

TRANSPORT AND THE ENVIRONMENT COMMITTEE

Wednesday 11 December 2002
(Morning)

Session 1

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TRANSPORT AND THE ENVIRONMENT COMMITTEE

35th Meeting 2002, Session 1

CONVENER

*Bristow Muldoon (Livingston) (Lab)

DEPUTY CONVENER

*Nora Radcliffe (Gordon) (LD)

COMMITTEE MEMBERS

*Bruce Crawford (Mid Scotland and Fife) (SNP)
*Robin Harper (Lothians) (Green)
*Angus MacKay (Edinburgh South) (Lab)
*Fiona McLeod (West of Scotland) (SNP)
*Maureen Macmillan (Highlands and Islands) (Lab)
*John Scott (Ayr) (Con)
*Elaine Thomson (Aberdeen North) (Lab)

COMMITTEE SUBSTITUTES

Helen Eadie (Dunfermline East) (Lab)
David Mundell (South of Scotland) (Con)
Iain Smith (North-East Fife) (LD)

*attended

THE FOLLOWING ALSO ATTENDED:

Jamie McGrigor (Highlands and Islands) (Con)
Allan Wilson (Deputy Minister for Environment and Rural Development)

WITNESSES

Duncan Orr-Ewing (RSPB Scotland)
Peter Pitkin (Scottish Natural Heritage)
Lisa Schneidau (Scottish Wildlife Trust)

CLERK TO THE COMMITTEE

Callum Thomson

SENIOR ASSISTANT CLERK

Alastair Macfie

ASSISTANT CLERK

Rosalind Wheeler

LOCATION

The Hub

Scottish Parliament

Transport and the Environment Committee

Wednesday 11 December 2002

(Morning)

[THE CONVENER opened the meeting at 09:21]

The Convener (Bristow Muldoon): I open the 35th meeting in 2002 of the Transport and the Environment Committee. I welcome to the committee the Deputy Minister for Environment and Rural Development, Allan Wilson, and Scottish Executive officials Elinor Mitchell, Michael Kellet, Alicia McKay and Brian Dornan. They are here to deal with the Water Environment and Water Services (Scotland) Bill.

Interests

The Convener: I have received no apologies from members who are unable to attend today's meeting. I invite Elaine Thomson, as a new member of the committee, to declare any interests and I welcome her to the committee.

Elaine Thomson (Aberdeen North) (Lab): I have no interests to declare.

Items in Private

The Convener: Item 6 on our agenda is consideration of a draft response to the Rural Development Committee on the Organic Farming Targets (Scotland) Bill. Do we agree to discuss that item in private?

Members indicated agreement.

The Convener: Next week we will consider a draft report on the same bill. Do we agree to take that item in private?

Members indicated agreement.

Water Environment and Water Services (Scotland) Bill: Stage 2

The Convener: The next item on our agenda is stage 2 consideration of the Water Environment and Water Services (Scotland) Bill. We hope to conclude our stage 2 consideration today. I ask members to be as concise as possible so that we can meet that target. Members should have copies of the latest marshalled list of amendments, the groupings of amendments and the bill.

Section 20—Regulation of controlled activities

The Convener: The first amendment for debate today is amendment 70, in the name of the minister, which is grouped with amendments 71, 72, 200, 73, 74, 75 and 76.

The Deputy Minister for Environment and Rural Development (Allan Wilson): Amendment 70 will remove from section 20(3)(d) of the bill the reference to such works

“which are liable to have an adverse impact on the status of the water”.

I do not consider that reference to be necessary. The purpose for which regulations in respect of controlled activities may be made is adequately explained in section 20(1), which provides for Scottish ministers to make such regulations

“as they consider necessary or expedient for the purposes of protection of the water environment.”

Amendment 71 relates to paragraph 4 of schedule 2 of the bill, which is headed “Notification of proposals to carry on controlled activities” and makes express reference to the fact that regulators must advise notifiers of whether a consent is required before a controlled activity takes place and, if so, what form of consent is required. Amendment 71 will ensure that those who propose to carry on an activity and who notify the regulator of that intention will be given confirmation of whether that activity is permitted. That will ensure that everyone knows what the position is. Amendment 72 is purely consequential on amendment 71.

Amendment 73 will eliminate a drafting anomaly in paragraph 7(1)(c). We see no practical difference between the use of “subsistence” and “maintenance” in that paragraph. To avoid any implication of a difference in meaning, it is preferable to use the same language.

Amendments 74 and 75 should be read together. They will make it clear that regulations under section 20 make provision for preventive or remedial action being carried out by someone who holds a valid permission for a defined activity in the form of a simple registration, where the activity is carried out in contravention of the terms of that

registration. That will put such persons in the same position as those who hold a water use licence for an activity, but whose actions breach the terms of the licence.

