

# **TRANSPORT AND THE ENVIRONMENT COMMITTEE**

Tuesday 26 June 2001  
(*Afternoon*)

Session 1

£5.00

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2001.

Applications for reproduction should be made in writing to the Copyright Unit,  
Her Majesty's Stationery Office, St Clements House, 2-16 Colegate, Norwich NR3 1BQ  
Fax 01603 723000, which is administering the copyright on behalf of the Scottish Parliamentary Corporate  
Body.

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by The  
Stationery Office Ltd.

Her Majesty's Stationery Office is independent of and separate from the company now  
trading as The Stationery Office Ltd, which is responsible for printing and publishing  
Scottish Parliamentary Corporate Body publications.

---

# CONTENTS

Tuesday 26 June 2001

	Col.
ITEM IN PRIVATE.....	1919
PETITIONS .....	1920
FERRY SERVICES (HIGHLANDS AND ISLANDS) .....	1925
SEA CAGE FISH FARMING .....	1944

---

## TRANSPORT AND THE ENVIRONMENT COMMITTEE

19<sup>th</sup> Meeting 2001, Session 1

### CONVENER

\*Mr Andy Kerr (East Kilbride) (Lab)

### DEPUTY CONVENER

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

### COMMITTEE MEMBERS

\*Bruce Crawford (Mid Scotland and Fife) (SNP)

\*Robin Harper (Lothians) (Green)

\*Maureen Macmillan (Highlands and Islands) (Lab)

\*Fiona McLeod (West of Scotland) (SNP)

\*Des McNulty (Clydebank and Milngavie) (Lab)

\*Bristow Muldoon (Livingston) (Lab)

\*Mr Murray Tosh (South of Scotland) (Con)

\*attended

### THE FOLLOWING ALSO ATTENDED:

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

Mrs Margaret Ewing (Moray) (SNP)

Alex Fergusson (South of Scotland) (Con)

Rhoda Grant (Highlands and Islands) (Lab)

Alex Johnstone (North-East Scotland) (Con)

Richard Lochhead (North-East Scotland) (SNP)

George Lyon (Argyll and Bute) (LD)

Dr Elaine Murray (Dumfries) (Lab)

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

### WITNESSES

Sarah Boyack (Minister for Transport and Planning)

Rhona Brankin (Deputy Minister for Environment and Rural Development)

Gordon Brown (Scottish Executive Environment and Rural Affairs Department)

Fiona Harrison (Scottish Executive Development Department)

Graham Thompson (Scottish Executive Environment and Rural Affairs Department)

### CLERK TO THE COMMITTEE

Shelagh McKinlay

### SENIOR ASSISTANT CLERK

Tracey Hawe

### ASSISTANT CLERKS

Alastair Macfie

Neil Stewart

### LOCATION

The Chamber



## Scottish Parliament

### Transport and the Environment Committee

*Tuesday 26 June 2001*

*(Afternoon)*

[THE CONVENER *opened the meeting in private at 13:33*]

13:43

*Meeting continued in public.*

### Item in Private

**The Convener (Mr Andy Kerr):** I welcome members of the press and the public and the official report to the 19<sup>th</sup> meeting in 2001 of the Transport and the Environment Committee. I have received no apologies.

Under agenda item 7, the committee will consider a paper from the clerk on whether to have an away day in the autumn. As we will discuss the future work of the committee, do members agree to take that item in private?

**Members** *indicated agreement.*

## Petitions

**The Convener:** Agenda item 3 is public petitions. PE8 is from the Scottish Homing Union on the impact of the number of birds of prey on the sport of pigeon racing and PE187 is from the Scottish Gamekeepers Association on the culling of raptors. Members should have received a paper from Maureen Macmillan, who is our reporter on the petitions. I thank Maureen for the paper.

13:45

**Maureen Macmillan (Highlands and Islands) (Lab):** I am still thinking about my questions on sea lice that we talked about in private session, so I am not quite up to speed.

I hope that everybody has had a chance to consider the petitions. The basic problem was that the Scottish Homing Union was concerned about predations by raptors on pigeons and the gamekeepers were concerned about predations by raptors on the grouse that they rear for shooting. At one point, it seemed that the two sides were barely speaking to each other. The report calls for the two sides to get together again to do some more research into ways of diverting raptors from pigeons—either in flight or when the pigeons return to their lofts. We want more co-operation between the various bodies, and the Scottish Homing Union should be included in any research or discussions. Alex Neil MSP is trying to set up a body and I think that he will be successful. There is willingness on all sides to make that work.

There are questions on how the law operates in giving licences to people to deal with raptors. Currently, people should be able to get a licence if their livestock or poultry are threatened. Racing pigeons do not fall into that category. At this stage, I do not know whether it is appropriate to consider a change in the law. There is an anomaly in respect of PE187, because it would seem that grouse or pheasants should be protected by the granting of licences that are given not necessarily to kill raptors, but to prick their eggs or substitute their eggs in breeding times by china eggs, for example. The gamekeepers said that they did not know of any instance in which such licences had been granted. The report calls for more investigation into the law to find out whether some sort of derogation would be allowed in such circumstances.

RSPB Scotland e-mailed me about the paper and suggested one or two changes. I have lost the piece of paper, but one suggestion was to add the RSPB to the organisations that are mentioned in paragraph 38 in relation to on-going work. I would be happy to include the RSPB if the committee agrees.

Paragraph 48 of the paper states:

"The Scottish Gamekeepers Association was not involved in the production of the Raptor Working Group Report, and does not support its recommendations."

The RSPB said that that statement is wrong. I think that the Scottish Gamekeepers Association was involved as an observer and in a very limited way, but not in the way that the RSPB suggested.

**Robin Harper (Lothians) (Green):** My information is that the Scottish Gamekeepers Association attended almost all the meetings for the raptor working group report. The association may not have been involved in the writing of the final report, but it took full part in the meetings and attended them all. Paragraph 48, therefore, may require slight amendment, but overall, the report is excellent and I am happy to recommend that it be taken forward.

One small point that could be important is that there have been some successful experiments on the diversion of hen-harriers from predation on red grouse by diversionary feeding. That could be added to the paper, perhaps in paragraph 17 or paragraph 18.

**Bruce Crawford (Mid Scotland and Fife) (SNP):** The report is a good overview and a way forward on delicate and difficult matters—particularly the issue of pigeons against raptors. A lengthy lobbying process of MSPs has taken place and the report deals with the issue pretty well.

I have a question and some suggestions. Will Maureen Macmillan explain a little more what is meant by non-disruptive methods?

**Maureen Macmillan:** Non-disruptive methods include putting sequins on pigeons' wings so that raptors will be frightened away. They are methods that will not harm the birds in any way. Disruptive methods include removing birds' eggs and substituting china eggs.

**Bruce Crawford:** That is a good explanation.

On further research into the success of non-lethal or non-disruptive methods of discouraging raptor predation on racing pigeons, would it be possible to add another bullet point or paragraph to the part of the paper that deals with the establishment of race flight corridors? From what I have heard from both sides, I think that work still needs to be done in that area. Everyone agrees that corridors are a good idea. They give recognition to the idea of establishing areas where pigeons can fly and race with a bit more freedom. The corridors would not be raptor-free zones, but at no stage has anyone defined how those could be established.

**Maureen Macmillan:** We could add that to the report.

**Bruce Crawford:** Groups of pigeon fanciers in the Stirling area have lobbied me heavily about the introduction into the wild of peregrine falcons. The Stirling area has a large number of pigeon lofts or doocots. For understandable reasons, people are trying to reintroduce birds of prey back into that habitat, without considering the consequences on the pigeon fanciers in that locale.

Regulation may not be the answer to the problem but, when birds of prey are to be reintroduced, some sort of guidance needs to be given and understanding needs to be reached—especially when such reintroduction is done near to urban conurbations.

**Maureen Macmillan:** That problem was not drawn to our attention.

**Bruce Crawford:** I have been the subject of heavy lobbying on that issue. If the problem exists, it may not be as big a deal as I am being told, but we should look into it.

**The Convener:** Paragraphs 25 and 26 of Maureen Macmillan's report describe ecological balance and the perceived lack of such balance. I am concerned that, unless studies are carried out, we will lose that balance and a bigger problem will be created. The Scottish Homing Union reflected that point effectively when it asked how far we should let the situation continue. By bringing the organisations together, will we achieve the objective of the UK raptor working group's report, which was to arrive at ownership of the solutions?

The aim of the UK raptor working group's report was to acknowledge the interests of those who keep pigeons and those who want to protect the raptors. The protected species are now doing well, but the Scottish Homing Union argues that they are doing so by preying on their pigeons. During your investigations, was it clear how far all those who are involved in the debate take cognisance of the research because they feel a sense of ownership in it?

**Maureen Macmillan:** Part of the problem is that the SHU did not feel that it had ownership of the report that was produced by the UK raptor working group. The report suggested solutions that the SHU, from experience, did not think were workable. We must undertake research to see whether the solutions are workable. If the solutions prove to be unworkable, we can move forward from that position.

**Robin Harper:** We must be careful about using the term "ecological balance" when we talk about raptors and homing pigeons. "Ecological balance" can apply to local ecologies where there is predation on wild grouse and other such birds. However, homing pigeons are not part of any ecology; they are part of a human activity. The balance is between countryside and conservation

interests and human interest in breeding homing pigeons. One cannot use the word ecology when one is talking about homing pigeons.

**The Convener:** If the number of peregrines and sparrow-hawks increases exponentially, there is an ecological impact.

I welcome Alex Fergusson to the committee.

**Alex Fergusson (South of Scotland) (Con):** Thank you, convener. I apologise for not giving you prior notice that I would attend the meeting. It was rather a last-minute decision. If it had not been, I would probably not have walked in on your private meeting—I apologise for that, too.

I have been interested in this whole subject from the start. Although I accept Robin Harper's point that the racing pigeons may not be a natural part of the ecology of our skies, if I may put it like that, the records that are kept by their owners are so good and so tight that they provide a barometer of the effect that the raptor population is having on smaller birds. For that reason alone, the evidence from the pigeon racing people is very important.

I commend the work of Alex Neil's working group. I understand that, together with the SHU and Scottish Natural Heritage, the group has come to an agreement on the methodology of some research. That is a step in the right direction and is to be encouraged. I am delighted to say that the position is moving forward.

**Mr Murray Tosh (South of Scotland) (Con):** I, too, congratulate Maureen Macmillan on her report, which was thorough, balanced and neutral. I particularly liked the second sentence in paragraph 12, which refers to the interaction of sparrow-hawks and peregrines with racing pigeons. That is about as neutral and non-emotional as you can get.

**Maureen Macmillan:** We tried to use non-emotive language.

**Mr Tosh:** I recognise that. What is the likelihood that the research that is called for will happen and how quickly is it likely to be concluded? If we are to finalise our dealings with the petition today, we should give the petitioners some indication that we are not just asking for something to be done, but commenting on a process that is likely to give them a definitive answer within a reasonable period of time.

**Maureen Macmillan:** Alex Neil has been putting together a group and, to a certain extent, the process of getting that group up and running is in the petitioners' hands. All parties now seem quite keen for that to happen, because they recognise that we have been marking time. I cannot give you a time scale, but I imagine that it would take quite a long time to do thorough research in the field. It will not happen in a couple of months; it may take

a year or more. That presents problems, because there will be no solutions until the research has been done. However, the only way to stop all the arguments that are going on is to get some definitive research.

**Mr Tosh:** Is SNH thoroughly signed up to doing the research and providing some of the necessary resources?

**Maureen Macmillan:** I cannot answer detailed questions on that but, as far as I know, that work is progressing. Other bodies, such as RSPB Scotland may also become involved.

**The Convener:** Maureen Macmillan has accepted some changes—from Robin Harper, on diversionary feeding, and from Bruce Crawford, on corridors and the reintroduction of species such as peregrine falcons in certain localities.

**Maureen Macmillan:** Could we also review paragraph 48? We need to establish exactly what status the Scottish Gamekeepers Association had at the meetings.

**The Convener:** Indeed. That was to have been my final comment.

On the basis of the changes that I have outlined, are members happy to accept the recommendations on PE8, in paragraph 38, and on PE187, in paragraph 55?

**Members indicated agreement.**

**The Convener:** We are grateful to Maureen Macmillan for conducting that work on our behalf.

## Ferry Services (Highlands and Islands)

**The Convener:** Agenda item 4 is the Scottish Executive's proposals for the future of the Highlands and Islands ferry service network. We shall take evidence from Sarah Boyack, the Minister for Transport and Planning, who is accompanied by Scottish Executive officials John Martin, Fiona Harrison, Murray Sinclair and Neil Jackson. We shall have a short break before they join us.

13:59

*Meeting adjourned.*

14:00

*On resuming—*

**The Convener:** I welcome Sarah Boyack and all the officials who accompany her. Would you like to make an opening statement, minister?

**The Minister for Transport and Planning (Sarah Boyack):** I will kick off by thanking the committee for the opportunity to give evidence on the Scottish Executive's proposals to put Caledonian MacBrayne's lifeline services out to competitive tender. It is important that I let you know my plans and I am happy to answer any questions.

As members know, we are required to undertake competitive tendering to meet the European Commission regulations on the provision of state aids to maritime transport. Following wide consultation last year, I announced provisional proposals in January and we have submitted them to the Commission as we are required to do under the rules.

