)

COMMITTEE SUBSTITUTES

Rhoda Grant (Highlands and Islands) (Lab)

Jamie Hepburn (Central Scotland) (SNP)

Jim Hume (South of Scotland) (LD)

Nanette Milne (North East Scotland) (Con)

*attended

THE FOLLOWING GAVE EVIDENCE:

Bertie Armstrong (Scottish Fishermen's Federation)

Richard Lochhead (Cabinet Secretary for Rural Affairs and the Environment)

Frank Strang (Scottish Government Marine Directorate)

CLERK TO THE COMMITTEE

Peter McGrath

SENIOR ASSISTANT CLERK

Roz Wheeler

LOCATION

Committee Room 3

Scottish Parliament

Rural Affairs and Environment Committee

Wednesday 5 November 2008

[THE CONVENER *opened the meeting at 10:00*]

Subordinate Legislation

Fish Farming Businesses (Record Keeping) (Scotland) Order 2008 (SSI 2008/326)

The Convener (Roseanna Cunningham): Good morning. I welcome you all to this morning's meeting of the Rural Affairs and Environment Committee. I remind everyone to switch off their mobile phones and pagers, to assist the sound system.

The main purpose of the meeting is to take evidence from the Scottish Fishermen's Federation, and then from the Cabinet Secretary for Rural Affairs and the Environment. I have received apologies from Rhoda Grant, who is currently the semi-permanent substitute for Karen Gillon while she is on maternity leave.

Item 1 is consideration of a negative instrument. The Subordinate Legislation Committee has not made any comments on the order, no member has raised any concerns in advance and no motion to annul has been lodged.

I see that members have no comments to make on the order. Do members agree not to make any recommendation?

Members *indicated agreement.*

Fisheries Council

10:01

The Convener: Item 2 is the second of our evidence sessions on the fisheries council. I welcome Bertie Armstrong, chief executive of the Scottish Fishermen's Federation, who is here to answer questions. Members have received written evidence from the federation, so there is no need for an opening statement. We will go straight to questions from members—we have until about 10.35 for this session.

Elaine Murray (Dumfries) (Lab): I want to ask a couple of questions about the cod recovery plan. First, do you have any reservations about the revised cod recovery plan?

Bertie Armstrong (Scottish Fishermen's Federation): The revised cod recovery plan is not aimed squarely enough at making the industry participate. We recognise the problems with cod—we have illuminated one of those in our written submission, which is the perversity of cod stocks being nearly as much bother on their way up as they were on their way down.

The way to solve those problems has been to get the industry properly involved. A virtuous triangle involving the fisheries scientists, the civil servants in the Scottish Government and us has been working hard on the issue over the past 18 months. It is quite a difficult matter. It is easy to lapse into the luxury of defending one's position—asking for more fish and less effort control—but we have long since abandoned that. The way to do it is to be smarter and avoid catching the fish that we do not want to catch in the first place, or to work out clever means of letting them go through the nets if catching them cannot be avoided. We have been doing that apace, but the cod recovery plan is not focused enough on generating that sort of input.

That is the answer to your question, in a very large nutshell.

Elaine Murray: We heard last week from the Fisheries Research Services about the decision by the International Council for the Exploration of the Sea to propose a total allowable catch of zero. The FRS explained the limitations of the scientific evidence and suggested that the proposed TAC might be overcautious. What level of TAC does the Scottish Fishermen's Federation want the Government to negotiate for it, in order to reduce discards?

Bertie Armstrong: The interesting thing about scientific advice—as I am sure the FRS explained—is that if you ask a straight scientific question, you will get a straight scientific answer.

That is not in the least cynical or critical. It is rather like asking the society that deals with accidents how to prevent accidents on the road—

The Convener: The Royal Society for the Prevention of Accidents.

Bertie Armstrong: Thank you—that is the name that I was groping about for. The straight answer to the question how to prevent road accidents is, “Stop driving.” The straight scientific answer to the question how to ensure that cod stocks recover in one year is “Stop fishing,” but that, of course, makes no practical sense when the whole point of the matter is to harvest seafood from the sea in a sustainable way. We want to allow stocks to recover.

With that as the background, the answer is that the SFF wants somewhere around a 40 per cent increase in TAC in the North Sea. Recovery is not uniform throughout that whole area because fish, perversely, do not recognise geographical, political or ICES square boundaries. It is more pronounced to the north, so we need graduated efforts to recover the stock. An increase of about 50 per cent or so in the North Sea would be something. It would have to be allied with careful sets of management measures that would not permit the industry to target cod—that is exactly what we do not want to happen.

There is a different story entirely on the west coast. The recovery on the west coast is slower and more to the north, so a TAC increase there is not the game in town, if I can describe it in that way. The science that the FRS will have mentioned to you shows that the stocks of cod, whiting and haddock are all very poor. We could not conceivably ask for a large increase in TAC there without other management measures. We therefore have a different approach in mind for the west coast.

The crux of the matter on the west coast—if I may digress slightly for a second—is that those three unhealthy stocks are accompanied by three important and very healthy ones: monkfish, megrim and prawns, or Scottish langoustine. Throughout the whole process, therefore, we will need to fight to continue to harvest the healthy stocks while taking responsibility for and observing our duties regarding those stocks that are not healthy. The European Commission's present proposal is a shutdown of the west coast fishery with stringent conditions that cannot be met. There is a deal of work to be done on that.

The Convener: We will return to the issue of nephrops. Liam McArthur wants to ask about discards.

Liam McArthur (Orkney) (LD): I will return to the matter of the west coast fishery when we move on to discuss nephrops.

You talk about the sustainable harvesting of seafood. A key component of that will be to address the issue of discards, which has been prominent of late. In your written submission, you say:

“The solution lies in a combination of avoidance measures such as the Scottish real-time closures, technical measures to release unwanted fish and a realistic increase in quota to match the actual size of the stock.”

