

RURAL AFFAIRS COMMITTEE

Tuesday 31 October 2000
(*Afternoon*)

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RURAL AFFAIRS COMMITTEE

28th Meeting 2000, Session 1

CONVENER

*Alex Johnstone (North-East Scotland) (Con)

DEPUTY CONVENER

*Alasdair Morgan (Galloway and Upper Nithsdale) (SNP)

COMMITTEE MEMBERS

Alex Fergusson (South of Scotland) (Con)

*Rhoda Grant (Highlands and Islands) (Lab)

*Richard Lochhead (North-East Scotland) (SNP)

Irene McGugan (North-East Scotland) (SNP)

*Des McNulty (Clydebank and Milngavie) (Lab)

*Mr John Munro (Ross, Skye and Inverness West) (LD)

*Dr Elaine Murray (Dumfries) (Lab)

*Cathy Peattie (Falkirk East) (Lab)

*Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD)

*attended

WITNESSES

Rhona Brankin (Deputy Minister for Rural Development)

David Dalgetty (Scottish Executive Rural Affairs Department)

Susan Deacon (Minister for Health and Community Care)

Derek Feeley (Scottish Executive Rural Affairs Department)

Ross Finnie (Minister for Rural Development)

Colin Moffat (FRS Marine Laboratory)

Lydia Wilkie (Food Standards Agency Scotland)

THE FOLLOWING ALSO ATTENDED:

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP)

Mr Jamie McGrigor (Highlands and Islands) (Con)

CLERK TO THE COMMITTEE

Richard Davies

SENIOR ASSISTANT CLERK

Tracey Haw e

LOCATION

Committee Room 2

Scottish Parliament

Rural Affairs Committee

Tuesday 31 October 2000

(Afternoon)

[THE CONVENER *opened the meeting at 14:24*]

The Convener (Alex Johnstone): I apologise for the short delay in opening the meeting. A large ministerial team, including a newly appointed minister, is appearing before the committee today and we accept that a few extra moments in the corridor may have been necessary.

Shellfish Poisoning

The Convener: The first item on our agenda is amnesic shellfish poisoning. I welcome Rhona Brankin, who is the newly appointed Deputy Minister for Rural Development, and Susan Deacon, the Minister for Health and Community Care. They are accompanied by the Minister for Rural Development, Ross Finnie, and officials, including Derek Feeley, who is head of the sea fisheries division at the Scottish Executive rural affairs department. Also present are a number of officials from the Food Standards Agency Scotland: Lydia Wilkie, assistant director, Martin Reid, head of policy, Colin Moffat and Geoff Moon. Dr Moffat deals with the enforcement aspects of amnesic shellfish poisoning, while Mr Moon can give us scientific advice.

Following the committee's report last year on amnesic shellfish poisoning, we corresponded with ministers. We requested today's meeting to allow the committee to follow up on-going issues. In addition to the committee papers that were circulated previously, members should have received a paper by the FSA, which was posted out during the weekend. I had a problem receiving it and had to get a copy, but do all members now have that paper?

Members *indicated agreement.*

The Convener: I am sure that members have questions, but before we ask them, do the ministers or officials wish to make an opening statement?

The Deputy Minister for Rural Development (Rhona Brankin): I welcome this opportunity for early dialogue with the Rural Affairs Committee on amnesic shellfish poisoning, which is an important issue. As the fisheries minister in the new ministerial team, I am keen to tackle the issue with some urgency.

I am aware that the committee produced a report on amnesic shellfish poisoning and that the previous fisheries minister had the opportunity to discuss that report with the committee. It is encouraging that all involved accept that public safety is paramount. The industry should be commended on that approach.

My officials have provided the committee with an updated account of the recent fisheries management position, data on the value of scallop landings and other more general data on the shellfishing sector. Information contained in that note shows a reduction of £1.5 million in the value of scallops landed in Scotland in 1999 in comparison with the record high in 1998. However, that figure should be seen in the context of the shellfish industry's positive year in 1998, when the value of landings was up 10 per cent on the previous year and was, at £94 million, the highest on record.

We have all heard that the bans on scallop fishing have had a negative impact on the scallop industry, and I do not doubt for a minute that that is the case. However, it is more difficult to establish the precise nature and location of any negative impact. We should examine that issue more closely in the context of a forward-looking initiative that is geared towards maximising the industry's potential and the scope that the industry has to adjust to new circumstances. We must also take into account the impact of the ASP outbreak and possible changes to the testing regime. I intend to commission an investigation into those issues, about which my officials have been in touch with Highlands and Islands Enterprise.

In reading the material for today's meeting, I was struck by the suggestion that we should convene a joint committee or working group. From a fisheries management perspective, I support that suggestion and shall seek to involve the key stakeholders. The Executive has facilitated such meetings, but more regular and more formal dialogue would be helpful.

I am also committed to providing support to the scallop sector from the financial instrument for fisheries guidance resources that are available to the industry. It is essential that we use those resources effectively, and in a way that will support the long-term diversification of the industry and help to market the product to its maximum potential.

The Convener: Thank you, and welcome to your first Rural Affairs Committee meeting.

Richard Lochhead (North-East Scotland) (SNP): I congratulate Rhona Brankin on her appointment as Deputy Minister for Rural Development, and wish her well in the post. There will be many challenges ahead. Any help that the

minister can give the industry in meeting those challenges will be most welcome among fishermen in Scotland. I am sure that our paths will cross on many occasions during many constructive debates.

However, since this is the minister's first opportunity to address the committee, and as the Minister for Rural Development is also present, I will express the industry's extreme disappointment that there is no designated minister for fisheries in the new Executive. Fisheries is one of Scotland's oldest industries and is vital to Scotland's rural and more remote communities. The lack of a designated minister is seen as a downgrading of the portfolio.

That aside, I will turn to today's—

The Minister for Rural Development (Ross Finnie): That is a very serious allegation, convener, to which we would wish to have the opportunity to respond.

There has been no downgrading. Mr Lochhead knows that because of a strict application of the Nolan principles, my previous deputy was not able to deputise for me on agricultural matters. As a result, I was not able to designate Mr John Home Robertson as my full depute. Rhona Brankin is my full depute across all those issues. She will have specific responsibilities for fisheries, but because we will be able to share agricultural and fisheries we will be able to share the burdens more equally. Rather than any downgrading, the Cabinet minister and his deputy will both be able to be actively engaged. Frankly, I would have expected more from a member of the Scottish Parliament than a rather simple repetition of yesterday's *Press and Journal* and a rather silly allegation about my department.

14:30

Rhona Brankin: I back up what Ross Finnie has said. There is no question of downgrading the job of fisheries minister. I will do that job. I will head up the Scottish end of the delegation at the Fisheries Council meeting in November and at the big meeting in December, but I will work closely with my colleague, Ross Finnie, who is the Cabinet minister with overall responsibility. It is very important to say that.

I am keen to become involved in a difficult period for the fishing industry in Scotland. I deprecate narrow party political points being made at the expense of the fishing industry in Scotland.

Richard Lochhead: I welcome the ministers' comments. I am sure that the industry will also welcome those comments, but the fact remains that even the Scottish Office, prior to devolution, had a designated minister for fisheries, who used

the title minister for fisheries in Scotland. That is no longer the situation.

I turn to the subject in hand. The situation that faces the scallop industry is one of the biggest challenges that the new minister will face. Since the committee published its report in November 1999, almost a year ago, scallop fishermen throughout the country have been pulling their hair out at what they perceive as a lack of progress in action by the Scottish Executive to address this serious problem.

The Food Standards Agency Scotland report that was passed to the committee—

Des McNulty (Clydebank and Milngavie) (Lab): On a point of order.

Considerable time has passed since the start of the meeting, convener. You invited Richard Lochhead to ask questions, but he has yet to ask one. It would be helpful if we could get to questions. Some of us want to become involved in the debate.

The Convener: I share the member's concern. I encourage Richard Lochhead to ask his question.

Richard Lochhead: My question refers to the report, dated 31 October, that the FSA has given to the committee this morning. The report says that on 18 September

"the UK held bilateral discussions with the Commission regarding the legality of a tiered system within the current Directive framework. Following this meeting and the points put to them by the UK, Commission officials advised that the Directive allowed for a tiered system".

The industry has wanted a tiered system for a long time—since ASP came on the scene. A tiered system would allow our scallop fishermen to gain some markets. Why did the industry have to wait until 18 September this year for that discussion to arise in the European Union and for the UK to ask the question about a tiered testing system? Why was the question not asked a year earlier? We could have avoided a 12-month vacuum.

The Minister for Health and Community Care (Susan Deacon): I regret having to go back to the wider point before I turn to the specifics. Like Ross Finnie, I take issue with some of the unsubstantiated allegations and assertions that underpinned Richard Lochhead's question. His question was predicated on a notion that there has been a lack of progress on, and attention to, the matter by ministers. I refute that absolutely.

I am pleased to have the chance to appear before the Rural Affairs Committee; it is my first time here, so it is a less usual outing for me than the Health and Community Care Committee. I can give members an absolute assurance that health and rural affairs ministers have pursued the issue actively throughout our period in office. Fully a

year ago, I appeared before the Health and Community Care Committee to discuss the issue at some considerable length and action has continued since then.

Previously, much of the work in this area was done through the rural affairs department. The creation of the Food Standards Agency Scotland in April this year was an important milestone in our handling of not just this issue, but other food safety and public health issues. The proposals for a tiered system, which emerged in earnest around the end of last year, have been actively pursued. The meeting in September to which Richard Lochhead referred was the culmination of a whole range of other communications that had taken place through the FSA—in a moment, I will allow the agency to go into more detail about the work that has been done—and at ministerial level. For my own part, I met Commissioner Byrne, the EU Commissioner for Health and Consumer Protection, in Brussels on this very issue.

Scientific assessment of the proposed tiered system is under way. We expect a final report to be considered in January. We do not expect a Commission decision before February. As I said, the FSA will be able to tell members more about the detail of that process. I can give an assurance that it has not been for lack of attention, energy or effort on the part of ministers or the FSA, which is now the lead department on general issues relating to algal toxins, that it has taken some time to get the wheels turning. We have been pursuing actively the issues that the industry has raised and which have been raised directly with me, as the Minister for Health and Community Care, on a number of occasions.