It might be helpful for me to run through our core proposals. We propose that all CalMac's undertaking services, including mainland-to-mainland routes, should be designated as public service obligations, and so remain eligible for subsidy. We propose to tender the network as one bundle to maximise economies of scale and service reliability, to facilitate the delivery of integrated transport objectives and to prevent cherry-picking of the routes.

We propose that there should be a publicly owned vessel-owning company, or vesco, which will manage the CalMac fleet and lease vessels to operators, which would be contractually bound to use vesco ships. To provide an extra safeguard during that period of change, we also plan that the vesco would have a role as a procurer of last resort. I know that there has been much comment about that proposal. It has significant merit as part of our measure to safeguard services during what

everyone agrees will be a period of great change. We see that as providing extra cover, over and above that which is available for all other ferry services in the UK, and as a recognition of the lifeline nature of those routes. I have also given a commitment that levels of services and fares will be protected during the transition to the new delivery framework.

Since the announcement of the provisional proposals some months ago, there have been some developments that it might be helpful for me to share with the committee. First, although the details of communications between the Commission and the Executive are private, I can let members know that the Commission has asked for further information in support of tendering the network as one unit. We are in the process of replying to a number of detailed questions from the Commission on that aspect. We are stressing firmly that the Executive believes that tendering the whole network as one brings significant benefits. That was the overwhelming preference of the respondents to our consultation exercise.

While we await the Commission's views, we have been engaged in a great deal of work. That brings me to the second development. When I announced the proposals, I stressed that they would be the subject of further investigation. We have recently issued two separate tenders for consultancy advice to assist us with that detailed preparatory work.

The first consultancy provides an analysis of how we ensure that our vesco proposals pass our financial health check, and will give us a business and implementation plan for the new company. It will also look at the arrangements for CalMac's piers and harbours. The second consultancy will provide advice and recommendations on drafting the service specification. That document will address the levels of fares and services and highlight the priority that the Executive attaches to safety. Once we have a draft, it will be the subject of wide consultation before we finalise the document. We expect to select the winning bids for both tenders in July this year. When the successful consultants are in place, we plan for the process to commence as soon as possible.

I bring one last point to the committee's attention. I am aware that there has been a lot of speculation that the Commission's expected 2002 review of the cabotage guidelines might relax those guidelines and so exempt CalMac routes from the requirement to be tendered. However, a recent European parliamentary question confirmed that, although the guidelines might be reviewed next year, the regulations would not and that the principle of non-discrimination between European Community ship owners would remain. I thought that it might be helpful to put that on the record.



A great deal of work is on the go. The Commission is putting a great deal of pressure on the Executive to bring CalMac services into compliance quickly. I believe that the proposals that we submitted to the Commission will secure lifeline services for the future. We now must await the Commission's response to our detailed answers to its detailed questions. The timetable that we adopt thereafter will in part depend on that response.

I do not need to tell the committee that the implementation process is complex and represents a huge challenge. However, working in consultation with the local communities, CalMac, its work force, local authorities and other interests will enable us to deliver a framework for tendering that fosters the economic and social well-being of the Highlands and Islands communities. I believe that the Executive, CalMac and the communities that are involved are tuned into that set of challenges and that we will be able to rise to the undertaking ahead.

**Bristow Muldoon (Livingston) (Lab):** Thank you for your introductory comments, minister. They addressed several of the points that have come up in the course of the inquiry so far.

We note the tendering approach that the Executive intends to take. Will you explain any other tendering approaches that the Executive considered and why you eventually decided on the tendering proposals that you have?

**Sarah Boyack:** Most recently we had the experience of the northern isles services tender. It was a useful exercise for the Executive to run through that process. The difference between the northern isles and the CalMac services is that there are an awful lot more CalMac services.

We are well aware that the CalMac tender will be a more complex exercise. However, the experience of the northern isles tender—not just for the Executive but for the communities, which were able to see how we consulted interests such as the local authorities and business interests—has given us a sense of how to listen to views and plug those into a final tender.

**Bristow Muldoon:** You have touched to some degree on my second question, which is whether you should proceed at this stage with the tendering proposals. I know that the Executive's position is that, in order to comply with European Union guidelines, it is necessary to proceed at this stage. However, in evidence that was given to the committee last week, the Scottish Trades Union Congress in particular suggested that there was still scope within existing guidelines for the Executive to seek some form of derogation from the requirements of the regulations. Could you respond to that?

**Sarah Boyack:** We are clear that we are at the end of the queue of EU countries responding to the regulations for non-discrimination. I am aware that there was an option for derogation. That was available in the early 1990s, and a couple of countries exercised the right at that time. The position now is that all the other European countries are coming into line. The impression that we have from the Commission is crystal clear: we must comply with the regulations that it stipulates on maritime transport and with the current set of deadlines.

**Bristow Muldoon:** In the proposals as they are framed, the framework is guided by the tendering process and the tender documents. No form of legislative back-up is proposed at this stage for the regulation of the new organisation that will run the services. Why does the Executive believe that it is not necessary to proceed with a legislative framework to back up the new proposals at this stage?

**Sarah Boyack:** I return to the first answer that I gave you and to the northern isles experience. We have been through that process and it is our view that, with the tender process that we intend, there is no need for primary legislation in advance of the tender process.

**Bristow Muldoon:** I will probe that a little bit further. The northern isles tender has been issued, but we do not have any live experience of the operation of that tender. Do you foresee a need for legislative back-up in the future? What might lead you to such an approach?

**Sarah Boyack:** The purpose of a tender is to invite companies to put in bids to run the services that we specify in the tender. They will be contractually obliged to meet those requirements. It is not our view that any extra legislation is needed to deliver those services. The tender process should give us a contract that the successful company will be signed up to deliver.

**Bruce Crawford:** Before I ask about procurement, I will add a supplementary question to Bristow Muldoon's questions. All committee members received on 23 June a piece of correspondence from a Captain Norman Martin. He gave evidence that other countries in Europe, such as Belgium, Denmark, Finland, France, Germany, Greece and Sweden, were using a form of the net wage system in which ship owners pay—

**Sarah Boyack:** Would you repeat that? I missed what you said.

**Bruce Crawford:** The evidence that we had was that the nations that I mentioned are using a form of the net wage system in which the ship owners pay seafarers their wages net of assumed taxes and social costs. In effect, they are not

paying back into the Government. In that way, they overcome state aids and do not require to put out their vessels to competition.

I am not an expert on the subject. I had not heard that evidence before. It may be that you are not in a position to respond to that today, minister, which I would understand fully. It would be useful for the committee to send your office a copy of the letter so that we can get a response to it and understand whether the evidence has any basis.

**Sarah Boyack:** Neither my officials nor I have seen the correspondence. I obviously want to take a close look at it. At this stage in the process, I would be amazed if there was a simple loophole in the way that you have suggested. I would be happy to examine the information and provide a swift and brief response to the committee on our conclusions on it, if that would be helpful.

**Bruce Crawford:** That would be useful. I do not think that the loophole would be simple, by the sound of it, but we received that example.

I am sorry to have started off with that. I will move on to the area that I want to talk to you about. Can you tell us about the process that the vesco would undertake to procure, if required, a new operator and what the time scale of any such procurement might be?

**Sarah Boyack:** It is worth stressing at the outset that we have developed the belt-and-braces concept of the vesco being able to work with the Executive to secure services as a last resort. It would apply if a successful tenderer for a contract had failed to deliver that contract for whatever reason. We have never had those circumstances with any Executive ferry contracts, whether with P&O Scottish Ferries in the northern isles or CalMac, which has provided services on behalf of the Government for a large number of years.

When we examined the process, we felt that it was important that we consider the whole process and develop a belt-and-braces approach. We do not expect the vesco to have to procure a new operator. The operator will provide lifeline services to the communities that it will serve. We had to consider the what-if scenario: what if an operator failed to deliver the services? It is important to say that we think that it is extremely unlikely that the situation would ever arise. However, we thought that it was important that the process exist.

We consider the vesco as the provider of the vessels. However, we thought that it was important to develop a mechanism whereby, if circumstances were to arise in which there was a problem with the operator of those vessels, the vesco would work with the Executive to ensure that we had the capacity to operate the routes. That is where our whole approach is coming from. Procuring a new operator would be very much a

last resort.

**Bruce Crawford:** I realise that it would be a last resort, but building in the whole vesco process suggests that, although it might not happen regularly, it would be possible. By what process would the vesco procure a new operator, if that was required in the circumstances that you have explained? What would the time scales be?

14:15

**Sarah Boyack:** It would be a bit premature to go into the detail at this stage. I mentioned earlier that we are in the process of commissioning consultants to look at the structure that needs to be developed for the vesco. We have also been in regular discussion with the Maritime and Coastguard Agency. This summer, we are going through the process of pinning down the details. Although I cannot reply at the moment, I thought that it would be useful to give the committee the principles under which the vesco would be brought into play in such circumstances.

**Bruce Crawford:** I am sure that the minister will understand that the community, the Executive and this committee wish to see continuity of service. Will the minister guarantee—or give some sort of indication—that, if a process cannot be arrived at that secures the islands' lifeline services in an unbroken way, the whole area will be reconsidered?

**Sarah Boyack:** There are two stages. A successful operator needs to come through the end of the tender approach. Your question concerns something downstream from that approach, but we are working on it at the moment.

Tendering all the services in a single bundle will give a degree of certainty to the whole process and deliver economies of scale. We will also have thought through what might happen if an operator failed. The combination of those two things will give us confidence. Our approach is intended to reassure communities that we intend to deliver.

**Bruce Crawford:** I hear the minister's assurances, but I am not very assured by the fact that we have got this far down the road without receiving answers to our questions about the procurer. The Executive has chosen to go down the procurer route, but perhaps that route was not fully thought out. It is a bit much to be undertaking work now to flesh out the details and build down from the idea of a procurer. Although it is unlikely, it is entirely possible that circumstances will arise in which an operator pulls out at short notice. The committee wants to be assured that, if the further work that will be done does not give the Executive confidence about the continuity of services, the whole area will be reconsidered.

**Sarah Boyack:** I fundamentally disagree with the underlying tone of those questions and comments. We are considering how we can put in place a sensible approach for a worst-case scenario. We are talking to the MCA about the whole process to ensure that, in the worst-case scenario that you mention, a vesco could be given safety certificates at fairly short notice.

We have consulted the European Commission very carefully because we want to ensure that the Commission is comfortable with our final set of proposals. As well as meeting our own safety requirements, the proposals must meet the Commission's requirements. We want to ensure that we are able to deliver the lifeline services. A great deal of work has been done and is being done. We have consultancy support to help us work through the issues.

**The Convener:** Bruce Crawford has pursued that issue with three or four questions. I want to move on to other areas.

**Bruce Crawford:** I understand that, but I have a different question that relates to the same issue.

Any new operator that was brought in after an operator had pulled out would be able to maximise its leverage over the Executive in terms of the finance that it could secure. Will the minister reassure us that that issue will be examined very closely? How such a situation would be dealt with needs to be thought through.

**The Convener:** That point was raised in evidence, when one of the witnesses used the phrase "over a barrel".

**Sarah Boyack:** Obviously, we are keen to ensure that services are provided and that value for money is achieved—both for the sake of the Executive and for the communities that are served. We are looking at the cost issues.

**Fiona McLeod (West of Scotland) (SNP):** My question is a supplementary to the minister's point about her discussions with the MCA. Did she discuss with the MCA whether the MCA would issue the vesco with a document of compliance?

**Sarah Boyack:** Fiona Harrison, who has been more closely involved in the discussions with the MCA, will answer that question.

**Fiona Harrison (Scottish Executive Development Department):** We have had useful discussions with the MCA about the proposal that the vesco should be the operator of last resort. The minister has already said that, in the first instance, we envisage that the vesco would procure another operator. We envisage that, if that were required, the tendering process would be very quick. However, if an operator had the Executive over a barrel, or if an operator could not be found, we believe that the vesco could deliver

the services at its own hand. An interim document of compliance and interim safety management certificates can be granted quickly, provided that the MCA is satisfied that whoever operates the ferries can do so safely.

**Fiona McLeod:** I want to tease that out a wee bit. The individual certificates for the ships are a separate issue. Presumably, the vesco would simply use the ships that were already in use anyway. However, the document of compliance concerns the safety management systems that a company has in place. If the vesco had to apply for an interim certificate, there would have to be a period when the vesco could not be the company operating the vessels.

**Fiona Harrison:** Our advice from the MCA is that that process can be very quick and that an interim document of compliance could be got within hours, if absolutely necessary.

**The Convener:** We will now consider regulation issues.

**Fiona McLeod:** The industry will lack an independent regulator. Let me say at the outset that I am not talking about safety. Last week's evidence has convinced us that the MCA is the appropriate body to regulate safety, although perhaps—this is not a reserved issue—it needs more funding and more staff to do its job to the best of its ability.

The committee wants to consider the regulation of the fares and services that the company will offer. Can the minister name any other similar lifeline public service that does not have a regulator? For example, we have the office of Gas and Electricity Markets and the Office of Water Services. Should not ferry services be in a similar position? Given the fact that the company will still be part-owned by the Government, how can the Government both set and regulate the service requirements?