Some of my constituents have been involved in the trialling that has taken place. Can you outline to the committee what new gear the Scottish fishing industry is planning to use to address, at least in part, the problem of discards?

Bertie Armstrong: Certainly, yes. This is not a reaction to this year's science; it is a continuous process and has become much more acute in response to the science over the past couple of years. The essence of the technical measure is to put very much larger meshes in parts of the net that will take account of different fish behaviours. Some fish will swim upwards in a net; some will try to swim forward and will be chased by it; and others will swim downwards. The placement of panels of a mesh that is large enough to allow fish to escape will determine which fish are let go.

You will realise from that description that it is not an exact science. It depends on input from the fishermen who have years of knowledge and, in your constituency, Tam Marcus, the skipper of the Russa Taign, which is trialling such a net, is an example of someone with a lifetime of experience in the matter. That trial and others like it, but with slightly different aims, are being held just now. The essence of the process is in getting the industry, the scientists and the Government together to pool their expertise and work out solutions.

In addition, there is an attempt—although we might not manage it this year—to trial another net that will stay off the bottom of the sea and allow cod to go underneath it while it catches the larger haddock and hake. We have also done a consistent amount of work on having panels in the top of nets to allow fish—it has mostly been cod—to leave the top of the net. The aim is, if we cannot avoid catching the fish—which is the first preference—to be able to let them out of the net.

For langoustine, a set of trials is taking place on the west coast that involves letting go all the white fish so that we end up with a clean nephrops fishery. All those trials are taking place. Almost all the Scottish industry/science partnership money is aimed at that acute problem.

Discards has become an almost iconic matter that has caught the public's imagination. Everybody thinks that they understand the issue. It seems pretty simple: “Don't do that. Why would you do that?” Unfortunately, the issue is a little

complicated—a bit like killing field mice when you plough—but the happy consequence of almost all our conservation measures is that, one way or another, they will reduce discards.

I see from people's body language that I have hit on an entirely wrong analogy in referring to field mice and ploughing.

John Scott (Ayr) (Con): The allusion was to Burns, but this is the wrong time of year.

Liam McArthur: By its very nature, trialling is about establishing to what extent things work or do not work and, obviously, some of the trials are at a very early stage. In the run-up to the December negotiations, can you say anything about what measures should be linked to next year's catching opportunities that would have an effect on reducing discards? A linked issue is the suggestion that the TAC for cod should be increased to allow a more appropriate discard programme to be put in place, with the quid pro quo being a reduction in days at sea. I would welcome your comments on all those components.

Bertie Armstrong: As we have explored, we will need a composite answer. There is no single solution for discards, which is itself an issue that forms part of stock conservation considerations. The Scottish Government is seeking to include within the UK Government's priorities a résumé of everything that has been done, including technical measures, real-time closures and our attempts to be as clever as possible in effort control.

One benefit of allowing effort control to rest with the local fisheries manager—as has happened in Scotland this year—is that behaviour can be incentivised through effort reductions or rewards. If people behave in the required way, effort will not be reduced because there is no point in that if they have met the management aim. That was the essence of real-time closures, which gave people a little extra time if they could demonstrate that they would not go anywhere near the closed areas.

Effort control in its purest form—and as it has been used by the Commission until now—is a terribly blunt instrument, in that it keeps boats tied to the wall so that they cannot do anything. There are much better ways of controlling effort so that we avoid reaching the point at which our ability to harvest food is damaged. Such effort control might be fine if it met the management aim, but if we fail to meet the management aim through ever larger reductions, to the point where we cannot sensibly harvest, a much smarter approach towards effort control is to focus on rewarding good behaviour and penalising undesirable behaviour. That is the way to go. Such an approach is embedded in the submissions that are being made, which we hope will influence the discussions on end-of-year

catching opportunities, effort control for next year and, eventually, the cod recovery plan.

Alasdair Morgan (South of Scotland) (SNP): I assume that, by their very nature, discards are not measured or at least are not measured with the same accuracy as fish that are harvested. Are there any estimates about what additional percentage over and above the TAC discards currently constitute? If that percentage is at all significant, does the 40 per cent increase that you suggested would be suitable make any assumptions about what the level of discards would be during the same period?

10:15

Bertie Armstrong: You are right to say that discards are not measured in the same way as landings. Under the Registration of Fish Sellers and Buyers and Designation of Auction Sites (Scotland) Regulations 2005, all landings are recorded and are analysable completely and accurately. There is a discard observer programme, on which Scotland is leading—we are more serious and careful than others about the issue. The programme varies wildly from stock to stock, depending on how the TAC is set in relation to abundance. The discard level for whiting is about 20 per cent. The discard level for cod will be higher, because the TAC for cod does not match the abundance on the ground. It varies from boat to boat and from day to day, but it is much higher than we would like it to be.

If the TAC properly matches the abundance—in our submission, we explain why there is necessarily a time lag—there will be nothing like the current level of discarding. There will tend to be some discarding, but that is not necessarily a bad thing. I must tread carefully, as it sounds like I am defending discarding. However, we are not trying to ensure that every fish is kept—we are trying to ensure that the ecosystem is not damaged in any way by the harvesting of fish and that it can continue to produce fish. There may be a small amount of discarding of damaged fish, which we can either bring back or throw over the side. Arguably, if the number of discards is small, they should be thrown over the side, as that puts them back into the ecosystem, to be eaten by predators that would have eaten them anyway. Is that a rather rambling answer to your question? What other issues would you like me to bring out?

Alasdair Morgan: If the TAC were increased to 40 per cent, the percentage of discards would automatically be smaller. Are you saying that, in that situation, the absolute number of discards would drop?