Amendment 76 will allow for Scottish ministers to adjust the amount of the fine that is imposed on offenders by uprating the £20,000 figure in order to compensate for any devaluation of the originally specified figure as a result of the effects of inflation. The power to uprate is modelled on the powers that are conferred by section 226(1) and 226(3) of the Criminal Procedure (Scotland) Act 1995. That power can be used only to reflect changes in the value of money. An order that is made under the power will be subject to negative procedure by virtue of section 31(5) of the bill. I ask the committee to support the amendments.

Jamie McGrigor's amendment 200 seeks to amend paragraph 7(1) of schedule 2 to make it clear that any regulations that are made by Scottish ministers under section 20 enable regulators only to make, vary and revoke charging schemes that are, in Jamie's words, "fair and equitable". Amendment 200 is unnecessary—I assure the committee that any regulations that we make under section 20 will make clear the basis on which charges may be made. Our intention is to enable regulators to recover the costs only of operating the control regimes which are, as the committee knows and supports, based on the polluter-pays principle.

Paragraph 7(2) of schedule 2 will enable the regulations to specify the procedure for making, varying and revoking the charging schemes, so Scottish ministers will be able to regulate the process. Section 21 also makes it clear that before making any regulations under section 20, ministers must consult: the Scottish Environment Protection Agency; the responsible authorities; persons who are representative of local government, industry, agriculture, fisheries and small businesses; and such other persons—if there are any left—as they see fit. That consultation will be extremely useful in informing opinion on what constitutes a fair and equitable charge. Consequently, Jamie McGrigor's amendment 200 is unnecessary. I ask members to reject it, and to support amendments 70 to 76.

I move amendment 70.

The Convener: Thank you, minister. I am sure that you are fair and equitable in every action that you undertake.

I invite Jamie McGrigor to speak to amendment 200 and to any other amendments in the group. I am sorry for omitting to welcome Jamie to the meeting today as an observer.

Mr Jamie McGrigor (Highlands and Islands) (Con): I wish to address only amendment 200. I

appreciate that in the minister's opinion amendment 200 is unnecessary. I hope that that will be the case, but amendment 200 seeks to make absolutely certain that the agriculture industry is not overburdened or faced with fees that, although they might not be outwith the industry's power to pay, would treat its businesses unfairly. That is the reason for amendment 200. I wish to press that point. Including the words "fair and equitable" in the bill would give the industry a chance to appeal against any fees that it feels are not fair and equitable.

Maureen Macmillan (Highlands and Islands) (Lab): When the Executive is discussing with industry what would be fair and equitable charges, will those discussions take into account the effect on hydroelectric schemes? The hydroelectric industry has lobbied us quite intensively on its worries about the impact of increased costs for abstraction. The industry is concerned that, even if it is not allowed to abstract as much water as was previously the case, there would still be an effect on our getting to grips with our renewables targets.

09:30

The Convener: As no other members wish to speak to the group of amendments, I invite the minister to respond to the debate.

Allan Wilson: I covered the points that I wanted to make in my opening remarks. Our intention is to enable the regulators to recover the costs of operating the control regimes. As members know, those regimes are based on the polluter-pays principle, which I think we all subscribe to—even Jamie McGrigor. As I said, we will discuss the regulations with all industries, including the hydroelectric, fish farming and wider aquaculture industries. Extensive consultation will take place because neither the Executive nor SEPA intends to impose charges that are anything other than fair or equitable—the charges will not be unfair or inequitable.

The Convener: Thank you.

Amendment 70 agreed to.

The Convener: Does Nora Radcliffe wish to move amendment 51?

Nora Radcliffe (Gordon) (LD): Yes. Five amendments are consequential on amendment 32, which was agreed to. Although the Executive plans to lodge an alternative amendment at stage 3, it is important—

The Convener: At this stage, the member can only move or not move the amendment.

Amendment 51 moved—[Nora Radcliffe].

The Convener: The question is, that amendment 51 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

FOR

Crawford, Bruce (Mid Scotland and Fife) (SNP)
Harper, Robin (Lothians) (Green)
McLeod, Fiona (West of Scotland) (SNP)
Radcliffe, Nora (Gordon) (LD)
Scott, John (Ayr) (Con)

AGAINST

MacKay, Angus (Edinburgh South) (Lab)
Macmillan, Maureen (Highlands and Islands) (Lab)
Muldoon, Bristow (Livingston) (Lab)
Thomson, Elaine (Aberdeen North) (Lab)

The Convener: The result of the division is: For 5, Against 4, Abstentions 0.

Amendment 51 agreed to.

Amendment 52 moved—[Nora Radcliffe].

The Convener: The question is, that amendment 52 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

FOR

Crawford, Bruce (Mid Scotland and Fife) (SNP)
Harper, Robin (Lothians) (Green)
McLeod, Fiona (West of Scotland) (SNP)
Radcliffe, Nora (Gordon) (LD)
Scott, John (Ayr) (Con)

AGAINST

MacKay, Angus (Edinburgh South) (Lab)
Macmillan, Maureen (Highlands and Islands) (Lab)
Muldoon, Bristow (Livingston) (Lab)
Thomson, Elaine (Aberdeen North) (Lab)

The Convener: The result of the division is: For 5, Against 4, Abstentions 0.