**Sarah Boyack:** Let me comment briefly on the MCA, although it is an organisation for which I am not responsible. It is important to point out that the MCA has cost-recovery processes, so that if, post tendering, more work is involved in the process, the MCA can recover those costs from the successful operator.

As I was Minister for Transport and the Environment when the water industry commissioner was established, I am aware of the whole issue of regulation. However, there are differences between CalMac's services and the other industries that Fiona McLeod mentioned. In the case of CalMac's services, the Executive will sign a contract with an operator for the provision of services to a specified contract, in which a whole range of detailed issues will have been set out. That is not the case with the water industry, for

example, for which a different type of market arrangement exists.

You raised the issue of the company being owned by the Government. The vesco will be owned by the Executive and will be responsible to us. It will have to provide services to the operating company, without subsidy and at cost. I do not agree with the arguments that I have read about the need for a separate regulator. In addition to the MCA, which the committee has already accepted as appropriate on safety grounds, there is a raft of competition legislation in the UK. There are issues to do with how we go about the tender specification process and how we consult in detail on that. The northern isles services provide a directly comparable example of how we have approached such processes in the past.

**Fiona McLeod:** Are you saying that services and fares in the industry will be regulated through the five-year contracts? For fares and services to be changed, would those contracts have to be renegotiated?

**Sarah Boyack:** No. We will set out in the contracts the process for making changes that we regard as acceptable.

**The Convener:** The detail will be in the specification, which, as the minister has said, will be subject to scrutiny. We are all interested in that area of work.

**Sarah Boyack:** The committee can come back to that.

**Maureen Macmillan:** I have received representations from constituents who are worried about the inclusion of local authority ferries in this process. Many routes in geographically isolated areas of the Highlands and Islands are run by local authorities. I am referring to routes such as Mallaig to Knoydart and the ferry from Port Askaig. People have also been in touch with me about the Lismore to Oban ferry. Does the Executive intend to bring such services within the tendering process or will it be for local authorities to offer them?

**Sarah Boyack:** We are in discussion with local authorities, but we do not see the CalMac tendering process as an opportunity to bring all the local services to which Maureen Macmillan refers under one umbrella. Fiona Harrison can say more on this issue.

**Fiona Harrison:** We propose to review and take decisions on a number of out-of-undertaking services, including the Lismore service, in the near future.

**Maureen Macmillan:** In some areas there has been anxiety—unrest would be too strong a word to use—about this issue. Are you negotiating with the local authorities about the routes that may be included in the tendering process? What is

happening?

**Sarah Boyack:** There is no process of negotiation, but we will consult local authorities carefully. The current process is concerned with the development of the tender specification. Before we formally consult on the draft specification, we will have consulted the local authorities, Highlands and Islands Enterprise and people who have an interest in the tender specification. There is an opportunity for detailed discussions at two stages. We are very keen to involve local authorities in those discussions.

**Maureen Macmillan:** I hope that the committee will also be involved.

**Sarah Boyack:** I take that as read.

**Maureen Macmillan:** I presume that councils will have discussions with the local inhabitants who use the ferry.

**Mr Tosh:** In her introductory remarks, the minister referred to the considerable pressure that there has been to place all the services in one bundle. What is the Executive's current view on whether that will meet the requirements of competition law? Does the Executive have in mind any initiatives that will ensure that efficiency and value for money are demonstrated in the event that all the services are bundled together? In other words, do you have any ideas for making the process more competitive if it is felt not to be and there is a risk that it may fall foul of competition law?

**Sarah Boyack:** We are providing extra information to the Commission in response to some of its questions in this key area. The Commission wanted us to provide detailed information on the rationale for the single bundle approach and on how we see that working in practice. We are in dialogue with the Commission about that.

**Mr Tosh:** Can you say at this stage whether you think you are winning?

**Sarah Boyack:** It has been extremely useful that the Commission has been prepared to spend time with us. When I go to Brussels, I am conscious that we are one of many Governments that raise a lot of issues with the Commission, which has been generous with its time. It has met a number of the members of the committee, as well as local authorities and trade unions, and has been prepared to engage in that dialogue.

In the past year, we have made a lot of progress in giving the Commission a sense of the uniqueness of the services that are provided off the west coast of Scotland, in terms of the complexity of routes and the kind of seas that are crossed. It has a much better feel for the challenge facing us than it did a year ago. I am grateful to

the people who have worked closely with the Executive, not so much to take a line from us, but to raise other people's views in Brussels. That has been helpful in giving the Commission a sense of the range of views in Scotland on the issue.

14:30

**Mr Tosh:** While being positive, the minister is being careful not to give anything away. I suppose that it is too early to know what is likely to happen, but presumably the Executive has considered what it will do if it loses its case and we are required to have the bundles broken into several smaller bundles. Given that that is a possibility, how does the Executive think that it can best go about preventing cherry-picking of the more attractive routes? How would it cope with the practical implications of unbundling? For example, how can it ensure that the marketing of the services as a whole, or through-ticketing for users who like to wander through the islands, and might therefore be moving from one provider and one contract to another, would continue? I think we would all be loth for that flexibility and user friendliness to be lost as a result of competition.

**Sarah Boyack:** The arguments that Murray Tosh presents are precisely the kind of arguments that we have raised with the Commission. There are issues such as marketing and ensuring that the network can be easily understood and that we make the most of ticketing opportunities. We ran through a range of options in the consultation document that we issued last summer. The vast majority of consultees believed strongly in the virtue of a single bundle; that is why we are making the best possible arguments we can to the Commission. We know that there is general support for us, for the reasons Murray Tosh mentioned and because of issues such as economies of scale. Offering the services as a single bundle is complex, but we would still have complexities if we split them up into several bundles. We are very conscious about value for money and we want to make our subsidy to the process as efficient as possible.

Issues to do with variable costs can be addressed much more easily with a single bundle. We have made lengthy comments to the Commission on matters such as overhaul facilities, the purchase of fuel, harbour dues, insurance and catering, because we think that they will have a material influence on the cost of providing services. As members will know, I am keen that we provide the best possible service, but for a reasonable cost. For the reasons I have given, we are still at the stage of working hard with the Commission on the single bundle, which we think has a great deal to recommend it. We must have the best possible discussion with the Commission

on why we have made that proposal.

Safety is also a priority for us; a single bundle would simplify the approach to safety. We are rehearsing a number of arguments with the Commission. Murray Tosh raised a "what if" scenario, but we are not at that stage at the moment. We are very much at the stage of working hard with the Commission to persuade it of our approach.

**Mr Tosh:** We can all agree with much of what the minister has just said. I appreciate that she does not want to be at the what-if stage, but it is important for us to understand whether the Executive has a feel for the consequences of reaching the what-if scenario. Could the minister give us an insight into her thinking on what the Executive would do to prevent the cherry-picking of the most attractive routes? Are there any effective measures that could be put in place to prevent unbundling having a knock-on effect on issues such as integrated marketing and through-ticketing, which are the advantages to the customer of the current integrated service? I know that the minister does not want to be driven into that position, but we need to know that work is being done to consider what we would do if we found ourselves in that situation.

**Sarah Boyack:** We are putting consultants on the case to work up a draft specification for the tender process. Those are issues that we could address. The difficulty is that Murray Tosh is asking me to speculate without knowing why the Commission might not be happy with the suggestions that we have made. We could sit here and try to second-guess the Commission, but we are not at that stage yet. For that reason, this is not a fruitful conversation for us to have at this stage. We have all sorts of what-if ideas in our minds on a range of issues, but given that we have not had the Commission's formal response and we are still at the stage of providing it with supplementary information from earlier in the year, now is not the time for us to go down that route.

**The Convener:** To pursue that further, in the event of the process going wrong—which no one wants to speculate on—are you happy that you will have sufficient time to implement plan B?

**Sarah Boyack:** A number of options were set out in the consultation paper that we issued last summer. It is not that we have not thought through what the alternatives are, but that we came to a clear view on what the best possible solution would be for the interests of people who use the services.

**Mr Tosh:** Will the consultants who will be working on the specification consider different scenarios? Presumably you will want that detailed work to focus on those scenarios; otherwise you

have to start again at the end of the process. If the minister is unwilling to spell out her thinking—or if her thinking on the matter is not yet formed sufficiently—it is important for us to know that at least the consultants will consider those options and give the Executive viable strategies to cope with whatever might come from the Commission's deliberations.

**Sarah Boyack:** I very much agree that that is precisely the kind of approach that we could take. The Commission must also be realistic about timing and there is time pressure not only on us but on the Commission. The points that you make are not at all insurmountable; I am just saying that that is not the approach that we are taking at the moment. We have not thought about the “what if” scenarios. We are still working to persuade the Commission on the single bundle approach. I am not ignoring the possibilities on the issues that Murray Tosh has raised; we will reflect on those issues. It is not a waste of time to rehearse them in front of us.

**The Convener:** Maureen Macmillan asked about consultation. Can we have some examples of how you see that going? The tender documentation and service specifications involve fairly detailed and in-depth issues. How will you increase transparency to ensure that communities, employees, local authorities and even the committee receive the level of detail and information that will allow us constructively to engage in the process of service specification and contract documentation?

**Sarah Boyack:** There is a range of mechanisms that we think would be appropriate, which again build on the northern isles contracts. In the case of those contracts, we ensured that local authorities and local economic interests were informed of our draft specification. In this case, the CalMac users consultative committee will also be involved. That is the approach we have in mind. Other possibilities for the consultation process include such methods as focus group discussions, where people sit down and talk round the detail of the available options. I am conscious that we have to do this sensitively.

Our objectives are to achieve innovation and improve service delivery. I am conscious that any change that benefits one community might be seen as a threat by another and that there are different perspectives. We are not looking at just one group of people. We will ensure that we have a range of types of consultation. The number of local authorities that are involved means that we have to work hard to get the consultation right. We see local authorities as partners. Part of the success of the approach to northern isles services was that local authorities saw themselves as consultees, but were keen to receive views from

local people. That balance will be important.

**The Convener:** We will continue with the theme of local issues.

**Robin Harper:** Witnesses last week believed that the Transfer of Undertakings (Protection of Employment)—TUPE—Regulations and rights of employees issues will have to be addressed in the tender document. I know that you have not been considering many what-if issues, but if CalMac is unsuccessful, local navigational, social and cultural knowledge will be lost. What actions will the Executive be taking to safeguard the interests of current CalMac employees?

**Sarah Boyack:** I am keen to discuss those issues to reassure the work force that we are tuned in to their concerns. We have discussed the issues with the management of CalMac, which is tuned in to them also. I understand that CalMac has held several meetings with different groups of employees to talk through the process that it is about to embark upon. I am conscious that this is a live issue for employees, and it is important that they get as much information as possible.

We have focused on what will be in the tender process. There is the issue of whether TUPE applies—that will be a legal matter at the time of any potential transfer. We are keen to address employment issues, because a number of matters have been raised by employees, and we will investigate how that can be advanced as we draft the tender specification.

**Robin Harper:** You mentioned TUPE. We have information that TUPE does not cover pension rights. Is it proposed to take any action to safeguard employees' pensions?

**Sarah Boyack:** We are looking at that in drafting the tender specification. I have had meetings with trade unions, and we have received helpful feedback. In addition to local authorities, we will ensure that the people who are developing the tender specification, which includes the trade unions and the work force, will be aware of the issue and be able to comment on it.

**Mr Tosh:** Could you touch on the transfer issues that arose with the northern isles ferry services? In that situation, people had rights in transferring from P&O to CalMac. Has the Executive analysed the transfer issues that arose? Has it examined the implications for manning levels, wage levels and pension rights? That would inform this process.

In a more direct way than was the case with the controversial trunk roads contract earlier this year, in this case the Executive ultimately is the employer and budget holder. Even if it does not directly employ people, it has a duty to consider the implications for the labour force. If an analysis

exists, it would be useful for the minister to give us a flavour of it, so that the CalMac people know better what their prospects could be, depending on the scenario.

**Sarah Boyack:** We are still taking advice on the detailed legal aspects. However, it is my understanding that NorthLink has agreed to take on all those who want to transfer from P&O to NorthLink under their existing terms and conditions. We have not analysed that specifically, but we have kept an eye on it, although we are not the employer. We are keen to see how that transfer works, partly because we are conscious that CalMac staff will be looking at that process with an eye to what happens in their tender process.

**Mr Tosh:** Given your ultimate strategic and financial domination of the process, to what extent is it possible for you to specify things such as pension rights, which Robin Harper raised—for example, that there should be a contributory employer pension rather than a money purchase pension? So long as it is understood that those obligations will be attached to any potential winner of the contracts, they will not be anti-competitive measures. Has the Executive considered that? Although it is not strictly a TUPE issue, it is related to making sure that the work force is protected.

**Sarah Boyack:** Those are exactly the issues that we are looking at.

**Bruce Crawford:** I will tease out the issue of pensions, then I will move on to other issues regarding the contract. The guidance issued by the Treasury on the transfer of public sector employees and pensions said that the pensions that are provided by the new employer should be broadly similar to those of the old employer. I would have thought that the minister would be in a position to give assurances that that will be the case, rather than saying that it is being considered.

Will the minister be looking at the training and competencies of the work force, the skills specification of the work force, the qualifications of employees and their experience, and the wage levels that are being paid to the employees at the moment? Those factors are responsible for CalMac's special safety record, and a new company that takes over the contracts will have to provide continuity. We have to address those issues, to ensure that we maintain the quality of service that has been provided by CalMac.