Bertie Armstrong: Yes. The present removals from the stock are accounted for by natural

processes, landings, predation by other species and discards. It would be good to reduce the discards element of that equation. Fish could be transferred directly from the category of discards to that of landings. However, we must be terribly cautious and must ensure that the measure does not have the unintended consequence of causing people to target cod again. We must be realistic about that and must be clever in how we do things.

The contrast between an approach based on catching opportunity and one based on landings is most stark if we look at Norway. Norway tells us that it has a discard ban for some species, at certain times of year, and that is true. The line between the North Sea area and the Norway area runs a little to the north of the Shetlands. South of that line, the TAC for cod is 22,000 tonnes, but north of the line it is 430,000 tonnes. I am not in the least surprised that a discard ban is entirely appropriate and usable in those circumstances—it does not make a blind bit of difference. With that level of TAC, there will be no discards.

John Scott: My question is about the situation on the west coast, where stocks of whiting, cod and haddock are almost endangered. For different reasons, herring stocks are in a similar position. We are all aware of the situation that has developed on the Clyde, where only langoustines are left. That threat seems to be spreading further north. In your view, how should the situation be addressed? We all understand that there is a need to protect people's livelihoods and want that to happen, but how can we prevent an horrific situation from developing?

Bertie Armstrong: I am grateful for the question. The smaller communities of the west coast are in an acute situation. We all hope that the initial Commission proposal to shut down fisheries inside the 200-mile contour, which includes areas well beyond the Clyde, is a tactical proposal, rather than a serious suggestion. It will not work, as it will not allow continued fishing of healthy stocks, which is a stated Commission aim.

The answer is technical measures that will allow the prawn fisheries of the Clyde to be clean fisheries that can show that they take nothing more, or not much more, than langoustine. It is unhelpful that the solution—putting in separator grids—is embedded in the Commission's proposal. For several reasons, separator grids are probably inappropriate on the west coast, but we are examining them urgently. We thought that they probably were not the solution in the past, which is why they were not researched or trialled. We went down a different route of using square-mesh panels to allow fish out.

The answer to the question is that we need to impress in the most urgent terms on the

Commission what we are prepared to do to meet the management aim.

John Scott: Forgive me for not knowing, but what are separator grids? Why are they inappropriate in the west coast?

Bertie Armstrong: I am sorry—it was silly of me not to anticipate those questions. A slanted grid with small spaces is put in across the open mouth of the tail of a net with a cod end, a little back from the opening. The theory is that langoustine get through the grid, but all fish bounce off it and are taken up to the top of the net, where they are let out through a large mesh.

You might have heard the term "Swedish grid". The system works all right in Sweden for some fisheries where the white fish that people do not wish to catch are larger. However, a lot of codling, juvenile haddock and tiny whiting can get through the grid, which is worse, and prawns might be prevented from getting through.

The measure needs to be trialled and examined. The models that are used elsewhere do not fit our fisheries, largely for the reasons that I have given. In Canada, such grids are used in the shrimp fishery. We are urgently trying to find out exactly how they operate there.

We have addressed the same management aim—of letting small fish go—in a different way. The problem for the west coast is that, although only a small amount of fish are caught in the prawn fishery, quite a lot of boats catch them, so that amounts to a significant figure. The management problem that we confront is how we finally cure the catching of even small amounts of fish. That is being worked on urgently. As we speak, a boat at sea is trialling a larger square-mesh panel.

That is where the separator grid came from and why it might or might not be appropriate for us. We are examining it most urgently. We did not expect such a precondition of fishing in 2009 to be announced in October—otherwise, we would have done much more work on it.

Peter Peacock (Highlands and Islands) (Lab): You have covered some of the ground that I wanted to cover, but I want to pin you down on some of your comments. You described the difficulty of the Commission's approach for the nephrops fishery. ICES says that the nephrops stock is pretty good and that a roll-over—or rather, no increase in effort—would suffice; I see from your body language that you share that view. Is the Commission just adopting a negotiating tactic to push arguments on matters such as technical measures and discards a bit further? What is actually happening?

Bertie Armstrong: We were taken by surprise. I hope that it is not wishful thinking to believe that the Commission has developed a negotiating tactic rather than a serious expectation. As opposed to the three healthy stocks that are important to us, no one disputes that the three west coast gadoid stocks are not in good condition and need help. My personal assessment is that the Commission intended to issue a wake-up call to say, "Do something serious and do it now."

Peter Peacock: You have touched on the problem of separator grids, which I understand. I know that you meet both the Scottish Government and the United Kingdom Government. In response to the proposal, are you pressing them to put enhanced technical measures on the table, such as extending square-mesh grids from 90mm to 110mm?

Bertie Armstrong: Yes.

Peter Peacock: I understand that there is a growing problem with a bycatch of dogfish—on a 5 per cent per catch basis, rather than 5 per cent over the year.

Bertie Armstrong: Yes.

Peter Peacock: Do you hope to put explicit issues such as that on the table to try to ensure that the negotiation moves in the desired direction?

Bertie Armstrong: Yes, very much so. We are meeting no resistance on the matter. We have been working together on it, and the principles underlying our actions and proposals have an easily defended logic. The principles are sound. The matter already forms part of what the Scottish Government is putting together. Our friends in the marine directorate have just released to the Department for Environment, Food and Rural Affairs and the Commission all the science and the whole summary of what has been happening this year, both in cod recovery and in selectivity.

The answer to the question is yes, we will do so. The important thing is for our argument to take its place among the UK priorities. We can convince ourselves that we have a perfectly logical argument, and we can offer solutions, but they need to be accepted by the Commission, and as the UK is the member state, our argument needs to be part of the composite position of the UK Government. We have every confidence that that will be the case. We have done a lot of work on it.

On the matter of langoustines in the Irish Sea and the TAC roll-over, we will find friends in the Northern Ireland Administration, which wants to pursue the same aims.