It might be useful for the FSA to fill in some of the details of the process.

Lydia Wilkie (Food Standards Agency Scotland): It might be useful to take members briefly through the history of what has been on the go this year, which started in advance of the agency coming into being. The first indication that we had from the Community reference laboratory about the systems that were on the go in each of the European countries was in March this year. A sub-committee agreed at that time that further work would be done and that each member state would need to comment on its paper. Martin Reid and I went to Brussels to speak at the Standing Veterinary Committee and to ask about progress.

Through our expertise at the Marine Laboratory, we have been actively involved in helping the CRL to develop a paper on the detailed science of ASP toxins and to ensure that it is scientifically valid for a tiered regime to come into effect. At the same time, the agency is developing an enforcement scheme for the industry, which will have to be robust. Scotland, because of the size and

complexity of its scallop fishing industry, will probably need to have a particularly robust system in place. Scallop fishing in the other countries of the United Kingdom is set up very differently.

I am happy to take any specific questions.

Richard Lochhead: Part of the committee's duty is to scrutinise the Executive. We agreed unanimously to have the ministers along today because of a perceived lack of progress in helping the scallop sector and, in particular, in introducing a tiered system of testing. The perception among fishermen is that the introduction of a tiered system of testing has been bogged down in bureaucracy. What is the Executive doing to speed up the process in Europe, and here in Scotland, so that we can get the tiered system in place as soon as possible? How long will that take? When will the system be in place?

Susan Deacon: I answered that question to the best of my ability in previous comments. The scientific assessment of the proposed tiered system is under way and a final report is expected in January; we therefore do not expect a Commission decision before February. In my comments, and in the detailed comments of Lydia Wilkie of the FSA, members have heard about the many stages, negotiations and discussions that take place at official level, through the SVC, and through my meetings with the health commissioner. The FSA has detailed the work that is under way on the issue that Richard Lochhead raises.

I fully respect the committee's right to scrutinise our actions, but it is important to deal with facts and not with perceptions. On a visit to Stornoway a couple of months ago, I saw a quotation from Richard Lochhead on the front page of the *Stornoway Gazette* that suggested that I sat in Edinburgh taking decisions on this matter without any regard for the industry. On that same day, I was due to meet representatives of the industry. If we deal with realities in this committee, it will be better for us all—not least for those in the scallop industry, who are very much at the forefront of our minds.

Dr Elaine Murray (Dumfries) (Lab): The committee will be relieved to hear that I am not about to read from my forthcoming press release. I want to ask about the testing regime, so my questions may be for Mr Moon. As you know, in our original report we were concerned about improving the research into the alleged link between fish farming and ASP. Could you update us on that research? We recommended that further funding should be found for it.

I note from the Scallop Association's submission that it is concerned about the methodology used in testing. For example, in some cases samples were

washed, in others they were not. It is also concerned—and I apologise if I appear to be intruding into a more scientific area—that the tests may not distinguish between the different toxicity levels in two different optical isomers. Given that those concerns have been raised, I wonder whether we may be over-emphasising the amount of toxic material in the shellfish. Could you tell us more about the testing?

Lydia Wilkie: I will ask Colin Moffat to answer as he, rather than my other colleague, Mr Moon, is the scientific one. Mr Moffat is one of the senior scientists at the Marine Laboratory, and was actively involved in the comparison test.

Colin Moffat (Fisheries Research Services Marine Laboratory): You mentioned the difference in toxicity in various isomers in the ASP grouping. The test that we carry out—the high-pressure liquid chromatographic test—clearly shows the different isomers within the group of domoic acid. What is not yet clear is the potential for different toxicity within the isomers. However, we can see the isomers and we can take them into account. The testing clearly shows the isomer distribution.

Dr Murray: You are not clear about the level of toxicity of the different isomers?

Colin Moffat: The different toxicity between isomers has not been established.

Dr Murray: Is research being undertaken to find out which of those isomers is the most toxic?

Colin Moffat: Isomer distribution is characterised by a very high concentration of domoic acid. That makes up in excess of 90 per cent of the isomers that are present. The epi-domoic acid and iso-domoic acid are present in very low concentrations relative to the dominant peak of domoic acid.

Dr Murray: There is also the issue of optical isomers risks. In the same way that hands are mirror images of each other and if one tries to put a glove on the wrong hand it will not fit, if one puts the wrong optical isomer into a site it will not fit and make it as toxic. Has any research been done on that?

Colin Moffat: We are examining different toxicities at the Marine Laboratory.

14:45

Dr Murray: What about the alleged link between fish farming and the increases in toxic algal blooms?

Colin Moffat: Considerable research is being done into the presence of algal blooms and the issue of the plankton that is present in the seas around Scotland. Research is being done not only

by Fisheries Research Services in Aberdeen, but at the Dunstaffnage Marine Laboratory in Oban and at the Sir Alister Hardy Foundation for Ocean Science, which undertakes continuous plankton recording. That process has been on-going for 50 years. The data that are being produced suggest that there are changes in the composition of plankton in the seas around Scotland. However, those changes are taking place throughout the seas around Scotland. On the evidence that we have currently, we feel that climatic and hydrographic changes are responsible for the changes in plankton distribution that are taking place.

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): I want to focus on the question of comparison. There is concern that, compared with our competitors, we are taking too strict a line on this issue. Is the testing regime of some of our competitors—I am thinking of Ireland in particular—the same as the one that we operate? The industry wants it to be made clear that we are not being overzealous in testing for the diseases. The minister may be the person to respond to this question.

Susan Deacon: That question has arisen on many occasions over the past year and a half. On each occasion that it has been raised, we have looked into the matter and responded to it in committee and in the chamber. It would be inappropriate for us to comment on the adequacy or appropriateness of the testing regime in any other European Community member state. It is for us to ensure that our testing regime meets the standards that are required to protect public health, as set out in the EC directive, and that it is receptive and responsive to the questions and concerns of industry. Those would include questions about testing regimes elsewhere.

The question that Mr Rumbles asks has been central to the dialogue and discussion that has taken place within the Scottish Executive, through the FSA, and with the SVC, at EC level. We have considered whether the UK testing regime can be adapted in ways that comply with the directive but may have less of an impact on the industry. In that context, we have raised the question of the regimes that prevail in other countries. However, it is for us to focus on how we fulfil our obligations as a member state. It is for the EC to reach a view on whether and how other states comply with the directive.

Mr Rumbles: I understand that and I am not trying to get you to comment on our competitors. However, the industry holds a view that it is being placed under the microscope and that we are being overzealous compared with our competitors. There does not seem to be the same problem elsewhere. Although I am not asking you to

comment on other regimes, can you confirm that there are differences between our testing and monitoring regime and our competitors' regimes?

Susan Deacon: I will ask the FSA to take you through that in some detail, because the matter has been the subject of considerable discussion.

Lydia Wilkie: One of the reasons why the subgroup to investigate algal toxin testing regimes was set up was that it had become obvious that there were several different approaches to the testing regimes. There was a desire to ensure that the basic science was as watertight as possible. The methodology is set out in a directive and each member state must apply it at the same levels. In this country, we test the edible parts of the animal; such testing is not unfairly rigorous—logic suggests that the parts that people eat should be the parts that are tested.

The EC has stated that it wants a decision that will clarify the matter. Whatever happens, we have to go along with that process, but it is then up to individual member states to decide on their own enforcement regimes. Those regimes will not necessarily have to be the same for the countries in the UK. As I said, Scotland will have an onerous task in coming up with a robust regime to ensure that the same levels of public and consumer safety are maintained. The FSA will be advising ministers on the regime.

Mr Rumbles: Other regimes stipulate, for example—you will correct me if I am wrong—that the animal should be washed before it is tested. I understand that we simply test the animal. Is that correct?

Lydia Wilkie: It might be better if Colin Moffat answers that question.

Mr Rumbles: My argument is that washing can make a difference.

Lydia Wilkie: It might also help if Colin explained the effects of washing on toxins.

Colin Moffat: In the Marine Laboratory, the parts that are to be analysed are taken out and given a wash under the tap before being put into the homogeniser to produce a homogeneous sample for subsequent analysis. That means that our current procedure includes washing. Furthermore, as Fisheries Research Services in Aberdeen is the national reference laboratory for toxins, we undertake ring trials of laboratories that perform ASP testing, including laboratories in the Republic of Ireland. We send samples out to a laboratory in Northern Ireland, to the Centre for Environment, Fisheries and Aquaculture Science in England and to a laboratory in the Republic of Ireland. We conduct tests on the sample ourselves. The results return to us for analysis of variations between the laboratories. We have

been encouraged by the fact that the results we have received have been very close.

Des McNulty: As far as negotiations with the EC are concerned, what conditions might need to be met before the tiered testing system can be approved? Obviously we will need to deal with issues such as enforcement, product traceability and disposal of shellfish that are found to be above toxin levels. Furthermore, what efforts are being made to involve the industry in developing an enforcement system?

Susan Deacon: Des McNulty has raised two separate but obviously related issues. The first concerns the question of what the EC will require before reaching a decision that would enable us to proceed with a tiered testing system. However, I will start with the second issue, which centres on enforcement of that testing system.

As Lydia Wilkie said, we will make the appropriate arrangements for enforcement. Des McNulty asked whether we could or would have worked with industry to find out how to improve the enforcement regime. There has been continuous dialogue since the directive was introduced. During the course of that dialogue, the issue of improvements to the enforcement regime has been raised. I have stated at every available opportunity that we should listen to and act on the industry's suggestions. We ought to work together more effectively if we can. Although it is sometimes not possible to develop suggestions, we must be open-minded as far as such dialogue is concerned. I am pleased that the FSA has taken some practical steps to improve and increase that dialogue. We would be happy to provide members with more specific information about some of the measures that have flowed from that dialogue.

As for what the EC will require before it reaches any decision, those matters are best described as scientific issues that need to be addressed and resolved first. That is distinct from the question of enforcement.