14:45

**Sarah Boyack:** Without being able to hand Bruce Crawford the draft specifications today, I suspect that I will be unable to respond satisfactorily to his detailed comments. I repeat

what I said to Murray Tosh. We are examining those kinds of issues closely. I am well aware from the discussions that I have had with representatives of the CalMac work force that they expect us to examine the issues in great depth and to address them in the tender specifications, and we are doing that.

I agree with Bruce Crawford's comments on safety. We want to ensure that there is a safety culture in the company that takes over the routes. Safety is at the core of the project, and any company will have to satisfy the MCA about its detailed approach to safety and its ethos.

**Des McNulty (Clydebank and Milngavie) (Lab):** The driver of the process has been meeting European requirements on competition regulations and state aid. As part of the process of going out to tender, have you quantified whether any efficiency gains are likely to be made? What is the anticipated impact on the amount of subsidy? If savings are to be made, what might be done with them?

**Sarah Boyack:** I mentioned the concept of innovation in route development and the services that already are provided. We are keen for that to develop. I am conscious of the fact that what feels like innovation to one community may feel like a backward step to a community on the same island or somewhere else. That is a sensitive issue. In getting the consultees to help us to examine the draft service specifications, I am open to the ideas that are coming from some communities. I have already met members of different island communities who have strong ideas about how to improve the existing service in ways that would save money.

The test will be lie in whether those assertions are true. We are keen to explore that through the process. It is not possible to quantify savings at this stage, but we are keen to follow the approach that I have outlined when we identify the tender specification. Beyond that, there will be the opportunity for potential operating companies to say how they think they could do things better or differently, to produce a better outcome that might save resources. I would love to be in the happy position of requiring a lower subsidy, but I am not assuming that that will be the case.

**Des McNulty:** The emphasis that you are giving us is on innovation within service and service development rather than on an effort to save money.

**Sarah Boyack:** With the northern isles ferry service, we did not set out to save money per se, but we have managed to get a subsidy and a contract over the next five years, which gives us a better deal—it means that we have to pay less subsidy. As a result of that process, people have

faster sailings and new boats, and they will get more sailings. It is possible to deliver innovation.

We are trying to set a service specification framework that will enable us to consider some of the route issues over the summer, but it also raises that issue with potential operators. We are keen for them to come with innovative solutions, and we want to get the benefit of the process of competition throughout the tender process, so that we maximise on the benefits.

**Des McNulty:** In that context, how do you see performance monitoring developing in relation to the two new entities that might be created and to service quality on particular routes? Do you envisage an enhanced regime of performance monitoring being created as part of the specification and management arrangements that you want to be introduced?

**Sarah Boyack:** We certainly have that in the northern isles contracts, which deal with performance issues. At the moment, CalMac has an explicit set of performance targets, and it is agreed that it has to report back on those at the end of the year. It has a good track record, and the details are set out in the annual report. We would like to build on that, and have asked the consultants to consider developing the tender specifications and establishing what the right kind of performance monitoring approach is. We already have a system in place with CalMac, and the question on the agenda is whether that can be improved as we go through the tender process.

**Des McNulty:** Can that be taken from the company level to the level of particular services?

**Sarah Boyack:** At the moment, CalMac's approach is to meet some very challenging service level objectives in terms of percentages across the whole network—for example, the objective for sailings being on time is 98.5 per cent, I think. The process will make such factors more transparent. At the moment, the targets that apply across the network are very high.

**Maureen Macmillan:** I wish to return to Des McNulty's previous question about innovation. We know that there are ideas in people's heads that may take a long time to see the light of day, but that some very good schemes exist on paper. How will such ideas be processed if there has to be tendering every five years? Will that not mean that good ideas are stopped in their tracks and that, if they do not make it into the first round of tendering, nothing happens to them and there will not be another chance to consider them for several years more? Will it not mean that the current processes of innovation will somehow be stopped?

**Sarah Boyack:** We have to work within the public service obligation framework that is set by

the European Commission, which is firmly of the view that there has to be a five-year approach. The best way to address that question is to use the fact that there are ideas out there, and to ask people to make local authorities, Highlands and Islands Enterprise and the Highlands and Islands strategic transport partnership aware of their ideas as we move into the draft tender specification process, so that those ideas can at least be on the horizon.

In the end, we have to take a view on which innovations we accept and which we do not. Now is very much the time for people's ideas to be raised. When we get to the stage of companies being interested in the tender process, that is the point at which particular ideas can be plugged in and tested. There are a couple of ways in which people who have such innovative ideas can slot them into the process in a practical way.

**Bristow Muldoon:** I want to follow up in a similar area of questioning. I note what you have said about the potential for innovation forming part of the tendering process, and about the fact that the Commission is looking for a five-year tendering process. Does the question of innovation not suffer if we draw a comparison with the railway industry, in which we are moving from short tendering processes to longer ones because of the concerns that have been expressed about a lack of enhancement towards the end of the process? I recognise that the length of time of the tendering process is a restraint being placed upon you by the Commission, minister, but have you explored that issue in discussions with the Commission?

**Sarah Boyack:** I am very conscious of that box that we have to fit into—a five-year contract. It is true that that limits the options. Through the northern isles contract approach, we have been able to opt for completely new boats. That has been achieved through a leasing system. It would have been very difficult for us, in the northern isles contract, to have met the five-year horizon, given that we had to replace boats that were 30 years old. The investment certainly could not be paid back over five years. In the case of the northern isles, a solution was identified.

As for the CalMac routes, a fleet is already in existence. The challenge in that case is to work out a tender process whereby we can roll forward new boats. That is one of the reasons why we arrived at the vesco idea, which enabled us to keep that Government investment together and to roll forward vessels. We have to meet the European requirements on how we do that, but I think that the tender process will allow us to consider what the priorities for investment in routes are and how we will proceed with that investment.

Bristow Muldoon is right that we have to meet



the requirements that are set by Europe, but, in the two different contracts that we have been considering—that for the northern isles and that for the CalMac routes—there are different ways to address the problems. The Executive has tried to come up with the right approach for each set of circumstances. Those approaches are not always the same, but the aim is to meet the circumstances to the best of our ability.

**The Convener:** Thank you very much. I think that we have exhausted our areas of questioning. I would like to express our appreciation for your coming to the committee today. I think that we have had a wide-ranging, detailed discussion. My thanks go to you, minister, and to your officials for coming along today.

Des McNulty, one of our reporters on this issue, will outline our consideration of the next steps.

**Des McNulty:** The reporters intend to meet Commission officials in Brussels over the summer recess. We will also keep in touch with Executive officials regarding any progress that they may make with the Commission. Maureen Macmillan and I intend, over the summer recess, to take evidence from service users informally. After the recess, we intend to review the evidence that will have been received both from the formal committee meetings and from the meetings undertaken by the reporters, in order to identify any gaps or outstanding issues that require further meetings or consultation. Following that, we intend to put together a report to the committee early in the autumn term, and to take whatever action is appropriate to pursue matters with the Executive.

**The Convener:** That seems to be fairly wide-ranging and sensible. Do members have any comments on what Des McNulty has said?

**Bruce Crawford:** I have one point to raise. I have raised it before and, because Des McNulty did not mention it, I thought that I had better return to it. It is the issue of the MCA and the valid document of compliance. It would be useful if the reporters could tease out from the MCA whether the interim document of compliance, which we heard about today, could be issued to a company with no previous experience in running ferries.

**Fiona McLeod:** Within hours.

**Bruce Crawford:** Yes, whether it could be issued within hours.

**Des McNulty:** We will try to pick up on that issue. We will come back to the committee after identifying whatever gaps there are. I hope that there will be an opportunity for people to feed in any points that they have at that stage.

**The Convener:** I now offer the committee a quick break.

14:58

*Meeting adjourned.*

15:06

*On resuming—*

## Sea Cage Fish Farming

**The Convener:** We move to agenda item 5, which is on petition PE96 from Allan Berry. The petition calls on the Scottish Parliament to hold an independent public inquiry into the adverse environmental effects of sea cage fish farming.

Today, we will hear evidence from Rhona Brankin, the Deputy Minister for Environment and Rural Development, who is accompanied by a number of Scottish Executive officials. I offer all the witnesses a warm welcome to the Transport and the Environment Committee.

In line with the committee's practice, I offer the minister an opportunity to make a short statement. However, before I hand over to the minister, I also welcome to the meeting members of the Rural Development Committee. I will take a long look around the chamber to ensure that all members get an opportunity to put questions to the minister. After that, the Transport and the Environment Committee's members will discuss how to proceed with the issue.

I now hand over to the minister. When she has made her opening remarks, members will be able to contribute to the question-and-answer session.

**The Deputy Minister for Environment and Rural Development (Rhona Brankin):** Thank you.

I am delighted to meet members of both the Transport and the Environment Committee and the Rural Development Committee in connection with PE96. I am also delighted to provide the information that the committees asked for. The committees asked why we declined to mount an independent inquiry and they asked about the various initiatives that the Executive is undertaking and how those initiatives fit into the wider strategic context of marine fish farming. I expect that most of our time will be spent in discussion, but I hope that members will find it helpful if I explain some of the background.

I ask members to remember that PE96 calls on the Parliament to conduct an inquiry into the environmental effects of marine fish farming. As Ross Finnie said in his letter of 10 April, if that is the route that the Parliament chooses to go down, the Executive stands ready to co-operate and to provide evidence.

However, in the first instance, the Transport and the Environment Committee and the Rural Development Committee chose to ask the Executive to take on the task of mounting an independent inquiry. I will go over the two good reasons why we declined to do so. First, we believe that the concerns that surround marine fish farming have been identified. Many are well documented, such as wild fish declines, escapes and environmental impacts. Secondly, the Executive is already pursuing a wide range of initiatives that are designed to tackle those concerns. Members have had an opportunity to view a list of those initiatives in the annexe to Ross Finnie's response. For those reasons, we seriously doubt that an inquiry that would involve considerable time and expense would add anything of value. Indeed, an inquiry could divert resources away from the initiatives that are already in train.

In advance of this meeting, my officials provided the clerk with a range of background information about some of the key activities. I hope that members found that information useful, because it demonstrates the extent of the Executive's efforts.

I will move on to the Executive's work plan. The initiatives are closely integrated and have two objectives. First, they will fill in some of the gaps in our scientific knowledge, which will help to inform future decision making and regulation. Secondly, the initiatives will help us to develop a strategic framework within which the industry can develop sustainably and co-exist with its neighbours. In order to fulfil the first of those objectives we are examining nutrient inputs—not only from fish farms—and their impact on the environment. We are also considering where eutrophication is likely to be a problem and why and whether the Scottish Environment Protection Agency is developing or possesses the techniques that are necessary to assess the impact of effluent and therapeutants from fish farms.

A number of the initiatives involve the Executive, fish farmers, wild fishery interests and environmental non-governmental organisations working together to confront the issues and find solutions. Examples of those initiatives include the tripartite working group, which is a system of local area management agreements that is designed to ensure healthy wild stocks and a sustainable fish farming industry. Tackling sea lice is a top priority for the tripartite working group. We have also established the aquaculture health group, which is a joint group that comprises the Executive and fish farmers and aims to improve general fish health, welfare and management. That group has built successfully on the changes in practice that were recommended in the wake of infectious salmon anaemia and on the code of practice that was introduced last year.

We have also set up research and development projects to underpin our initiatives. The Executive is spending in excess of £1 million on research into and development of key health and environmental issues, such as interactions between wild and farmed fish—including in relation to sea lice—improving diagnostic techniques and addressing emerging disease threats.

I would like to highlight another initiative. At the beginning of the year, we started a review of regulation, which will identify gaps in the regulatory system and ways in which procedures could be streamlined and improved. A formal consultation paper will be issued in the next couple of weeks. That is the first of three areas that the committees might wish to consider and assist with. We regard the review as an important exercise that is designed to deliver a better balanced and focused regulatory framework for the future. If, as we expect, changes to primary legislation are required, we will look for early opportunities to effect those changes. The Executive will be happy to meet the committees again to discuss the review or to receive written input to the review from the committees. The formal consultation period finishes at the end of August, but if the committees are interested in commenting, that period could be extended to accommodate the committees' timetables.

Ross Finnie and I are in no doubt that, over and above the substantial effort that is going into tackling the issues that surround marine fish farming, we also need a game plan or strategy for Scottish aquaculture. We recognise the importance of fish farming to the rural economy of Scotland, but we must develop a strategic framework in which we can balance the environmental impact of the industry against its socio-economic benefits. That is the challenge that faces us, and it is also what the range of initiatives that we are pursuing is designed to deliver. It is also the second area in which the committees could become involved.

Improvements are being made to current systems and practices, and the industry, through the likes of Scottish Quality Salmon, is also playing its part in the process by raising its game on quality standards and environmental management. However, we still have a way to go. This is the time for asking ourselves some searching questions about the sort of aquaculture industry that we want in Scotland.

The debate must be public and wholly inclusive. I have no difficulty with that approach; indeed, I would welcome it. I mean to involve all interested organisations and groups that are willing to participate. At the end of that process, I hope that we will have a strategy that will provide us with the

basis for a sustainable industry. It will not be easy to achieve consensus on what that should look like, but that must be the goal.

