

RURAL AFFAIRS AND ENVIRONMENT COMMITTEE

Wednesday 11 November 2009

Session 3

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RURAL AFFAIRS AND ENVIRONMENT COMMITTEE

27th Meeting 2009, Session 3

CONVENER

*Maureen Watt (North East Scotland) (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

Rhona Brankin (Midlothian) (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)

David Brew (Marine Scotland)

Francis Brewis (Scottish Government Environmental Quality Directorate)

Andrew Brown (Marine Scotland)

Roseanna Cunningham (Minister for Environment)

Colin Faulkner (Marine Scotland)

Richard Lochhead (Cabinet Secretary for Rural Affairs and Environment)

CLERK TO THE COMMITTEE

Peter McGrath

SENIOR ASSISTANT CLERK

Roz Wheeler

ASSISTANT CLERK

Lori Gray

LOCATION

Committee Room 4

Scottish Parliament

Rural Affairs and Environment Committee

Wednesday 11 November 2009

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

Decisions on Taking Business in Private

The Convener (Maureen Watt): Good morning, everyone, and welcome to the 27th meeting in 2009 of the Rural Affairs and Environment Committee.

The main purpose of today's meeting is to take evidence on the issues to be considered in the European Union fisheries council negotiations and European Commission negotiations with Norway. We will also consider the related but wider issue of reform of the common fisheries policy.

I remind everyone to turn off their mobile phones and BlackBerrys, as they impact on the broadcasting system. Apologies have been received from Peter Peacock.

Under agenda item 1, I ask members whether they agree to take item 7 in private.

Members indicated agreement.

The Convener: Also under agenda item 1, I ask members whether they agree to consider a draft report in private at future meetings.

Members indicated agreement.

Subordinate Legislation

Water Environment (Groundwater and Priority Substances) (Scotland) Regulations 2009 (Draft)

10:01

The Convener: Agenda item 2 is evidence on the draft Water Environment (Groundwater and Priority Substances) (Scotland) Regulations 2009, which is an affirmative instrument. I welcome the Minister for Environment, Roseanna Cunningham; Francis Brewis, who is team leader in the Scottish Government's water pollution control team; and Stephen Rees, who is a solicitor in the Scottish Government's solicitors food and environment division.

The Subordinate Legislation Committee's comments on the draft regulations are reproduced in paper RAE/S3/09/27/6. Agenda item 2 enables members to ask questions about the content of the draft regulations before we move to the formal debate under agenda item 3. Officials can speak under agenda item 2, but they cannot participate in the formal debate.

I invite the minister to make a brief opening statement on the draft regulations.

The Minister for Environment (Roseanna Cunningham): I am pleased to be here to discuss the draft regulations, which will implement the revised groundwater directive and the priority substances directive, both of which are daughter directives of the water framework directive. The draft regulations underpin the aims and objectives of the water framework directive and set out additional provisions to protect groundwater from all substances that are liable to cause pollution. They develop our legislative framework for protecting the water environment from the impacts of hazardous substances. We already have a legislative and operational framework in place in Scotland to implement the water framework directive, and we have been able to incorporate the additional requirements of the daughter directives into that framework relatively easily.

I will say something briefly about the background to the draft regulations. In 2000, the water framework directive established a framework for Community action for the protection and improvement of our water environment. In Scotland, the requirements of the directive are transposed through the Water Environment and Water Services (Scotland) Act 2003, which is better known as the WEWS act. The measures to control inputs into the water environment are contained in the Water Environment (Controlled

Activities) (Scotland) Regulations 2005, which are known as CAR.

In March, we issued a consultation paper on our proposals to implement the two daughter directives. There was a generally positive response, and the draft regulations take that consultation into account. They set out the consequential amendments to the WEWS act and CAR to reflect the additional requirements of the daughter directives. It makes sense to implement both directives through one instrument.

Our legislative framework is designed to protect and improve the water environment in Scotland in a way that balances environmental, economic and social objectives. It requires the Scottish Environment Protection Agency to control activities that may have an impact on the water environment and to consult the many parties that have an interest in water. In doing so, SEPA aims, through the river basin management planning process, to achieve a balanced approach that takes account of both the quantity and quality of water, including measures to address climate change and flood risk management. Therefore, there are a number of substantive provisions for the protection of surface waters and groundwater. SEPA has powers to prohibit actions that could result directly or indirectly in the discharge of polluting substances into the water environment, and it is expected to exercise those powers to ensure that there is an effective balance between the protection of our water environment and the interests of those who depend on that environment.

The draft regulations will amend the WEWS act to require that SEPA and other responsible authorities take account of the two daughter directives when they exercise their functions. They amend CAR and replace the previous approach of listing certain hazardous substances in legislation with one that defines “hazardous substances” as those that are

“toxic, persistent and liable to bioaccumulate”

and which requires SEPA to maintain and publish a list of hazardous substances. The Subordinate Legislation Committee drew attention to that change. The current regulations include a list that refers to groups of substances, such as “organotin compounds”, but now SEPA has on its website a detailed list that specifies those substances—for example, “tributyltin” or TBT. That is an improvement in terms of certainty and transparency.

The Subordinate Legislation Committee asked questions about the way in which future amendments to the list will be made. I assure the committee that there is a robust process, involving expert advisory committees and consultations,

before substances are added. I can provide the committee with more detail on that, if members would like.

The other consequential amendments update the primary and secondary legislation to which SEPA must have regard in its decision making under CAR. We have also taken the opportunity to revoke four sets of regulations that were made under the old dangerous substances directive, as those are either superseded or addressed through directions issued to SEPA on behalf of Scottish ministers.

The draft regulations complete the transposition of the two daughter directives of the water framework directive and update arrangements for the effective and proportionate regulation of the water environment in Scotland. I am happy to answer any questions that the committee has. If I cannot answer a question, I hope that one of the officials will be able to do so.

John Scott (Ayr) (Con): Can you provide us with more detail on the expert committees that will advise you on what are dangerous and hazardous substances? It appears that you will leave decisions on the matter to SEPA. I am not questioning its ability, but is it sufficiently well informed to be able to define such substances? I presume that it will be in the hands of experts, who will provide it with information.

Roseanna Cunningham: The committees in question are existing expert advisory groups that are already working for the Scottish Government. If you want me to give chapter and verse on what those groups are and who is involved, I can follow that up. I do not have information on the groups’ membership with me.

The main work has been done by the United Kingdom technical advisory group for the water framework directive, which is a partnership of technical experts from across environmental protection and conservation agencies. Its scientific regulations are put to ministers for consideration.

Are you seeking information on the membership of the committees?

John Scott: We just want to satisfy ourselves that the Government is satisfied that the level of technical expertise advising SEPA will be sufficient to deliver all that the draft regulations are intended to do.

Roseanna Cunningham: We are.

Liam McArthur (Orkney) (LD): In your opening statement, you sought to address the Subordinate Legislation Committee’s concern about delegation of responsibility to SEPA. Paragraph 8 of the committee’s report states:

"There is no requirement on SEPA to publish its intention to change the list of identified hazardous substances."

The potential risk with any list is that it may not always be obvious that changes such as the addition of certain substances or the provision of more detail have been made. Can you provide the committee with an indication of the specific requirement that has been placed on SEPA? How can changes be highlighted, instead of being submerged in a longer, pre-existing list of substances?

Roseanna Cunningham: SEPA will hold a list that any member of the public will be able to check. The list will be freely available on the SEPA website, so it will be accessible by anyone. That will provide the necessary transparency. The difficulty in this area is that scientific knowledge changes regularly. The process that we propose will make it far easier for us to update the list more flexibly, so that we will not have to come back to Parliament every time we think that a new substance should be added.

Those who work in the water environment will know that the list is where to go for accurate information. It will also be more detailed than before. Previously, groups of substances, rather than specific substances, were listed, but that system relied on people knowing that a substance was part of one of the groups, and people did not always know that.

Liam McArthur: The concern is about how changes will be brought to the attention of those who work in the water environment. One assumes that what has gone before and the current arrangements are fairly well understood, but perhaps the Subordinate Legislation Committee's concern—it is certainly my concern—is about how the list is intended to be changed on the basis of evolving scientific information and evidence.

Roseanna Cunningham: Changes will not be made without consultation or arbitrarily—they will be made after consultation. When the advice is that a new substance should be added, SEPA will follow a consultation process. We are trying to avoid constantly returning to Parliament every time that a change must be made and to allow SEPA to make changes on a rolling, more transparent basis.

Liam McArthur: Will that process allow appeals or an opportunity to challenge robustly whatever changes SEPA proposes?

Roseanna Cunningham: Yes, but SEPA will not propose adding a substance unless an expert advisory committee has notified it of that substance. That is how the process will work.

Alasdair Morgan (South of Scotland) (SNP): Are we talking about new groups of substances

that are not listed in the current legislation, new compounds that are in the existing groups of substances, or both?

Roseanna Cunningham: We could be talking about both. We expect to talk about specific substances rather than groups of substances. On the basis of their knowledge, scientists might add specific substances, or specific substances in a new group.

The idea is not to talk about groups, because talk of groups makes it harder for people to understand precisely which substances will be caught. Although I am not a scientist, I understand that new groups of substances might give rise to concern, but we will still expect specific substances to be listed.

Alasdair Morgan: For specific substances that fall into existing groups, it could be argued that the new situation will be an improvement. Under the current system, such substances are automatically added, but people do not know that unless they are organic chemists. The new system is at least far more transparent.

Roseanna Cunningham: The feeling is that the current situation is not as transparent, because it deals only in groups of substances. It is far fairer to potential users to list substances precisely. As you say, a person who is not an organic chemist does not automatically know what a generalised group contains.

John Scott: I declare an interest as a farmer. Perhaps I am missing the point, but I am concerned about occasional users of pesticides or sheep dips, for example. Is there no danger that farmers who are occasional users will inadvertently break the law because a substance's designation changes from one month to the next and—possibly—they do not look at websites every day?

10:15

Roseanna Cunningham: I presume that such people could be in that position now—occasional users who do not update themselves on what is and is not required might make mistakes now. If they are advised that a group of substances is not to be used, they might already inadvertently do themselves an injustice unless they check whether a substance that they have—that is named on a label, for example—falls within or without that group.

The matter is one of the constant difficulties for Government. We make the information publicly available and ensure that folk know that it is there. If individuals have the slightest concern or doubt, they are able to access the information quickly and easily. The occasional user should still know that

some substances may be problematic, in which case, he or she had better check whether the one that they use is okay. That is as much as we can do. If we were to write to every potential user listing the current substances and advising them how they could update themselves as and when necessary, no doubt half the letters would go in the bin. I am not sure that there is a simple way to ensure that everybody pays attention all the time, but the Government must make it as easy as possible for users to find out the information that they need to know.

Bill Wilson (West of Scotland) (SNP): I presume that SEPA could make a point of contacting overarching bodies such as the NFU Scotland so that, if it listed a new chemical that it knew was used in sheep dip, it could tell the NFUS, which could help to inform its members. There must be ways of ensuring a greater level of communication.

Roseanna Cunningham: Yes. I hope that that happens anyway. I am not certain that it hangs on the back of the draft regulations.

The Convener: The farming press is pretty good at publicising such matters.

Elaine Murray (Dumfries) (Lab): How regularly will the website be updated? If it was updated monthly, for example, regular users would know to check every month to ensure that a substance had not been added to the list. Will it be updated as concerns are raised about a substance?

Roseanna Cunningham: We do not anticipate a requirement for monthly updates. The website will be updated as and when a substance is ascertained to be potentially dangerous and we are advised that it should be added to the list. I cannot say how frequently that will take place, because it is a matter entirely for the scientists, but we do not anticipate it being as frequently as once a month.

Elaine Murray: I am thinking about users. If the website was updated every three months, they would know that, every three months, they had better check whether the substances that they use are okay. However, if it was updated as and when, people who use a chemical regularly would have to check more or less daily to ensure that it had not crept into the list.

Roseanna Cunningham: That is the opposite of the occasional user. I understand your point, but I am not sure that there is an easy answer to it. As well as making the information available and ensuring that people know where it can be obtained if they need it, we rely on the normal process of publicising such changes. We expect that, if there were consultations at any point on the potential addition of specific substances, the specialist press, such as the farming press—

although users are not always farmers—would be interested in the fact that there was a consultation. I know from experience that, if ordinary garden chemicals are being considered, virtually all the gardening press carries the information regularly. That happens frequently. I hope that such responses will be part and parcel of what happens. We will make the information freely available in detail on a website that will be accessible to everybody. I guess that we have to rely on the individuals who use the substances to exercise a certain amount of common sense.