Rhoda Grant (Highlands and Islands) (Lab): Both ministers have spoken about increased dialogue between the industry and scientists. Recently, I attended workshops that involved scientists and industry representatives. The workshops were helpful because they gave each group an insight into the other's work. The workshops involved people from America, Ireland and elsewhere who could be asked questions on their work. How could we set up such a forum to allow that dialogue to continue and information to flow between the two sectors?

Rhona Brankin: I emphasised in my opening remarks that we must be able to work closely together on the issue, which is why I suggested setting up a body precisely for that purpose. Such

a body would include representatives from the industry, the FSA, scientists, the Scottish Executive and Highlands and Islands Enterprise. Other bodies might also be included in it. We must work positively together, because although things are very difficult now, there might be some longer-term positive outcomes. Collaboration is essential to our approach and we want very much to listen and to continue a full and frank dialogue with all parties.

Mr John Munro (Ross, Skye and Inverness West) (LD): I congratulate Rhona Brankin on her appointment as Deputy Minister for Rural Development.

I have been waiting for 10 minutes to get in and many of the questions that I intended to ask have been answered.

The Convener: There was a long queue, John.

Mr Munro: I direct the ministers' attention to directive 492, which is the directive that we have heard most about. During the past 18 months, we have received many representations from the industry about its doubts whether the directive was being implemented correctly and fairly. Might we be moving, as the deputy minister indicated, towards a change in the testing regime, given the current wording of the directive?

15:00

Lydia Wilkie: That is the specific point that the Commission is considering and which requires a Commission decision for clarification. The wording of all directives is amazing and is arguably open to some interpretation. We believe that we are enforcing the directive correctly at the moment. However, if the Commission decides—in scientific as opposed to enforcement terms—that it is possible to operate a tiered regime without having to amend the directive, which would be a much longer task, we would then recommend changes to the regime to the Scottish Executive. That would happen on the assumption that we had a robust enforcement regime. We will consult the industry and we have already discussed with industry representatives in a number of forums how to take the matter forward to the next stage.

Mr Munro: At this stage, are you hopeful of securing some sort of alteration to the directive? Are you encouraged by the discussions that you have had?

Lydia Wilkie: It is encouraging that the Commission does not believe that there would have to be a formal amendment to the directive. Assuming that the Commission is content with the detailed science, we could expect a Commission decision early next year that would allow us to move ahead.

Mr Munro: Do you hope that there will be some sort of change in the structure prior to the toxin levels rising again next year?

Lydia Wilkie: We hope so.

Rhoda Grant: How long would there be between a Commission decision and a change to the directive?

Lydia Wilkie: A Commission decision could be taken by the Standing Veterinary Committee at its February meeting at the earliest, although the time scale may slip to March or April. It is difficult for us—we are pressing Brussels gently, but as hard as we can, if you know what I mean. If we have to seek a full change to the directive, that would likely take at least a year, if not longer.

Susan Deacon: It is worth stressing the on-going nature of the discussions on the matter. The most recent meeting of the scientific expert group of the national reference laboratory was held on 25 October, which shows how current the issue is. If members look at the last few paragraphs of the FSA paper, they will see that it has attempted to set out an informed prediction—or hope—of where things might go from here. Paragraph 8 states:

"In anticipation of the Commission Decision being adopted, the FSA are currently working on an enforcement framework".

In other words, we would not want any further delay to occur as a consequence of having to put in place a new enforcement regime, if and when a decision on the testing regime comes through.

Paragraph 8 goes on to say that

"Whilst some changes to current rules are likely to be required, it is intended to rely as much as possible on existing legislative provisions".

I want to stress that point to indicate the urgency of applying an enforcement regime. Having said that, paragraph 9 of the FSA paper says that

"it would be reasonable to predict that it would not be before Spring 2000"

that such a regime was introduced. *[Laughter.]* We are doing our best to move as quickly as possible, but I am afraid that we cannot achieve that.

Richard Lochhead: I have a question about tiered testing. We are talking about ASP today, but will the same regime apply to other toxins?

Lydia Wilkie: We hope to introduce an enforcement regime that will be as flexible as possible, which should allow it to test for other toxins in future. However, for some other toxins, the directive is completely different. For example, diarrhetic shellfish poisoning is such a dangerous toxin that fisheries must close if it is found in them. The Commission would insist that the science was robust enough for regimes that relate to other toxins.

Alasdair Morgan (Galloway and Upper Nithsdale) (SNP): The FSA has said twice that, because of the size of our shellfish fishery, we must have a very robust enforcement regime. What you have been saying seems to imply that that regime would be more robust than regimes elsewhere. Can you confirm whether that is the case? You say that we need a robust enforcement regime, but so does everybody else. Having a bigger fishery should not mean that the regime should be any more robust. It might need to be more extensive, but not more robust. Is that correct?

Lydia Wilkie: Because the FSA has a public safety and consumer safety hat, we want all enforcement regimes to be robust, although they might not all be exactly the same. My words were probably not particularly well chosen. Our industry is a lot more complex than those of Northern Ireland or England—many more factors come into play.

Alasdair Morgan: Can you expand on that a little?

Lydia Wilkie: We have a different profile for scallop fishing. I shall ask my fisheries colleague to explain further.

Derek Feeley (Scottish Executive Rural Affairs Department): The key difference is that the Scottish industry is much more geographically dispersed, and lands fish at a greater number of ports. We also have a relatively high number of small processing outlets. The structure of the industry is different from that in the Republic of Ireland. There are differences of scale and location, but I do not think that anyone is suggesting that there are insurmountable problems.

Alasdair Morgan: Presumably the nature of the testing is not affected, although it might need to take place in more locations.

Derek Feeley: Indeed. We would need to have an audit trail to satisfy ourselves that the correct procedures were being followed. As I said, there should not be any insurmountable difficulties, but the structure might be rather more complex here than it is in other parts of the British Isles.

Alasdair Morgan: Given the problems that scallop fishers have had, they need as many opportunities to fish as possible. I understand that waters that are controlled by the Isle of Man—which would normally open tomorrow and which are particularly important to fisheries in the south-west of Scotland—are now subject to some restrictive byelaws. I assume that the Ministry of Agriculture, Fisheries and Food and the Scottish Executive rural affairs department have been consulted about that. What input have you had to the Manx Government's decision?

Derek Feeley: There was some consultation with the UK fisheries departments about what the Isle of Man was proposing. Last year, the consultation amounted to just one day, but we took slightly more time—but not a great deal—this year. In the light of the fact that many of the proposals that were made by the Isle of Man authorities were broadly similar to proposals that the Scottish Executive will shortly make—on limiting dredge numbers, for example—a reply has been sent via the Home Office, which is the normal intermediary between fisheries departments and the Isle of Man authorities. We have no substantive difficulties with what the Isle of Man authorities propose.

Alasdair Morgan: Do we have any kind of veto, or do we merely have an influence on the Isle of Man Government? Did the industry put forward a specific view on those proposals?

Derek Feeley: I must confess that the precise constitutional position with regard to the Isle of Man is outwith my direct knowledge. I understand that the relevant Home Office minister has the power to instruct. I can only guess whether they have the power to veto, and I am slightly unwilling to do that before the committee.

The fisheries organisations made comments, which we relayed to the relevant authorities and took into account when formulating a Scottish Executive view. The fisheries organisations were dissatisfied with several aspects of what the Isle of Man authorities were proposing, particularly the idea of a curfew. We, too, had reservations about that.

The Convener: We could ask for an answer to Alasdair Morgan's question to be provided in correspondence after the meeting has taken place.

Derek Feeley: Thank you, convener.

The Convener: I would like to bring in some of the guests at today's meeting. I invite Fergus Ewing to speak.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): Paragraph 7 of the written submission from the Food Standards Agency sets out the main problem: that clear, scientific evidence must be provided that a tiered testing system is satisfactory and presents no risk to public health. Given that that is the situation, can the Minister for Health and Community Care confirm that the Food Standards Agency and the Marine Laboratory will supply all required data and scientific evidence to the EU national reference laboratories and the EU Standing Veterinary Committee to substantiate, where necessary, the UK scallop sector's call for tiered testing?

Susan Deacon: I am happy to give that

assurance. The FSA and the Executive are pursuing the issue actively. We are keen to ensure that progress takes place as effectively and on as informed a basis as possible.

Fergus Ewing: I welcome that answer. Can the minister go one step further and confirm that, in the interests of openness and transparency, all such information and scientific data will be supplied to all industry bodies as well as the European bodies?

Colin Moffat: Much of the information in respect of the analysis that will be done is coming from other countries to the UK national reference laboratory, which is Fisheries Research Services in Aberdeen. We will undertake detailed analysis of those data and incorporate them into the report that will be presented in January to the ASP working group.

Fergus Ewing: With respect, I was hoping for a yes or no answer.

Susan Deacon: It would be useful to clarify the status of the report in terms of its availability to the industry and others.

Colin Moffat: Most of the countries are happy for their data to be included in the report and to be available. However, the Spanish have requested that their data be kept confidential in the first instance.

Fergus Ewing: We all have the same aim—that a tiered testing system should be introduced if there is no risk to public health and scientific data can be produced to substantiate that. My concern—which arises from a useful meeting that I had last week with Mr Home Robertson and some of the officials who are present here today—is that there is a slight dislocation between the Executive and the FSA, and a slight dislocation between the FSA and the industry. We have a very short time within which to do a great deal of work, if we are to avoid the ban on scallops extending into its fourth year.

Susan Deacon: I will pick up first on Fergus Ewing's point about the relationship between the FSA and the industry. The FSA is a recently established organisation but, as we all know, it was established for very good reasons. I have followed closely the way in which the agency has developed and I think that, increasingly, it has forged new, better and stronger links with the industry. There is always room for improvement, and I am sure that the agency would be the first to acknowledge that it is continually looking into ways of making those relationships as effective as possible.