15:15

My officials and I are about to start the process. Over the coming months, we will conduct an inclusive and wide-ranging consultation process about the big issues that surround fish farming. At the end of the year, we will develop a more focused debate around a set of strategic proposals, culminating in a strategy for the future, around which I want to muster broad consensus.

I would welcome the views and input of the Transport and the Environment Committee in the coming months. Perhaps we can discuss that this afternoon.

The committee will be aware that we will shortly publish a consultation paper on the implementation of the water framework directive. Among other issues, the paper will consider the scope for reforming how we regulate the environmental effects of fish farming through the water environment bill that we plan to introduce next year. That is the third area on which I would welcome the committee's views. I know that the committee has already earmarked the water framework directive as an issue that it would like to examine.

One advantage of proceeding with the review that we are undertaking is that the results should be available in time to fit into the water environment bill. That is an additional reason why it is important that we make progress. A public inquiry would create the risk of our missing the legislative slot for the water environment bill. The committee will appreciate that, because of the need to transpose the water framework directive by the end of 2003, that bill cannot be delayed.

Against the background that I have described, the work that is already under way and the work that we intend to pursue, particularly to develop a sustainable strategy for the industry, I suggest that the underlying purpose of the petition has been met. The Executive and various other groups with whom we are working should be allowed to press ahead with the work plan to which we are all committed. The committee could help us with the task of developing a strategic vision for the future of fish farming in Scotland. We will be delighted to work with the committee and keep you informed of progress.

**The Convener:** The committee still retains an element of disappointment on the issue of a full public inquiry. However, today's meeting is an attempt to establish whether the work that is being done is an adequate alternative to such an inquiry.

We have many members with us today. If a member asks a question on a particular subject, such as sea lice, it would be useful for members who have a related question to ask it at that point before we move on. That will add some structure to the session. I will try to ensure that I include as many members as possible in the discussion.

**Robin Harper:** Questions about chemicals, lice, algal blooms and diffuse pollution have been asked since the mid-1980s—in 1988, in Westminster, Tam Dalyell asked about algal blooms. In the face of the vast body of research on the subject—much of it unpublished—that has been done worldwide and in the UK by organisations such as the marine laboratories in Dunstaffnage and Aberdeen, do you agree that now is the time to publish a review and to act on the available evidence? Do you also agree that the further round of planning, review, research and consultation that you propose will result in a potentially damaging delay in arriving at a sustainable sea cage farming fishery?

**Rhona Brankin:** That is exactly the opposite of what I want to do. I am aware of the research that Robin Harper mentions, but there remain some gaps in the research. We must examine the carrying capacity of Scottish coastal waters, for example.

We have a lot of information already and many of the issues have been identified. That is why we are carrying out the work programme in the way we are. The Executive is already conducting research, but we do not have the results yet.

Over the coming months, I will talk to stakeholders in the industry, including people who are involved with environmental non-governmental organisations. I want to ensure that we are fully aware of the range of concerns that exist. The difficulty that I have with holding a public inquiry is that we need to do something about beginning to develop a sustainable future for the industry. I am not refusing to face up to some of the undoubtedly difficult issues that confront the industry—I want to emphasise that.

By and large, we know what the issues are and we must move forward and do something about them. That is why I want to develop a sustainable strategy that has been developed on the basis of joint working with various stakeholders. I hope that we can get support for that.

**Robin Harper:** Have you asked your advisers why, after 20 years of investment in research in the subject, we do not have a sufficient body of scientific evidence that would allow us to act immediately?

**Rhona Brankin:** We have a lot of scientific evidence and we are already acting on it. As I said, we need to carry out additional research in

some areas, such as the carrying capacity of the coastal waters in Scotland. In my opening remarks, I described examples of research that is being done, such as research into the continuing problems relating to algal bloom.

There is continuing research, but I believe that we are already aware of some of the challenges that we face. I do not want to spend my time debating whether evidence is circumstantial or whatever; I want to take a precautionary approach. If we see that there are links between escapes from fish farms and the impact of sea lice on wild fish, we need to do something about that. Indeed, through the tripartite working group, we are beginning to do so. The time has now come to get on with real work, but we have to make progress consensually. That is what I want to achieve over the next few months.

As the minister who has responsibility for this area, I do not have a fixed view about what the future of Scottish aquaculture should be. We have to ask big questions about that. Everybody will have an opportunity to feed into that process.

**Alex Johnstone (North-East Scotland) (Con):** Attached to the letter from Ross Finnie—that I and the convener of the Transport and the Environment Committee received on 10 April—was a long annexe that listed all the activities that the Executive is sponsoring or is involved with in relation to sea cage fish farming. The minister has touched on that and I am impressed by the range of activities that are being carried out. To what extent are those activities being correlated? Is a central unit or individual trying to bring the different aspects together? Is it likely that a report that covers the range of activities will be published in future? Are any other activities planned for the near future that would fit in with the list?

**Rhona Brankin:** I thank Alex Johnstone for recognising that a broad range of initiatives and research is being undertaken. We need to gather that body of information together in developing a strategy for the industry. We have already initiated a series of actions. As a starting point, we need to review the literature and find out what scientific research base exists to underpin the future development of a strategy. We need to plug the gaps where we find them. In the first instance, officials will draw that information together and then we will bring it together as the first part of a strategy.

As I said, there will be widespread consultation with people who have an interest in aquaculture. The consultation will be followed by a consultation document. I will then set up a strategy group that will seek to bring all the responses together along with the research. The time scale for that would be to identify the key issues through public consultation over the next six to nine months—

ideally through a series of bilateral meetings. Towards the end of 2001, I will set up a strategy group, which I will chair. We will then begin to hammer out some of the detail of the strategy. That group will meet as necessary. That work will be followed by a major conference—possibly in early 2002. There is a lot of work to be done because we have to bring together the range of initiatives and the broad spread of research.

**Alex Johnstone:** Can I surmise from your answer that, in your view, the Executive is committed to an identifiable process that will have a conclusion, with which the committee could run in parallel, if that is appropriate?

**Rhona Brankin:** Yes. The slightly complicating factor is that there is already a legislative slot in spring 2002 for the water environment bill. Committees might want to consider that fact and examine particular areas that could give rise to suggestions for provisions that might be included in the bill. That would not preclude a wider involvement in the sea cage fish farming strategy, which would not be concluded by spring 2002. Indeed, the committee's involvement would have to be in the autumn of 2001, when it considers the water environment bill. Whatever the committees decide to do, my officials and I will ensure that we facilitate their role in possible legislation and their involvement in the development of a longer-term sustainable strategy.

**Maureen Macmillan:** It is important to find out whether the research that is being undertaken by the Executive is sufficiently rigorous. One of the areas where that research has been identified as not being rigorous enough in the past is in relation to sea lice and their effects on wild salmon stocks. It is said that much less work has been done in Scotland than has been done in Norway or Ireland, for example. Is the Executive taking account of research in other countries? Are you co-operating with other bodies, such as the fisheries trusts, in their work on sea lice? How are you supporting the fisheries trusts? Some fisheries trusts have said that they are being asked to monitor sea lice, but are not being given the funds to do it. There is also an issue about the publication of numbers of sea lice. Why do we not publish the numbers for sea lice on individual farms, as happens in Norway?

15:30

**Rhona Brankin:** We recognise that sea lice are a problem, for both fish farmers and wild fishery interests. A lot of effort goes into research and development in Scotland and abroad. We are aware of other research that has been carried out abroad. However, if there is further research of which the committee or other interest groups are aware, we would welcome that input to the

consultative process.

We need to be able to draw together as much information on the sea lice problem as we can. We are involved in work at the moment. Members will have read the handout on our research and development programme. An increasing range of medicines is available for the treatment of sea lice. Some of those are only now becoming available, but they should be a great help to the industry.

Medicines are not the only answer, not least because of their environmental impact. Their use needs to be backed up by changes in working practice. That is why the aquaculture health group is important. That group has introduced a code of practice on advocating synchronised production. It has also advocated joint fallowing procedures, for example, in which sea lice treatments can be co-ordinated in the same loch system. Those changes are starting to happen.

Another initiative is the tripartite working group, in which the wild fishery interests work together with the local aquaculture interests and the Scottish Executive. We have to get on top of the sea lice problem. However, that will take time and more research—as resources allow. Of course we must consider what research is available. If the fisheries trusts have particular concerns, I will be more than happy to discuss those.

I have just been passed a note to say that the fisheries trusts have been looking for more funding for biologists. I met the fisheries trust in Lochaber recently. SEERAD does not have money to give them, but they have access to the resources of the freshwater fisheries laboratory in Pitlochry. Assistance in kind is available to them. We recognise the need to keep up the research and development effort in relation to sea lice.

**Maureen Macmillan:** Will there be full co-operation between Pitlochry and the fisheries trusts on that? There has not been co-operation in the past.

**Rhona Brankin:** There will be.

**Maureen Macmillan:** I want to ask about the control of sea lice in fish cages. There is a need to monitor the chemicals that are used. I want to know about the use of sea wrasse as a biological control. I know that some work was done on that in the past, but I do not know whether the results were very satisfactory. Do you have any plans to continue that work?

**Rhona Brankin:** I am aware of the work that is going on, but I will ask Gordon Brown to provide the details on Maureen Macmillan's question.

**The Convener:** I extend a warm welcome to Gordon Brown.

**Rhona Brankin:** It is not that Gordon Brown.

**Gordon Brown (Scottish Executive Environment and Rural Affairs Department):**

Thank you for the welcome, convener. Wrasse have been tried in Scotland, but there are some problems. It is difficult to obtain sufficient sustainable stocks of wrasse from the wild. Also, their survival in cages is a problem—they do not overwinter well. It is an issue that has been revisited from time to time. I am aware that an aquaculture business in the Western Isles—I think—is trying that approach again. That business might feel that it has a sustainable wild stock on which to draw.

I admit that the Norwegians use wrasse with some success, but they have sustainable stocks from which to draw. It is an issue that has been considered, but it is not without its problems. It is difficult to say whether the use of wrasse can be a sustainable tool for the industry.

**Bristow Muldoon:** The other issue on the control of sea lice and transfer of disease concerns the Executive's view on separation distances between salmon farms or between the mouths of major salmon rivers and salmon farms.

**Rhona Brankin:** An holistic approach must be adopted. When salmon farms are located in neighbouring sea lochs, it is not good enough for one farm to have a fallowing period by itself. We need to consider interlocking ecosystems. On the west coast of Scotland, work has been done on synchronised fallowing, so that when one farm in one sea loch fallows, the others in the neighbouring sea lochs—which are part of the wider marine ecosystem in that area—fallow at the same time. There is much opportunity to do that. Some issues arise for smaller fish farms as a result of that, because they do not have the option of keeping some cages fallow. We must address those issues.

**Bristow Muldoon:** Fallowing is important, as is the question of the degree of separation of fish farms from the mouths of major salmon rivers.

**Rhona Brankin:** We must adopt an holistic approach. We also acknowledge that a link exists between fish farming activities and impacts on wild fish. We need to be able to act on that and adopt a precautionary approach. Some fish farms have been placed in locations for which consent might not be given today, but we know more now than we did when those consents were given.

We need to be able to consider options, in deciding whether to give consents, to allow us to consider areas where there is faster flowing water and where the impact on the seabed and on farmed fish may be lessened. We must consider those matters seriously in determining sustainable development for the industry.

**Gordon Brown:** The minister is right. In the

information that we passed to the committees, we provided a copy of "Locational Guidelines for the Authorisation of Marine Fish Farms in Scottish Waters", which contains recommendations on separation distances. In the wake of the infectious salmon anaemia difficulties, the aquaculture health group to which the minister alluded has considered such issues, to prevent disease transmission in the future.

The minister alluded to the tripartite working group and the development of area management agreements. We have not reached that point, but through that process, consideration of the location of farms and whether farms might be moved within an area is a possibility. We have not tackled that yet, but it remains a possibility within the tripartite process.

**Richard Lochhead (North-East Scotland) (SNP):** As a member of the Rural Development Committee, I welcome the opportunity to attend the Transport and the Environment Committee's meeting to ask the minister questions.

I was disappointed by the minister's opening remarks, because although Ross Finnie told members in the chamber on Thursday that his deputy would come to the committee with an open mind on an independent inquiry, she has ruled out that possibility. The debate is unique, because those on both sides of the argument on a controversial subject are singing from the same hymn sheet. The industry, the environmentalists, the angling lobby and two cross-party parliamentary committees believe that the best way forward is an independent inquiry into the relationship between sea cage fish farming and the environment.

Did the minister cost an inquiry and consider its practicalities before she took her decision? Given that the debate is controversial and has raged for many years, many people want an independent inquiry, because they do not trust the Government to deal with the issue and because such an inquiry would help to take the heat out of the controversy. Is that concern justified? An independent, open and transparent inquiry would put everything out in the open after many years of often acrimonious debate.

Aquaculture in Scotland is a growing and diversifying industry. For that reason, would not it be sensible to use an independent inquiry to iron out all the issues and help the environmental and industry lobbies to progress in harmony?

**Rhona Brankin:** I hope that I have reassured the committees that I have an extremely open mind on the issue. I reassure Mr Lochhead that the potential cost of an inquiry had nothing to do with Ross Finnie's and my decision. We did not support the establishment of an independent

inquiry because we felt that it was recognised that the industry faces major challenges.