Karen Gillon (Clydesdale) (Lab): Could you give us a brief outline of the consultation process that SEPA would undertake if a change was made to the status of an agricultural chemical, and who would be the stakeholders in such a consultation? It will be useful for us to understand the process if SEPA seeks to add a substance to the list. At the moment, substances are added through regulations that come before the Parliament, so it is obvious to everybody that it is happening. What will the new process be?

Francis Brewis (Scottish Government Environmental Quality Directorate): We have not had any changes in the list of hazardous substances, which tends to contain groups of substances, in recent times, but it is possible that there will be changes. In practice, changes in environmental quality standards are more common—such changes are already the subject of consultation.

SEPA will be able to put out any consultation document to trade organisations and interested parties—there is normally a 12-week consultation period. We expect that to happen when the committee that covers the UK and the Republic of Ireland comes up with recommendations for additions to the list of hazardous substances.

Karen Gillon: I want to be clear about the process. A recommendation comes forward to SEPA from the scientific panel—

Roseanna Cunningham: That is, the UK technical advisory group.

Karen Gillon: SEPA then says, “Okay”, and puts out a 12-week consultation to relevant stakeholders, who can respond before it makes the change—I assume that the recommendation would go ahead.

Francis Brewis: SEPA would take account of responses to the consultation that were received during the consultation period.

Karen Gillon: I assume that if the scientific advisers say that something should be on the list, it will go on the list.

Roseanna Cunningham: The presumption is that it will go on the list, but the consultation allows the potential for the presumption to be rebutted.

Liam McArthur: I am interested in Mr Brewis's comment about what has happened in the recent past. When I read about the draft regulations I assumed that the rate of additions or changes to the list has been such that the new approach is regarded as the best means of expediting the process in the most transparent and efficient fashion. However, from what Mr Brewis said it seems that there have been no great changes to the list in recent times. Therefore I wonder what prompted the decision to delegate authority to SEPA rather than go down the route of laying an instrument before the Parliament, which is a transparent process, as Karen Gillon suggested.

Roseanna Cunningham: I assume that one of the reasons is the move from talking about groups to talking about specific substances, because that opens up the potential for changes to happen a little more frequently than they have done in the past. We do not anticipate changes being made on a monthly basis, but once we move away from talking about groups and start talking about specific substances we open up the possibility of rather more frequent changes.

We do not want to be in a situation in which we get scientific advice in June that a substance should be added, so we try to put a statutory instrument through before Christmas, but then in November the scientific advisers come along with another recommendation. There is a slight concern that that could happen, although I am not saying that it will happen. The current approach is to talk about whole groups, which by definition will not change anywhere near as often as specific substances might need to be added.

The Convener: We move to the formal debate on the draft regulations. I remind members that officials cannot participate in the debate, and I invite the minister to move the motion.

Roseanna Cunningham: The draft regulations implement the additional requirements of the revised groundwater directive and the priority substances directive over and above those in the existing domestic legislative framework. I therefore commend them to the committee.

I move,

That the Rural Affairs and Environment Committee recommends that the draft Water Environment (Groundwater and Priority Substances) (Scotland) Regulations 2009 be approved.

Motion agreed to.

The Convener: I thank the minister and her officials for their attendance.

Rural Development Contracts (Rural Priorities) (Scotland) Amendment (No 3) Regulations 2009 (SSI 2009/335)

Pollution Prevention and Control (Scotland) Amendment Regulations 2009 (SSI 2009/336)

Sea Fishing (Enforcement of Community Quota and Third Country Fishing Measures and Restriction on Days at Sea) (Scotland) Amendment Order 2009 (SSI 2009/338)

Welfare of Animals (Transport) (Scotland) Amendment Regulations 2009 (SSI 2009/339)

The Convener: Agenda item 4 is consideration of four negative instruments. The Subordinate Legislation Committee has commented on SSI 2009/335 and SSI 2009/338, and the relevant extracts of that committee's report have been circulated to members in paper RAE/S3/09/27/6. No member has raised any concerns, and no motions to annul have been lodged. Do we agree not to make any recommendations in relation to the instruments?

Members indicated agreement.

The Convener: Before we proceed to item 5, I remind members that I will suspend the meeting at 11 o'clock to observe two minutes' silence for remembrance day. There will be an announcement on the public address system.

Fisheries

10:26

The Convener: This is the second of three evidence sessions on the issues to be considered at the European Union fisheries council's negotiations and the European Union's negotiations with Norway. Indeed, we were immersed in fish all last week, as we had a very successful conference. Our first evidence session was on 28 October, when we took evidence from representatives of Marine Scotland. The third session will be later today, when we take evidence from the Cabinet Secretary for Rural Affairs and the Environment.

I welcome Bertie Armstrong, chief executive of the Scottish Fishermen's Federation.

Liam McArthur: As the convener suggests, we have been immersed in fisheries for a number of weeks now. Last week, we focused on scoping how we would like the negotiations to be conducted and fisheries to be managed in as near a future as possible. However, in the here and now, the December talks are very much upon us. The coastal states negotiations are already partly completed and the discussions between the EU and Norway are coming up in a week. From the SFF's point of view, what are the priorities for what will be difficult negotiations?

Bertie Armstrong (Scottish Fishermen's Federation): Thank you, convener, for allowing me to present our views to the committee. I can give our three demands for the process in seconds. The first is that we are stuck in the situation, no matter how unsatisfactory we might think it is, and we require the best deal for Scotland within that system. Secondly, no inappropriate regulations must be applied within the process. Last year there were the west of Scotland measures and the 90 per cent cod tripwire, if I can describe it that way, which was a technical measure that caused us an enormous amount of trouble. Both those regulations looked reasonably sensible at the time, but turned out not to be so. So we should resist the unintended consequences of inappropriate legislation. Thirdly, we should sell nothing short. Do not accept for short-term gain, as we did last year, measures that will be with us for the long term.

For these negotiations, different sectors have different problems. The brown crab and lobster industry has a market problem and is not involved in these negotiations. The big problem for the pelagic industry—herring and mackerel, and the large boats from Fraserburgh, Peterhead, Shetland and the Western Isles—is the shaky state of international negotiations. Iceland has

declared a monstrous bycatch of mackerel—and monstrous is the right word—and the EU and Norway are in the unusual state of horns locked, because Norway has caught all her quota of mackerel in EU waters and is now locked out of EU waters for that stock. That is creating difficulties in the negotiating process, which has not gone normally.

The white-fish and prawn sectors are important all around the coasts. The white-fish sector is particularly pressed because of declining quotas and effort control. That is the essence of inappropriate legislation, as there are fish in the sea and we are attempting to attend to sustainability. We are straitjacketed by the regulations.

10:30

In summary, we are asking the Scottish and UK Governments to negotiate on three issues on our behalf—the best deal possible, no inappropriate legislation and no short selling. Of particular importance for the Scottish industry is a sensible outcome of the EU-Norway negotiations. At this stage, all that I can do is describe the difficulties that beset the negotiations, as we have not achieved anything yet. The mackerel talks, which would normally be completed in a week, failed to reach a conclusion and a second round will take place. That will colour all negotiations with Norway for the rest of the year.

Interestingly, during last week's debate in the Parliament on fisheries—to which all the committee members contributed—the cabinet secretary announced four new measures or four headlines that we can now work on as hard as we can. That announcement took us by surprise a bit. We had received only conversational notice that the four headlines were coming up. The industry must now engage with Government to form a strategy, because the truth is that we now have a wish list, but not a strategy for the negotiations at the end of the year. I will be seeing my friend from the Scottish Government posthaste to try to get a strategy together.

Liam McArthur: That is helpful and confirms some of the views of members who participated in last week's debate that the four-point action plan was a bit of a bolt from the blue. We await more detail on it and would welcome your views on it.

You sketched out the particular challenges for the component parts of the industry. You identified the situation on the west coast, with which I am familiar, and mentioned the 90 per cent cod tripwire. What has been the effect of those and other measures in last year's deal on the viability of the component parts of the fleet?

Bertie Armstrong: The small number of vessels that depended on a mixed fishery catch in the west coast had to move to another area, which has damaged their commercial viability and transferred them into an area where their additional effort is unwelcome because of sustainability issues. That has been particularly unhelpful.

The management measure that is associated with the 90 per cent cod tripwire is easy to understand. At the EU-Norway talks it was decided that there would be a high-grading ban, which means that fishermen are not allowed to select fish on a commercial basis. If they have a quota, they must land everything that they have caught. There was also an associated catch profile, which means that the fishermen cannot catch any more than that amount as the months go on. Thirdly, there was the tripwire, which means that if 90 per cent of the quota is reached by 15 November, there must be selective fishing only, which de facto is not possible, so that means a shutdown. Therefore, although the measure, superficially and certainly to the public, would be regarded as eminently sensible—because of course the fishermen do not want to throw away fish and why would they not catch in a graduated way throughout the year—it turned out to be entirely counterproductive because, when they get close to the tripwire, they have to shut down the fishing, although they can catch other quotas. For example, if the cod fishing is shut but they still have a quota for haddock and monkfish or whiting, they desperately—I hate even to enunciate it—have to plough through the fish that they are not allowed to catch and throw them away in order to get to the fish that they can land. That is not an unintended consequence, but the entirely predictable result of a superficially applied law.

We must resist that sort of thing this year, red in tooth and claw. We can do better, but that will require an attack on the rules framework. From now on, we will be talking in terms of the four headlines that the cabinet secretary announced during the fisheries debate. Those headlines provide a skeleton on which we can hang some flesh and skin, which we will try to do as quickly as possible. Time is very short: it is already 11 November and the new fishing regime is due to start on 1 January 2010.

The Convener: What is the SFF's approach to setting a long-term direction for fisheries management? Have you had a chance to consider the question whether we should go with maximum sustainable yield or with maximum economic yield, which we heard about last week?

Bertie Armstrong: It is a matter of observable good sense and logic that long-term plans work much better than those that require quick, radical

changes in direction. As a federation, we have contributed as much as possible to long-term management plans. For example, in the North Sea Regional Advisory Council, an SFF representative is leading the long-term management plan for North Sea nephrops, which is an important stock for Scotland, and the North Western Waters RAC is, at the SFF's instigation, working on a long-term management plan for west coast haddock. We whole-heartedly agree that a smoothed-out, forward-looking, long-term plan for all stocks is the way ahead.

However, there is, as was mentioned during the previous committee meeting, an elephant in the room: the inability to cope with mixed fisheries. Long-term management plans, such as those that I have mentioned, are for single species. If we have a long-term management plan for nephrops, that is fine for prawns, and we hope that the stock will do well, but if we then put in place a recovery plan for cod, the cod spike recruits and comes back in excessive numbers, and the cod will eat the nephrops.

We need a combined approach: we need to cope with mixed fisheries and take a balanced approach across the stocks. Otherwise we are, in applying a plan to one element of what is in fact a unitary ecosystem, squeezing a balloon while it swells in another place. That is the long answer to the short question, "What do you think of long-term plans?"—we are all for them.

The most succinct description of MSY that I have heard came from David Symes at last week's committee meeting: he said that it is a 1950s concept that does not work across the ecosystem, largely for the reasons that I have just described. The stocks are interdependent and will eat each other; that is what happens in an ecosystem. If we apply MSY—or MEY—to one stock, it will change as the fortunes of the other stocks change. We need to attack the whole system.

The cabinet secretary's four headlines are, thankfully, vague—I do not mean that as a criticism—and will allow us to try to mount an attack on the regulations for mixed fisheries. It is a tall order, but we must do things in a much more joined-up way. What we have in mind—this is an undiscussed gem of an idea—is that the producer organisations, which govern the issuing of quota, would work with the fishermen, and we could carry out trials with groups of boats in which we take the whole picture into account.

We can ask which fish we are going to catch, and at what part of the year, and examine the commercial output; that fits all the headlines. We can say that if we cannot catch in one place, we will catch in another. We should use our selective measures when we can and be careful to make demands so that we have enough quota within the

limits of sustainability and enough effort to operate the scheme so that the approach takes into account mixed fisheries, rather than dealing with the lowest common denominator stock at the time and screwing everybody down to the constraints that that would bring.

The Convener: To what extent do fishermen take account of the market price for fish when they are working out what to fish and when?