Fergus Ewing also raised the issue of the relationship between the Executive and the FSA, which takes us into interesting terrain. It is worth

remembering why the Food Standards Agency was established in the first place—to ensure that there was a body that existed at some distance from Government to provide independent advice to Government on matters of food safety. In the week during which the Phillips inquiry report was published, it is important that we remind ourselves of the genesis not just of the agency, but of the wider policy-making framework within which we address the issue.

Like Rhona Brankin, I welcome the fact that the industry has been so constructive in its discussions with us on the public health aspects of the issue. In the wake of the terrible human consequences of BSE and its impact on industry, there is a widespread recognition that we must ensure that food safety and public health issues are dealt with as effectively and openly as possible. Perhaps what Fergus Ewing perceives as an inappropriate gap between the agency and the Executive is the opposite—a very appropriate gap, for the reasons that I have outlined. I assure Fergus Ewing that we communicate very closely with the FSA, but the independence of its advice must be protected, for the sake of all of us.

15:15

The Convener: I am informed that the new First Minister has called a Cabinet meeting for this afternoon, so we must be efficient in our use of ministers' time. I am keen to ensure that members have an opportunity to ask some final questions, but they should be kept brief.

Mr Jamie McGrigor (Highlands and Islands) (Con): If it is not over-egging the pudding, I, too, would like to congratulate Rhona Brankin on her appointment. I am sure that she will do a very good job. She will certainly add a welcome touch of glamour to this area.

Rhona Brankin: In that I will be joining you.

Mr McGrigor: The minister mentioned that money would be available from the financial instrument for fisheries guidance programme. As far as I know, there is only £11 million in the kitty, and an awful lot of people seem to be after it. How much money will be given to scallop fishermen, and in what way? Will some of it be used to compensate them for the distressing times that they have had in the past?

Rhona Brankin: It has been the policy of successive Governments not to compensate for losses due to disease or other natural phenomena in the marine environment, and the Scottish Executive sees no reason to change that position. More generally, financial assistance for the industry will be available under the new FIFG guidance programme. I ask Derek Feeley to give the committee more details on the point that we

have reached with that important programme. I am keen to get it going as soon as possible, so that the industry can tap into those funds.

Derek Feeley: The £11 million that Mr Home Robertson announced last week was the increase in FIFG over the baseline provision. We are planning to draw down something like £6.9 million in 2001-02 and up to £8 million in the two following years. How much of that money goes to the scallop industry depends on what kind of schemes and projects the fishing industry and the Executive are able to put together. We have set up a group called the Highlands and Islands fisheries management group, which is a joint Executive/industry body.

Mr McGrigor: But nothing has happened.

Derek Feeley: The group's first meeting took place a couple of weeks ago. We have a second meeting tomorrow in Inverness. We have encouraged the group to start the process of thinking through what the projects ought to be. However, we cannot make payments under FIFG until the relevant regulation is approved by the Scottish Parliament. We would expect to be making the first call for projects by the end of this calendar year.

Mr McGrigor: Thank you. Lastly, this may sound naive, but usually when one eats a fish, one guts it first. We know that the Irish and others have been shucking scallops for years. When we are faced with a ban, why can we not take away the gonad and the gut and sell and test only white meat? Would you care to comment on the theory that water enrichment—possibly from fish farms—is causing lack of silicate in the water, which leads to the diatoms producing toxins and therefore algal blooms?

The Convener: We seem to be going over old ground.

Mr McGrigor: It is not old ground, because I am asking a specific question.

Susan Deacon: There are two issues. First is the question about exploring alternatives to the testing regime, specifically the practice of shucking. That is what the work around the testing regime involves. All the dialogue that is currently taking place is directed towards moving in that direction.

Mr McGrigor: I am sorry to interrupt, but are you aware that that will be too late for many scallop fishermen, because many of them are already selling their boats?

Susan Deacon: As I have indicated, it would have been much worse for the scallop industry and for us all if we had taken risks with public health. Earlier I referred to the BSE report and I did not do so lightly. That is the context in which

we must consider such safety issues. I appreciate the fact that the industry has co-operated with us so effectively in recognition of the fact that one case of ASP—serious illness, or even worse, death—would have implications for the industry for decades, rather than years. As the Minister for Health and Community Care, I am not prepared to take any risks with public health.

Jamie McGrigor asked about research, which is an issue that the Rural Affairs Committee has considered in some detail. I repeat the point that there is no current scientific evidence to show that effluent from fish farms directly affects toxins. However, we continue to support research on that subject and I am sure that the lively debate will also continue.

Richard Lochhead: Jamie McGrigor's point about compensation is that following the BSE crisis, farmers have received millions of pounds in assistance, and the outbreak of infectious salmon anaemia prompted a £9 million package for salmon farmers, yet no cash has been forthcoming for the scallop fishermen.

Research is an important issue. What extra resources are being made available to fund research into the causes of ASP? I understand that back in February, the industry submitted a proposal to the Executive to use under-employed vessels to help out with research. That would provide some income for the scallop fishermen affected by the bans. How is that progressing?

Derek Feeley: We had a wide-ranging meeting in February, along the lines of a committee such as the one that we have discussed today—including all the stakeholders. We had a discussion with the industry about two proposals. The proposal from the industry was on using charter vessels in a possible restructuring of the testing boxes. The other proposal was from the Marine Laboratory to create better mapping of the scallop grounds. My recollection was that there were risks involved in reconsidering the testing boxes. However, if the industry wants to reinvestigate and reinvigorate that proposal, the Executive would be happy to consider how it could support that.

Rhona Brankin: We are keen to consider any proposals—we want to be as open and proactive as possible. We are seeking imaginative solutions.

Mr Munro: I accept that there are methods that the department has adopted to compensate the scallop fishermen over the past two years, and that is to be commended. However, I ask the Executive to consider the scallop farmers, who have no earning capacity at all and are unable to diversify into other fishing areas as has been proposed. They merit sympathetic consideration.

Rhona Brankin: Similar FIFG is available for

scallop farmers, too.

Susan Deacon: On the point about additional resources for research, the FSA has recently announced nearly £1 million of research work into algal toxins. The results of that research will be published. That is in addition to a wider body of research, the details of which I am unable to give members today.

The Convener: That brings us to the end of this item. I thank the new Deputy Minister for Rural Development, the Minister for Health and Community Care and their officials for attending the committee.

Budget 2001-02

The Convener: Ladies and gentlemen, we have now swapped round and some new faces have joined those who were here for the previous item. The purpose of item 2 on the agenda is to enable the committee to take evidence from the Minister for Rural Development—I understand that his title has changed from Minister for Rural Affairs. He is accompanied by his new deputy and by officials.

We are expected to report to the Finance Committee by 10 November on the detailed proposals in the budget. This committee is not alone in lacking sufficient information to make detailed comment on the budget. I hope that the minister can give us a convincing explanation of what is going on in the department.

There are some specific areas for discussion. Members asked for a fuller explanation of resource accounting and budgeting. A paper has been provided and members will ask questions on the issue. We have also sought information on how the Scottish Executive rural affairs department proposes to monitor the impact of Executive spending generally on rural areas. This is where we start to scrutinise the cross-cutting nature of the rural development role of the minister, who appears to have a new title to reflect that role. Members also asked for information on how the budget proposals reflect the policies and priorities of the Executive.

Before we move on to those wider issues, I invite the Minister for Rural Development to comment on budget issues.

15:30

Ross Finnie: Thank you, convener, for that encouraging welcome. In the course of my opening remarks, I will try to pick up on most of the additional matters to which you referred. However, as I am a qualified chartered accountant, you will understand that the prospects of my explaining resource accounting are pretty slim.

The Convener: We were worried that we might not understand the explanation.

Ross Finnie: I have read the explanatory note.

The committee's formal focus at this stage of the process is on level II spending in the rural affairs department for 2001-02. I will refer to the table that is set out on page 22 in "Making a Difference for Scotland" and will address some of the points that you raised.

As part of the new approach to rural policy, all ministers recognise that they have a responsibility

for rural Scotland. We have taken rural interests into account in deciding spending priorities across the Executive. I had the good fortune to be involved in that process, which arrived at these level II decisions. Increased or better-targeted expenditure affecting rural areas across all the key themes—economic development, transport, education, the environment and health—have been or will be announced by the relevant department or minister once final level III decisions have been taken. You will appreciate that I cannot discuss today the elements that are still to be announced.

I wrote to you, convener, to explain that work is under way to assess the impact of Executive-led expenditure on rural areas. We have given the committee's request on that matter detailed consideration, because it caused me some concern. Our conclusion was that the substantial work that would be required to provide a statistic showing Executive expenditure in rural areas would not represent an effective use of resources because of the current state of statistics in the Scottish Executive and elsewhere.

As my letter of 11 September noted, what is important is the impact that Executive expenditure has on rural areas. Therefore, we are drawing together existing evidence. However, I must stress that, because expenditure is ultimately spent by bodies that are sometimes once removed from the Executive and because the statistical information in rural areas is not to a high standard, there will be no quick answers from that exercise. Much of the information that is sought will be obtained from future evaluations. Because I share your concern, I will ensure that the committee is kept informed on the issue.

I will now discuss SERAD's expenditure plans. The committee will be aware of the inescapable interaction on a range of schemes of domestically funded expenditure and that funded by the EU. Those are shown separately in the table. Of course, our major spending area—common agricultural policy market support on-farm payment schemes—is entirely funded by Europe. I stress that the table reflects our best estimates at present of likely expenditure based on demand. The figures are only indicative and the amounts will vary annually depending on actual expenditure. Our spending on structural and agri-environmental schemes is funded partly by Europe and partly from domestic resources, so those schemes are shown separately in the table. Bearing in mind the wider financial context, it might be helpful for me to discuss the direction of European policy as it affects our expenditure.

The main increases in my spending plans over the next few years have been determined by the EU Agenda 2000 agreements that were reached

by member states in early 1999. Those agreements will largely govern the pattern of EU support to agriculture until 2006. However, there is likely to be an interim review of some CAP regimes, in particular the dairy sector, around 2001-02. The Commission is still considering the review of the sheep annual premium scheme, which was not covered by the Agenda 2000 negotiations. The Scottish Executive will play an active part in all those discussions.