Peter Peacock: You have taken me neatly to my next point, which is on the whole of the negotiation, rather than just that on nephrops. You

meet UK and Scottish ministers, and you make various points to them. Are any issues being developed in what appears to be ministers' negotiating stance—presumably, they will not declare it in full—and are you concerned about ministers not going in the direction that you would like them to go in? Is there a big gulf between your position and that of either the Scottish Government or the UK Government? Are you all swimming in the same direction, so to speak?

Bertie Armstrong: In a word, yes. We were hoping for an element or two of synergy, for instance in whiting. That fishery is more important south of the border than north of the border, but it is still important to us. We are assuming—I hope correctly—that the case for whiting will be made in the negotiations. The trouble is—there is always trouble—that there is a limited amount of available negotiating capital, if I may explain it that way. The transparent discussion that must take place is on the overall UK position and where our priorities sit. We can say quite fairly that we have done most of the innovative work this year, and that has formed the background to the overall submission on how we are going to put right the wrongs—I refer in particular to west coast cod recovery.

Peter Peacock: So, as far as you are concerned, there are no big alarm bells ringing. Notwithstanding all the challenges, which we all understand, you do not fear that the UK's negotiating stance, which is also Scotland's, will be the wrong one as far as your interests are concerned.

Bertie Armstrong: At this point, no alarm bells are ringing. There is a new minister at the head of the negotiation team. We understand why, although the timing of the change was less than perfect. He certainly made a good impression to start with, and we hope that he will take up the case for the whole of the UK, including our parts.

Liam McArthur: You have spoken about the situation regarding nephrops—the issues in that area are serious. There are a large number of boats catching a small number of prawns. By contrast, the demersal stocks in the west are in a poor state, and there are a small number of vessels for which they are very important. In my constituency—you mentioned the Russa Taign—about half a dozen boats spend between four and five months of the year there. Is there anything in relation to technical measures or real-time closures or anything else that will provide comfort to those fishermen that they will continue to have some fishing opportunities in that area, and that there will not be a displacement into the North Sea, which would add pressure there?

10:30

Bertie Armstrong: It is good to raise that point. That would be an awful consequence. Using the example to which you referred, we do not want the effort of the Russa Tain, in moving out of its traditional areas, to put additional pressure somewhere else. That would be wrong.

The solution for the west coast will, by necessity, have to be a composite solution. We are hoping that enough management and technical measures will be proposed to protect the interests of the smallish number of white-fish vessels. A grand total of about 35 boats fish white fish in that area and it will be necessary to protect them by a combination of such measures so that they can continue to access the fish.

Prawn vessels in the west are mostly indigenous, although vessels from the south-east go around for a period of the year. Somewhere between 150 and 200 vessels are concerned with catching langoustine from a healthy stock and they need to be protected because many of them have nowhere else to go.

The Convener: Last week, the FRS gave evidence to us that cuts in the TAC for nephrops would not have that big an impact simply because the fleet was not fishing out its quota of nephrops. Do you have a comment on that?

Bertie Armstrong: Yes, we do. We agree with the FRS that the method of stock management that it pioneered—to count the burrows of the langoustine using a television survey—was accepted two years ago as the basis for generating management measures. ICES has subsequently had second thoughts on that and the matter is to be resolved next March. Meanwhile, the problem is that it has gone straight back to using landings figures and based the TAC on those. We sharply disagree with the idea that using landings figures is a sensible way of making catching opportunity.

There are many reasons why we might wish to leave fish in the sea or be constrained to do so by weather or market. If that results in a reduction in TAC and therefore in lack of opportunity when the weather or the market, for instance, makes things different in the following year, we would wish to have a means of extra harvesting, provided that it was from an entirely healthy stock that could stand it. We would like the TAC to be based on fisheries-independent research, which TV surveys are, happily. That way, we could make responsible choices about how much we harvested knowing that we were not damaging the stock in any way.

The Convener: So your view is that there is no requirement for any cut in the nephrops TAC.

Bertie Armstrong: No. Our position for this year is that we should roll over last year's figures pending the decision on what method of scientific measurement will be used next year, rather than reducing them now and laying up a store in heaven for potentially increasing them in the following year. That is not to say that we would wish to take every last prawn; we wish to have the flexibility to have access to an amount from a healthy stock that will not damage the stock and then make our market, weather and catching decisions on that basis.

The Convener: Thank you. You are welcome to stay and listen to the evidence session with the cabinet secretary.

Bertie Armstrong: I would like to, thank you.

The Convener: I welcome Richard Lochhead, the Cabinet Secretary for Rural Affairs and the Environment; and from the Scottish Government marine directorate, Frank Strang, head of sea fisheries conservation, and Paul McCarthy, stock conservation and negotiation, sea fisheries. We have allocated time until 11.15 for this evidence-taking session, although we need not go on until then—that is our projected end time. I understand that you want to make a few brief opening remarks and then we will go straight to questions.

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): Thanks very much, convener. I am grateful for this opportunity to discuss the vital autumn negotiations. As committee members know, the talks are always important: they set the rules for the year ahead for one of our most valuable industries. This year's talks are more important than ever, because of the economic circumstances in which our fleet and fishing communities find themselves. We will have to get a satisfactory outcome.

The talks take place against a tough background, because of certain proposals. I believe that my duty is to ensure a fair and equitable outcome for Scotland's fishing communities. High on the agenda will be the issue of tackling discards. That is an important issue for the fleet, but also for consumers, the environmental community and scientists, as well as for the Government and the Parliament.

The cod recovery plan remains high on the agenda. We must ensure that a practicable plan is put in place in Scotland's waters. Some proposals have proved to be very challenging for the west coast.