Bertie Armstrong: Each and every fisherman would say that that is central to his calculations. We have reached the regrettable situation in which individual businesses can be so commercially pressed that they are forced to make their turnover as best they can. That means landing fish even in a low market. People need to be able to take a very deep breath and say, "I will not land any fish, to save my quota for later", even though the bank, the electronics rental people and the crew who need to be paid to be retained are all at the door. People sometimes react by selling into a falling market. Worse still, if things get really bad, groups of people can find that, despite a falling market, they need to compensate by adding even more unhelpful volume. We see examples of that all over the industry. We must break out of that cycle. We might be able to do that by corporate action, such as a fishing plan for larger numbers of boats. Regrettably, the present regulations do not encourage or incentivise such action, which is what we need to focus our strategy on as quickly as possible.

John Scott: How might such a plan work?

Bertie Armstrong: I am in uncharted territory now, because this is the germ of an idea that has been the subject of only informal chat. I am supposed to talk today only about policy—that is my job; otherwise, I expose myself to all sorts of awful risk. However, I do not think that it is wrong—I hope that the convener shares that opinion—for me to express the germ of an idea that has not yet been discussed.

The idea is as follows. At the moment, we have individual quotas for individual stocks that come and go in the ecosystem depending on a number of factors, such as how they eat each other, how much the climate changes, how they are fished and how many seals there are. Given all that, we should get the producer organisations that issue quota to co-operate with fishermen—perhaps in small groups to begin with—to ensure that the quota is fished in the most commercially sensible way. The aim would be to move away from the situation that we have just described, in which people are required to pile fish into a low market, to one in which people take a longer-term view—of perhaps a year or, in future, even more—to try to get the catching patterns to match the market and, of course, to match the sustainability of the fish.

For such a scheme, we would need—as was mentioned at some length in response to Elaine Murray's questions—the full range of measures in the toolbox. We would need to deploy them all. We would need to drive round fish that ought not to be caught, where that is predictable and doable. We would need to use selective gear, where that is available or being developed, so that we do not catch those fish that we wish not to catch. We would also need quota to incentivise the scheme and we would need time to do that sort of fishing, which would mean extra effort.

The essence of the plan would be to approach the Commission—which, given the background of CFP reform, should be open to suggestions—to ask that quota be taken out of the discards column and put into the catch column, thereby reducing discards without killing an increased number of fish. Indeed, the essence of the plan would be to kill fewer fish but in a way that makes more commercial sense. We would require a leap of faith both by the Commission in allowing us to incentivise the scheme and by the Government in asking for such a tall order with all the political risk that that involves, but we can no longer tolerate our inability to cope with mixed fisheries. That affects most especially the white-fish sector and that part of the prawn or nephrops sector that depends on a bycatch for its commercial wellbeing. Those are the two sectors that are most acutely pressed under the circumstances, and the plan would need to apply to them.

At this point the plan is nebulous, by necessity. The four headlines that were announced by the cabinet secretary are what we have to work with, so we must do so. There needs to be some hard concentration on the part of the Scottish Government and scientists to see what we can recover between now and Christmas.

10:45

John Scott: You spoke about the need to incentivise such a plan. What sort of incentives would the SFF be looking for?

Bertie Armstrong: It is best to give an example. In Liam McArthur's area, five big vessels might participate. They already have their quota and their effort—and both will reduce next year. The quota is part of a total allowable catch, which always has an in-built element for discards. The scientists, having observed the fishermen's behaviour over the years, will expect a vessel to land a certain amount and to discard a certain amount.

We need to approach the Commission, saying that all the fish will be killed and asking for fishermen to be allowed to land some from the discard column—hopefully all of them, in the

end—so as to incentivise the scheme. Any scheme for the long-term or short-term management of fish stocks will simply not work if it does not attract the collaboration and buy-in—to use that awful phrase—of the industry. There are examples all over the place. Why would someone flagellate themselves with regulations unless there was something in it for them? The “something in it” with such a plan, with the cloudy skeleton that I have just outlined—if you can get cloudy skeletons—is the fishermen’s ability to say how the proposals are better for stocks and how they would allow them to operate in a more commercially sensible way. It is the right thing to do—to catch less fish and land more, with a plan that extracts the maximum commercial value by allowing the fish to be landed at times when the fishermen estimate that the market needs them.

John Scott: Much of the recent conference was about responsible fishing, essentially—with fishermen taking more responsibility for managing their own fisheries. Is that right? Does that go beyond what you are saying?

Bertie Armstrong: No—that is very much the case, and that fits well with CFP reform. The most significant let-down in the CFP for us in Scotland is the part about mixed fisheries. The pelagic industry is all right, notwithstanding dire threats from international negotiations. The brown crab and lobster industry is all right, if the market recovers and there is no overcatching. However, it is the problems of these two big, important Scottish fisheries—mixed white-fish in the North Sea and on the west coast, and those prawn fisheries that are not just clean prawn fisheries but that depend on a bycatch of white fish—that must be addressed. Those two fisheries form much of the backbone of the Scottish industry.

As I said, this approach fits well with CFP reform, and I suggest that a vehicle of conservation credits should be used. That system needs to be revitalised. We have extracted as much as we can from conservation credits as they stand, and a new plan with a broader dimension would revitalise the process, provided that we can take the fishermen along with us and that they do not lose heart.

We explored those issues at some length at our previous evidence session and at last week’s conference. Overcentralisation creates the circumstances where fishermen think, “You make the rules; I will have to try and get round them now.” That is the wrong approach. We must not do that any more; we must make the rules together and chase the common aim of the sustainable harvesting of our own natural resource.

The Convener: Elaine Murray has a question on conservation credits, which it might be useful to ask at this point.

Elaine Murray: I am interested in your proposal, which seems to be a step forward from what we talked about last week. There might even be some light at the end of the tunnel, with ways of addressing market prices and spreading effort throughout the year to ensure that people do not run out of quota towards the end.

However, I was a bit concerned by a European Commission press release that was put out when the TACs were announced, which seemed to imply that conservation credits, cod avoidance schemes and so on had not worked and that the Commission was therefore going to have to rely on traditional effort reduction methods. What are your views on conservation credits and what outcomes are you hoping for in this year’s negotiations? If that is the Commission’s mindset in advance of reviewing the success of the conservation credits scheme, how do you rate your chances of persuading it that it should not go down the traditional route?

Bertie Armstrong: The noise from the quayside, the condition that most of the industry is in and, indeed, the rebirth of the Cod Crusaders, which in itself is a visible emotional reaction to the situation, mean that we simply have to address this issue. We take fairly extreme umbrage at the suggestion that conservation credits have not worked. After all, there has been no time for the science to work. This year’s catch quotas will be based on the 2008 quotas and a quick and dirty look at the initial surveys and science for 2009. In our efforts to aid cod recovery in 2008, we used conservation credits to experiment with 12 to 15 real-time area closures. We were simply trying to find out whether the system would work and whether we could make everyone aware of the fact that we had declared a closure and ensure that they stayed out of the area. The answer to both questions was yes. This year, we have announced 127 closures—in fact, 128 as of this morning—and we are heading for 150 by the end of the year.

Of course, the science and the calculations to determine what that effort has been worth have not been carried out, so we object acutely to the Commission’s claim that the scheme is not a success. How does it know? There has been a great deal of voluntary behaviour change in the fishing industry. Indeed, in August, we were told that the average fishing trip will clock up 170 more miles of passage going around closed areas. That kind of behaviour change also eats into days at sea. We are not pleased at all that our efforts have not only gone unrewarded but been declared as not working in the absence of any sensible evidence.

I am really entering the danger zone here, because the industry has not yet discussed this

matter—I can hear people going, “What’s Armstrong saying?”, but I have had informal chats and I will discuss it with the industry as quickly as is sensibly possible—but the problem with the nebulous scheme that I have just outlined is that the Commission will be required to accept the principle that this is a different way of doing things. I will let it have access to what you might call the currency that will pay for this innovation, but the Commission has to understand that this is not a trick to catch more fish with less effort control. If we can make it work together, it will be a genuine attempt to cope with the problem that besets mixed fisheries.

Scottish fishermen’s leaders—and it will not be me; someone else will sit here and talk about what is being done—simply have to try and do something. We must do no less than that. We cannot have another ratcheting-up of the present rules, because no more blood can be squeezed out of the stone.

Karen Gillon: I am interested in the proposal that you have outlined. Do you envisage piloting the scheme—instead of, say, a closed circuit television scheme—in certain areas, seeing how it works over the next year and then looking to take it forward more widely?

Bertie Armstrong: That is precisely what we envisage. We would try to make the trial as sensibly wide as we could—this is danger-zone stuff—so that the maximum number of people benefited and the maximum data were available. Whether CCTV would form a part of that is another matter.

CCTV would lend itself to being a part of the system, but my main fear is that it could be the perfect control measure. If the perfect control measure is added to a very imperfect system, the impetus for changing the system is removed—we might simply screw down participants to the imperfect system. Instead of discarding, boats would be tied to the wall. If that happened suddenly, it would have a dramatic effect—parts of the industry would collapse incoherently. Eventually, out of the ashes—[*Interruption.*]

The Convener: The CCTV proposal is a new departure. To what extent does it offer the opportunity to improve the reliability of catch data?

Bertie Armstrong: That opportunity will arise solely if the measure is regarded as part of a change in the rules. If it is regarded as an additional control measure for which fishermen are given a wee bag of sweeties this year, we will do ourselves a giant disservice. I cannot put that strongly enough.

A problem at the quayside is that the proposal has not been discussed properly. The plan that I just described will be news to everybody. That

means that we have not built up trust for the measure.

Make no mistake—cameras are a control measure and not a fish-generating device. If the proposal is just applied without a change in the rules, it will have the effect that I just described of making entirely policeable the extremely imperfect system with all the defects that we have explored at length. We must not do that—that would be a disaster. We absolutely must resist the political temptation to claim that CCTV will do more than it will. It will succeed only if it is a part of a rule change.

There is a mountain to climb with fishermen. I will stick my neck out to illuminate a potential danger. Any trial in any industry can be made to work. If we say, “If you take this, I will give you that,” and we make “that” big enough, the trial will succeed. However, we must be careful about the longer-term implications and we must not ignore the problem. When our vision is blurred by the pain of what is close to us now, we will accept almost any assistance.

Bill Wilson: How technically easy is it for a boat to shift between target species and between demersal and pelagic fisheries, for example?

Bertie Armstrong: Licences do not allow boats to switch between pelagic and demersal species. The licence systems are separate.

Bill Wilson: How technically possible is it for a boat to switch?

Bertie Armstrong: If the licensing system changed—although I see no circumstances in which that would happen—the fisheries would still be entirely different. Pelagic fish—herring, mackerel, horse mackerel and blue whiting—swim mid-water and are trawled mid-water. They are fast-moving transitory species, so in general they are trawled in faraway places. For sensible, industrial-scale catching of those quotas, considerably larger vessels are needed to cope with the extra volume and the weather. The industry is different.

Bill Wilson: I will delay my question because we have only 10 seconds left before we observe the two-minute silence.

11:00

Meeting suspended.

11:02

On resuming—

The Convener: We have about 5 minutes left for this item. Bill, can you ask your question quite

quickly? I would like a quick answer too. After that, I will bring in John Scott.

Bill Wilson: Obviously, there are natural fluctuations in stock and variations in quota. How capable are the different sections of the Scottish fleet of coping with large fluctuations in quota or allowable catch? Are some segments more capable than others of adapting? How do you envisage assistance being given to help with such fluctuations?

Bertie Armstrong: Fluctuations are a difficulty. Movement is permitted between the white-fish and Scottish langoustine and prawn fisheries, but the honest truth is that, if everybody piles from one to the other, it creates difficulties for the target, although not necessarily in stock terms, because either the quota exists or it does not, and boats are able to fish or not.

Adapting is not simple, to say the least. A white-fish boat requires rerigging for prawn trawling and the other way round. There is not an enormous amount of flexibility in the system to do that. If we had much larger stocks, there might be more possibilities for flexibility. We aim for flexibility within the year to graduate the catching better so that it serves the market rather than being a matter of commercial desperation.

John Scott: The scientific advice for stocks of cod, haddock and whiting on the west coast of Scotland suggests that they are declining. The International Council for the Exploration of the Sea has said that there should be no fishing for cod or haddock and that catches of whiting should be reduced to the lowest possible level. The Commission has proposed TAC cuts of 25 per cent for cod and whiting and 54 per cent for haddock, as you know better than I do. What can be done to achieve a more workable deal for fishing in the west of Scotland in 2010?

Bertie Armstrong: The short answer is that we have submitted the start of a long-term management plan for haddock. That will require scientific work-up, but it is possible to see what shape it will be and to have a proxy for it just now. We hope that the outcome for the west coast will be more access to haddock for the small number of boats that need it. We hope that that is within the limits of what faces us between now and Christmas.