In any event, CAP spending over the next three to six years is likely to be affected by EU enlargement and World Trade Organisation negotiations. The timing and outcome of those negotiations is uncertain but, regrettably, we might expect that they will result in some overall reduction in the levels of support that are permissible for farmers across the EU and some further decoupling of support from production. In the meantime, we have the rural development regulation and the process of modulation, both of which were part of the Agenda 2000 package. They are part of an attempt by the EU to make the CAP more flexible and to recognise the importance of development in rural areas. The rural development regulation, which is now known as the second pillar of the CAP, is designed to assist farmers to adapt to the changes that they face.

Our spending plans reflect our use of both those new measures—the rural development regulation and modulation—to assist farming during the period of inescapable adjustment. The plans reflect my earlier announcements on modulation. As I have said, RDR spending will be covered by the sums that will be modulated from on-farm payments, which will be matched pound for pound by sums from the UK Exchequer.

There are additions to previous plans for the new hill livestock compensatory allowance scheme. I understand the significance of that support for farmers and crofters who operate in the hill areas of Scotland, which suffer from inherent disadvantages of climate and topography. I know that the committee has expressed concerns about the issue. I make no apology for the prolonged discussions that we held with the Commission about the scheme. I was not prepared to bow down to pressure from Europe to accept a simplistic scheme that did not reflect the difficult and complex situation in Scotland. I regret the effect of the delay on farming interests, but I do not apologise for holding out for a scheme that was much more suited to our needs. I now expect that gross payments to the industry will be £63 million in 2001, £59 million in 2002, and £56 million in 2003.

The rural-development-related spending plans are clearly linked to two of our key policy priorities:

the promotion of improved environmental, employment and living conditions in rural areas; and the promotion of the adaptation of Scotland's agriculture to a sustainable future. I am under no illusion that the increased spending will offer a complete answer. It will not, but we have allocated the funds in the best way.

Elsewhere in the table, there are increases for agricultural services, agencies and fisheries. I have yet to consider the details of the level III funding but I will give members the main reasons for the increases. There is increased support for Scotland's excellent agricultural and biological science base, which accounts for the bulk of our agricultural services spending. That will enable the research institutes to expand their programmes and take advantage of the exciting new opportunities in biological sciences, thus paving the way for the application of the knowledge so generated to improvements in agricultural practice, to care of the environment, to the benefit of the food and biotechnology sectors, and to improvements to health.

There is increased capital investment for the new fishery protection vessels for the Scottish Fisheries Protection Agency and to allow for possible relocation costs for the Scottish Agricultural Science Agency—some £4 million in 2002-03 and more than £6 million in 2003-04. Increased provision for fishery grants, which were referred to earlier, under the EU FIFG grant scheme and the domestic back-up grant scheme, will give £2 million, £3.5 million and £3.5 million on top of the Highlands and Islands transitional objective 1 programme support of £2 million a year. As I indicated earlier, we are considering the particular priorities for allocating money to programmes.

The committee will note that the provision for the Forestry Commission remains unchanged over the review period. I should mention that some £50 million of the annual provision represents resource costs—mainly capital charges on the commission's large forest estate. The underlying cash provision is £30 million. Because of the steep decline in timber prices, the commission's income forecasts are significantly lower than the levels assumed in the 1998 comprehensive spending review, which was the baseline that we inherited. As that problem is GB-wide, the Treasury has been engaged in a wide-ranging review of the commission's finances. We, along with GB forestry ministers, have been discussing that review and the devolved funding consequences. Pending the outcome of those discussions, our budget plans are being left unchanged.

I am conscious of the time-pressure on this committee. I hope that my introduction will assist members in the questions that they may wish to

ask.

The Convener: I have a brief question on the level III figures. We have been asked to prepare information for the Finance Committee by 10 November. Are we likely to have figures by then?

Ross Finnie: Level III figures? From your opening remarks, convener, I gathered that that was what you were looking for. However, there seems to be some confusion. I have been advised that formal announcements on level III will not happen until early January. We seem to be at cross-purposes. I apologise for that—I am not deliberately trying to withhold figures. My understanding was that we were required to publish in January. If you are now being required by the Finance Committee to give a report, I can understand that that gives rise to confusion. We will have to take up that issue outwith this meeting, and I apologise for that.

Alasdair Morgan: I want to ask about the footnote on page 22. Is all of the common agricultural policy market support outside your department's budget? Does it all come from the Exchequer?

Ross Finnie: No, not from the Exchequer. The figures represent the annually managed expenditure under EU funded moneys. The estimates are done on a UK basis, and we submit our expectations of demand. The appropriate proportions then come under the heading of CAP market support.

Alasdair Morgan: Considering the real-terms figures—and regardless of where the money comes from—it seems that, over the next four years, significantly less money will go into agriculture by 2003-04 than goes in now.

Ross Finnie: Those moneys are not settled within the block. The provisions are the annually managed expenditure and the totals are therefore not fixed within the review period. I can only stress that they are our best estimates. I share Mr Morgan's concern that the figures may indicate some reductions, but I am not sure that we should lay too great a store on them, as they represent annually managed expenditure.

15:45

David Dalgetty (Scottish Executive Rural Affairs Department): The numbers that we have here for the CAP market support are the numbers that were struck by the UK Treasury at the end of the Whitehall spending review, based on its assessment at that time, which was based on all sorts of assumptions about sterling values and so on. At the conclusion of the spending review, the actual spending totals for CAP in the years to come remain to be seen. They will depend on the

sterling-euro exchange rate and the demand on the schemes. Whatever the cost, there will be no cost to the Scottish block: those costs will be borne by the UK Exchequer.

We cannot rely greatly on these figures. Unlike the figures in the top half of the table, which are firm, planned figures, these figures are simply a snapshot that has been taken at this stage.

Alasdair Morgan: I realise that the sums do not come out of the rural affairs department's money. However, any department that considers the income of one of the main industries for which it is responsible must make some assessment of where that industry will be in a few years. I know that we must say that these figures are just estimates and projections, but, given that they are the best projections that you can make, and given that they indicate a significant drop in the income that is going into agriculture, you cannot say that they indicate a happy situation. Do you have any comments on that?

Ross Finnie: That is a perfectly good question—it is the same question that I asked. I am slightly concerned. I understand that that is the way in which the figures have always been presented. However, that is not an excuse. I asked that question, and the answer that I gave you is exactly the answer that I received. We get this block channelled through Europe to ourselves. We have examined that, and our internal estimates and later assumptions suggest that spending may be rather higher than that. However, we could not spend that amount because the figures would not then relate to the proportions that were agreed at the end of the UK spending review, in relation to the draw-down on European funding that was anticipated.

I do not believe that it is right to conclude that the level of either increase or decrease would necessarily reflect that; that is based on assumptions regarding levels of inflation, of exchange rates and of demand. I do not think that it is helpful. The committee and I might want to pursue that matter, to avoid giving a false picture to the agriculture industry.

Alasdair Morgan: That might be of interest to anybody who is making a decision on whether to stay in agriculture, although they would not necessarily base such a decision on this document.

Ross Finnie: I understand that perfectly. That was a major question that I asked my officials. The answer is technical and makes resource accounting seem quite simple.

The farmers ought to concentrate on the existence, or otherwise, of the respective regimes. Their ability to draw down the cash—whether through the beef regime, the sheep regime or

whatever—is dependent on the regulation that affects those regimes. Unless there is a change in the technical definition of those regimes, the farmers' ability to draw down the income will not be affected.

Des McNulty: Was the modulation announcement that you made last August in terms of cash-based accounting or resource accounting? In the budget, why are the two objectives that you highlighted—sustainable development and agricultural modernisation—not capable of being separated out for action? They are gathered together. Can you give us more information on how much resource will be put into the whole sustainable development issue and how much will be put specifically into agricultural modernisation?

Ross Finnie: The answer to your first question is cash. The answer to your second question is that we now have the fixed amounts of the money that is available, under the headings of structural and agri-environmental measures and CAP market support. I am going to get into difficulties because of the timing. I hope that the way in which I structure that spending will be driven by the agricultural strategy document that I am currently pursuing as fast as I can. It would be sensible to make allocations more specifically on the basis of having a clearer view on how that strategy panned out and, therefore, the areas into which we ought to be directing—as far as we can—the agri-environmental measures and structural support.

I do not want to seem evasive, as those are two key areas, but, given that the process is being conducted in consultation with the industry and others with an interest in sustainable land use, it would seem sensible for me to match my plans to meet that strategy rather than announce the plans today and then say that the strategy will come later.

Des McNulty: I understand that. However, the way that the budget is set up makes it difficult to distil from it the projected spend, specifically on sustainable environmental and economic development issues, separate from general agricultural support. That is perhaps the opposite question to the one that Alasdair Morgan is asking.

Ross Finnie: Yes. I understand that question.

Dr Murray: There appears to be an increase in spending on the agricultural agencies, which you explained are predominantly the Scottish agriculture and biological research institutes. Is there a real increase in spending, or is the apparent increase a result of a change in the basis of the accounting, from a cash-based system to a resource-based system? Does that reflect the capital that is tied up in buildings and equipment in the laboratories, or is it a further investment in the research that is being carried out?

A similar situation occurs in the resources for less-favoured areas. Did the increase in support for less-favoured areas happen because you won a better deal than was expected, or is it a reflection of currency disparities?

Ross Finnie: I have two quite different answers. The answer to your first question is substantially yes. Under resource accounting, one provides for the cost of capital that was not previously provided under the cash-based system. In so far as the agencies are far and away the main users of capital assets—ships, aircraft or whatever—the agencies' figures reflect the cost of that capital. Comparing the current system of resource accounting with the previous system is largely the reason for the apparent increase. We will incur further capital expenditure under that heading.

I have a slightly more complex answer on LFA support. That had to be negotiated from the UK position. The Treasury took the position that the maximum for that line should be set at an annual expenditure of around £40 million. That was increased to £60 million two years ago, simply as a reaction to the difficulties in hill farming, and it was said then to be a one-off. We have been fortunate, in the past year, to be able to argue that that was a short-term view and that the situation is sufficiently parlous that we should increase that figure yet again to £60 million.