I am sure that we will discuss a variety of issues today, but I assure the committee that the Scottish Government will fight tooth and nail to achieve a just and good deal for Scotland.

John Scott: Good morning, cabinet secretary. Will you give us an update on the European Union-Norway negotiations? What is the Government's position on the fishing opportunities for the stocks that are subject to negotiation, namely cod, haddock, whiting and herring? How are the talks going?

Richard Lochhead: The outcome for many of our key stocks will be decided during the EU-Norway negotiations, the first round of which has taken place. The next round will take place in the week beginning 24 November. At the end of this month, we will be much better placed to know the outcome.

An initial outcome concerns one of our key pelagic stocks—mackerel. We should remember that the mackerel stock is the second most valuable stock in Scotland. Nephrops—the langoustine stock—is the most valuable. We have already agreed a 33 per cent increase in the mackerel quota, which not only reverses last year's cut but goes much further. If anything, perhaps it goes a lot further than we expected or would have wanted, but at least it has gone in the right direction, which is good news for the Scottish pelagic sector. So, one of the major stocks has been decided on.

Another stock that will be discussed is the key cod stock in the North Sea, which is shared between us and the Norwegians. In Edinburgh a few weeks ago, I had a constructive bilateral meeting with the Norwegian Government. Not only did we sign a declaration with the Norwegian Government on future conservation measures in the North Sea, we touched on some issues that will be discussed in the EU-Norway negotiations.

I could talk for a long time about the individual stocks, but the key stock to be discussed will be cod. There is a strong case for an increase in the total allowable catch for cod, because the cod quota is not in line with the stock in the waters. We are discarding a large amount of marketable fish. I know that the committee and the industry, just like the rest of us, find that completely unacceptable. Achieving a just and sensible increase in the cod TAC is a priority.

John Scott: Are discards part of the negotiations with Norway? Could targets be set for discards?

Richard Lochhead: Discards are high up on the agenda for Scotland. We have put a lot of effort into ensuring that the European Commission, member states and the Norwegians know that the issue is a priority for Scotland. We are discarding a valuable stock—in a mixed fishery where we cannot do other than catch it—and that has to be stopped sooner rather than later. It is an environmental and economic waste. We estimate

the value of the cod that has been discarded at about £40 million a year.

Discards are happening because of a variety of factors: the stock is recovering; the 2005 year class has led to marketable fish being in the waters; and our fleet does not have a quota that is in line with the stock in the fishing grounds. The issue is a priority for Scotland, and we have succeeded to a large degree in making it a priority for the whole of Europe. Other countries are concerned too, and want the issue to be a priority. Not only Scotland is affected.

I believe that the Norwegians recognise that. We are in the middle of sensitive negotiations with the Norwegians and others, and I am confident that we will get an increase in the cod TAC, but our key concern, as you can imagine, is whether we can live with any strings that might be attached to that increase. We do not want a raw cut in days to be allocated to the Scottish fleet in return for it achieving a substantial increase in the cod TAC. We believe that the case for an increase in the cod TAC stands alone. However, we want to build upon the measures that we are taking to avoid targeting cod and to safeguard future stock, and we want those measures to be put in place. We believe that we can build upon the successful measures that are already in place and offer that as an alternative to a cut in effort for the fleet.

Liam McArthur: In relation to the Norwegian discussions, I detected a slight unease about the extent of the mackerel quota increase. Earlier this week, Bertie Armstrong said:

"In the series of talks held so far this year, Norway has demonstrated that in each individual negotiation, stock stability and a consistent approach will take second place to Norway's personal aims."

Do you share that view, and did you express your concerns during your bilateral discussions with the Norwegian minister?

Richard Lochhead: The short answer is yes. There is concern about the right level of TAC increase for cod, for example, in terms of the overall conservation picture. We all share those concerns. We want the cod TAC increase to be reasonably substantial, but it must be sensible, otherwise it will be discarded in 2009. That is the message to which we are all signed up.

I did not hear Bertie Armstrong's evidence, but I expect that the SFF takes the view that if we take that attitude to one stock, we must also have sensible increases for the mackerel stock, which is important for Scotland. Although the stock is in sustainable shape and it has been fished responsibly—which I hope will continue—33 per cent goes beyond what might be an ideal increase. If other countries, such as Norway or other member states, or the EC take a view on the

future of one stock, we are all in favour of a consistent approach being taken to all stocks.

John Scott: Notwithstanding that, if the TACs are increased, how will we stop the endangered stocks being targeted? There is a fine line between increasing the TAC for environmental reasons so that we do not throw fish away and waste it and targeting certain stocks as a result. How do we stop that, when people could say that they could not help but catch those stocks?

Richard Lochhead: We have a sustainable pelagic fishery, and I am confident that it will continue. The TAC that was set is within the overall picture of a sustainable stock, so perhaps the cod question is more pertinent. It is quite right that we should have to show that we can fish the cod stock responsibly if we get a substantial increase in the TAC.

What does that mean? Well, it means that we do not target the stock simply because we have an increase in the TAC. Any such increase would be extremely helpful in reducing discards and giving more income to the fishing industry, but that does not mean that we should give the green light to targeting the cod stock. We want to be able to fish it sustainably for years to come, so we must not abuse any increase we get in the cod TAC.

In the past, the conservation credits scheme and other new and innovative measures that we have adopted in Scotland and from which other countries are now learning have shown that we can take cod-avoidance measures and ensure the protection of future stock while fishing the existing quota sustainably and responsibly. That must continue to be our attitude.

Elaine Murray: When you gave evidence to the committee last year in advance of the negotiations, you spoke about developing a discards action plan in the early part of this year. Has that been produced? What are its key elements? I know that there was a discards summit in September, so perhaps you could describe to us its key outcomes.