Amendment 52 agreed to.

Amendment 53 moved—[Nora Radcliffe].

The Convener: The question is, that amendment 53 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

FOR

Crawford, Bruce (Mid Scotland and Fife) (SNP)
Harper, Robin (Lothians) (Green)
McLeod, Fiona (West of Scotland) (SNP)
Radcliffe, Nora (Gordon) (LD)
Scott, John (Ayr) (Con)

AGAINST

MacKay, Angus (Edinburgh South) (Lab)
Macmillan, Maureen (Highlands and Islands) (Lab)
Muldoon, Bristow (Livingston) (Lab)
Thomson, Elaine (Aberdeen North) (Lab)

The Convener: The result of the division is: For 5, Against 4, Abstentions 0.

Amendment 53 agreed to.

Amendment 54 moved—[Nora Radcliffe].

The Convener: The question is, that amendment 54 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

FOR

Crawford, Bruce (Mid Scotland and Fife) (SNP)
Harper, Robin (Lothians) (Green)
McLeod, Fiona (West of Scotland) (SNP)
Radcliffe, Nora (Gordon) (LD)

AGAINST

MacKay, Angus (Edinburgh South) (Lab)
Macmillan, Maureen (Highlands and Islands) (Lab)
Muldoon, Bristow (Livingston) (Lab)
Scott, John (Ayr) (Con)
Thomson, Elaine (Aberdeen North) (Lab)

The Convener: The result of the division is: For 4, Against 5, Abstentions 0.

Amendment 54 disagreed to.

The Convener: Amendment 154 is in a group on its own.

Maureen Macmillan: Amendment 154 is a probing amendment, the purpose of which is to find where the responsibility lies for dealing with sea lice. As members know, the wild salmon fisheries interests are extremely interested in having a means of controlling sea lice in and around fish farms. Sea lice can proliferate and, if unnaturally large numbers occur, a devastating effect can result on migrant wild salmon, especially on smolts as they go out to sea.

The depredation of sea lice is thought to be one of the factors that have led to the decline in wild salmon and sea trout numbers. The problems for the wild salmon fisheries interest is that there is no regulation to control sea lice numbers, and if the proliferation of organisms that cause harm were included in the definition of pollution, SEPA would be responsible for issuing orders to control sea lice. That would mean that SEPA would have to regulate both the instances of lice and the treatment that is necessary to deal with them, although I realise that SEPA may not want to be in that position. However, many people believe that the dual role would be an advantage.

If that is not acceptable to the minister, will he tell the committee how sea lice are to be dealt with? Sea lice are not classified as a fish disease, so if they are not classified as a pollutant, how can they be dealt with?

I move amendment 154.

Robin Harper (Lothians) (Green): I want to express my strong support for amendment 154. We desperately need clarification on the issue.

Evidence has come to us time and again from the north of Scotland and Orkney about the proliferation of sea lice. It is a serious problem and I support the amendment because I see no problem with giving SEPA the responsibility for both control and regulation.

Mr McGrigor: I also support Maureen Macmillan's amendment 154. It is an accepted fact that sea lice cause an enormous problem to wild salmon and sea trout smolts that are leaving the rivers to go out to sea. They also cause problems to sea trout in some inland areas, because sea trout tend to stay near the coastline. It is obviously important that fish cages are situated in the right places; the industry accepts that fact and is working to eliminate the sea lice problem. I support the amendment, which would be important for the wild fish industry.

Allan Wilson: As has been said, amendment 154 would extend the definition of what constitutes pollution in section 20(6) to include

"organisms in so far as they are introduced at a level at which they may cause harm".

Amendment 154 is undesirable and could create considerable difficulties that have not been envisaged by Maureen Macmillan, whose motivation I understand and concur with.

It is important to note that the definition of pollution that is contained in the bill follows the definition in article 2, paragraph 33 of the water framework directive. It would not be helpful to extend that provision, and to do so in the manner that is proposed by the amendment could be seen as significant gold plating of the directive. Amendment 154 would extend considerably the definition of pollution by introducing the concept of an organism as a pollutant. That could have far-reaching consequences and we would not accept such an amendment without a clear view of its possible effects. For example, would the restocking of a river or loch by living organisms such as fish be pollution in the terms of the amendment?

On a more technical level, another problem with amendment 154 is that the words in it after "organisms" are unnecessary and potentially confusing. If a substance of whatever nature is introduced in quantities that might give rise to harm, it is already covered in the bill. Therefore, those extra words are not required.

I understand and share Maureen Macmillan's—and the committee's—concern about sea lice. The Executive takes that issue seriously, too. However, amendment 154 goes much further than that. We do not believe that treating sea lice as a pollutant is an effective or sensible means of controlling them. They are, after all, natural parasites that cause disease in wild and farm

stocks. We therefore argue that they are not in any sense introduced as a result of human activity, as amendment 154 would have us believe. It is therefore questionable whether the amendment would deliver the objective that it seeks to secure.