Because of the importance of LFA support to Scottish agriculture, I was keen for us to get as close as we could to sustaining that line. As a result, although I was disappointed in some regards with the outcome of the LFA negotiations as part of the rural development regulation, the latest line of expenditure that I am projecting means that, taken across the three years, the farmers will have the certainty of being only £2 million short of that annual £60 million. That more properly reflects the degree of permanent disadvantage that our LFA farmers suffer.

Mr Rumbles: Important though the subjects of farming, fishing and forestry are, I would like to take the focus away from expenditure on those specific fields. You said to us this afternoon that, in your view, it was not cost-effective to assess the impact on rural development issues of spending across the board in the Scottish Executive. The Executive has at its disposal huge areas of expenditure that are far in excess of the funds that are available for farming, fishing and forestry. For instance, in the local government settlements for Highland Council, Dumfries and Galloway Council or Aberdeenshire Council, there are large sums of Executive money going into rural development. It would be useful if you could outline what your role is in the Scottish Executive in ensuring that adequate funds are spent across the Executive's departments on rural development.

Ross Finnie: The first thing that I want to emphasise is that I am delighted that we now have a Rural Affairs Committee and a Minister for Rural Development. If nothing else, we have been able to prove that the statistical basis on which the Government, local authorities and other agencies have been maintaining information on rural issues is poor. That is not a surprise to anyone, but, in my extensive travels in the past 15 months, I have discovered that it is poor at every level.

I would love to have the information that you talk about. My job would be made easier as I would have a better handle on the impact of expenditure. I regret to say, however, that at health board level, local authority level, local enterprise company level and so on, the information does not exist. That is why I believe it is not cost-effective to assess the impact on rural development issues of spending across the board in the Scottish Executive.

My role—now shared with Rhona Brankin—is to ask where we are and what we are doing about increases in expenditure across the departments and, in particular, to ask what the departments intend to do. For example, we were concerned to find out how the financial settlement's budget increases for the enterprise and lifelong learning department would affect Highlands and Islands Enterprise and the Scottish Enterprise budget. We do not want to know what would happen generally, but what the department will do about the allocations of expenditure under the rural programme that the department seeks to develop.

With regard to the increase in transport spending, we have been arguing for additional funds to be spent in the Highlands and Islands and for improvements in the rural transport funds. We know that the minister will announce specific projects within those programmes that will impact on rural areas. With regard to education, the minister has not made a final announcement, but has indicated that there will be a considerable increase in spending on school refurbishment. We have engaged in discussions about how that money will need to be spent in rural areas. Our focus is constant; it is like a rural-proofing exercise in the sense that Rhona Brankin and I have the opportunity to ensure that, when applying programmes in Scotland, the Executive departments not only allocate the money but ensure that the mechanism for delivering the policy will be appropriate to rural areas.

Richard Lochhead: I will probably need an explanatory note to explain the explanatory note on resource accounts and budgeting. Given that it says that

"Resource accounting is the application of accruals accounting",

I will try to keep my question simple. How does the percentage increase that was received by the minister's department under the spending review compare with the percentage increases received by other Executive departments?

Ross Finnie: The percentages are relatively small for obvious reasons, one of which is that a substantial proportion of the money is common agricultural policy money. As I explained to Alasdair Morgan, we have no reason to believe that the instruments will not allow us to access the same money. Nevertheless, the conventions, which are even less easy to understand than resource accounting is, are as I explained them to Alasdair.

The percentages that relate specifically to our agriculture services and agencies, fisheries services and the Forestry Commission met our requirements. What was important, as far as I was concerned, was that the amounts available for the agriculture industry were adequate per se. More particularly, I was concerned that consequential expenditure in the areas to which Mike Rumbles referred would be applied fairly, especially in rural areas. The budget is heavily skewed, as you can see, by the total EU provision.

16:00

Richard Lochhead: If each minister bid for a slice of the cake from the extra £5 billion that was available under the spending review, how much did the rural affairs department get compared with other departments? What was the percentage increase?

Ross Finnie: In terms of specific services, which are a much smaller proportion of the total Executive budget, we got what was required to progress various elements of our work. Where that money comes from is less important than what it actually does. The total amount, for agriculture and for agri-environmental support measures, certainly reflects that. Even if we were to bid for more money under the headings in the document, we might not necessarily be able to use it.

You must understand that those moneys are directly related to the allowability of expenditure under the CAP regimes in which we operate. If, for example, we were to bid for another £100 million, we would probably be unable to spend it under the terms of basic support for CAP regimes. We are heavily constrained, even in bidding for more money for fisheries. Under fisheries legislation, the amounts that we can offer the industry are tightly constrained. More important for rural development are the sums that have been achieved by other departments, which will be applied fairly and proportionately in rural Scotland.

Richard Lochhead: When I asked a

parliamentary question a couple of months ago about how much of the budget the minister has control over that is not linked to Europe, the answer was 21 per cent for 2000-01 and 20 per cent for the following year. Surely the Minister for Rural Development would want to bid for more money to increase the share of the budget that he has control over. Has that percentage increased as a result of your bidding for money?

Ross Finnie: The amount of money has certainly increased.

Richard Lochhead: I am not talking about European money.

Ross Finnie: I bid for money based on the outcome that I wanted. I need a new vessel for the Scottish Fisheries Protection Agency. That is vital. I need to relocate SASA for the efficient provision of that service. We do not submit bids in terms of percentages; we bid for the things that we need to improve the delivery of services in rural areas. We could play a percentage game all night and argue about the sums provided for the Crofters Commission or the Deer Commission for Scotland. Within the limited amount of money that is spent directly by the department, we bid for all those things, but I am not aware that we have lost out on anything that would benefit rural areas.

Richard Lochhead: It is my understanding that the Minister for Health and Community Care would bid for as much of the cake as possible to improve the health service and that other ministers would do likewise for their departments.

Ross Finnie: I think that you misunderstand what ministers are bidding for. We do not just say, "Well, I'd like 50 per cent."

Richard Lochhead: The committee could give you a wish list.

Ross Finnie: Exactly, but this is based on the things that are under one's control, and the things that are under my control are, for example, the Scottish Fisheries Protection Agency. I needed new money for a new vessel, because one of the vessels is very inefficient to run. It uses an old fuel system and costs us a lot of money. There is also the relocation of SASA. I am sure that the Minister for Health and Community Care did the same as I did. She did not pluck a percentage out of the air; she had programmes for delivering health that she required additional resources for.

Richard Lochhead: There are huge issues, such as the food processors who are petitioning your department for financial aid to meet waste water bills. Is not that an issue for which you could have bid for money?

Ross Finnie: Waste water regulation comes under the environment.

Richard Lochhead: Food processors are looking to offset the cost, which would come out of the rural affairs budget.

Ross Finnie: I am not imposing those bills. There is a mismatch with the department that is imposing the cost.

David Dalgetty: Does Richard Lochhead mean the waste difficulty for fish processors in particular?

Richard Lochhead: Yes.

David Dalgetty: The new FIG programme, which concerns the significant sums that were referred to earlier, will make provision for awards to be made to fish processors for capital investments, which will help them to address the problems. There are increases in the programme, which are at least in part intended to address the problem to which you refer.

Richard Lochhead: I accept that, but it escapes me why the rural affairs department is not bidding for more cash to have more discretion over rural Scotland.

Ross Finnie: Under what area, specifically? There is no point in my bidding for expenditure that is under the control of another minister.

Richard Lochhead: In other words, you are saying that you are unable to spend cash outwith the headings in the budget proposals.

Ross Finnie: No. You are looking for a duplication in ministries, which is grossly inefficient.

Richard Lochhead: You are the Minister for Rural Development, not the minister for agriculture and fisheries.

Ross Finnie: I accept that. To avoid unnecessary duplication, we are organised so that we have absolute access to the discussions that take place in other departments. You are surely not suggesting that we start taking officials and bits and pieces out of Pentland House and build a new mezzanine floor of officials, who will haggle with other officials. The sensible arrangement is to ensure that the appropriate expenditure is spent on health, education and roads in rural areas. Allocating the budget in a different way is not sensible.

Mr Rumbles: On a point of order, convener. Committee members will acknowledge that we have had about five questions, which have been the same question asked in a slightly different way each time, and we have had the same answer. We are not making progress and other members wish to question the minister.

The Convener: Technically, that is not a point of order, but a statement of fact.

Alasdair Morgan: I have a brief question, which I hope does not cover the same point. Does the flexibility exist at the moment, or would it be desirable for it to exist in future, so that, if you felt that it would be useful for another department to carry out a particular project—for example, building a hospital in a rural area—but that department did not feel that it could justify the measure in its budget, you could contribute funds from the rural affairs budget? Do you see the department getting to that position, where you could enable another department to do something that it did not feel it had the cash for?

Ross Finnie: I understand the question, but I will turn it round. When the discussions were taking place about a range of subjects—the kind of wish list that Richard Lochhead referred to—under the Minister for Health and Community Care's domain, my question to the minister and her officials was, "What is the rural dimension? Has it been taken into account?" If the answer is yes, there is not much point in my arguing with the Minister for Finance that I should have a contingency fund just in case the Minister for Health and Community Care does not deliver. My job is to ensure that the assurances are delivered on. We then benefit from the fact that the officials who have considered a proposal are experienced in health matters across Scotland, including rural Scotland. I understand where you are coming from. The process that we are engaged in did not take place previously as there was no mechanism, before the existence of a Rural Affairs Committee and a Minister for Rural Affairs, to ask those questions.

Fergus Ewing: I was interested to learn that, rather like the shellfish, the figures on pages 22 and 23 carry a Government health warning. The only constant seems to be uncertainty, which is not an ideal situation. I have a simple question. Is there any European Union money or budget line that will not be utilised to the hilt between now and 2003-04?

Ross Finnie: I do not mean pejoratively to describe that as a clever lawyer's question. Even Alasdair Morgan could see that coming. [Laughter.] There may be a supplementary to that question. If you are referring to optional measures at a UK level, that is one thing. However, if you are talking about the access to compulsory spending in those lines of expenditure, there is no chance that we will not use it.