John Scott: So there is no real quick fix for that.

Bertie Armstrong: No.

John Scott: Given the problem of Norway and Iceland having unilaterally caught so much mackerel, what is your view on the mackerel negotiations? What can be done on Iceland's declaration of a unilateral approach to that catch?

Bertie Armstrong: The Scottish industry finds itself positively indignant about that. Our pelagic industry has giant catching power because, just as a car that accelerates sensibly can do twice the speed limit, the vessels in that sector have a giant catching capacity in order to cope with the weather. They have demonstrably and audibly behaved themselves in looking after the stocks, because it is entirely necessary to do so. The vessels have been a paragon of virtue—after a little blip some years ago, which was duly adjusted for—but that is not the case across the board.

The figures are pretty awful. The scientists agree that about 0.5 million tonnes of mackerel stock can be extracted. However, figures of more like 600,000 or 700,000 tonnes have actually been extracted, because Norway declared a unilateral quota in the north—tit for tat for a southern quota that has existed for a long time—and, most especially, because of Iceland's bizarre catching of 112,000 tonnes as a bycatch of a herring fishery. The picture is terrible, but the issue must be resolved properly for the Scottish pelagic industry, for which mackerel is the main stock.

John Scott: Did you say that 112,000 tonnes of mackerel were caught as a bycatch?

Bertie Armstrong: Yes, as a bycatch.

John Scott: Could that amount have been caught as a bycatch for herring? Surely that beggars belief.

Bertie Armstrong: Yes.

John Scott: In the view of the SFF, what should our Government or the UK Government do to address that huge problem?

Bertie Armstrong: The Scottish industry is by a country mile the bulk of the pelagic catching industry of the UK, which is the biggest single stakeholder in that fishery. The UK has a powerful voice, which is being used in the EU-Norway agreements. The UK must be approached for guidance and opinion on the negotiations. I hope that we are having the proper influence that such a stakeholding demands and deserves.

The current difficulty is not hard to explain. There are three coastal states: the composite of the EU, Norway and the Faroes. Because Iceland did not participate in the fishery, Iceland was not called a coastal state in capital letters, which carries a legal meaning that allows the state to participate in the negotiations. However, Iceland would like a slice of the action. It seems to have approached the issue by taking unilateral action and saying, "Look what I have done. What will you do now? You must make me a coastal state and give me a slice of the action."

A mild technical complication is that, in Icelandic waters, mackerel is good only for fishmeal,

because the fish's biological condition at the time—it is full of red feed—makes it unfit for human consumption. If caught properly and handled well—as is the case with the Scots fleet—mackerel is a high-quality, high-value, human-consumption stock. If Iceland is accepted as a coastal state, one assumes—this is what I surmise, as it seems logical—that it would be given a mackerel quota, which it does not currently have, that it could catch in international waters. That would mean that the Icelandic fishermen would not need to fish the mackerel in their own waters, which is full of red feed. I imagine that that is Iceland's long-term game. That is a stab in the dark on my part, but it seems pretty obvious that that is what Iceland wants.

The negotiations are now coloured by the fact that Norway has caught all the mackerel that it is allowed to catch in EU waters. In previous years, that would not have been detected or policed, but it certainly has been this time. Norway has not finished its mackerel fishing, but it has no access at present to the waters in which the fish are currently.

Norway does not like that one bit, now that the boot is on the other foot. It used to happen to us when the migratory pattern—which will change again over the years—was a little different. There was little sympathy for us then, and, as you can see, there is little sympathy for Norway in return.

Those are the circumstances that now prevail. In addition to Iceland's actions, the Faroe Islands are a minor participant in the situation—although they are vulnerable and frightened, and therefore will be terribly careful about the negotiations and will not give anything away easily—and the EU and Norway are at a standstill.

The whole picture is pretty awful. We, as the major stakeholder, are particularly worried by that. There must be a sensible outcome that allows us sensible access to a biologically sensible composite catch. Nobody must misbehave with the stock, as everyone has a responsibility to look after it. We have the most to lose if that does not happen, because we are the biggest stakeholder.

That is the background to one element of the EU-Norway negotiations, but the rest of the elements concern some joint stocks in the North Sea—cod, haddock and whiting—that are very important for us. We do not want to be difficult, or to turn the situation into a case of tit-for-tat, but at this point the situation is, unfortunately, just plain difficult.

The Convener: Thank you very much, Mr Armstrong. I thank you for your attendance, and ask you to provide the clerks with any supplementary information that you wish to give the committee as soon as possible.

Bertie Armstrong: I wish to make one final statement. I described the bones of the plan, but I emphasise once again that it has not yet been discussed. I am stepping out of line, but I wanted to share that embryonic thinking with the committee, rather than bleating about how difficult life is, or presenting a list of things that I want at Christmas. I emphasise that it is an embryonic plan—it will have come as a surprise to David Brew, who is sitting behind me.

The Convener: I suspend the meeting for a couple of minutes so that the witnesses can change places.

11:12

Meeting suspended.

11:16

On resuming—

The Convener: We press on to agenda item 6. The purpose of the evidence session with the Cabinet Secretary for Rural Affairs and the Environment is twofold. We will take evidence on the issues that are to be considered at the EU fisheries council negotiations and negotiations with Norway, and we will then take evidence on common fisheries policy reform. Inevitably, there will be some crossover between the subjects, but we intend to discuss each topic in turn.

I welcome the witnesses: Richard Lochhead MSP, Cabinet Secretary for Rural Affairs and the Environment; David Brew, head of sea fisheries policy; Andrew Brown, team leader fisheries reform, marine environment and sea fisheries council; and Colin Faulkner, team leader stock conservation and fishing opportunities. All are from the Scottish Government.

I invite the cabinet secretary to make a short opening statement.

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): Thank you, convener, and good morning to the committee. I am pleased to be here.

As I said in the chamber in last Thursday's debate on sea fisheries, the subjects that are under discussion are crucial to the future of our fishing communities and our seas. Between now and Christmas, we face a crucial series of negotiations that will lead to decisions on fishing opportunities for Scotland and stock conservation. We are entering a crucial defining period for the future of European fisheries policy as we prepare to negotiate the future of the broken and discredited common fisheries policy that is inflicting so much damage on our stocks and communities. I welcome the committee's

contribution to that debate and look forward to its report.

I firmly believe that the CFP is a noose around our industry's neck and I find it incredible that, although the European Commission and member states acknowledge that the CFP is failing and counterproductive, we have to live with it for another three years. The Scottish Government hopes to accelerate the timescale for change in at least some areas to minimise the damage that could be caused by the delay in achieving the change that we all want to see.

The challenges to which I referred come against the backdrop of the worst recession since the second world war, which has had a huge impact on the profitability of our industry. Poor management controls have led to unprecedented challenges for the industry in some areas, and we must learn lessons from this year.

I will be delighted to answer questions on the two issues that are under discussion, but first I will give a brief outline of our priorities for this autumn's negotiations. You would not expect me to show my negotiating hand, but I can say that we will strain every sinew to secure a fair and just deal for Scotland's fishing communities. Scotland's fishing industry needs to be given the credit and rewards that it deserves for the courageous and innovative stance that it has taken towards fisheries conservation in recent years.

We will prioritise a number of areas in the negotiations. First, we will secure more appropriate management measures for the west coast of Scotland white-fish fleets. We will also secure modest increases in quotas such as monkfish and megrim, when we think that such increases can be justified. Secondly, we will seek a fair settlement on mackerel. Mackerel is our second most lucrative stock and is currently being overfished by others; we want the overfishing to be eradicated—I think that members discussed the issue with the previous witness. We want the governance of the mackerel stock to be put on a sound, long-term footing. We also want decisive action to be taken on discards, including real progress on moving towards a catch quota system, in particular for our key white-fish stocks. We will work with like-minded member states in trying to achieve that fundamental change.

On the future of the CFP, our authoritative inquiry into the future of fisheries management has delivered its interim report and we look forward to its final response in spring. As I have said many times, our guiding principle throughout the process is that decision-making powers must be returned to Scotland. It is vital that powers are returned to member states, to allow them to decide how best to manage their own fisheries and, when it is

appropriate, to work with other states on a regional basis, hand in hand with fisheries stakeholders.

I am happy to take questions from committee members.

Bill Wilson: We have taken quite a lot of evidence on the maximum sustainable yield approach to fisheries. Doubts have been expressed about the practicality of the approach. Fish live together, of course, and are sometimes inconsiderate enough to eat each other. Is it possible to set maximum sustainable yields for a range of stocks simultaneously?

Richard Lochhead: I certainly think that we must have long-term targets for stocks in our seas. There are two elements to your question: first, whether we should have the principle of maximum sustainable yields—clearly, we have signed up to international agreements that mean that we must try to achieve targets by 2015—and secondly whether the approach can realistically be achieved in the current regime. I agree that achieving any of the targets will be very challenging in the current fisheries management regime.

We are making substantial progress on a number of fronts. Nine out of the 14 major stocks in Scotland are being fished sustainably, where the science is available. There is much success in Scottish fisheries management. However, many challenges lie in the fact that the fundamental building blocks of fisheries management are flawed. Of course, much of that is decided through the common fisheries policy.

John Scott: You will be aware that as a result of the ratification of the Lisbon treaty co-decision making will come into place, which will have an effect on how regulations are made and promulgated. What will be the process for deciding on the technical measures associated with TACs and quotas for 2010, and when are such measures likely to be put in place?

Richard Lochhead: It might take quite a long time to answer your question. You are right to say that the Lisbon treaty impacts on the decision-making process, primarily because there will be co-decision making and a much enhanced role for the European Parliament. I recently met the chair of the European Parliament Committee on Fisheries, to discuss with her our keenness to work with the committee in the times ahead, given the new process that will be in place.

The Council of Ministers will still take decisions on issues such as quotas and effort control; everything else will be subject to co-decision. The technical measures regulations are to come before the November council at short notice because the European Commission wants to get some things agreed before we go to co-decision, which by its nature will involve the Council of Ministers,

member states, the Commission and the European Parliament and will take longer—it will take many more months to reach decisions.

Now that the Lisbon treaty is going ahead, we are in discussions about the timescale for implementing decisions. In outline, the difference that the Lisbon treaty will make to us is that it will take much longer to reach decisions and the European Parliament will have much more influence, through the co-decision framework. As a result, the Commission has put the technical measures regulations to the November council at short notice, to try to escape the time delays that will come with the new decision-making process under the Lisbon treaty.

John Scott: So the process will be a great deal harder in the future.

I do not expect you to reveal your tactics, but what outcomes do you hope to achieve with regard to possible emergency measures in the west of Scotland in 2010?

Richard Lochhead: That question takes me back to last year's negotiations, when, yet again, we were faced with a bolt-from-the-blue proposal to effectively close down the west coast of Scotland. We struggled hard to allow the fishery to continue in practical terms. Of course, the regulations that replaced the original regulations have created a very challenging and complex situation and, although I maintain that the situation is not as bad as it would have been if we had accepted the Commission's original proposal, things have been made difficult for the west coast of Scotland white-fish fleet and the Shetland fleet. Although they, too, have made things very difficult, the current catch composition rules are a lot better than the original rules that the Commission put forward, which would have made things even more impossible for the west coast white-fish fleet. Nevertheless, the rules are a problem, and our first priority is to try and remove from them haddock, which, after all, is the mainstay fishery for the west coast white-fish fleets.

Secondly, the west coast of Scotland task force is up and running and seeking alternatives to the current regulations. We are also finalising with the Commission the details of a long-term management plan for haddock on the west coast. We hope that that will be successful, but time will tell with the negotiations.

John Scott: Bertie Armstrong conceded that a long-term haddock management plan would not—indeed could not—be a quick fix. Can you offer west coast fisheries any hope from this year's negotiations or are they simply facing more misery?

Richard Lochhead: If we are successful in changing the catch composition rules, that will be

a huge relief to the fleet. Moreover, we are trying to find alternative but justified fishing opportunities for the west of Scotland fleets. For example, as I said in my opening remarks, such opportunities would be created by increasing the quota for very high-value species such as monkfish and megrim. I have to remind myself of this as well, but when we talk about quotas we tend to get bogged down in numbers, quantities and so on and forget that the economic value of species to the fleet varies significantly. Even a modest increase in the quota for monkfish and megrim would have an economic effect on the west coast fishing industry out of all proportion to that of some of the other stocks that we have been discussing.

The Convener: ICES and the EU do not seem to have any new data for the west of Scotland to find out where things should be going in that area. How are you dealing with that situation?