Importantly, and contrary to the opinion that we have heard from Robin Harper on the matter, the Scottish Environment Protection Agency, which has a long and continuing history of profound involvement with the industry, is strongly opposed to treating sea lice as pollution. Indeed, Martin Marsden from SEPA confirmed that to the committee, as members will recall, in stage 1 evidence on 25 September. SEPA is concerned—I share its concern—that such a move would introduce a serious conflict of interests. SEPA would not be able to undertake the important role of regulating the introduction of chemical therapeutics to control sea lice if the responsibility to control sea lice was imposed upon it. That is an obvious point, I think.

As we have said before, we believe that sea lice are a fish-health issue and that they are far more effectively dealt with on that basis. I need not remind the committee that it has dealt with the issue at some length in the context of its inquiry into aquaculture and that a majority of the committee agreed with our view.

As has already been noted, the policy objective behind amendment 154 is to enable ministers to regulate fish farming. The bill already provides for that, in section 20(3)(a) in particular. More generally, the bill represents a major step forward in controlling aquaculture's environmental impact. It will give SEPA increased flexibility in the way in which it regulates the industry. SEPA will be able to enable good environmental practices and focus on the process of fish farming rather than exclusively on discharges, as it currently does. To change that focus and regulate the basis of the entire industrial process will assist in combating sea lice, which can be done in a variety of ways.

Further to that—as the committee is more aware than anyone else is—sea lice control is, in relation to the aquaculture industry, being progressed in the development for the strategy for aquaculture, of which the committee is an integral part. The committee is represented by Maureen Macmillan on the aquaculture strategy group. The development of that strategy is nearing completion. A sixth meeting of the working group took place comparatively recently. That group involves all stakeholders, including those who represent the wild-fish interest as well as those who represent the industry, the regulators and the various agencies that are involved. I am confident that we will meet our target of issuing a draft strategy on which to consult the committee and more widely by the end of the year. That is how

we will address the problem of sea lice in consultation with the industry, the regulators, the wild-fish and farm-fish interests as part of our overall strategic review of aquaculture in Scotland. We will not do it by an amendment such as amendment 154, which would introduce the concept of organisms as pollutants.

09:45

Maureen Macmillan: I am pleased that the minister has given a commitment to deal with the problem of sea lice and I acknowledge that amendment 154 would probably not be the best way of doing that. I seek to withdraw amendment 154, on the understanding that the Executive is addressing the problem vigorously.

Amendment 154, by agreement, withdrawn.

Section 20, as amended, agreed to.

Schedule 2

CONTROLLED ACTIVITIES REGULATIONS:
PARTICULAR PURPOSES

Amendments 71 and 72 moved—[Allan Wilson]—and agreed to.

Amendment 200 moved—[Mr Jamie McGrigor].

The Convener: The question is, that amendment 200 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

FOR

Crawford, Bruce (Mid Scotland and Fife) (SNP)
Scott, John (Ayr) (Con)

AGAINST

MacKay, Angus (Edinburgh South) (Lab)
McLeod, Fiona (West of Scotland) (SNP)
Macmillan, Maureen (Highlands and Islands) (Lab)
Muldoon, Bristow (Livingston) (Lab)
Radcliffe, Nora (Gordon) (LD)
Thomson, Elaine (Aberdeen North) (Lab)

The Convener: The result of the division is: For 2, Against 6, Abstentions 0.

Amendment 200 disagreed to.

Amendments 73 to 76 moved—[Allan Wilson]—and agreed to.

Schedule 2, as amended, agreed to.

Sections 21 and 22 agreed to.

Section 23—Fixing of charges for water services

The Convener: Amendment 151 is grouped with amendment 77.

Bruce Crawford (Mid Scotland and Fife) (SNP): Section 23 will give ministers the power to

make regulations to fix charges for the provision of water services. Section 23(2) describes what the regulations may take account of in fixing those charges. Those matters include

“principles, objectives or other matters as are specified in the regulations.”

The ministers will consider and circulate a list of such issues.

One of the mainstays of the bill is the river basin management planning system—that is the foundation on which much of the bill is built. Given that water charges will be a significant issue for many industries—at stage 1, we received evidence on the potential impact on a variety of industries, including the whisky industry and the fish farming industry, and the considerable cost that will be involved—we must consider the whole issue before we start involving ourselves in a process of applying costs. Such consideration must take account of the river basin management plans.

Amendment 151 seeks to ensure that the implications of the river basin management plans are taken into consideration before charges are fixed. That would seem to be a pragmatic approach to achieving the aims of the bill. Schedule 1 concerns the river basin management plans. Among the matters to be included in every plan are

“A summary of significant pressures, and the impact of human activity, on the status of surface water and groundwater within the district”

and

“Information as to the arrangements for monitoring water status under section 8”.

Section 8 is comprehensive, as are the areas in section 9, to which schedule 1(5) refers. Schedule 1(7) talks about

“Information as to any sub-basin plan.”