10:45

Richard Lochhead: We have made progress in tackling discards, despite the backdrop of huge numbers of discards taking place, because—believe it or not—the rate of discards would have been even higher if we had not taken the steps that we took, although clearly the quota is still out of line with the level of stock that could be fished.

What have we done? After I gave evidence to the committee, through our negotiations in the EU we persuaded the other players that we should be given the opportunity to talk to a conservation credits scheme, which involves rewarding the fleet

for behaviour that helps to achieve sustainable fishing. I firmly believe that we should give rewards and incentives and not simply use the stick. I hope that that has been vindicated by the progress that we have made in the past 12 months.

The fleet, which has abided by the real-time voluntary closures, has avoided the cod grounds where the closures have been implemented. The situation would have been much worse if we had not had the real-time closures.

Various types of new gear have also been adopted in the conservation credits scheme, including an increased square-mesh panel, which the nephrops fleet adopted as part of the scheme to reduce its by-catch of white fish stocks. So more selective gear has been used in Scotland's waters in the past year, and we have also had the conservation credits scheme.

The summit that you mentioned recognised that there is a long way to go, given the current rate of discards. The fishing industry, environmental community, non-governmental organisations, scientists, Governments and others—the Norwegians attended the summit, too—all accept that more measures are required. That is what we will negotiate on at the talks, with a view to reducing discards.

Elaine Murray: Mr Armstrong gave us an interesting insight into some of the technical measures that can be used to reduce discards. Will you describe the Scottish Government's role in encouraging the fishing industry to adopt those technical measures? Does that involve financial incentives? There is obviously the conservation credits scheme, but what do you do to help the fishing industry to access new gear?

Richard Lochhead: The first key point is the conservation credits scheme. The vessels that adopted new selective gear were allocated more days, which was the first major mechanism that we used to encourage the adoption of more selective gear.

The Scottish Government also funds the Scottish industry/science partnership, which provides resources for trials and new gear and offers a forum in which the industry, the scientific community and the Government can sit around a table and come up with ideas for future funding. Some of the trials have been funded through that partnership. There are also observers: when new selective gear is adopted by certain parts of the fleet, independent observers go on board to monitor its success or otherwise.

A lot of good work is taking place—that is just a flavour of what has happened in the past 12 to 18 months—but there is a lot more to be done.

Elaine Murray: I am a relatively new member of the committee, so can you tell me whether there is direct financial assistance for fishermen who want to adopt more environmentally friendly gear?

Richard Lochhead: There is funding through the partnership. We deal with the Scottish Fishermen's Federation and others to decide how to use the resources to fund new gear trials.

Elaine Murray: That is just for trials.

Richard Lochhead: Yes, but fishermen can also qualify through the European fisheries fund—a grant scheme—for assistance to fund new gear. That channel is also very important.

Frank Strang (Scottish Government Marine Directorate): The conservation credits scheme has led to an impetus behind trialling and an enthusiasm for new gear. The provision of four new observers has been a particularly important part of that, and there have been a lot of ideas and enthusiasm. I should also say that this week we have submitted a report to Europe on the conservation credits scheme that underlines how important the new selective gear has been over the year.

Peter Peacock: The scientific advice is that the nephrops fishery on the west coast is reasonably sustainable—stocks are not depleting at a rate that alarms people and the ICES recommendation is for no increase in effort—yet the EU suggests a complete closure. The nephrops fishery could get caught up in the EU's wider policy. What is your view of the EU's position? Do you interpret it as an opening negotiating stance to try to get everybody moving on more technical measures such as extending the conservation credits scheme?

Richard Lochhead: Those of us who have been involved in the common fisheries policy for many years in different ways regard the approach to it as one of the most ludicrous dimensions of the CFP negotiations. The worst-case scenario is painted at the beginning of negotiations to leave the member states and fishing communities trying to claw back some ground in the run-up to the final decisions in December. The worst-case scenario might have been painted at the beginning of negotiations—I hope that that is the worst case—to put the member states on the back foot, as the Commission perhaps sees it. However, we are not on the back foot; we are considering the counter-proposals that we can put forward to Europe.

The Commission's proposal to close the white-fish fishery on the west coast of Scotland is draconian. It would wreak economic devastation on our fishing communities on the west coast and it must be resisted as much as possible by the Scottish and UK Governments and like-minded people. That is my position on the west coast proposal.

Peter Peacock: So you are taking the proposal in the spirit in which previous negotiations have been undertaken and you are preparing alternative proposals. How explicit will they be? Will you argue for a policy of no increase in effort so that the nephrops fishery can continue in much the same way? Will you put on the table technical measures such as an increase in the size of square mesh? Will you put on the table proposals regarding the bycatch of dogfish and the way in which that has worked against the industry's interests and fish stocks this year? Will you explicitly put those issues on the table as part of the negotiations?

Richard Lochhead: The Scottish Government and the industry recognise that white-fish stocks on the west coast of Scotland are in a dire situation, but I am sure that we all accept that simply closing what is a mixed fishery is the wrong route to take.

The answer to your question is yes, we will propose alternative ways to conserve white-fish stocks and allow the healthy stocks to be fished. Indeed, we will seek an increase in some of the west coast TACs where that can be justified. The nephrops fishery is the most important one, and we will consider technical measures that the nephrops fleet can adopt to allow it to continue fishing but reduce its bycatch of white fish. We believe that that can be done in a variety of ways, for example by increasing the square-mesh panels and changing the gears that the vessels use or by adopting some of the measures that we have used in the North Sea. The conservation credits scheme already applies to the west coast, but real-time closures and other such measures can be applied as an alternative to the Commission's draconian proposals. We will consider which options it would be best to propose for the waters.

On TACs, we will consider the haddock, cod and whiting situation on the west coast, but we also have the nephrops fishery, which has been fished sustainably, and other valuable fisheries, such as monkfish, which is one of the most valuable stocks in Scotland. We believe that there is a case for more flexibility with and an increase in the monkfish TAC, which would benefit the west coast fishery and communities.