Fergus Ewing: It was a question to which I do not know the whole answer; it therefore had a Forrest Gump-like quality to it. I hope that the *Official Report* will show the rather long pause between my question—smart or otherwise—and the eventual answer.

Ross Finnie: It was a difficult question.

Fergus Ewing: My point is really quite simple. There is grave concern among communities in rural and perhaps urban Scotland that there are budgets and resources in Europe that could be made available to Scotland but are not. The current method of reporting financial information makes it difficult to work out what is happening. I know that there will be a debate on openness and transparency tomorrow—

Ross Finnie: I think that you are referring to the optional elements of agrimonetary compensation, which Governments have to decide as states whether to draw down—there is no money there that we will not draw down. If there is compulsory agrimonetary compensation to be paid, it will be paid—there is no question about that. Of course, its availability is on the decline—a matter that is slightly exaggerated in certain quarters. Some people are eligible for it. However, there is a wide range of schemes.

Fergus Ewing: I am sure that this subject will run and run. It would be extremely useful to all members if the rural affairs department could provide at an early date an exhaustive and detailed list of all the schemes to which the minister referred that are not compulsory, but optional, where we may not be receiving the full benefit. Such a list would be extremely useful in helping us to assess to what extent it would be desirable or possible to take up the benefits that we are not accessing at present.

16:15

Ross Finnie: I am not aware of any other schemes, but I will check on that. If there are others, it should be relatively simple to do as you ask. You are referring to the optional element of agrimonetary compensation.

Fergus Ewing: One scheme to which access is not being utilised to the full—so I have read—is the scheme for compensation in the arable sector. I believe that the deadline is today.

Ross Finnie: That is exactly what I am talking about. It is one category: the optional, as opposed to the compulsory, element of agrimonetary compensation. I have made my position on that clear to UK agriculture ministers. I have prosecuted the case that the money should be paid, because I believe that that is justified for Scottish farmers.

Fergus Ewing: What was the verdict of that prosecution?

Ross Finnie: I do not know the verdict, because the decision is, I believe, being taken today.

The Convener: Are there any further questions? If not, we have probably come to the end of this item. I thank the Minister for Rural Development,

Ross Finnie, his new deputy, Rhona Brankin, and their officials for their assistance.

Before we leave this agenda item, let me say that, as we mentioned, we have a fairly tight time scale for reporting to the Finance Committee. Ideally, we would have had a draft report for our next meeting, which may not now be possible. We hoped that we could therefore appoint two reporters to work with the clerk to ensure that we are up to speed on the draft report as quickly as possible. When we have appointed two reporters on issues such as this in the past, we have taken one from the Executive side and one from the Opposition side. Are there any nominations?

Mr Rumbles: I propose Des McNulty.

The Convener: Des has gone, so we cannot ask him. I was going to propose Elaine Murray.

Mr Rumbles: I second that.

The Convener: Is there a nomination from the Opposition? If not, is there a volunteer?

Fergus Ewing: Am I allowed to propose Richard Lochhead? Probably not.

The Convener: No, you cannot propose Richard, as you are not a member of the committee.

Rhoda Grant: I will propose him.

The Convener: Would you like to take it on, Richard?

Richard Lochhead: I did it last year, so I thought that somebody else might want to do it this year, but I am the only Opposition member here. This is Alasdair Morgan's last meeting and Fergus Ewing is not on the committee.

The Convener: We will accept those two reporters. We should come up with a draft report by next week or possibly later, if we are allowed an extension. It is normal practice to discuss draft reports in private. Does that meet with the approval of the committee?

Members indicated agreement.

Salmon Conservation (Scotland) Bill

The Convener: The next item on the agenda is the Salmon Conservation (Scotland) Bill. A paper was circulated to members after the consultation period closed. On 7 November, we are scheduled to hear evidence on the bill from interested organisations and from the Deputy Minister for Rural Development. Today, the committee must first identify the areas in which we want to take further evidence and then decide from which groups we want to hear, bearing in mind the limited time that we have available. Members will remember that all those who were consulted by the committee were informed of the date on which we would take evidence and were asked to consider keeping that date clear so that we could invite them at short notice. As I said, a paper containing suggestions on whom we might wish to see has been circulated. Are there any comments on that paper?

Mr Munro: The group of five bodies and boards that has been suggested seems appropriate. Could we agree to take evidence from them?

The Convener: Would our inviting representatives of those five organisations to come and deal with the core issues meet with the committee's agreement?

Mr Rumbles: How much time are we allocating to the oral evidence of five organisations?

The Convener: It was hoped that we might be able to hear from the organisations together, and to allow cross-questioning and discussion of the issues. That would allow a more efficient use of time, but it would be necessary to allocate a reasonable period.

Mr Rumbles: That is my point: I simply hope that we will have a reasonable amount of time to hear from five organisations. Could you give us more of an idea about the time, convener?

The Convener: We can allocate as much time as members think necessary. I have not thought about how much time would be required.

Mr Rumbles: What are we thinking: an hour, an hour and a half, half an hour?

The Convener: It would probably be two hours to discuss the whole issue—but we might want to bring in other organisations as well.

Mr Munro: Our briefing paper from the senior assistant clerk makes a suggestion for the start of the meeting: that we simply ask the witnesses to respond to questions. That would shorten the time required.

The Convener: Indeed. For the purpose of getting this into the *Official Report*, I will read out the list of organisations we propose to consult on the core issues. They are the Association of Salmon Fishery Boards, the Scottish Anglers National Association, the Salmon and Trout Association, the Salmon Net Fishing Association of Scotland and the Atlantic Salmon Trust. Would those organisations adequately represent the interested parties on the core issues of the bill?

Mr McGrigor: You have not referred to the possible invitation of individual proprietors, convener.

The Convener: Indeed, Jamie: I propose also to cover three further issues that would require to be addressed. The group of organisations that I have just listed reflects the core interests as represented in the responses that we received.

Richard Lochhead: Are there any representatives from local authorities—people who represent communities—who might have an interest in the matter? I am sure that the organisations you have listed are appropriate and are involved in the issue, but it might be useful to have someone along to represent the general public interest.

The Convener: There has been no response from such organisations. We examined the responses that we received and we have considered the organisations that are typical, or that represent typical responses.

Richard Lochhead: I can see the argument of inviting riparian owners, as Jamie McGrigor was suggesting, but if we do that we would have to invite anglers as well.

The Convener: We have included various groups that represent angling interests in the list of five organisations.

There are certain other issues that we may wish to consider, perhaps separately from the interests expressed by the five groups. They include the European convention on human rights and the management of border rivers—we may need advice on that. We might also consider the interests of the fishing proprietors, who have no overarching organisation to represent their interests.

Mr McGrigor: Fishery boards are made up of some lower and some upper proprietors—upper proprietors are people who fish the upper parts of the river. I wonder whether proprietors who run fishing businesses are really being consulted. One or two run enormous businesses.

The Convener: We have to consider whether we need to consult proprietors as a separate interest or whether they are covered by some of the organisations that we have mentioned.

Mr Munro: I think that they are covered by the fishery boards. Anyone who has an interest in the preservation of fishing interests will be a member of a reputable board.

Mr McGrigor: Some rivers are not covered by boards.

Dr Murray: That may indeed be the case, but there are proprietors on boards. We would not consult every proprietor.

The Convener: I am told that there are about 10,000 of them.

Dr Murray: Their interests will be reflected by the boards. My only slight concern is that all the organisations from which we will take evidence are broadly of the same view; will we hear from anglers or fishing interests that are opposed to the bill? There are not many of those, but will they have adequate opportunity to express their disagreement?

Cathy Peattie (Falkirk East) (Lab): Richard Lochhead said that we have no evidence from local authorities. Were the views of local authorities sought?

Richard Davies (Clerk): The Convention of Scottish Local Authorities was included on the list of organisations the committee agreed it would consult, but we have not received a reply.

Mr McGrigor: I should have declared an interest: I have a one sixth share in a fishing syndicate on a river in Scotland.

The Convener: Do we feel that proprietorial interests are adequately represented by the organisations from which we will take evidence?

Members indicated agreement.

The Convener: Do we require advice on the European convention on human rights and the management of border rivers in relation to the bill? We could choose to rely on the views of the minister.

Fergus Ewing: I notice that Michael Clancy of the Law Society of Scotland drew the committee's attention to ECHR implications. The summary of responses says that the regulations that are made under the bill will need to be scrutinised for ECHR implications. Should we invite the Law Society to make more detailed comments in writing?

Rhoda Grant: Could we ask the Law Society to come to the committee?

The Convener: We could do that, or we could invite it to make a more detailed written submission, which we could use when we discuss the matter with the minister.

Fergus Ewing: It might save time if we invite the Law Society to make a written submission and

thereafter decide what to do.

The Convener: We will ask the Law Society to do that.

Dr Murray: The Law Society has written us a letter, but it is on only two sides of A4. We may want it to expand on that.

The Convener: Indeed.

Would it be appropriate to deal with the issue of the border rivers directly with the minister?

Mr Munro: Why should the border rivers be treated as a separate entity?

The Convener: The issue has been raised in the consultation.

Mr McGrigor: There are various reasons why they should be treated separately. For example, one can fish for salmon on a Sunday in England but not in Scotland.

Mr Rumbles: What relevance does that have to the bill?

Mr McGrigor: The rivers have to be managed differently. There are different regimes on opposite sides of the border.

Mr Rumbles: Surely the Association of Scottish Salmon Fishery Boards could cover that.

The Convener: Yes. We can raise with the minister any matter that has to be addressed.

Dr Murray: There are issues for a couple of rivers for which the regime is different, but I am sure that the Executive can deal with them.

The Convener: We will approach the minister and ask the Law Society of Scotland about the ECHR. Are members content to do that and to accept the five nominations on the paper?

Richard Lochhead: One small point to make is that some local authorities own fishing rights, such as Aberdeenshire Council and Aberdeen City Council. I do not know whether a representative from COSLA should take part in the consultation.