Much research has been conducted. We described the extent of the research and the extent of the activities that the Executive has undertaken. I said that we need to move on and engage meaningfully to solve some of the identified problems. I was concerned to ensure that we did not spend time looking back over what has happened. We need to look forward.

There is no question of the Executive driving the agenda forward without taking other people with us. We must consider the extent to which we can develop a sustainable aquaculture industry in Scotland. The questions are big and we are aware of them. We are keen to get going and not to lose the opportunity of legislation such as the water environment bill, which has a time slot next spring. Opportunities exist for the possibility of including provisions on aquaculture in that bill. We had to take into account pressing time considerations. I hope that the committees accept that I do not have a closed mind on the issue—the opposite is true.

**Richard Lochhead:** The debate has raged for many years. Throughout those years, if anybody asked the Government whether it felt that enough was being done, the Government said that enough was being done. As well as being part of the solution, have not successive Governments been part of the problem? Are the industry, the environmental lobby and two parliamentary committees justified in feeling that the only way to examine this controversial debate objectively would be to take the matter out of the hands of the Government and politicians and hold an independent inquiry?

**Rhona Brankin:** It is obvious that I have some way to go to persuade Mr Lochhead, but I reiterate that the situation has been rather polarised and that we have not moved forward enough. I am concerned that the speed of change has not been fast enough—partly because of the polarisation of debate. I am keen to seek an end to that polarisation and to get some dialogue going openly and inclusively, in order to try to establish consensus on a sustainable future for aquaculture. I repeat that no attempt has been made to dampen down debate—the opposite is the case. I want to encourage and engender a genuinely public debate about the future of aquaculture in Scotland.

**The Convener:** Two people want to ask supplementary questions—Mike Rumbles and Des McNulty.

**Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD):** I am confused by the minister's response to Richard Lochhead. As I understand it, the minister's department has refused the request

of the two parliamentary committees to hold an inquiry. The committees now have to decide whether to take their own inquiries forward. You say, minister, that you are open-minded about an inquiry—

**Rhona Brankin:** Absolutely.

**Mr Rumbles:** I am confused. Will the Executive still consider taking on an inquiry, rather than parliamentary committees having to do it? We have to make a decision: either the Executive will do it, or parliamentary committees will do it. The minister has an opportunity to make the Executive's position clear to me and to other members.

15:45

**Rhona Brankin:** We have stated our position and I will restate it today: we do not think that the Executive mounting an inquiry at this stage is the best way to proceed. I have said that a number of initiatives are already being undertaken and that time constraints exist because of the window of opportunity for the water environment bill. We acknowledge that a series of major issues face the aquaculture industry. We want to get started on action. We believe that some areas require further research; the committees might want to participate in that work. However, at this stage, we do not see a role for an independent inquiry on behalf of the Scottish Executive; but—

**Mr Rumbles:** That is why I am questioning your response to—

**The Convener:** Hang on a second, Mike. Let the minister finish.

**Rhona Brankin:** If either of the committees decides, or the committees jointly decide, to consider an aspect of aquaculture, we would naturally stand ready to support that work of the Parliament.

**Mr Rumbles:** That is why I have asked the question. You have just said clearly to Richard Lochhead that your mind is still open about an inquiry, but from your response to me it seems that that is not the case. That is what I do not understand. It seems that your mind is closed to an inquiry.

**Rhona Brankin:** May I clarify that point, convener?

**The Convener:** Please do.

**Rhona Brankin:** I was at pains to rebut the accusation that I had a closed mind on the subject in general. I have a very open mind on the subject. However, my judgment, and that of Mr Finnie, is that we have a lot of work to get on with at the moment. We want to do that. We are keen to develop a sustainable strategy for aquaculture.

We want to do that in an inclusive way, by consulting all the stakeholders and by listening to what the Parliament has to say about aquaculture. We want to make progress. I am keen to get going on the work. We acknowledge that issues need to be addressed. We feel that we are making a start, but there is a lot more work to do. We need to make progress on the basis of developing consensus on a sustainable future for aquaculture in Scotland.

**The Convener:** An additional four members now want to ask supplementaries. I trust, members, that the questions are genuinely supplementary to this issue.

**Des McNulty:** I want to be clear about the time scale and the order of process. The minister seems to be suggesting that fairly detailed research information is available but that it is not comprehensive and she wishes it to be so. That research has either been commissioned or is in the process of being commissioned. I presume that that research will inform any investigations that might take place.

The minister has indicated that a fundamental review of aquaculture regulations will take place. Her intention is that that should be tied in with considerations that relate to the water environment bill that will be introduced. Issues to do with regulation—specifically, environmental issues—could be taken care of in discussions on that bill, which I presume will come to the Transport and the Environment Committee, although the Rural Development Committee will also be involved.

The minister seems to want to undertake a comprehensive aquaculture strategy consultation process, without a time scale that is as tight as that for the water environment bill. The intention will be to make research information available and to use the regulations that will be introduced as a framework to allow the provision of support for the development of the aquaculture industry. Is that the order of events that the minister is suggesting?

**Rhona Brankin:** Mr McNulty, you have very eloquently expressed what I have attempted to express during this meeting. We have prepared for the committee a timetable that shows how the various initiatives slot in. I would be delighted to let members have copies.

**Des McNulty:** I want to be clear on whether priority is being given to environmental issues. In the context of the water environment bill, such issues will have to be dealt with first.

**Rhona Brankin:** Yes, that is right. The review of the regulations on aquaculture is already under way. The deadline for submissions is August; however, if the committee became involved, we would extend the deadline for the committee, because we would very much welcome the

committee's involvement. We have a tight time scale because of the slot next spring for the water environment bill. In addition to that work, I intend to develop a longer-term sustainable strategy for aquaculture. Over the next few months, I will begin that process.

**The Convener:** From the big list, I now invite Fergus Ewing to ask his question, which I understand is on the same issue. Bruce Crawford, Robin Harper and Fiona McLeod will also ask supplementaries.

**Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP):** Why is it that Rhona Brankin and Ross Finnie welcome a parliamentary committee inquiry, but rule out an independent inquiry? Given the highly technical nature of many of the issues, would not an independent inquiry, led by an expert, be the best way to proceed?

The minister has said, repeatedly, that if an independent inquiry convened, it would necessarily result in the delay of the slot for the water environment bill in spring 2002. Minister, this is a small country. We know who the experts and witnesses would be. Could not an independent inquiry be convened and concluded long before the water environment bill came up, and could not the recommendations of that independent inquiry be included, if appropriate, in the water environment bill?

**Rhona Brankin:** Let me reiterate what I have explained. The Executive is already involved in a number of initiatives: we have initiated research; we have set up a tripartite working group to develop area management agreements. A lot of work is already in progress. A lot remains to be done and we are anxious to get on with it.

We have a slot for the water environment bill and I know that the Transport and the Environment Committee will be considering that issue. I acknowledge that many people in Scotland are expert in this area. They are exactly the sort of people that we will draw on in our consultation, in order to develop a strategy for aquaculture. I intend to draw on that range of expertise when I set up a strategy group, under my chairmanship, to make progress on that work.

**Fergus Ewing:** I listened carefully to the minister's answer. Could she answer the specific question on whether it would be perfectly possible to hold an independent inquiry, and for that inquiry to be concluded without jeopardising the parliamentary timetable for the water environment bill?

**Rhona Brankin:** That is neither Mr Finnie's reason, nor is it mine, for saying that we do not think that an independent inquiry is necessary. As I have stated about six times, our reasons for that view are that a lot of work has already been

initiated and that we are aware of some of the problems that we must address. We are keen to get on and address those problems.

**The Convener:** Thank you.

I will bundle together the next three supplementary questions. I invite Bruce Crawford, Robin Harper and Fiona McLeod to put their questions to the minister, after which I will invite the minister to address the points that they raise.

**Bruce Crawford:** Minister, restating your reasons does not make your view right. You have certainly said the word "strategy" enough during the past hour in which you have been giving evidence. The industry has had 30 years of growth with no sense of direction. In the 1980s, 40,000 tonnes of fish were farmed; the figure today is 125,000 tonnes. Capacity has doubled, but locations have not. There is intensification and there are falling job numbers, which all lead to conflict. Wild fish are declining in other areas and now cod and haddock are involved in even greater intensification. Therefore, there is the potential for even more conflict.

The lack of a strategy has created a void and led to views becoming entrenched over the past 30 years. There are misunderstandings, blind spots, Chinese walls and conflict barriers all over the place. How can we secure change successfully, allow the industry to go through a healing process and move on to manage conflict properly? Many people out there are concerned that the Government is wearing two hats in this arena: an environment hat and a help-the-industry hat. Many members suggested that including the environment in the rural affairs portfolio would lead to conflicts that would seem insurmountable to the outside world. I think that we have reached the first serious conflict.

The committee is imploring the minister to enable healing to take place properly, to facilitate a level of independence and to allow the industry to move on. Your views might be sincere, but our views are equally sincere. The only way in which we will secure a resolution is to hold an independent inquiry.

I ask you to reflect on the two hats that you must wear and on the fact that people on the outside might perceive conflicts. I also ask you a simple question: in the unfortunate event that the parliamentary committees are required to hold a joint inquiry, albeit with help from the Executive, will the Executive stand by any recommendations that that joint inquiry produces?

**Robin Harper:** I will pick up Fergus Ewing's comment. The petition was lodged in February 2000. In February 2001, both committees recommended a full-scale public inquiry. If the Executive had agreed to that recommendation, the



inquiry could have reported before the end of the recess. The minister now seems to be expressing the view that setting up a full-scale public inquiry would interfere with the progress of what the Executive is proposing to do and with what it is actually doing. I cannot understand why the Executive seems to be pushing that view. Does the Executive think that even a parliamentary committee would get in the way of what it is doing?

**Fiona McLeod:** My question is along the same lines. I have heard the minister repeat that she understands the situation and that she wants to take action now. She has told us that she is about to embark on six to nine months of consultation, but I do not understand that. An independent public inquiry could cut out six to nine months of consultation and produce results.

The minister also said that she is doing a lot of work, implying that the inquiry would start from scratch. Does not she intend to share the information and evidence that she has with an inquiry?

16:00

**Rhona Brankin:** It might come as a surprise to Bruce Crawford, but I have a lot of sympathy with his description of the way in which the aquaculture industry has developed in Scotland. It has developed in a way that, if it were to start up now, would give us cause for concern. I recognise that there are concerns out there. I do not have to restate those concerns.

We differ in relation to what we want to do about those concerns. I do not want to look backwards—I want to be able to focus on the future. As I have explained, the Executive is already taking a number of initiatives in order to meet some of those concerns. I know that the Transport and the Environment Committee was keen to hear my evidence on the amount of work that is being undertaken. Where we disagree is that I feel that we need to get on with the job in hand and that we must be able to listen to people's concerns. We must be able to plug the gaps in areas where action must be taken, and the water environment bill will give us an opportunity partially to plug those gaps.

However, during the consultation about and consideration of a longer-term, sustainable strategy for aquaculture, consideration of other legislative vehicles might emerge. I do not rule out that approach. However, I restate that I am keen to get on with the job in hand. I hope that the committees wish also to be involved in that job. I am keen to take action now.

**George Lyon (Argyll and Bute) (LD):** The minister will be aware that more than 1,000 jobs in

my constituency rely on a successful fish farming industry. Those jobs are in some of the most remote parts of Scotland. I know many of the people who work in the fish farming industry. They are not concerned about the obscure political debate over whether we should have an independent inquiry or a parliamentary inquiry. They are concerned about whether they have a future, whether their jobs are secure, whether their employers will expand their businesses and take on more staff and whether the industry has a future and will grow. Are you aware of the concerns of ordinary people who work in the fish farming industry? What action is the Executive taking to ensure that that industry, which is so important to much of the Highlands and Islands, has a future?

**Rhona Brankin:** There is no question but that salmon farming is a major player in the rural economy and that it has the potential to remain a major player. We heard that the industry is worth more than £500 million a year, that the value of fish farming products at the farm gate is around £300 million and that processing is worth about the same again. Farmed salmon accounts for about 40 per cent of Scotland's food exports. The industry is a major player in Scotland's economy and supports a significant number of jobs.

Our challenge is to determine what kind of future the industry will have. People who are involved in the industry understand that as well as the environmental non-governmental organisations or politicians do. We all share the understanding that the industry can move forward only if it is sustainable. We must be able to build on that consensus on the future of the aquaculture industry in Scotland. As I said, we face challenges, but sustainability is at the core of those challenges. We cannot move forward unless we are absolutely sure that we do so on the basis of sustainability.

**George Lyon:** I recognise that, and it seems to me that the development of the forward strategy is key, as it will give out a signal and will be the basis on which the industry will develop and, I hope, grow to provide even more employment in remote areas. Given the time scale that you have set out for the development of the strategy, I take it that you would welcome the committees' becoming involved in that process. That will give the fish farming industry, the environmental lobbies and all the other public platforms the opportunity to put their case as part of the parliamentary inquiry. They can then be seen publicly to contribute to the development of the strategy.

Do you agree that that would be one way of taking forward this issue? It would restore balance to the debate and would allow the committees, as well as the industry, to shape the future strategy

and to ensure that we have a sustainable way forward.