Peter Peacock: That is helpful. I have a wider question on the overall negotiating stance. You are meeting UK ministers, and there are several weeks to go before the negotiations are finalised in the run-up to Christmas. Is the Scottish Government adopting any areas of policy that are out of tune with the UK Government's position or are you all swimming in the same direction?

The Convener: That is the second time that you have used that phrase, Peter. It is getting very boring.

Peter Peacock: I did not get a laugh the first time I used it.

Richard Lochhead: We are clearly fishing in the same waters—I do not intend to be caught out. We want the best outcome for fishing communities throughout the UK. My job is to work constructively with the UK Government. We are in the middle of negotiations. I cannot always answer the kind of question that you have asked until we are right in the heart of the negotiations or until we have reached the end of them, which is when you find out whether the outcome was good for Scotland or whether it could have been improved on.

I have conveyed Scotland's priorities to the UK Government. We are working in close partnership with the UK Government to try to ensure that we achieve a good outcome in the Brussels negotiations, which happen in November and December. We also have the EU-Norway negotiations in November.

Peter Peacock: I refer to the conservation credits scheme. We heard in evidence last week that, to take a longer-term view, although the EU is going along willingly with what Scotland is doing, there is a degree of scepticism—we have heard it from Commissioner Borg and others—about whether the scheme can ultimately deliver all the objectives. How confident are you that that argument is being won with the EU? Is there still a lot to do to convince the EU that what has started promisingly must continue, and that effort must be increased?

Richard Lochhead: The challenge is always the time lag in getting evidence about the impact on stocks of the measures that we have taken. I know that you took evidence from the scientists last week, who will have explained that, given that time lag, we will know the impact of the real-time closures on cod stocks only in a few months' time. In the meantime, it is encouraging that other member states and the Norwegians are looking to emulate some of the measures that we have put in place in Scottish waters. That is a vote of confidence from the other fishing nations that they believe that the conservation measures that we are trail-blazing in Scotland's waters are the way forward.

Our evidence on real-time closures, which we have conveyed to the European Commission and Joe Borg—who was in Edinburgh a couple of weeks ago—shows that they are working and are conserving stocks. That is because the vast majority of vessels are abiding by them. The initial indications are that the vessels that have participated have reduced their cod catch by about 60 per cent, so we have evidence that the real-time closures are making a difference. The fact that the other fishing interests in the North Sea are

looking to introduce similar measures in their waters is good news.

Liam McArthur: Commissioner Borg has expressed reservations to me about the operation of the conservation credits scheme, although he certainly buys into the notion of incentivising fishermen in a positive way, rather than using the stick approach, as you said before. It is rather worrying that the FRS witnesses last week seemed to share some of those reservations. They did not go into detail about those reservations, but there might be a note of caution about the future application of the scheme.

I want to ask about the west coast and the demersal fishery. From my constituency perspective, the white-fish fleet in Orkney is heavily dependent on area 6. By using technical measures and other management tools, can we safeguard a fishery for the demersal stocks off the west coast, rather than see a displacement into the North Sea?

Richard Lochhead: That will be challenging, and I do not want to underestimate that challenge for a second or give the impression that meeting it will be easy. All I can say is that we believe that we have alternatives to the EC's proposals that will allow economic activity to continue in the west coast fishery. I said that we believe that there is a case for increases in relation to some valuable stocks, and we will fight hard to get them. The fleet recognises that we face a difficult challenge with the white-fish stocks. I am confident that we will make progress in ensuring that your constituents have fishing opportunities in 2009.

11:00

The Convener: Before you go on to the cod recovery plan, John Scott wants to come in on the back of that question.

John Scott: I would like clarification on the west coast stocks. You said that the worst-case scenario has been presented to us by the Commission, but that the Commission is not as bad as all that. If that is the case, notwithstanding what I think you described as a dire situation, why was the threat to the stocks not foreseen? It has suddenly crept up on us, apparently from nowhere.

Richard Lochhead: Well, it was anticipated—

John Scott: Why has it not been acted upon?

Richard Lochhead: As I explained earlier, despite the fact that the nephrops fleet on the west coast does not get much reward from the conservation credits scheme—it does not need the extra days for the nephrops quota—it has, nevertheless, adopted selective measures to help

to reduce the bycatch of white fish. That has happened since the previous negotiations.

One of the issues to do with the west coast is that we do not have allies in the European negotiations. The west coast is a Scottish fishery. No other member states are battling on the same side as us to try to get a good deal for the west coast fishery. It is not a priority and we are left on our own to fight for it.

On the science, various nations fish the North Sea and contribute towards the scientific knowledge, but that is not the case on the west coast, although we have put scientific effort into it. The scientific knowledge base for the west coast is a lot smaller than it is for other fisheries because Scotland is alone and we are left to get on with it. Then, out of the blue, we get draconian proposals from the European Commission over the future of that fishery, and we have to fight those proposals and put an alternative case.

Frank Strang: "Out of the blue" is a relevant way of putting it, in that we do not even have a proposal from the Commission yet. European fisheries organisations are very upset about that, because the Commission has talked about its proposals but we have not seen anything in writing about what it has in mind. We have been in intensive discussions with the sector—including at the Scottish fisheries council at the end of September and other meetings—on what we should put forward. More meetings are planned.

The Convener: Basically, you are saying that there were no signals to alert you to what was coming down the pipeline.

Frank Strang: There were signals in late summer, and as soon as they appeared we engaged in discussion with the industry.