Richard Lochhead: We are dealing with it, but one very frustrating element has always been the time lag between CFP decisions and our putting in place the various management measures with the new science available. I hope that in a few months' time we will be in a much better position with the science; I realise, however, that the negotiations will take place in the next few weeks.

As part of the west of Scotland task force's work, we agreed with the industry to give extra resources to west of Scotland science. Furthermore, we and the industry have drawn up the plan for the scientific surveys, which are being put in place. However, it might be next March before those surveys are carried out. That is what I mean by the time lag; if the surveys are not done at the right time of year, the information that they provide is not of much use. My colleagues will intervene if I am wrong, but my understanding is that next March is the best time for the surveys to take place.

Liam McArthur: I reiterate the welcome that I gave in last week's debate to your stance on the monkfish and megrim quota, in which, as you indicated, the science tended to justify an uplift.

You talked about the bolt from the blue in relation to the proposals on the west coast. As you know, the alternative catch composition arrangements that were agreed to were also a bolt from the blue. Clearly, in a negotiation you do not want to declare your hand and it is difficult to predict how the Commission or the presidency will play their hand. How will you ensure that, this year, there will be no similar bolts from the blue to contend with from our own side and that those who are most directly affected will have involvement in the discussions about the proposals that are being put to the Commission?

11:30

Richard Lochhead: I wish that I could give a guarantee that there will never be any bolts from the blue from European negotiations at the talks, but our experience over the past decade is that we cannot give such a guarantee. However, we have put a lot of effort into making points to the European Commission about the problems that we have encountered as a result of the regulation that it imposed on us last time round, and into suggesting alternatives. The indications are relatively positive that the Commission is open to alternatives or at least to relaxing and changing some of the existing regulations.

As ever, we cannot expect what we get to be as good as what we want, but we hope to come to an arrangement that the industry will find to be a step forward. We have worked closely with the industry; throughout the year we have worked in tandem with the industry on the west coast to try to suggest changes.

Liam McArthur: John Scott pursued a line of questioning on the consequences of the Lisbon treaty and the decoupling of TACs, quotas and effort from the associated measures. To pursue a more flexible approach to the management regime, your predecessor and you have tried to introduce technical measures where possible. As a result of the decoupling, is there a risk that the Commission will take a harder line on the TACs, quotas and effort because it does not know what will be signed up to with regard to the associated measures, and that we will therefore end up with an even more restrictive or complicated regime?

Richard Lochhead: When we suggest one measure, the Commission's first response is always to seek assurances that there will not be unintended consequences for stocks or for the rest of the negotiations that are taking place. As you can imagine, the Commission speaks to the Irish about the west coast of Scotland, and they do not have exactly the same concerns as we do over the same measures; they are making a separate case to the European Commission on separate issues on the west coast of Scotland. Negotiations are therefore at the stage at which we cannot predict what will come out at the other end.

As you know, decoupling the stocks that are being fished more sustainably from cod has been the big challenge over the past few years. The crux of many of the challenges that we face is the fact that the fleet is being frustrated in its efforts to catch sustainable stocks because of the cod recovery plan and the effort to rebuild cod stocks. The situation is particularly painful because we have other rich stocks in our waters, which can be fished sustainably. We want to find ways to allow the fleet to catch those stocks but, because of the cod recovery plan, if the fleets are fishing the

same waters or are catching some cod, they are clearly coupled. We are trying to get as much decoupling as possible.

Liam McArthur: In the past, the Commission has been frustrated that the Council of Ministers has not gone as far as it wants it to go, so it has adopted an approach of opening the negotiations with a fairly outlandish position on the assumption that it will be brought back towards the centre. Clearly, in relation to the European Parliament's involvement, the Commission will have an additional concern that parliamentarians representing some of the areas most directly affected will want to see the introduction of technical measures or of greater flexibility in the system. Is there a risk that that will harden the Commission's line on TACs, quotas and effort, on the assumption that it will have to concede more in relation to the associated measures?

Richard Lochhead: I hope that that is not the case. The Commission's thinking cannot be predicted, but it will all depend on what the other countries who have an interest in the west coast of Scotland are saying.

In the current discussions on technical regulations, catch composition measures and so on that relate to the west coast of Scotland, the focus is very much on trying to get decisions in November that will enable action to be taken in the future without going through the co-decision process in the European Parliament. We are trying to ensure that the agreement that is reached in November will give member states, the Commission or whoever the flexibility that will enable them to avoid the co-decision process kicking in in the future.

Alasdair Morgan: As long as we have quotas, they will fluctuate, because fish stocks naturally go up and down from year to year. That often has nothing to do with the amount of fishing effort in the previous year; indeed, it sometimes happens in spite of it. It is just a natural variation. Is there, or should there be, anything we can do to assist the industry to cope with changing quotas, or are they just a fact of life?

Richard Lochhead: To a certain extent, changes are a fact of life when a quota system is used to manage stocks. There is a case for being better able to respond to fluctuations, but the situation is fairly complicated because we are stuck with the annual negotiation process.

In a mixed fishery, the crux of the issue that faces fisheries management is that stocks fluctuate and that quotas are in place for 12 months. It is extremely difficult for the quotas to keep up with the fluctuations, as the next negotiation has to be waited for. The process of managing our quota could be improved. At the

moment, vessels might be forced to discard large quantities of a stock in our waters because they do not have quota, even though elsewhere there is unused quota for the same stock. That is a symptom of the quota system. We certainly feel that there is a case for exploring how the system can be made more flexible. A more sensible approach to the management of quota would stop skippers having to dump fish over the sides of their boats, but there is no simple answer. As long as we have quotas, we will face some of those dilemmas.

Alasdair Morgan: Perhaps Mr Faulkner can give you a simple answer, although I doubt it.

Colin Faulkner (Marine Scotland): I am not sure that it will be a simple answer. The one addition that I want to make to what the cabinet secretary said is that the present situation underlines the need to move towards long-term management plans for most stocks, because most long-term management plans include clauses that limit upward and downward fluctuations in quotas from one year to the next. Most of our principal stocks, including almost all our pelagic stocks and a large number of our white-fish stocks in the North Sea, are managed under long-term management plans. It is a good point to make that there is a need to smooth out the fluctuations from one year to the next, and the best way of doing that is to have what we call TAC limitation clauses in long-term management plans.

Alasdair Morgan: I want to move on to nephrops, but I think that Karen Gillon has a question.

Karen Gillon: Has the cabinet secretary come up with any more imaginative ways of managing our quota and reducing discards in the coming year?

Richard Lochhead: The point was made at length in last week's debate in the chamber that 2009 has had a number of distinctive features. First, restrictions and regulations have had an impact on fishing behaviour. Secondly, the recession has had a massive impact on fishing behaviour. There are issues that we must address that 2009 has accentuated. They have probably always existed but have really come to the fore this year.

The plan that I mentioned in last week's debate, which we are discussing with the industry, will look at how we can better manage whatever quota is allocated to Scotland. The pace at which a quota is fished determines the market, the income of the fleet and the level of discards, so it is extremely important that we manage our quota better.

I will not sit here and give you the magic bullet—the perfect system for managing quota—but there are issues that can be addressed and I have given

three examples of why it is important that we do that. A couple of things can happen if fishermen do not spread their quota throughout the year. If they land it all at the same time, they can flood the market at the wrong time, or if they fish most of it earlier in the year even though the market is not necessarily demanding the product that they land at the quayside, they can end up with lots of discards at the end of the year. We have to address those issues and we will do.

Karen Gillon: I am puzzled. We have been thinking about how we deal with discards, for example, for a year. What solutions have you come up with and what options are you thinking about exploring in two weeks' time?

Richard Lochhead: That is one element of the question that you asked before. You asked whether we could manage quota better; I gave you the reasons why we have to manage it better and the sort of issues that we have to address.

Karen Gillon: I understand all that.

Richard Lochhead: You said that you were puzzled.

Karen Gillon: I was puzzled by your answer, not the situation.

Richard Lochhead: If you understood the situation and were not puzzled that is good; it is a step forward.

A lot of effort has been put into reducing discards in 2009 through the stepping up of real-time and seasonal closures, for instance. They have made a big difference, but we still have discards. It is fair to say that most people—whether the environmental non-governmental organisations, the scientists or the industry—accept that the levels of discards are a lot lower than they would otherwise be but are still far too high. Various gear trials are taking place and we hope to negotiate the ability to reward our fleet for adopting the new selective gear that we hope to develop and which will be trialled, so that the fleet is rewarded for effectively avoiding discards.

Liam McArthur: I mentioned earlier the need to avoid bolts from the blue. The committee was interested to hear the tirelessly diplomatic Bertie Armstrong suggest that the announcement of the four-point action plan during your speech on fisheries last week rather took the industry by surprise. It does not augur well that, at this point in the year, the industry is taken by surprise by the plans that ministers unveil, as we would expect them to have been developed in consultation with it. Bertie Armstrong suggested that the four-point plan provides a framework on which to build leading up to the December talks, but I am interested to know why the industry appeared to have been blindsided by your intentions.

Richard Lochhead: There are a couple of answers to that question. First, I have invited the industry to work with the Government to produce the plan and have suggested the four pillars on which it should be built. They pick up on some of the themes that have emerged in 2009, which I mentioned in response to Karen Gillon's question. As far as I can see, the industry welcomes that approach warmly because it realises that it has to take steps to make improvements on a range of matters under those four pillars. I have met most of, if not all, the major fishing organisations over the past month or so and, at virtually every meeting, I discussed my desire for us to work together on the plan. Although the four pillars have taken shape over the past few weeks, I am confident that I fully informed the industry that we need the plan to move towards a more profitable fishing sector in Scotland, and it is signed up to working with us to produce that.

Liam McArthur: There was no doubt about your intention to work with the industry, but it surprised us slightly that it appeared to have come as a bit of a surprise to the industry when you unveiled the plan.

Richard Lochhead: I hope that it was a pleasant surprise.

Liam McArthur: We are not disappointed, although there is clearly much work to do to put flesh and skin on the bones.

11:45

Elaine Murray: In answer to Karen Gillon's question, you mentioned the use in 2009 of selective gear, cod-avoidance measures and so on. Do you share what seemed to be the European Commission's concern when it announced the TACs that such measures had not changed fishing behaviour? The EC almost seemed to suggest that it might press ahead with the traditional methods of tie-up and so on to try to achieve reductions. I raised the issue earlier with Bertie Armstrong, who was concerned that the announcement seemed to have been based on poor science and that the measures had not been properly reviewed. What is your view on that? How can you change the Commission's view so that it gives the measures more chance to demonstrate whether they have been successful? From what you have seen so far, do you believe that the methods have been successful?

Richard Lochhead: The European Commission, other member states, the scientific community and the environmental community have all welcomed the trailblazing measures that we have put in place in Scottish waters, and they have all given credit for the Scottish industry's achievements in putting the measures in place.

They have also recognised that that has helped stocks at the same time. That is the backdrop to the EC's proposals, and that is why we said to the EC that we want Scotland to be rewarded and recognised for what we have done within the overall settlement.

Clearly, the cod recovery plan is at the heart of everything. The scientists say that recruitment has been poor and that mortality is still too high, but that there has been progress and the stock is recovering. I am saying to the Commission that things would be so much better if we changed some fundamental regulations to which the fleet is forced to adhere in a mixed fishery. We are trying to persuade the Commission to allow Scotland to have its own alternative regulations or regime, such as catch quotas. That would radically reduce discards, allow the fleet to catch more and be a reward for reducing overall effort on the stocks. It is disappointing that the Commission continues to go down the same road in some respects, but we hope that we can at the negotiations win the flexibility for Scotland to do things a bit differently in its own waters, at least where the problems for the mixed fishery are most evident.

Elaine Murray: Is that achievable in 2010? Obviously, there are two issues, the first of which is how we want the common fisheries policy to change in the future. Are you likely to achieve that next year?

Richard Lochhead: I will fight tooth and nail for that. In my opening remarks, I explained to the committee how utterly frustrating it is, first and foremost, for the fleet and our fishing communities, but also for everyone else involved in the debate—the Government, the Rural Affairs and Environment Committee, no doubt, and Parliament—that everyone says that the CFP ain't working, is causing damage and is a bit of a disaster, while at the same time the Commission says, "I'm sorry, but we're just going to continue as is for the next three years." I certainly feel that that is wholly unacceptable. It simply consigns the industry to three more years of pain, much of which will be needless, and it means that there will be a lack of a good stock conservation policy. Basically, the Commission is saying "We know this policy's rubbish, we know it's not working, we know it's bad for stocks and fishing communities, but we're just going to continue with it for another three years." We think that that is unacceptable.