**Rhona Brankin:** I would welcome that. We can move forward only by developing a consensus between the stakeholders involved.

**The Convener:** I will allow two supplementaries to this question. I remind members that these are supplementaries, not speeches.

**Dr Elaine Murray (Dumfries) (Lab):** George Lyon was right to say that a large number of people are employed in fish farming. In my constituency, a large number of people are involved in the processing of farmed fish. At the same time, a significant number of jobs are dependent on wild salmon fishing. As you say, it has been difficult to achieve consensus on the way forward. You mentioned both the consultation paper on the review of regulation and an inclusive public debate on the strategy. How can you and the committees ensure that all voices are heard and that the right balance is struck? You will be aware that during the debate on the Salmon Conservation (Scotland) Bill some representatives of the wild fish and angling interest felt that their views were not heard.

**Rhona Brankin:** There are a number of ways in which we can ensure that all voices are heard. There is a parliamentary procedure that stipulates a set period for formal consultation on the water environment bill. I intend to set out in a series of bilateral meetings this autumn with stakeholders a sustainable strategy for aquaculture and to issue a consultation paper on the strategy. That paper will have to be issued as widely as possible. I also hope to set up a high-level strategy group to advance work in this area. I am committed to making the process as inclusive as possible—to involving as many people as possible. The Parliament has a role to play in that. I am keen to co-operate with the Parliament and to share with it the on-going work in this area. If there are concerns that people's voices are not being heard, I would be more than happy to address those.

**Fergus Ewing:** The issue of jobs has been raised. Does the minister agree that there are two main threats to the vital jobs in the west Highlands that we have been discussing? The first is the excessive and continuing delay by SEPA in issuing permissions for the use of necessary treatments—treatments such as Slice that are used by Scotland's competitors throughout the world—to protect salmon against sea lice. That problem could be solved if SEPA were given the resources to take on a handful of extra staff. The second threat is the huge reductions that will come into effect next year for many lochs in my constituency and many other members' constituencies. Without question, those will lead to further redundancies by important companies such

as Marine Harvest.

Does the minister agree that the industry supports an independent inquiry because it believes that it has nothing to fear or to hide, and that it can bring to such an inquiry a reasoned case in respect of both the issues that I have raised? Is the minister not prepared to hold such an inquiry because she is afraid of that and of the delays for which Government is responsible being exposed for all to see?

**The Convener:** I am not sure whether that was a supplementary to the original question, but I will allow the minister to respond.

**Rhona Brankin:** I am well used to such questions from Mr Ewing. I ask Gordon Brown to comment in detail on why it has taken SEPA so long to license drugs such as Slice.

**Gordon Brown:** I will approach the question in a slightly different way by acknowledging that there have been problems in the past. Those problems are being remedied. There is now a greater choice of authorised product and, as a result of additional resources, SEPA is getting through to farmers. A tremendous amount of work has gone into the modelling exercises. That is helping to bring more product through within the consents. To summarise, there have been problems in the past, but the situation is improving.

**Rhona Brankin:** I have not answered Mr Ewing's second point. There has been publicity in the press about job losses at Marine Harvest. I want to say that those press reports have overstated substantially the situation. First, Marine Harvest has made clear that, while it is considering outsourcing some of its support services, any job losses will be minimal. In any case, the company will be encouraging the staff concerned to establish their own businesses to provide the services that will be outsourced.

Secondly, and more important, there have been unnecessary scare stories about the introduction of automatic feeding systems. The impact of technical developments such as automatic feeding systems is no different in salmon farming than it is in any other industry. It is important to recognise that, by reducing waste feed, automatic feeding systems bring environmental benefits. We have to be careful about what are, in some cases, overstated claims about potential job losses.

**Robin Harper:** Following on from Fergus Ewing's question, every major quango and environmental organisation that is a stakeholder in this respect has come out and called for a full-scale public inquiry. The organisations include those that were criticised heavily by the petitioner. How, in the face of that body of criticism—

**The Convener:** I have to interrupt Robin Harper to say—

**Robin Harper:** Well—

**The Convener:** We have been there, done that and had the response from the minister. I would like to move on to a question from Rhoda Grant, as we have explored the question of a public inquiry in great depth. There were five supplementary questions to the original question. Other members have introduced the subject as supplementaries to other questions. We need to move on to fresh areas of questioning. Some members have not yet had an opportunity to ask their original question.

**Rhoda Grant (Highlands and Islands) (Lab):** An increase in organic fish farming would lead to a decrease in the use of chemicals. That would go some way to allay the fears of the environmental lobby. It would also secure the future of fish farming. Has work been carried out on how to encourage people to move into organic fish farming?

**Rhona Brankin:** We support organic fish farming, as it complements our existing salmon farming industry. Our support recognises that there is a need for consumers to have choice. One of the key areas that a strategy for aquaculture will have to address is the extent to which the Scottish aquaculture industry can compete on the world market with major producers such as Chile and Norway. Another key area is the extent to which Scotland can position itself in the niche market of high-quality fish from clean environments. We know that a small but growing market exists for organic farmed salmon. As a result, a few salmon farmers have converted all, or some, of their production to organic methods.

Organic salmon and trout first went on sale in 1999. Total UK organic production, including some organic salmon from Orkney, is thought to be less than 2,000 tonnes a year. Prices are in the region of 50 per cent higher than farmed salmon. Converting to organic production is not always easy; indeed, a demanding process is required to meet the technical standards that are set by the organic movement. In some cases, conversion cannot be considered lightly. Structural funds could be made available for people who are interested in conversion to organic farming as it is an area of development, and one that is of interest to us. Members will see further developments.

**Rhoda Grant:** First, what percentage of farmed salmon is organic? You mentioned 2,000 tonnes, but I am not sure what percentage that is. Secondly, where would salmon farmers get advice from on changing to organic fish farming?

16:15

**Graham Thompson (Scottish Executive Environment and Rural Affairs Department):** Less than 2,000 tonnes of farmed salmon and trout throughout the UK is organic. The total for salmon is 127,000 tonnes and that for trout is 20,000 tonnes. It is currently a small proportion. The organic element of the industry thinks that the market might grow to 5,000 tonnes a year. It is not hugely ambitious; it has a long way to go.

Salmon farmers would initially go the Soil Association to get advice on changing to organic fish farming. It has produced interim standards for aquaculture in the UK. As the minister said, they are demanding standards, which are not easy to meet. It is expensive and people do not do it lightly. Many things can go wrong. As the minister said, quite a few people are thinking of doing it and there is clearly a strong consumer demand for it. People should be offered the option and support is available under FIG—the financial instrument for fisheries guidance.

**The Convener:** Bruce Crawford has assured me that the question is on organics. I am a trusting chap.

**Bruce Crawford:** I do not know why the convener would not trust me.

Organic fish farming and the foodstuffs that are used, rather than the current feed stocks, are important for the sustainability of the industry. The feed stocks that are currently being used mainly comprises eels, mackerels and so on, which are human foodstuffs. How confident is the minister that the feed stock and processes currently being used are sustainable? Should we not be putting more effort into the organic route?

**Rhona Brankin:** As I said, structural funding is available to people who are interested in converting to organic. It will be an important route for some people to follow. Not all people will want to follow that route; they will have to make that choice. It is an interesting option in Scotland, given the scale of the aquaculture operations of some of our competitors, such as Norway and Chile. We must examine a sustainable strategy for fish farming.

**Bruce Crawford:** Are you committing yourself to specifically examine the issue of foodstuffs and whether what is currently being used is sustainable?

**Rhona Brankin:** Yes. That must be part of determining the extent to which aquaculture has a sustainable future in Scotland.

**The Convener:** Margaret Ewing and Maureen Macmillan have short supplementary questions on organics.

**Mrs Margaret Ewing (Moray) (SNP):** My question is not on organics.

**Maureen Macmillan:** This question is connected to organics: it is about the possibility of GM salmon. There have been some scare stories about that. I would like an assurance that the Executive will not consider that the industry might go down that road.

**Rhona Brankin:** It is important to stress that no GM salmon are currently farmed in Scotland. The public has great difficulty with GM salmon, as do many of us politicians. It is not my expectation that we would go down that road. I remain firmly of the view that it would not be publicly acceptable.

**John Farquhar Munro (Ross, Skye and Inverness West) (LD):** Good afternoon, and welcome to the minister. I am confused, if not disappointed, that we have had to have this debate this afternoon. I am delighted that the minister has come to the meeting and, as I said, I welcome her, but we have already had this debate. The Rural Development Committee and the Transport and the Environment Committee have taken the evidence previously, come to a conclusion and presented it to the Executive, which has rejected it.

You have already responded to that, minister, and have given the reasons for it. As my colleague Bruce Crawford said a few moments ago, even if the committee conducts a review or investigation into sea cage fish farming, will our recommendation then be accepted or rejected by the Executive? We have no guarantee of what will happen. That is of concern to me.

Having said that, I thank you for the responses that you have given us this afternoon. However, what is to be the benchmark for undertaking the several reviews that you have suggested? The salmon farming industry in the UK probably has a benchmark that it has not compared or identified with other sea cage activities in our neighbouring European states, in Norway for example. What is to be the benchmark of the proposed survey or review? How in-depth is it to be, and what will it be compared against?

**Rhona Brankin:** I am not absolutely sure that I understand that question but, in response to John Farquhar Munro's first point, if a committee undertakes or two committees jointly undertake an inquiry, I will of course consider the conclusions very seriously. That goes without saying.

Can I clarify what John Farquhar's question meant? I am sorry—I did not understand.

**The Convener:** If I could help out, there was a question about who we could compare ourselves with when carrying out the various studies. Is the benchmark with neighbouring European states, or

is it an internal UK benchmark? Is that a fair representation, John?

**John Farquhar Munro:** Yes, precisely.

**Rhona Brankin:** I have touched on some of the issues that face us in looking to the possible future of the industry. The industry in Chile, for example, has very much gone down the commodity route, with very high levels of production. Norway has done so to a certain extent. We have had contact with our counterparts in Norway. I discussed aquaculture with the Norwegian fisheries minister just last week. That is one of the critical areas that we need to take into account. We are aware that we in Scotland will probably have to go down a different route compared to Norway and Chile, but that question of going down the commodity route is one that the consultation and the strategy group will need to address.

**The Convener:** We are coming to the end of a fairly lengthy session, but Margaret Ewing wishes to ask a question.

**Mrs Ewing:** I have found this fascinating. I feel as if I have been at an evidence-taking session rather than at a decision-taking meeting. Given the variety of issues that have been raised, which, it seems, could well have been dealt with in the context of an inquiry, and if all those matters are to be examined, does the minister really believe that the time scale that she has set out is realistic for the implementation of a strategy for the aquaculture industry soon?

**Rhona Brankin:** Yes.

**The Convener:** I see that the two Alexes—Fergusson and Johnstone—have their jackets on, which indicates to me that we are rapidly reaching the end of this joint session with the Rural Development Committee. Unless there are any other pressing matters that members wish to raise, I think that we have had a fair crack of the whip with regard to the issues that we wanted to raise.

**Alex Johnstone:** Thank you very much, convener, for your invitation to take part in this session. I and my fellow members of the Rural Development Committee will now withdraw from this meeting and will briefly discuss our conclusions separately in committee room 4.

**The Convener:** I thank the Deputy Minister for Environment and Rural Development and her officials for their attendance. We have had an enlightening session, and we will allow you now to make a swift exit.

16:23

*Meeting adjourned.*

16:28

*On resuming—*

**The Convener:** We will now discuss what we will do, based on the information that was given to us by the minister.

I ask members to make succinct and targeted comments. We have had a fairly long session, with a wide range of varied questions, and I think that we are in a position in which members can express their views clearly.

**Robin Harper:** I do not think that the minister told us anything new. Everything that she said that the Scottish Executive is going to do, it has been doing already, with the exception of the large-scale consultation, which will take six to nine months to identify further issues. Much more could be achieved by the holding of a public inquiry and I think that we should continue to press for one.

16:30

**Mr Tosh:** I agree with that. It is clear that there are huge conflicts and uncertainties around this issue and that many aspects need to be balanced. The minister more or less said that it would be inappropriate to examine that situation further, but that she would co-operate fully with the committee if it decided to do so. I do not know what the point of that was; it seemed like an invitation to us to do all the work. I am not in a position to teach myself all the relevant science, much of which is specialist. People who have that specialism should be involved in the necessary inquiry.

We should not take on the responsibility for the inquiry; we should invite the Executive to reconsider its position and to do the work that is necessary. As Robin Harper has made clear, all the stakeholders—a favourite ministerial expression—in the industry, for various reasons, want the matter to be addressed and resolved once and for all. If we put that to the Executive again, it may reconsider its position and make a different decision.

**Des McNulty:** It is important that the matters are addressed effectively. Conducting an inquiry jointly or on our own would be almost impossible, given our work load and the amount of expertise that we would have to acquire to conduct the inquiry properly.

We need to put down some markers on how information should be brought to us, and what task we want to be achieved. We need to ask the minister to ensure that the comprehensive portfolio of research that she said was incomplete is made complete so that, by the time that we consider aquaculture regulation in the context of the water environment bill, we are properly informed about the issues that relate to our environmental

responsibilities. Equally, it is important that the consultative approach to aquaculture that the minister talked about is underpinned by appropriate research.