If we were to go through the process of fixing charges before we are aware of the full environmental and economic implications, it would be like putting the cart before the horse. The only way in which we will be able to do that is by going through a characterisation process, which the minister has previously described as important. We must include in the bill the requirement that charges be fixed and that the characterisation process be carried out. We must understand the implications of the sub-basin plans and the river basin plan for particular areas of abstraction.

I move amendment 151.

Allan Wilson: Executive amendment 77 will add a new subsection to section 23 that will require ministers to consult such persons as they think fit before making regulations under section 23, which

deals with the fixing of charges for water services. The amendment confirms the intention that we outlined to the Subordinate Legislation Committee that we would consult before making regulations under section 23. The committee asked that that be made clear in the bill and amendment 77 accedes to the committee's request. Therefore, I recommend that members accept their own advice.

As we heard, Bruce Crawford's amendment 151 would amend section 23(2), which provides that any regulations made under section 23 about the fixing of water charges for water services may take account of such principles, objectives or other matters as are set out in the regulations. Bruce Crawford's amendment seeks to add to that in only one aspect, and it is not as all-embracing as his comments would suggest.

His amendment would provide that the river basin management plan be one of the matters to which attention must be paid in relation to the fixing of charges for water services. As members know, abstraction controls are already the subject of provisions in schedule 2(7). Here, we are talking about something different, and I hope that I can satisfy Bruce Crawford that what he seeks is already provided for in the provisions.

As it stands, section 23(2) provides that regulations under the section may refer to a wide range of relevant considerations. Where the river basin management plan is a relevant consideration—which I imagine it will be in most cases—section 23(2) already provides that regulations made under the section can refer to the plan. The provision that the member seeks to add is already provided for, so amendment 151 is unnecessary and I ask him to withdraw it.

I want to make clear the wider purpose of section 23. It is intended to give ministers the power to make regulations in relation to how charges for water services are made where that is necessary or expedient for the protection of the water environment. The definition of "water services" is given in section 23(3) and includes the provision of water supply and sewerage services. Section 23 will give us the ability to make regulations about how Scottish Water, and any other supplier of water services, charges for those services where that is necessary to protect the water environment.

That is perhaps not as important in this country as it might be elsewhere in the European Union. Section 23 enables ministers to implement article 9 of the water framework directive, whose provisions are, I think, being exercised by at least one EU member state. We are confident that our current arrangements for charging for water services in Scotland comply with the requirements of the directive. Neither the directive nor the bill

will force a move to domestic metering for Scotland, which some have suggested might be the case.

Bruce Crawford's valid concern is covered in the more widely drawn subsection (2)—indeed, it is more widely drawn for exactly the purpose that I have outlined.

Angus MacKay (Edinburgh South) (Lab): Perhaps I have not had enough caffeine this morning and so have not picked up on the subject sufficiently clearly. I understand what Bruce Crawford's amendment 151 is trying to achieve, but does it seek to amend the right part of the bill? Should not it try to amend section 23(1), rather than section 23(2)? Perhaps I have misunderstood.

I wish to ask the minister a question, just out of curiosity. Section 23(2) reads:

"Regulations under subsection (1) may, in particular, make provision for securing that, in the fixing of such charges, account is taken of such principles, objectives or other matters as are specified in the regulations."

Why is the "in particular" necessary? The subsection does not seem to be particular; it seems to be general.

Allan Wilson: The explanation is that the regulations may specify particular things, but they may also specify more general matters; hence the inclusion of both references. The subsection is drawn generally, in such a way as to enable regulations to be drawn up to specify a particular purpose, as opposed to general purposes.

Angus MacKay: We are almost getting back to last week's discussion about "body of water" or "bodies of water", so I will not push you further.

Bruce Crawford: I do not think that amendment 151 would amend the wrong part of the bill. My intent was partly to insert a reference to river basin management plans in section 23. If my understanding of river basin management plans is correct, they will not be in place for a number of years yet. I think that 2007 is the earliest date by which we can expect a river basin management plan to be in place. In fact, some people argue that the bill is shaped in such a way that plans will not be in place until 2009.

If amendment 151 were agreed to—if I have constructed it correctly—it would mean that charges could not be put in place until 2009. Will the minister confirm that the way in which the bill is constructed, in particular schedule 2, will have the same effect of ensuring that charges cannot be put in place until 2009?

Allan Wilson: No.

Bruce Crawford: My amendment would achieve that, so I think that I will press it to a vote.

The Convener: The question is, that amendment 151 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

FOR

Crawford, Bruce (Mid Scotland and Fife) (SNP)
Harper, Robin (Lothians) (Green)
McLeod, Fiona (West of Scotland) (SNP)

AGAINST

Macmillan, Maureen (Highlands and Islands) (Lab)
Muldoon, Bristow (Livingston) (Lab)
Radcliffe, Nora (Gordon) (LD)
Scott, John (Ayr) (Con)
Thomson, Elaine (Aberdeen North) (Lab)

The Convener: The result of the division is: For 3, Against 5, Abstentions 0.