I will therefore fight tooth and nail at this year's negotiations to try to get at least some fundamental changes, whether that means Scotland's industry piloting new ways of doing things in the mixed fishery, or whatever. We will fight for the principle.

Elaine Murray: You will work hand in glove with the UK Government to try to achieve that.

Richard Lochhead: I am pleased that the UK Government seems to be making sympathetic noises about Scotland's case. I will certainly hold to that.

The Convener: I invite Alasdair Morgan to return to nephrops.

Alasdair Morgan: The minister is aware that the west coast sea and the North Sea are regarded as having several stocks. However, we are told that the problem is that the TAC is set simply for the whole west coast and the whole North Sea, which can lead to overfishing of certain stocks. For example, boats will concentrate on the stock nearest the shore because that saves on diesel. ICES has recommended that each stock should have a separate TAC. Will you argue for that?

Richard Lochhead: We are arguing for the opposite, because huge management issues would arise from what the scientists have called functional units and from our large prawn fleet suddenly having different quotas for different boxes in the sea. We must strike a balance: we must recognise where we want less fishing pressure and we must direct the fleet to where stocks are available. The sudden movement to functional units that was suggested under the original quota proposals from Europe would have led to massive quota decreases in some areas of the sea and massive quotas remaining in other parts of the sea. That approach would be difficult because either all the vessels would head to one area or we would have to come up with a regime that somehow managed and divided the prawn fleet, and gave the functional units separate quotas and separate days at sea. That would be a mammoth task at this stage. A change in methodology was proposed by the scientists, but we have, I hope, managed to see that off for the time being with the global quota. We will have to work with the industry to ensure that there is not too much effort in certain areas.

Alasdair Morgan: I presume that the scientists think that what has happened is in some way detrimental because stocks or functional units are not interchangeable. It is not simply a matter of fishing one stock out and the fish from another area moving into the area that has been fished out. The problem is that the quota is being assessed on the totality of stocks, but the fishing effort may be disproportionately in one area. Is there no evidence of that being a problem?

Richard Lochhead: I cannot say that there are no differences in stock sizes in each area. As far as I am aware, at the moment, the bulk of the fleet fishes in areas where the stock is being sustainably fished; obviously, we want to safeguard against that fishing pattern changing. I would certainly be happy to write back to the committee to give it more information about fishing

patterns, but my understanding is that the fishing patterns are geared towards where the stocks are and the most sustainable areas.

Alasdair Morgan: Okay. That would be helpful.

Marine Scotland told us that the TAC that was set for the North Sea area was too low and that that was basically because the Commission had made a mistake in its calculations. Are you aware of that problem? Do you expect that any issue will be raised in relation to getting that rectified?

Richard Lochhead: I will have to check the evidence to which Alasdair Morgan refers, because I am not sure about the timescale. The proposals were changed recently, but I am not sure whether that was before or after the mistake to which you referred. At the moment, a 7 per cent decrease in the North Sea prawn quota is being proposed. I am not sure whether you are saying that that was proposed before or after the mistake.

Colin Faulkner: There is a difference of opinion between the Commission and many member states about exactly how the nephrops advice should be interpreted across a number of nephrops stocks in the North Sea, the sea west of Scotland and the Irish Sea. One issue that we have brought to the Commission's attention is that its proposal for a 7 per cent cut in the North Sea quota may not be the arithmetically correct figure to have arrived at, based on the ICES advice. There are several ways of interpreting that advice when people come to translating it into a TAC for the North Sea. We are continuing discussions with the Commission on how the ICES advice for the North Sea should be correctly interpreted when it is being translated into a TAC. Exactly how the TAC should be calculated is a fairly complex issue, but we are fairly reassured that the Commission has simply got its sums wrong with respect to the particular case in the North Sea.

Alasdair Morgan: Regardless of whether there has been a mistake and the sums are wrong, or there is a difference in interpretation, how confident are you that the Commission will see the error of its ways?

Colin Faulkner: We are reasonably confident that it will, but I would not be willing to give a hostage to fortune at this stage.

Bill Wilson: We have evidence to suggest that creel fishing produces a slightly more economically valuable nephrops catch, with all the appendages attached. The Marine (Scotland) Bill will, I presume, allow for spatial planning, with the possibility of specifying certain areas as being for creel fishing only, which could form part of the fisheries management tool. Do you envisage the bill forming part of the fisheries management tool in such a way?

Richard Lochhead: We are setting up inshore fisheries groups, which we view as being the best platform for considering such issues. It is early days for regional marine plans in Scotland in terms of where they will go and what they will look like, but future legislation will come through the common fisheries policy or inshore fisheries legislation, rather than the Marine (Scotland) Bill.

Bill Wilson is speaking, I think, about having a plan, and there will be an opportunity for regional planning partnerships to consider the matter. I cannot look into a crystal ball and predict how things will go in that regard; the people on the inshore fisheries groups should dictate that.

Bill Wilson: What if, for example, the national plan assessed fisheries management down to the level of the regional plans with a new tool under the Marine (Scotland) Bill?

Richard Lochhead: There are two separate issues there: the plan, and how it is enforced. Enforcement of the plan would come through marine legislation. One should consider the value of having something in the plan that can actually be enforced. It is good to have that debate at any rate, and it is one that we will be having.

John Scott: I invite you to speak about the mackerel situation. A bleak picture is emerging, as you know better than I do. Talks between Norway and the EU have stalled, and Iceland has unilaterally annexed 100,000 tonnes of mackerel quota. That all impacts on our fishermen, and the Scottish Fishermen's Federation is hugely concerned about the situation, as are we. Do you have any solution to what appears to be an utterly intractable problem? Might we call it a matter of diplomacy?

Richard Lochhead: It is a difficult and challenging issue. The mackerel stock is of great value to Scotland, and we are very concerned about the long-term situation in particular. It is both a short-term and a long-term problem, but the situation primarily concerns the medium to long term. The outcome of the negotiations over the next few weeks will dictate what will happen in the longer term, and what share of the stock we will have.

We are furious at the Icelandic unilateral quota that has been established, which potentially represents an overfish of 112,000 tonnes, as we have heard. That is disgraceful: it is not the way to manage what is a very important stock for all the coastal EU countries concerned—and Scotland has the biggest stake in the stock. We have fought the move vigorously and, so far, we have the European Commission's support in taking the strongest possible line with Iceland. There are further issues with the Norwegians.

We are taking the strongest possible line on all those issues. The future of the mackerel stock is very much a priority for the Scottish Government, given the importance of the pelagic sector to Scotland. Despite how unsatisfactory the situation is, and despite how we got here, we are where we are. We must now be concerned about the sustainability of that very important stock. We need a conclusion to the matter that puts management of the stock on a long-term sustainable footing. Whether we like it or not, those 112,000 tonnes of fish have been caught and landed. That is appalling, but it is a fact that we must take into account in respect of future management of the stock and of quotas.

Colin Faulkner is our main man when it comes to the EU-Norway negotiations. He is very much at the forefront of our representations, and attends meetings with the Norwegians, the EU and the Icelanders. I will ask him to speak in a second.

On the bigger picture, we will take as long as necessary to get the best result for Scotland in the negotiations. You are correct that they have stalled and that the first week or so of negotiations has been difficult, but that is necessary to get the best outcome. We will take as many weeks and months as necessary—I hope that it will not take that long—to get the right result for Scotland. We have many of the aces in our hand, but we must play them carefully and the European Commission and the UK Government must ensure that they do that on our behalf. It is also in the Norwegian and Icelandic interests to get the best result for the stock and to bring the negotiations to a sensible and mature conclusion.

Colin Faulkner may want to add to that, as he is at the forefront of the battle.

12:00

Colin Faulkner: Indeed—it takes over my life.

The issue is a huge problem and the SFF is right to be extremely concerned about it. We are grateful to the SFF and the Scottish Pelagic Fishermen's Association for their helpful input into our negotiating position on mackerel. On a solution, we wish to head in a couple of directions. Generally speaking, we are in line with the European Commission, although there are differences of emphasis, shall we say. We want to invite Iceland to become a coastal state and a contracting party to the mackerel agreement, which would give it a very small share of the overall quota allocation of mackerel. That share would be substantially smaller than the quotas that Iceland declared for itself for 2008 and 2009. I would rather not get into specific figures, but it would be substantially smaller than the amount that Icelandic fishermen currently catch.

At present, we are in the ironic situation that the sustainability of the stock is relatively good and the stock is relatively healthy, whereas governance of the stock has stalled. Very often in international negotiations, the problem is the other way around. Given the difficulties with some of our other pelagic stocks, not least blue whiting, we need to nurture the mackerel stock carefully and not take any short-term rash decisions that might undermine its health. So we want to invite Iceland to be a coastal state. We also want a longer-term deal that would protect Scotland's quota share within the mackerel agreement and ensure that that share cannot be attacked by other coastal states for several years to come.

The negotiation is complex but, as the cabinet secretary said, we have several aces in our hand and we need to play them carefully. The second week of negotiations on mackerel will be in Edinburgh the week after next. This year, it will take at least two weeks to sort out mackerel, whereas historically it has usually taken a day and a half. That gives members an idea of the complexity of the issues.

Bill Wilson: If Iceland gets a share in the mackerel quota, which it did not have previously, what impact will that have on the Scottish fleet's quota share? What is the long-term prognosis? The process sets a precedent that, if a nation or negotiating state—or whatever we want to call it—wants a share of a certain quota, it could just bycatch the fish in vast numbers and say, "Now you have to give us a cut of that quota."

Richard Lochhead: That is a fair comment—we must avoid that precedent being set. However, we are talking about a migratory stock and the relevant countries should be involved to an extent in negotiations on its long-term future and management. That is why we are where we are with Iceland. The situation will be subject to negotiation in the future, given that Iceland is applying to join the EU. We cannot ignore that, either. We will do our utmost to protect Scotland's interests.

Ultimately there will be an impact on Scotland if there is a change in the share-out of the mackerel stock. There is that potential. We will fight to avoid that, but if it must happen we will try to minimise the impact. I do not have a crystal ball that enables me to know how the negotiations will go. It will depend on the stock's health. We must remember that the stock is being fished sustainably. Last year, we secured a 33 per cent increase in the mackerel quota; that was substantial. Even though that will not happen this year, we still have a good share of the mackerel stock and we must maintain it in the future.

John Scott: Given the state of the Icelandic economy and the country's unilateral annexation

of quota, which is a desperate measure, how can Scotland's quota share be protected, either by the UK or by the EU? What measures are open to the Scottish Government, the UK Government and the EU to bring Iceland, which is in a parlous state, into line?

Richard Lochhead: We do not want Iceland's accession to the EU to come at the expense of Scottish fishermen. We will communicate that clearly to the UK Government as part of the overall accession negotiations. The European Commission is also well aware of our position.

I qualify that only by saying that the mackerel stock can be fished by states that are currently outwith the EU, so it is perfectly sensible for the EU to pursue a regime that manages the stock's long-term sustainability. If the right decisions are not taken now and the stock is jeopardised at some point down the line, the Scottish industry will be penalised and there will be huge ramifications for the pelagic sector in Scotland. We must find a balance.

Colin Faulkner: It is important to remember that mackerel, unlike most white-fish stocks, is a migratory stock. The stock travels from the coast of Spain to the north of Norway over the course of a few months. Its migratory patterns are changing—they often change over several years—and the stock is much more present in Icelandic waters than it used to be. Under the United Nations law of the sea, if a fish stock is present in a country's exclusive economic zone, the country must be entitled to have a share of that fishery.

The situation has been brought about purely because of the change in migratory patterns of mackerel. That change is less favourable to the EU; other current changes in migratory patterns are much more favourable to the EU and much less favourable to Norway, which cannot catch stock, as was mentioned earlier. We must remember that what has happened is purely a reflection of a change to the biology of the stock and that such change is entirely to be expected.

Bill Wilson: Does that mean that if a fish no longer appears in a country's waters, the country might lose its right to quota?

Colin Faulkner: In theory that could happen, but it is not likely to happen to Scotland in relation to mackerel. It is very rare for a coastal state to lose its status in the negotiations. In theory, a state's quota share might be reduced to a considerably lower level. You must remember that relative stability does not exist in the coastal states negotiations. There is relative stability with respect to individual EU member states' share but not between the EU, Norway, the Faroes, Iceland and so on. That is always subject to change.

The Convener: We heard from Bertie Armstrong that some of the herring that is caught by Iceland is not fit for human consumption.