The Convener: We have decided that proprietorial interests are adequately represented through the bodies that we mentioned.

Richard Lochhead: That was the question. It could be argued that the fishery boards represent the interests of such local authorities, but I do not know whether the authorities are represented on those boards.

The Convener: Are we content with the list and the proposed additions?

Members indicated agreement.

16:30

Rhoda Grant: When we contact the Law Society of Scotland about the ECHR, we could ask about the use of bailiffs to enforce many of the actions that are to be taken under the bill. There may be conflict, as the bailiffs are appointed by the fishery boards. Will the measures be implemented fairly, whether against a landowner, a member of a fishery board or someone who simply has a fisheries interest or who is fishing under a licence?

The Convener: I will ask the clerk to ensure that that issue is raised.

Mr McGrigor: What about the written submissions from individuals?

The Convener: All written submissions will be considered in preparation of a report.

Mr McGrigor: Are we discussing the committee members who are being sent out to have discussions with river boards?

The Convener: No.

Mr McGrigor: I received a request to visit the Lochaber fishery board on behalf of the committee.

Mr Munro: The visit to Lochaber is on this Friday coming.

Mr McGrigor: But I did not know the grounds on which I was invited. I am not a member of the committee, and I said so when I was invited. I was told that that did not matter.

Mr Munro: Are we not required to advise the Rural Affairs Committee of an intention to make a visit?

Richard Davies: If members wish to accept an opportunity to make a visit outside their constituencies, they might need to claim expenses from other than their normal member's travel budget, which can be used only locally. If members wish to use the committee's budget, the committee would like to know when and where members intend to go.

Mr Munro: There is certainly an invitation to attend a visit on Friday.

Mr McGrigor: I received one, but I did not know whether it came from the committee or another body.

The Convener: The invitations came from the fishery boards.

Are there any further comments on the Salmon Conservation (Scotland) Bill?

Fergus Ewing: There seems to be one glaring omission from the key groups of people who will give evidence. It is a shame that we cannot take evidence from poachers. [*Laughter.*] Perhaps John

Farquhar could help us out on that.

The Convener: Who knows? The committee might have quite a bit of experience of that, but I suspect that no one would be willing to admit it.

Mr Munro: Poaching is a foreign word, Fergus—it is not in the English language.

The Convener: You are a Gaelic speaker, of course.

Petitions

The Convener: Petition PE194 comes from the Scottish Campaign for Public Angling. At a previous meeting, we decided to write to John Home Robertson, who was the minister responsible for fisheries, for a further explanation of points that the petition raises. We received from him a letter that addressed those points. That has been circulated to members, who should have a copy of the document now. We decided to continue to consider the petition until we had received that information. Are there any comments on it?

Dr Murray: I felt that Mr Home Robertson's response indicated that SCAPA had not gone through the procedures that it could have gone through. It complained in the press, but it has not made a formal complaint to the Tay liaison committee. We should point out to SCAPA that it has not used the available mechanism.

Richard Lochhead: The response from the minister is helpful. This correspondence raises several important issues in relation to the management of freshwater fisheries. Given that the committee will examine that matter at some point, I suggest that we revisit those issues then. Is it worth copying our response to the petitioner? Is that done automatically?

Mr Rumbles: I am not sympathetic to an organisation that has not exhausted the proper procedures. It says in the response from Mr Home Robertson that the Tay liaison committee has never received a formal complaint. His response states:

"The complaints made to the press and in the petition are non-specific in terms of location . . . TLC have invited SCAPA to attend their regular meetings, which are open to the public, but SCAPA have never taken up the offer."

I am all in favour of the Scottish Parliament being open and accessible, but when organisations present petitions to us they should go through the proper procedure first. We should respond on that basis.

Dr Murray: That is the point that I was making. We are not a grandstanding opportunity; we should provide recourse for people who have not received justice through the appropriate channels. I agree with Mike Rumbles that we should recommend that SCAPA raise its concerns through the proper mechanism.

The Convener: Having heard what members of the committee have said, my feeling is that we are largely content with the response that we received from John Home Robertson and will let the petition drop in view of that response.

Mr Rumbles: A response from the convener, on the basis that we have identified, might be helpful.

The Convener: Does that meet with the agreement of members?

Members indicated agreement.

Richard Lochhead: Will the minister's response be copied to the petitioner?

The Convener: Yes. It already has been.

A second petition has been included in this item, because it relates directly to the statutory instrument that we will deal with in item 5. Is the committee content to consider the petition after we have dealt with the statutory instrument?

Members indicated agreement.

Diseases of Fish (Control) Amendment (Scotland) Regulations 2000 (SSI 2000/330)

The Convener: We have one piece of subordinate legislation to deal with today. Members should have a copy of the regulation and of the correspondence that took place between the Subordinate Legislation Committee and the Executive during that committee's consideration of the regulation. The Subordinate Legislation Committee report was published on Friday. An extract from it was posted to members at the weekend. Did all members receive it? The report draws our attention to the Executive's letter, which provides and explains the draft scheme referred to in the regulations.

The petition from the National Farmers Union of Scotland raises the question whether the amendment to the regulations will make any significant reduction to the difficulties faced by fish farmers. If the committee is content with the regulations, we will not need to draw the Parliament's attention to them. However, if the committee is not content, we will need to seek further explanation at next week's meeting, which is the last at which we can consider this instrument as we must report by 13 November.

Rhoda Grant: In a ministerial statement that was made in Parliament before the instrument was laid, the measure was discussed as something desirable and a move forward in dealing with infectious salmon anaemia. The instrument should be welcomed.

The Convener: I assume that members are content with the instrument—

Mr Munro: As it exists?

The Convener: Yes. Are members agreed that the committee is content with the instrument and that it wishes to make no report to Parliament?

Members indicated agreement.

The Convener: That leaves us with the issues raised in the petition that pertain to this matter. Does the committee wish to make further comment on the petition at this time, or should we seek further legal briefing on the petition before we pursue it? As it makes demands about compensation, perhaps a briefing from the Executive would be valuable.

Dr Murray: Given that the situation is being altered by the instrument that we have just considered, might it not be worth while to ask for the views of the NFUS on the new regulations?

The Convener: It might be sensible to ask the

NFUS for any further comments relating to the petition as well as seeking a briefing from the Executive.

Mr McGrigor: I would have thought that ISA was in the same category as a disease such as foot-and-mouth, for which farmers receive compensation. Even though the disease might now be downgraded, when it was in force, all the fish had to be slaughtered.

Rhoda Grant: The instrument will change that situation. There will be no more total slaughter.

Mr McGrigor: I know, but what about the total slaughter that has already happened?

Rhoda Grant: I am not sure that we can change anything retrospectively.

Mr Rumbles: It might be helpful for a minister to come before the committee and explain the new arrangements to us again. We can also ask the NFUS to submit a short paper to the committee with issues that we could raise with the minister.

The Convener: Do you wish to invite the minister back?

Mr Rumbles: Yes. Or we could ask for a written submission from the minister containing all the information that we need.

Mr Munro: We might find ourselves in difficulties with this issue, which has been debated over a number of years. The cage fish farmers are insisting on compensation for what is after all a disease among their stock. The question then is whether they were instructed to destroy fish that were not contaminated with the disease, which is a legal argument that is beyond our remit. If we were to compensate fishermen for their loss, we would need to bear in mind our previous discussion about scallop farmers, who have received no compensation. As many scallop farmers are suggesting that the contamination has come from the fish farms, would we be compensating the fish farms for perpetrating a disease that is affecting the shellfish men? We should stand back a little.

The Convener: It would be shrewd for us to obtain further information from the Executive and further comments from the NFUS, and to reconsider the issue.

Agriculture Inquiry

16:45

The Convener: The final item on our agenda—*[Interruption.]* There are two items numbered 6 on my agenda, which explains my confusion.

The next item on our agenda is the proposed agriculture inquiry. A draft research proposal has been circulated. Do members have any comments on the proposal? At this stage, we are seeking the committee's approval to progress the proposal.

Mr Rumbles: The proposal is extremely worth while. We all know the dreadful state that the farming and agriculture industry is in—it has been in that state for some time.

The proposal describes part of the research's objectives as:

"To assess the contribution of Scottish agriculture and public policy in support of Scottish agriculture to the full range of rural interests".

It is a worthwhile piece of research and I am sure that it will gain the support of the conveners group.

Cathy Peattie: I agree with Mike Rumbles.

When the committee was established, we spent some time considering our priorities. In a sense, the agriculture inquiry has been pushed further and further back and it is important that we proceed with it now. I agree that it is a worthwhile project and I support it 100 per cent.

The Convener: My view is that we must push forward the research quickly. Does the paper meet with members' approval? As we know, sometimes changes have been necessary during the preparation of bids for support of this nature. Should we submit the proposal for consideration?

Members indicated agreement.

Islay Creamery

The Convener: The second item 6 on my agenda, which I shall call item 7, is the report on the situation of the Islay creamery.

A draft report was prepared and discussed by the four members who went on the visit to the creamery. Copies of that report have been circulated to members today. A provisional decision was made at the meeting of the reporters that a draft should be passed to George Lyon, who is the local constituency member, and that we should ask for his comments in order to consider incorporating them in the report's conclusions.

I hoped that that would happen quickly, but we discovered a slight technical problem with that approach, as we required the permission of the full committee in order to proceed. It has been pointed out to me that we would also have to consider seeking the comments of Highland list members. May I have the permission of the full committee to go ahead and to seek those comments from other interested local members?

Mr Rumbles: I take the view that it is quite right and proper, and a good thing, for the local constituency member to be asked to contribute his expertise in the field. It is also right and proper to consult other list MSPs who have an interest in that part of their wider regional constituency. That is an appropriate approach. I do not think that we should treat those members differently.

The Convener: Does that meet with members' approval?

Members indicated agreement.

The Convener: That brings us to the end of our agenda—*[Interruption.]* It has been pointed out to me that we hope to consider a draft report on 7 November. I require the agreement of the committee to take that item in private.

Members indicated agreement.

Meeting closed at 16:49.

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