Liam McArthur: I do not want to embarrass Bertie Armstrong, who is sitting behind you, but he suggested that the cod stock appeared to be causing as many problems in recovery as it had done in decline. The North Sea regional advisory council says that the North Sea cod stock is recovering strongly on the basis of incoming recruitment and significant reductions in fishing mortality, yet there seems to be a widely-held perception that the cod recovery plan agreed in 2004 has not worked. We are looking towards ministers agreeing a new cod recovery plan towards the end of this month. What are your views on whether and why the 2004 plan did not work? Does the new plan give you cause for optimism that we might get it right in future?

Richard Lochhead: Many fishing regulations emanate from the EU. They are imposed top down, without proper input from Scotland and the people who fish our waters day in, day out, which is why we made a lot of effort last year to get more

control over some of the measures that are implemented in our waters. I firmly believe, as do most fishing communities, that we are the best people to come up with the optimum conservation measures for our waters.

One of the fundamental flaws in the cod recovery plan is the tendency simply to cut effort as a means to conserve the stocks. However, as we have seen, the level of discards is perhaps the biggest indictment of the cod recovery plan, because the plan is destroying good quality, healthy, marketable cod. To me, that is not a cod recovery plan but a plan that massacres our healthy, marketable stock, so we have to change the cod recovery plan.

One key issue for us is attempting to get away from a simple cut in days at sea as a way to reduce mortality. The future cod recovery plan should be based on a regime that allows us to catch less but land more, because that would allow discards to be reduced; more marketable stock to be landed; our communities to have a better income; our food supply to be improved; and waste to be reduced. At the same time, there would be measures to reduce the amount of removals from our waters, which would protect future generations of cod stocks. We firmly believe that we can catch less and land more. As I say, that should be the ethos behind the cod recovery plan and should build on some of the measures that we have already implemented.

Liam McArthur: You seem to be suggesting that last year there was an epiphany about the need for more regional fisheries management. The regional advisory committees have been in place for a number of years. Proposals for a kilowatt days or kilowatt hours approach to effort, real-time closures and technical measures have been on the table and the subject of discussion with the Commission for some years. Are you confident that with the good prevailing wind of the plan that is to be agreed at the end of the month, we are likely to end up with a set of proposals that will have a meaningful impact on cod recovery without impacting disproportionately on other aspects of the mixed fisheries?

Richard Lochhead: I am not wholly optimistic that, at the end of the negotiations, we will get the perfect cod recovery plan for Scotland. Indeed, there is absolutely no reason to believe that that will happen. We will fight to get a perfect plan, but history, and the fact that, despite all the evidence, the Commission often reverts to type and looks for a straight cut in effort as the answer to everything, suggest otherwise.

That said, I am confident that some of the measures that we have trail-blazed in Scotland will be built into the future plan, not only for us but for other countries. That is important, given the fact

that other countries are now warming to some of the measures that we have put in place.

Liam McArthur: The Commission obviously has a lead and driving role in this process. However, you seem to be suggesting that it is the lack of allies in other member states as much as anything else that will result in our not getting what you have called a perfect recovery plan.

Richard Lochhead: We are speaking to other member states to secure their support. Obviously, given that Scotland has more of an interest than other countries in what happens with stocks in the North Sea, we have to fight that bit harder. However, countries might fight us a bit less on this because they have other priorities.

That will be part of our negotiating strategy. Negotiations have begun and will continue over the coming weeks, and it is difficult to predict where we will get with all this. However, I am confident that we will make progress.

Peter Peacock: You have mentioned on more than one occasion that the Commission reverts to type and that negotiations tend to follow particular patterns. Notwithstanding that, have you detected any sign in the negotiations that the Commission is beginning to change its mind in any way about the allocation of quotas? Has there been any shift towards thinking about the long term? After all, each negotiation sort of prepares the ground and sets the agenda for negotiations in subsequent years. Have you detected anything about the way in which quotas might be allocated in future? Will they be vessel-based or will a more regional approach be taken? Has any thought been given at a UK level to such issues?

Richard Lochhead: When I say that the Commission reverts to type, I am thinking about measures such as closing down the west coast of Scotland. Given that there is a mixed fishery there, such a move would mean economic devastation. I hope that we will be able to stop that happening. However, I recognise, as we all should, that the Commission is beginning to change its thinking. Indeed, the UK Government is also changing its thinking on the future of the common fisheries policy. Notwithstanding our policy that control over our fishing grounds should be returned to the Scottish Parliament—we have certainly shown with the powers that have been returned to us that we can deal with such matters responsibly—we must ensure that while we are part of the CFP it works as much as possible in Scotland's favour. However, as I have said, I detect that the commissioner and, to a certain extent, the UK Government are beginning to think that the CFP is not working.

I recognise that the Commission feels that there is an opportunity to build on some measures that

we have trail-blazed in Scotland. For example, it might be best for certain decisions to be taken by the fisheries managers and fishermen who work in the fisheries. Given recent history, we should not get too carried away, but let us hope that there is more progress on this matter.

Peter Peacock: Given the movement that you have detected in that respect, are you in a position to begin a discussion and have an open debate on the pros and cons of the different options that might emerge and any potential changes in how things are done?

Richard Lochhead: Are you talking about the common fisheries policy or the immediate negotiations?

Peter Peacock: The common fisheries policy in general.

Richard Lochhead: The answer to your question is yes. As you might be aware, we hope very shortly to announce the membership of an independent, arm's-length inquiry into fisheries management in Scotland, the terms of reference of which will, in effect, focus on alternatives to the CFP in Scotland. Indeed, most of the inquiry members are already on board.

The debate will take place not only in Scotland but in Europe, with the reform of the CFP—as it is labelled—getting under way in the coming months.

The Convener: As I see no other expressions of interest from the committee, I thank the cabinet secretary and his officials for coming along.

That ends the public part of the meeting. I ask everyone who is not involved in the private session to leave.

11:11

Meeting suspended until 11:17 and thereafter continued in private until 12:34.

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