Amendment 151 disagreed to.

Amendment 77 moved—[Allan Wilson]—and agreed to.

Section 23, as amended, agreed to.

After section 23

The Convener: Amendment 155 is grouped with amendment 157.

10:00

Maureen Macmillan: The minister knows that the committee has thought for a long time that an early transfer of planning powers in respect of aquaculture from the Crown Estate commissioners to local authorities is necessary in order to regulate aquaculture properly. That view is based on evidence that we received from the industry, environmental groups, local authorities and the Crown Estate commissioners in our inquiry into the environmental impacts of aquaculture. All those bodies support amendment 155.

We have consistently asked the Executive to include the transfer of planning powers in the bill. Although the Executive wants that transfer of powers as soon as possible, too, it has declined to use the bill for that purpose and has said that an amendment on the transfer of planning powers does not sit well in an environmental bill. I ask the minister to reconsider that, as the transfer of planning powers would give greater control over the environmental effects of fish farming.

The Executive was also concerned that amendment 155 would open the door to other amendments related to planning, but that is not the case. We have been careful to target the amendment specifically on aquaculture by proposing an amendment to the Town and Country Planning (Scotland) Act 1997, so that the regulations governing inland fish farming are extended to coastal or transitional waters.

Proposed subsection (3) of the amendment specifies a 10-year time scale for all fish farms to come under the new planning regulations. Proposed subsection (4) ties the provision into the Water Environment and Water Services (Scotland) Bill by insisting on an assessment of the environmental effects on the water environment as part of the planning process.

Proposed subsection (5) gives one year from royal assent for regulations and subordinate legislation to be laid before the Parliament. I understand that regulations and subordinate legislation will be necessary because it may be difficult to delineate the boundaries between the various local authorities on the seabed. A year is specified to indicate that we require a time scale for the transfer to be delivered. We do not merely wish enabling legislation to be passed that will then lie inactive—that would not serve our purpose. I would be prepared to negotiate the time scale.

Proposed subsection (6) lists those who would require to be consulted on any order. Amendment 157 is consequential on amendment 155.

I hope that the Executive accepts that the amendment focuses on aquaculture and the environment. As a result, there should be no problem in accepting the amendment.

I move amendment 155.

Fiona McLeod (West of Scotland) (SNP): I whole-heartedly support amendment 155. In our aquaculture inquiry, there was unanimous agreement that we must transfer planning powers from the Crown Estate commissioners to local authorities. The Executive has consulted extensively on the subject and, in general, has agreed that it wishes that to happen, too.

I back up what Maureen Macmillan said about the minister thinking that the bill is inappropriate for dealing with planning powers. Part 1 deals with protection of the water environment and everybody who submitted views on the transfer of planning powers argued that such a transfer would be part of the protection of the water environment. Therefore, the minister should—finally—graciously concede that the measure should be taken now, with the committee's unanimous agreement. If the minister persists with his argument that the bill is not appropriate and that the measure should be taken in a planning bill, it will be three to four years before the measure is taken. By common consent, it should be taken as soon as possible.

John Scott (Ayr) (Con): I, too, support amendment 155 and the intention behind it. It is vital to address this matter as quickly as possible. I am interested in what the minister has to say.

Bruce Crawford: I, too, support amendment 155. Together with the Crown Estate, Maureen Macmillan has put much work into the amendment, which is complex and difficult. Her achievement is a tribute to her.

When I read the amendment, I was struck by one issue—I do not know whether it is for the minister or the clerks to consider. My understanding is that the boundaries of local authorities and the areas over which they can preside are laid down in the Local Government etc (Scotland) Act 1994. I am not sure whether another amendment would be required to amend that act to give local authorities powers to operate outwith those boundaries, which formed the new authorities. If not, would amendment 155 have the effect that we want it to have? That is my only concern: whether Maureen Macmillan, the Executive or someone else will need to lodge an amendment at stage 3 to ensure that all the appropriate legislation is covered and that the committee's intention is achieved.

Angus MacKay: The recent widespread publicity about the shocking work of civil servants in preparing for an Administration after the next election and thinking about new legislation seemed to reveal that a planning bill might well be introduced in the first year after the elections. Therefore, it is a bit curious that Fiona McLeod thinks that a planning bill will take two to three years. Perhaps she was talking about the effect of such a bill, rather than its introduction, although I am sure that a planning bill would take effect more quickly than that.

I am sympathetic to amendment 155's objectives, but I am uneasy about amending planning legislation—whether on fish farming or anything else—through legislation other than a planning bill. Several planning issues need to be addressed and doing so is long overdue. I would rather have such measures taken in a single planning bill. Nevertheless, I am interested in what the minister has to say.

Allan Wilson: I thank Maureen Macmillan for a thorough amendment, which would introduce planning controls over marine fish farms by adding six subsections after section 23. Amendment 157 would make consequential amendments to section 33.