Elaine Murray: There has been concern for years about the industrial fisheries in the North Sea, partly because of the mesh size of nets, which catch juveniles of other species, and partly because sand eels, for example, are prey to other species that our fleet catches and in some areas to sea birds, the numbers of which have declined. Do you have any concerns about the sustainability of the industrial fisheries, which are not fished by our fishermen but are important to Norwegian and Danish fishermen? Are those industrial fisheries sustainable or should we negotiate on them in light of the possible effects on the stocks of species in which our fleets are interested?

Richard Lochhead: That has been a massive issue in the past few years. Steps have been taken in recent years to implement much better arrangements to protect our industrial fisheries. Sand eels are the biggest concern to Scotland, and we have stringent measures to protect them. There are concerns in the EU about other industrial fisheries, which continue to be a massive problem in fisheries that are not really relevant to Scotland. I am always concerned to ensure that we monitor the impact of fishing patterns on industrial fisheries, but, at the moment, we have appropriate arrangements in place to protect our sand eels fishery. Perhaps officials are aware of issues with other industrial fisheries.

Andrew Brown (Marine Scotland): On sand eels, we have had a closure on the Wee Bankie for several years. The latest scientific evidence indicates that the sand eel stock is not recovering as expected, despite that closure. It seems that other factors might be having an effect on sand eel populations, such as climatic factors.

Bill Wilson: We have been told that the effect of the Treaty of Lisbon is that the Wee Bankie closure cannot be included in the TAC and quota regulation for 2010. Will there continue to be a Wee Bankie closure beyond 2010?

Richard Lochhead: Yes, as far as I am aware, but I invite officials to explain the background to any technical issues.

Colin Faulkner: It comes back to the Lisbon treaty. Future TAC and quota regulations will cover only issues relating to TACs and quotas; they will not, generally speaking, make legal provision for what are euphemistically referred to as "technical measures", such as closures and gear size. Those technical measures will have to be dealt with via a different legislative vehicle. The current legislative vehicle of the TAC and quota regulation will no longer be appropriate for the likes of the Wee Bankie closure, but other

legislative vehicles will be found to take it forward. The most likely route is via the technical conservation regulation, a framework for which will be agreed at the November fisheries council next week.

Bill Wilson: Presumably there must be a cross-reference. If you close a fishery such as the Wee Bankie and say that people cannot fish there, the overall quota must be reduced, otherwise more sand eels will be taken from elsewhere.

Colin Faulkner: Yes. The closure is separate from the TAC issue. The North Sea sand eel TAC will be decided by a harvest control rule. That is reviewed every year by ICES and, as a precautionary measure, every year it recommends that the Wee Bankie closure should remain in place. ICES factors that closure into the harvest control rule in TAC setting.

The Convener: Cabinet secretary, what do you see as the main role of CCTV on board fishing boats? In relation to discards, if the total catch is landed, what effect will that have on markets? Is there a possibility of opening new markets and having new rules for some of the discards that will now be landed? Is it a case of minimising or eliminating discards?

12:15

Richard Lochhead: I will start with your second point and then answer the first. It sometimes feels like I have spoken to every single white-fish skipper in Scotland over the past fortnight, although it must have been only about 60 at the many different meetings I have attended. Everyone accepts that the current level of discards is unacceptable and that steps have to be taken to reduce them.

We use the word "discards", but what does it mean? The discards that we are most concerned about involve the discarding of marketable fish, which we all recognise as being a complete waste. We are talking about phasing out and eliminating discards, but I cannot sit here and say that there will never be any discards in our fishery or in our seas, as it is clear that the practice has been around since time immemorial.

However, we have made tackling the wasteful discards that currently take place a priority. That would mean several things for the fleet. First, it would have more fishing opportunities, in that it could land more of the fish that it catches. We hear a lot of opposition to reductions in quotas, which shows the value of landing more fish, as the fleet would like to do. There are other ways to achieve that, but if we can shift a greater number of what the scientists currently count as discards into the amount that the fleet is allowed to land, there will be fewer discards and more fish will be landed, which will bring more income for the fleet.

That would also be good for conservation. Under the current quota system, from what I hear from fishermen, the fleet spends a lot of time steaming for fish that it must discard overboard, and then steaming for more fish, some of which it is hoped it can eventually land. If the fleet could land more of what is currently discarded, less effort at sea would be required. That would mean less effort on the stocks, which would be good for fish conservation. It would be a win-win-win situation, which is why discards are such a priority. I do not think that anyone believes that the current level of discards in our seas is morally acceptable.

If we want there to be a fundamental change in the current mixed fishery system—a system that Bertie Armstrong eloquently demolished as wholly inappropriate—we must have an alternative. If we are to move to a system of catch quotas, in which we examine what is taken out of the sea and not what is simply landed ashore, in order to cut out as much as possible the middle bit of the discard process, we need to have a new regime.

The key to any new regime of catch quotas is to audit and document what happens at sea, so that we can understand it. If we do that, we need to be assured that discards reduce rather than stay at the same level, and that more fish are landed, because otherwise it would be a lose-lose-lose situation for everyone concerned. We need a system to record what happens, if we are to allow more of what is currently discarded to be landed ashore.

One means to that end is CCTV, which has been piloted by the Danish and which we are currently piloting in our waters. There are other potential methods, although they may be more expensive, more difficult or not as accurate. CCTV is one of the advanced technologies that could be used to document what happens at sea, to allow the new system to be introduced.

We propose that we pilot in Scottish waters not only CCTV but a system of catch quotas. CCTV may be one option to allow that to happen. The system would be voluntary, and we would not sign up to it if there was not enough of a reward for the fishermen to participate—we expect that the fishermen would not sign up to it either. We would expect the fishermen to be allowed to land a lot more of their catch, rather than having to discard it as they currently do, as the reward for participating in a catch quota regime. That is where we stand at the moment; other EU member states are considering similar initiatives.

We have discussed fishing policy for an hour and 15 minutes, but we have not yet discussed the consumer who eats the Scottish seafood that is landed. I believe that consumers, retailers and buyers want to move to a discard-free fishery in future years, and the sooner Scotland can come

up with some innovative ways to get there, the better. It is clear that some fundamental changes to fisheries management are necessary. We have to stop regulating what is landed ashore, and regulate instead what is taken out of the sea. Our fishermen agree that that is the way forward.

The Convener: Has that answered your question, Liam?

Liam McArthur: No, it has not.

The Convener: I formulated your question, Liam. Let us move on, because we really have—

Liam McArthur: I did not know that you were going to move on to that subject.

As the cabinet secretary said, Bertie Armstrong demolished the arrangements as they apply to mixed fisheries, but he also demolished the argument on CCTV. He said that there is a real concern that CCTV will be sold for “a wee bag of sweeties” and will provide the perfect control measure for an imperfect system. Although the proposal itself might be workable, it will work only in a fundamentally revised management system. Has the cabinet secretary articulated a revised management system, or does he have a clear view of what a revised management system would be? Will he reserve his position on CCTV so that it is not, as Bertie Armstrong feared, likely to be sold for a short-term gain?

Richard Lochhead: If we are to secure the fundamental changes in the management of mixed fisheries that are sought not only by Bertie Armstrong but by most sensible people who have an interest in the future of our fish stocks and our fishing communities, we need an alternative regime. If we are to have a catch quota system, we need some way of understanding and auditing what happens at sea. We could use sensors to record when the equipment is put in the sea, or we could use CCTV to provide real-time recording of what is discarded, or we could put an observer in every boat. Other choices might also be available, so we are discussing what alternative ideas the industry might have for any catch quota system.

The CCTV proposal signifies what is available in the 21st century. Although we could pay for an observer to go out in every boat, I am not sure that that is a realistic option. Other countries use CCTV in their fisheries. It has been trialled by the Danish and other member states have expressed an interest in it. We will trial it in Scottish waters. I am not sure what any fisherman should have to fear from CCTV. We need to manage and conserve our stocks and we need to move to catch quotas over time or to some new alternative management regime, therefore the question is what that regime should look like and how we could implement it. As I said, the scheme that we have proposed would be voluntary, but we would need some way of documenting what happened at sea.

The Convener: We move on to questions on the reform of the CFP. I am conscious that time is marching on, so I ask members to keep their questions brief. Perhaps the answers could also be kept as succinct as possible.

John Scott: I will keep my question very short.

Much of the talk about future reform of the CFP is about regional management. What is the cabinet secretary's vision on how that could and should be implemented in Scotland? In his view, will regional management result in less short-termism in the decision-making process?

Richard Lochhead: I want what is best for the future of our fishing communities and our stocks. That means looking at the circumstances that we face in Scottish waters and putting the best management regime in place for that. One reason why we set up the inquiry into the future of fisheries management was to look at alternatives to the CFP—which the Commission and everyone else in Europe now accept is not working—and to look at what is best for Scottish waters and Scottish circumstances.

My vision is that a management regime that is suited for Scottish waters is put in place as soon as possible. As part of that, decisions on management should be taken in Scotland in conjunction with our own fishermen. That will require bringing power over fishing management back to Scotland. As I said in my opening remarks, that is our guiding principle on the future of European fisheries policy.

We are in the common fisheries policy at the moment. As part of the reform, we will put the case on why powers over fishing should be repatriated to Scotland. We will also include in our response the various fisheries management issues that we think need to be changed.

On regional management, irrespective of the outcome of the constitutional debate, we will clearly still need to work with neighbouring countries—we have always said that. Other countries share our stocks and fish our seas, so we will need a regional arrangement to manage those stocks. Norway is not in the CFP, but it has an arrangement with the EU to manage joint stocks.

The coastal states that are not in the EU or the CFP share stocks and need to manage those stocks with the EU. It has therefore always been a fundamental principle of our Government to work regionally with other states, whatever form that work might take as a result of the forthcoming negotiations.

Would regional management lead to an end to short-termism? I hope that it would be a huge step forward and it could end short-termism, but would

it be totally perfect? Probably not. We are dealing with a very complex issue, but working with other countries that have vested interests closer to home and not all the 27 member states—some of which are landlocked but sometimes have more of a say over our fisheries than we do as a major fishing nation of Europe—would be a big step forward in bringing decision-making powers closer to home.

The Convener: So what should the role of a reformed CFP be? What should its objectives be? How should they be prioritised? What should happen if they come into conflict?

Richard Lochhead: Those are big questions. Our vision is to get back control of Scotland's fishing grounds to 200 miles. If we are still in the CFP, we will fight for as much reform as we can get and to change for the better many of the failed current approaches to fisheries management.

Just as Europe has a marine strategy framework directive, for example, which provides the broad-brush aims of marine policy but leaves it to member states to formulate their own policies and to put them into practice, regional fisheries management would be a huge step forward compared with where we are now. If we are still in the CFP after the negotiations and are looking for change because we cannot get out of it because of current arrangements, the more power and influence that we can bring back to Scotland, the better. It would also be better if high-level objectives were discussed at European level and the detail of the road maps, route plans and fishing plans were left to member states.

Liam McArthur: Cabinet secretary, you will be aware that the Commission's green paper refers to overcapacity in the fleet as a fundamental problem. Indeed, your inquiry into fisheries management acknowledges that there are capacity issues. We agree that the Commission's view of too many boats chasing too few fish is rather simplistic. Looking further ahead, it might be helpful if you could articulate how the capacity issue could be managed over the short, medium and long term.

Richard Lochhead: That is a good question, and the European Commission is constantly raising the issue.

One of my problems with the CFP is the fact that the European Commission's approach to overcapacity simplifies what is not a simple issue. First, each sector of Scotland's many different fishing sectors has a different make-up, so the debate about capacity will be different for each sector. It cannot simply be said that Scotland is over or under capacity.

Secondly, the Commission's approach is simplistic because it seeks to divorce the debate

about capacity and whether there are too many fishing vessels in our waters from fisheries management. If we keep getting fisheries management wrong, stocks will decline, boats will become unprofitable, and we will be over capacity. The capacity issue cannot be considered separately from fisheries management. If we get fisheries management correct, there will be more fishing opportunities and profit for our fleet and, we hope, fewer people will be able to say that we are over capacity.

To answer your main point, and looking to the future, as part of the plan that we are talking about we want to discuss with the industry and build for the future. We want to look what we want the fleets—it is plural because there are different fleets in Scotland—to look like in the years ahead. We have to understand that because vessel technology is advancing, which means that vessels will become more powerful, and we have to know what impact that will have on fish stocks.

There is also the profitability issue, which is about the kind of fleets, vessels and operations that are the most profitable. In future, we envisage a sector-by-sector approach. The Scottish fisheries council, the Government's advisory body on sea fisheries, already has working groups on individual sectors up and running. One of the issues on those groups' agendas will be capacity.