We need to say to the minister that she must ensure that comprehensive research is done. We need to indicate to her that we want to be in a position to consider the environmental regulation issues in a well-informed way. We also need to say that we want to be sure that the process that takes us towards the aquaculture strategy will be satisfactory in relation to the issues that have been raised and the interest groups that are involved.

**Bruce Crawford:** I am in general agreement with what I am hearing. We need to keep up the pressure. Certain issues that were raised today have not been fully thought through by the Executive. In particular, the committee warned about potential conflict-of-interest difficulties arising from the merging of the environment and the rural development portfolios. This process makes that conflict of interest evident.

I remain concerned that the Executive will have to wear two hats in this process. Unless there is some sort of independent inquiry, or another process that is undertaken by the parliamentary committees, the problem will not go away and we will not be able to resolve the conflict that has built up over 30 years. Although I accept that we must keep up the pressure, I reserve my position on whether the parliamentary committee system can deal with the matter appropriately. I need to ask the convener whether, if we decide to continue to press for an independent inquiry, we will return for a final decision on whether the committees will undertake a parliamentary inquiry of their own. That will colour my judgment about which side of the line I fall on.

**Maureen Macmillan:** I was not a member of the committee when the decision was made to ask for an independent inquiry, so I do not know much about the background to that. I am concerned that there should not be polarisation of the debate, as that would not be helpful to the industry. I do not think that raking over the past is helpful either. The Executive is dealing with the issues.

However, clearly there are still issues on which we want to shadow the Executive. I do not know how that can best be done. I leave it to the convener to say whether, in his opinion, there is time for the committee to take even a very focused look at specific aspects of what the Executive is doing, perhaps in conjunction with its handling of the water environment bill. The important thing is that there should be a strategy for the industry.

**Bristow Muldoon:** I agree with many of the comments that members have made. It is clear that there are major issues relating to the fish

farming industry that need to be addressed. Those issues are of concern to the people who manufacture the food, those who are involved in processing, those who are involved in angling, people with an interest in wild fisheries and the environmental organisations that have given us evidence in correspondence. I recognise that the Executive is examining all those issues, of which it has been aware for some time.

Given the constraints that exist on our time, because of other work that we are required to do in the second half of the year, it would not be practical for us at this time to conduct an inquiry into the matter. We should reiterate many of the key points to the Executive. It is essential that the work to which the minister referred is completed and is broadly shared. All relevant bodies should have an opportunity to feed into that process and we should urge the minister to develop a comprehensive aquaculture strategy, on which the committee would want to be consulted and which we would want to influence. That is the way forward.

The minister's responses indicated that the Executive recognises the importance of the matter and the need to make progress on it. We should re-emphasise that it is the committee's view that the issues that we have been discussing should be dealt with.

**Robin Harper:** I am not in any great hurry to come to a conclusion. We should explore the matter as much as we can now—although not until 7 or 8 o'clock at night. I would like the minister to be asked one last time whether she will set up a full-scale public inquiry. Her answer will almost certainly be no.

I do not share Murray Tosh's reservations about our conducting a committee inquiry, in alliance with the Rural Development Committee. That would be the next most appropriate way forward. If we set up such an inquiry, with an adviser to help us, it would at least have some independence and that would help to allay public concern.

There must be an investigation of salmon farming, insofar as it relates to the water directives. We could ask to have that investigation started as soon as possible. We could begin taking evidence here and there, which we could upgrade with the help of an adviser. We should be able to have a combined inquiry that starts soon and is spread over as long a period of time as possible.

**Des McNulty:** Our work on this matter must take place in the context of our consideration of the water environment bill. We know that that bill is coming and that it will be the appropriate context within which to examine the environmental issues. We do not need to take oral evidence at this

stage, but it would be appropriate for us to identify the kind of written evidence that we may want to take. Perhaps we could have a dialogue with the Executive about the evidence that it is commissioning and the research gaps that exist. That would enable us to identify what research relevant to the environmental issues that the petition highlights needs to be available to us. There are ways in which we could undertake this exercise.

In the short term, we need clarification from the Executive on the environmental thresholds that it is operating and intends to operate in the future. I am talking about cleanliness of water or pollution indicators. When listening to the evidence that we were given, I was not clear about how the Government's current procedures for regulating spillages and nutrients in the water were being operated. We require information from SEPA and other relevant agencies to ensure that that matter is being taken care of properly. The main issue for us is how to plan our work in a sensible way.

**John Farquhar Munro:** Like other members, I would like us to have a sustainable fish farming industry up and down the west coast. I know the economic benefits that the industry brings to many of our rural communities, in which it is about the only source of employment. Fish farming is necessary in such places. It would be catastrophic if we were to lose that industry, but I fear that that will happen unless we conduct an in-depth inquiry. Currently, the other fishery interests are in daily conflict with the salmon farming industry. The two sides are polarised and have taken up entrenched positions, from which it will be difficult to move them. For that reason alone, the inquiry is merited.

I believe firmly that the parliamentary committees are not in a position to undertake the sort of detailed inquiry that is required. We should encourage the Executive or the Parliament to reconsider their previous position, with a view to initiating an independent inquiry into the aquaculture industry. At present, all that we have is a lot of comment and innuendo, which is doing nobody any good, particularly the fish farming industry. The sooner that the inquiry is undertaken and the position is clarified, the better that will be for all concerned. We need this industry and we must sustain it.

**The Convener:** I will try to pull together the comments and, I hope, reflect what committee members think.

We will continue to press for a public inquiry. That is a given. I tried to indicate to the minister at the start of our questions that the committee still takes the view that there should be a public inquiry, accepting our limitations.

We need to reflect on the evidence that was

given to us today. There are issues—such as the ministers' two hats—that were not addressed. Other issues that we need to reflect on will have arisen during today's hour and a half of evidence. My suggestion is that Shelagh McKinlay, I and others dissect what came out during the question-and-answer session and prepare for members a paper that not only indicates areas that were not covered, or to which we did not get responses that were of interest to us, but lays out—I have to be honest—realistic options for the way forward.

For instance, do we appoint a reporter to sit on the shoulder of the Executive to ensure that the research projects are undertaken, that we are constantly updated about their progress, that the work does not slip, that the projects are properly resourced, that they are properly and publicly accountable, and that those stakeholders who should give evidence to the Executive are given that access? The reporter would oversee the research process to satisfy the committee that what the Executive is doing is being done properly and in accordance with our view on the issues.

16:45

In addition, the salmon consolidation bill will come before the committee. There will be a degree of symmetry with the bill on some of the issues. We will need to deal with that as part of our consideration of the bill.

The door is not closed on whether we should pick up the issue and run with it. We continue to discuss our work plan. When any of those discussions take place, if members can make the case for the issue as a priority, we will do what we think is necessary.

We are all unhappy with what is going on. We all accept that there are issues that need to be addressed but which are not being addressed in the manner in which we would like them to be addressed. If that continues and the Executive retains its current view—which, as Robin Harper said, is likely—we need to revisit the issues to find out what changes have occurred since we started the process.

In summary, we should reflect on the evidence, bring to the committee a paper that gives realistic options for what we can do and sets out the other priorities—such as scrutiny of legislation—to which we have committed ourselves. We should also lay down a marker, as Murray Tosh rightly says, on the sharing of information on the aquaculture research that will play a role in the water environment bill. Perhaps we should consider the appointment of a reporter here and now to oversee what Rhona Brankin has just presented to us. I am not taking a view on whether we consider it satisfactory, but, as that is the way the world is,

let us ensure that we are content that the process that the minister discussed is being rolled out correctly. At an early date, we should revisit the committee's opinions in the light of the options paper.

If we were to do anything more than that today, we would be making a hasty decision that we may repent of at our leisure, as the saying goes.

**Bruce Crawford:** You have outlined a reasonable process, convener. Appointing a reporter, particularly as we are going into the recess, would be a good interim step. It would enable us to watch over what the Executive is doing and ensure that we are still alive to the issues.

I hope that, when the recess is over, we will decide what the committee will do to advance the issue and which of the options that will be presented we will take. It might be of most benefit to do that at the first meeting after the recess. The last thing that the industry or the environmental pressure groups want is a drift in the committee's decision making. They need a decision to be made once we have pressed the minister again—we cannot let the Executive off the hook. They need to know exactly when the committee will step forward and take concrete measures.

**The Convener:** That is taken as read.

**Robin Harper:** Bruce Crawford has made some of the points that I was going to make. We should agree to make our decision at the committee's next meeting after the recess.

I hesitate to give Shelagh McKinlay any more work than she has already, but it might speed things up a little bit if we could have a report on how to go about setting up a committee inquiry, how quickly we could set up such an inquiry and some ideas of how to implement an inquiry as expeditiously as possible. That would be useful to us at our next meeting.

**The Convener:** That will probably be part of the options paper. I want to go into that level of detail in that paper, which would be issued over the summer recess in time for consideration at the committee's first meeting after the recess.

The only matter that is left sticking to the wall is whether we want to appoint a reporter today who will, over the summer, keep an eye on the initiatives that the Executive undertakes. I seek a volunteer from the committee for that role.

I see that Robin Harper is volunteering. Is anyone else interested in that role? Is the committee happy that Robin Harper be the reporter or do we want two reporters?

**Robin Harper:** Considering that committee members have made holiday arrangements, it

might be a good idea to have two reporters, if anybody else wants to volunteer.

**The Convener:** I think that Maureen Macmillan is having an argument with herself about whether she should volunteer—she is already the reporter for the committee on CalMac.

**Mr Tosh:** She has also sorted out the pigeons.

**The Convener:** She is becoming a—

**Maureen Macmillan:** A dream reporter.

**The Convener:** A reporter extraordinaire.

**Robin Harper:** I will be reporter until the next meeting, then we can decide whether we need a further reporter.

**The Convener:** Bristow Muldoon is also interested in the role. We can afford to have a couple of members as reporters. I remain to be convinced about the amount of work that will be involved. The minister presented a lot to us today and the reporters' role will be to review what she told us. I am happy—if the committee is happy—that Bristow Muldoon and Robin Harper perform the reporting role for the committee over the summer. Are we agreed?

**Members** *indicated agreement.*

**The Convener:** That brings us to the end of the public part of the meeting. I thank those members of the public who attended. I hope that they were not just sheltering from the rain, but that they enjoyed and were interested in some of today's proceedings. I appreciate their coming to the meeting and taking an interest in our work. That applies equally to the members of the press, who have just left us.

16:51

*Meeting continued in private until 17:24.*



Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice at the Document Supply Centre.

No proofs of the *Official Report* can be supplied. Members who want to suggest corrections for the archive edition should mark them clearly in the daily edition, and send it to the Official Report, 375 High Street, Edinburgh EH99 1SP. Suggested corrections in any other form cannot be accepted.

The deadline for corrections to this edition is:

**Friday 6 July 2001**

Members who want reprints of their speeches (within one month of the date of publication) may obtain request forms and further details from the Central Distribution Office, the Document Supply Centre or the Official Report.

#### PRICES AND SUBSCRIPTION RATES

##### DAILY EDITIONS

*Single copies: £5*

*Meetings of the Parliament annual subscriptions: £500*

The archive edition of the *Official Report* of meetings of the Parliament, written answers and public meetings of committees will be published on CD-ROM.

WHAT'S HAPPENING IN THE SCOTTISH PARLIAMENT, compiled by the Scottish Parliament Information Centre, contains details of past and forthcoming business and of the work of committees and gives general information on legislation and other parliamentary activity.

*Single copies: £3.75*

*Special issue price: £5*

*Annual subscriptions: £150.00*

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

*Single copies: £3.75*

*Annual subscriptions: £150.00*

Standing orders will be accepted at the Document Supply Centre.

Published in Edinburgh by The Stationery Office Limited and available from:

**The Stationery Office Bookshop**  
71 Lothian Road  
Edinburgh EH3 9AZ  
0131 228 4181 Fax 0131 622 7017

**The Stationery Office Bookshops at:**  
123 Kingsway, London WC2B 6PQ  
Tel 020 7242 6393 Fax 020 7242 6394  
68-69 Bull Street, Birmingham B4 6AD  
Tel 0121 236 9696 Fax 0121 236 9699  
33 Wine Street, Bristol BS1 2BQ  
Tel 01179 264306 Fax 01179 294515  
9-21 Princess Street, Manchester M60 8AS  
Tel 0161 834 7201 Fax 0161 833 0634  
16 Arthur Street, Belfast BT1 4GD  
Tel 028 9023 8451 Fax 028 9023 5401  
The Stationery Office Oriel Bookshop,  
18-19 High Street, Cardiff CF1 2BZ  
Tel 029 2039 5548 Fax 029 2038 4347

**The Stationery Office Scottish Parliament Documentation**  
Helpline may be able to assist with additional information  
on publications of or about the Scottish Parliament,  
their availability and cost:

**Telephone orders and inquiries**  
**0870 606 5566**

**Fax orders**  
**0870 606 5588**

**The Scottish Parliament Shop**  
George IV Bridge  
EH99 1SP  
Telephone orders 0131 348 5412

sp.info@scottish.parliament.uk

www.scottish.parliament.uk

**Accredited Agents**  
(see Yellow Pages)

and through good booksellers