The new section that amendment 155 would add would introduce planning controls over marine fish farm developments in coastal and transitional waters, as defined in subsections (7) and (6) of section 3. As we have heard, amendments 155 and 157 would introduce such planning controls by extending the definition of development in relation to fish farming in section 26(6) of the Town and Country Planning (Scotland) Act 1997 to include coastal and transitional waters. I will deal with

Bruce Crawford's relevant point on that in due course.

Amendment 155 would repeal the definition of the word "tank" and add a new definition of "equipment" for use in fish farming.

I refer members to my confirmation, which I am happy to reiterate, that ministers are committed to extending planning controls to cover marine fish and shellfish farming. That is an integral part of our aquaculture strategy considerations. We wish to deliver that through the most appropriate vehicle—I suspect that that is Angus MacKay's point.

The introduction of planning controls would enable local authorities to exercise control over such offshore developments. That needs to be considered carefully, first with our local authority colleagues, and with other key stakeholders, so that any scheme can operate effectively. I acknowledge the strength of feeling that the committee expressed at stage 1 and its desire to introduce such controls through the bill, but, as members know, introducing planning controls into the marine environment is a complex matter. For that reason, thorough as amendment 155 undoubtedly is, I will not accept the amendments.

As everybody here knows, I am sympathetic to the outcome that the member and the committee desire. For that reason, should Maureen Macmillan be willing to withdraw amendment 155 and not move amendment 157, I will undertake to investigate the issues outlined in them with her, consider further the practicalities involved in seeking to introduce appropriate controls over marine fish farming in the context of the bill, and return to the issue at stage 3. Between now and stage 3, we will meet planning colleagues and others to think of ways in which we can make progress on the issue.

As the committee knows, we have already consulted on proposals to extend planning controls over marine fish farming and a number of concerns were identified during that exercise. Those concerns will have to be adequately thought through before stage 3.

As a result of the consultation on marine fish farming, the Executive committed itself to consulting further on a number of points, as there was consensus that the extension of planning controls was necessary. However, a number of issues caused concern, not least the cost implications. If we accepted the amendment today, we would be ignoring those respondents' wish to be consulted on those detailed points. Obviously, we all want to consult people on our proposals.

I am conscious of the financial implications of the amendment, not only for planning authorities but for statutory consultees and other parties. A

number of respondents to our consultation in 2000 expressed the concern that staffing and the training of officials and councillors to monitor and deal with applications would have “significant or high” resource implications. That issue requires further consideration.

Respondents to our consultation paper also asked how we would deal with fish farms that are currently in operation. There is a concern about the impact on livelihoods and businesses in rural communities and we must consider further how best to take forward the proposals in collaboration with the industry and the affected parties.

Amendment 155 would leave much of the detail of how the scheme would work to subordinate legislation. It would allow ministers to make orders for supplementary provisions that are necessary in connection with the section. It also requires the orders to be made no later than one year after the date on which the act receives royal assent, which we would hope to be around February 2003. It also requires a draft of any such order to be laid before and approved by Parliament.

I take the point that Fiona McLeod made, but it is an oversimplification. It is important to realise that the extension of planning controls relates to matters such as amenity as well as to the water environment.

I recognise that the committee wishes planning controls to be introduced as quickly as possible, as do I, but the power contained in subsection (5) of the proposed new section would require the Executive to introduce orders within one year of the date of royal assent. That time period would not allow us to consult stakeholders adequately on the complex and important matters. The one-year stipulation in the amendment is not flexible enough to enable us to come back at stage 3. We will have to consider the time scale between the legislation receiving royal assent and outlining the programme for the transfer of powers.

I suspect that that view is shared widely outside the Executive—by local authority colleagues and other stakeholders in the industry. From Maureen Macmillan’s participation in the working group, she will know that.

10:15

Bruce Crawford made the point that the amendment seeks to extend planning boundaries into the sea. How and by what means would that be done? At present, the Local Government Boundary Commission for Scotland is responsible for reviewing local authority boundaries. The Executive believes that extending boundaries into the sea solely for the purposes of fish farming would be beyond the commission’s current competence. We would need to consider the

practicalities of extending local authority areas for the purposes of fish farming only—not least, how we would draw the lines. We need to consult colleagues on that. If we accepted the principle of extending local authority boundaries into the sea, although that is beyond the current competence of the Local Government Boundary Commission for Scotland, we would have to consider doing so in the context of existing legislative provision—as Bruce Crawford pointed out. We must sit down with colleagues to work out the practicalities of the proposal.

Like Maureen Macmillan, we remain of the view that planning controls should be introduced for marine fish farming. However, the introduction of a range of planning controls into the marine environment is a complex matter that I hope I have been able to explain. If the member is willing to withdraw her amendment, I would be happy to work with her to investigate the practicalities of introducing such controls in the context of the bill, which aims to secure the protection of the water environment. We can return to the matter at stage 3. If Maureen Macmillan is not satisfied with the outcome of discussions, it will be open to her to press her amendment at that stage. We must address seriously complex issues such as the extension of local government boundaries into the marine environment. We need to examine how far we can realistically progress this opportunity between now and stage 3.