12:30

Liam McArthur: You will be aware from the work of the council and from discussions with the component parts of the industry that decommissioning has started to creep into the debate. Are you confident that you can articulate a view about where the policy is going and therefore about the enhanced profitability and viability of those parts of the fleet so that the calls for decommissioning will not intensify, particularly after the negotiations?

Richard Lochhead: I am sure that the debates on capacity and profitability, and even on decommissioning and restructuring, will be influenced by the outcome of this year's and future years' negotiations. Scotland has already made a significant sacrifice by reducing capacity, particularly in the white-fish fleet. Therefore, I feel that we have paid our fair share. Of course, times change and things move on and the debate might never quite go away, but we have made a significant sacrifice in reducing capacity in the North Sea and elsewhere.

There is a chicken-and-egg dimension to the debate, but if we get the fisheries management changes right in the first place, that will remove much of the case for considering capacity issues, because vessels will make a better profit. That is another big influencing factor.

Karen Gillon: In our budget discussions, you did not rule out paid tie-up as a mechanism for the coming year. Will EU state aid rules allow you to do that without moving to decommissioning?

Richard Lochhead: I did not rule that out in the budget discussions because we have not ruled anything in or out, as we must first have the negotiations in Scotland. The background is the tough financial situation that the Government faces, of which the member is well aware. Any decisions along those lines would have to take into account value for money and long-term benefit. We will see where that debate takes us in the next few weeks. My understanding is that, under European regulations, we can use European fisheries fund money for tie-up schemes. I am unaware of that being tied to compulsory decommissioning, but I ask officials about that. I am sure that we can do that separately.

David Brew (Marine Scotland): A limit is set out in the operational plan that restricts any payment over the full period to 2013 to £1.52 million. Beyond that, state aid approval would need to be sought specifically for any tie-up activity.

Richard Lochhead: I think that that is the main constraint.

Elaine Murray: I have questions about some of the suggestions in the green paper on the reform of the CFP. You have previously expressed your views on some of them, but we cannot totally divorce the negotiations for next year from the general direction of the CFP, so do you wish to add anything on the options for managing fisheries? One suggestion is for rights-based management and tradeable quotas. You have talked previously about moving from TACs to effort quotas, but do you want to say anything further on that? Should we apply an ecosystem approach to fisheries rather than single-species management? Is a specific regime required for inshore fisheries?

Richard Lochhead: I think that I have picked up most of your points, but come back at me if I miss any out.

Our key objective for any reformed CFP—if we are still in a CFP post the negotiations—is to protect the fundamental principles: the principle that we can retain Scotland's historical fishing rights and the principles of relative stability. Over and above that, we have some concerns about what is proposed at the moment. Therefore, although we welcome much of the analysis of the CFP, which is reflected in the green paper and identifies many of its flaws, we still have some concerns.

If we want to protect the historical fishing rights of our communities, the prospect of individual tradeable quotas causes concern. The industry

trades quotas at the moment—fishermen have invested in quotas and have a stake in them—but quotas were initially issued free because they are in the national interest and belong to the people. If we give fishermen the right to sell their quota to the highest bidder, we will not be able to prevent it from going to a Dutch company, an Icelandic company or whoever. I do not think that we could protect our communities' birthrights if we moved down the road of ITQs.

The Commission is of the view that a two-tier approach could be taken, but I do not think that that is appropriate for Scotland. We cannot divide Scotland into community fisheries and multinational commercial fisheries that work out in deep-sea waters. Our deep-sea fisheries are tied to communities in Scotland; they have a strong community dimension. The Commission's proposal to make a distinction between small fisheries for small communities and deep-sea fisheries for the big boats therefore does not apply in Scotland. We have family-owned businesses and our big boats are tied into communities as much as the small inshore boats. I therefore have a concern about the Commission's proposal.

You asked about the ecosystem approach to fisheries management. I and the Government support that approach. An interesting slide was shown to me by the Faroese fisheries minister when I met him last week. He had individual slides for individual species in Faroese waters, showing graphs of how each had been fished over the past 100 years—the Faroese have a very good database of fishing statistics that goes back 100 years. The graphs went up and down for each of the key stocks. However, another slide showed the statistics for all the stocks put into one graph, and it was virtually level. To me, that highlights the need for an ecosystem approach to fisheries management. Stocks fluctuate and individual species fluctuate but, overall, the health and productivity of our seas are what is important. As we have discussed in the committee before, taking a single-species approach does not work. It is important that we take an ecosystem approach.

On inshore fisheries, one of the fundamental principles and building blocks of any fishing policy that we have to be part of must be the protection of our limits. We have the six-mile and 12-mile limits at the moment. As a bare minimum, we would want to protect those limits.

Those are my initial responses to your key points.

Liam McArthur: I think that you have answered the question on the approach that you are going to take in the discussions in relation to relative stability. It was a priority for the Scottish and UK Governments in the previous round of reform negotiations, but there are potential downsides to

relative stability, not the least of which is discarding, given the fact that the proportion of the stocks that falls to each member state does not necessarily reflect catching opportunities in the mixed fishery. It is not immediately obvious how, if we moved away from a quota-based system, the alternative models would lend themselves to safeguarding relative stability—the birthright to which you referred. Do you have a clear view on how you will safeguard relative stability in the negotiations if, for example, things such as quotas come under sustained attack, as they almost inevitably will from some member states?

Richard Lochhead: That is a good question. It will be a key question for the debate throughout 2010. None of us is in a position to cross the t's and dot the i's about exactly what will be in any future fishing policy. At the moment, our response to the green paper will focus on the key principles and the key policy positions of various Governments. The detail will be negotiated throughout 2010.

Your question is a fundamental one. We are saying that, at the very least, the principle of relative stability must be maintained. I am therefore concerned that the UK Government apparently says that it is open even to that being up for negotiation—in other words, to letting the market decide and to the idea that it does not matter if it so happens that the bulk of fishing opportunities shift from Scotland to another country over time because the free market will then be taking effect. I do not think that anybody in Scotland believes that the principle of relative stability should be up for grabs.

Liam McArthur's question takes us to the issue of how we define and use relative stability in the future. It is good to debate that issue, because we cannot say that the quota system is not working and then want to protect it as the way in which relative stability is expressed. Obviously, a key outcome is ensuring that relative stability and the best outcome for Scotland are maintained. We must debate how we can get around the various issues.

Quotas can still have a role in clean fisheries, of course. The big flaw with our quota system is in its use in the mixed fishery—we discussed that earlier. We must have a debate in Scotland about where we want to go in the long term, where quotas are and are not working, what should replace them, and how to protect relative stability.

Liam McArthur: There are historical patterns of fishing, and the fleet will change over time—I think that you alluded to that. Perhaps this is the time to have a full and frank discussion about what relative stability means and about not sacrificing what we have but perhaps negotiating for something that better fits the fleet's current and

future needs rather than something that is wedded to past practices which may no longer be relevant.

Richard Lochhead: Yes. We have to find solutions to complex problems. There are some species that our fleet is dumping because we have not had TACs for them and so they cannot legally be landed, while other countries that have historically fished that stock now have massive quotas that they do not use. That is a horrible situation for all of us to be in. It is horrible for the fisherman who has to dump the fish and it is not good for the stocks, which are being wasted. We cannot be too rigid, and we must find ways of addressing that problem.

John Scott: I have a question about regional management. Much has been said about involving the industry in policy and about self-management and compliance. How do you envisage a results-based management system working? Could such a system work? How would it be enforced?

Richard Lochhead: I am sorry—did you say a results-based or a rights-based management system?

John Scott: I referred to a results-based management system.

Richard Lochhead: When we talk about working on a more regional basis, the big question is how that would be done. As part of our CFP debate in Scotland, we hosted an international conference in Edinburgh last week, which many members of the committee attended. At it, the European Commission explained the strictures of the existing EU legislation, which might prevent from happening some things that people want to happen. We might have to find ways around legislation to make certain things happen. Regional management was at the heart of the debate. We have regional advisory councils, but the treaties do not allow management powers to be given to advisory councils. Member states therefore have to be involved, and we would certainly support that. We want as many powers to go back to member states as possible.

John Scott's question is not easy to answer, but I hope that what I am about to say will answer it. We anticipate that Governments and industries would co-manage, and we have tried our best over the past two and a half years to promote that approach in Scotland through the conservation credits steering group, through developing other policies, and through working as closely as we can with the industry in Scotland to put it more in charge of its own destiny. The industry knows best because it has the expertise on fisheries management issues. Co-management is at the heart of things, and we will have to set out our own plans for what we want to achieve in Scotland's fishing grounds in the future.

12:45

John Scott: From the many discussions that you have had recently with fishermen—and the 60 or so skippers to whom you have spoken in the past month—do you feel that they are up for it?

Richard Lochhead: Yes. The industry is at the forefront of pushing for co-management. I notice that Mike Park, the executive chairman of the Scottish White Fish Producers Association, appeared in today's or yesterday's press. He was speaking at a conference overseas and welcoming the fact that we have made progress on co-management in Scotland, which the white-fish producers feel is the way forward. We are leading that debate.

John Scott: It is a more co-operative approach.

Richard Lochhead: It has also been recognised by other countries. Mike Park commented at that conference that other countries are looking to Scotland to see how we are successfully promoting co-management between our fishermen and the Government. That does not mean that we will always agree on everything, but it is certainly a good way forward.

The Convener: Do you think that the RACs in their current form are fit for purpose as part of that co-management approach?

Richard Lochhead: No, there would have to be change. As I say, no one is yet clear as to what any regional body would look like, but at the moment the only way that we can pass management powers to the lower level—genuine subsidiarity—is through member states. Therefore, if we were to use the RACs as the platform, their constitution and membership would have to change or there would have to be some alternative regional arrangement involving member states primarily. However, the arrangement would have to involve stakeholders because we would not want such an arrangement to exist without them. I am sure that other member states in our region would take a similar view.

John Scott: Do the problems with Iceland and Norway augur well for a regional-seas approach?

Richard Lochhead: I have already described my preference, which is to take a national approach. However, a regional approach would be a million times better than the current centralised approach taken in Brussels.

Alasdair Morgan: You will know that the European fisheries fund is divided according to convergence criteria, which I guess will not favour Scotland, given our gross domestic product. I notice that among the suggestions in the green paper is the one that support might differ between small and large-scale fisheries, which is interesting in view of your earlier answer about the difference

between community-based and industrial fisheries. What would be your priorities for public support?

Richard Lochhead: The EFF is as much for the wider industry as the catching sector. We will be influenced by the discussions that we will have in the next few weeks and months about the plan for the future of the industry.

We have already identified a few priorities that I envisage will still be priorities in the future. We want to promote conservation, and EFF funding has already been used to help the catching sector in particular to adapt to that. We want to continue that work and, if possible, step it up in the future. We want to help our fishing industry as a whole to adopt the new sustainability agenda for food and seafood, which is very important, as is having state-of-the-art fish processing businesses that can deliver seafood that consumers, both in this country and overseas, want to eat.

We have a huge job to do in improving the market for Scottish seafood, so marketing initiatives will also be important in the future. The budgets of the marketing body Seafood Scotland are minimal compared to what they should be. We have to find new ways of improving how we market seafood because it will deliver a greater profit for the industry and put Scotland in a good place with regard to consumers in the 21st century.

Finally, we cannot escape the subject of fuel efficiency, which is also important in the 21st century. One factor that is significantly outwith our control is the cost of fuel. Having a fuel-efficient fleet and fuel-efficient businesses will be very important in the future.

David Brew: In the light of Alasdair Morgan's comment about convergence and non-convergence regions, let me say that the way in which the European fisheries fund is divided up at European level reflects a regional policy overlay rather than the pursuit of direct fisheries policy objectives. One of the conflicts is associated with the way in which that occurs, and it involves dividing up the moneys between convergence and non-convergence regions. That issue in relation to the European fisheries fund and the same issues for the agricultural fund and the regional fund are all up for consideration as part of the financial perspectives from 2013 onwards. It will be a key factor in developing the future arrangements. The Commission's question in the green paper is effectively, "Do we need a sectorally focused fund to pursue regional rural development policy?"

Alasdair Morgan: If convergence criteria continued as a determining factor, they would be to Scotland's disadvantage with the new entrants coming in.

Richard Lochhead: Yes.

The Convener: On that note, I thank the cabinet secretary and his officials for their attendance. I ask that, if you have any supplementary information, we receive it as soon as practicable to inform the drafting of our report.

12:51

Meeting continued in private until 13:05.

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