Maureen Macmillan: I thank the minister for his comments. I realise now that the matter is more complicated than I ever dreamed. When I began to address it, I was not aware of the point that Bruce Crawford made—that it might be necessary to amend the Local Government etc (Scotland) Act 1994.

I would like the bill to be amended on the lines that I have proposed. Given the minister’s offer to discuss how the amendment might be improved, I am happy to withdraw it at this point, on the understanding that if we cannot agree, I will lodge a similar amendment at stage 3.

Amendment 155, by agreement, withdrawn.

Section 24 agreed to.

After section 24

The Convener: Amendment 156 is in a group on its own.

Fiona McLeod: Rather than lodge amendments to provisions throughout the bill on river basin management plans, sub-basin plans and so on, I have sought to insert after section 24 the new section that amendment 156 would create. I have done so to ensure that all documents, information and registers that must be compiled under part 1 will be made available to the public. The wording

of the amendment is based on that of a similar amendment that was lodged to the Water Industry (Scotland) Bill, which we debated earlier in the year.

The intention behind amendment 156 is to ensure that the public has access to information that has to be compiled under many of the bill's provisions. I suggest that that information be produced in print and electronically. Nowadays, people are increasingly using the web to get access to information, especially large documents. In paragraph (c) of the amendment, I propose that information should be made available

"in such other formats as is best calculated to encourage the active involvement of interested parties."

The committee agrees that, if the water framework directive is to be successfully implemented in Scotland, we must make sure that people or, to use the buzz term, stakeholders have an interest in ensuring its successful implementation. Paragraph (c) would ensure that information is made available and that it is accessible. Information must also be offered in formats that allow those whom we need to involve in the process to gain access to documents in order to see whether the process works. I reiterate that the proposals in amendment 156 should be inserted after section 24 rather than included on multiple occasions throughout earlier sections.

I move amendment 156.

Allan Wilson: I was not exactly sure of the intention behind amendment 156 and was therefore interested to hear what Fiona McLeod had to say. I was particularly interested in her reference to the Water Industry (Scotland) Act 2002, which I am happy to look at again.

Despite what Fiona McLeod said in setting out amendment 156, I am still not entirely clear about its purpose. The amendment appears to require information that is made available for public inspection under the bill to be made available

"(a) in print,

(b) electronically, and

(c) in such other formats as is best calculated to encourage the active involvement of interested parties."

From what Fiona McLeod said, I think she is trying to ensure that information that would be required to be made available for public inspection under the bill should also be made available for dissemination more generally in the three specified formats. If so, I am not certain that the drafting of the amendment delivers that objective, although I would be happy to look at it again.

That said, I think that amendment 156 is unnecessary. I am not persuaded that the specified information should, in every case, be

required to be made available in the three proposed formats. The question arises of horses for courses. I do not think that it is necessary or wise to be prescriptive about having to make available every document in all three formats.

We put a fairly heavy emphasis on maps in the bill, which is different from the emphasis in the Water Industry (Scotland) Act 2002. Maps are the best example of documents for which the best method of conveying information is electronic, as a varying level of detail appears as the user focuses in on the detail.

Another issue arises about the "other formats" in paragraph (c) of the amendment, as Fiona McLeod did not set out what those formats would be. I am familiar with the issues that, for example, the Equal Opportunities Committee has raised in relation to formats such as audio, large print and Braille. As Fiona McLeod knows, maps, diagrams and illustrations are an integral part of much of the documentation that we expect to be produced, yet they are not easily transferable to those formats—if they are transferable at all. Where maps and so forth are involved, SEPA will be asked to arrange for a member of staff to talk through the plans, either at its offices or by telephone. However, that is a matter for implementation, not legislation.

As Fiona McLeod said, several parts of the bill require specified information to be made available to the public. For example, under section 3, the Scottish ministers must send a map to SEPA to identify the landward and seaward limits of transitional waters. We discussed that at a previous meeting, as part of the debate on amendments that were lodged by John Scott. SEPA must then keep that map available for public inspection.

A similar provision in section 4 ensures that the map showing the boundaries of the river basin district is made available for public inspection. It is entirely appropriate that members of the public should be able to view hard copies of the maps, if not the actual maps in question. In some cases, it may be possible to view electronically or in other formats the information that is required to be made publicly available. However, I do not want to be overly prescriptive about that, given the provision that we would expect SEPA to make for those who have a disability that precludes them from understanding a map in either hard copy or electronic format.

There are already several safeguards that ensure public access to the relevant information; I do not think that I need to go into those safeguards, as Fiona McLeod has accepted them. We accepted in principle amendment 99, which would encourage active involvement in the preparation of the river basin district plan, and amendments 102 and 146, which we debated

during our previous meeting. Members will recall that those amendments would have required SEPA to advertise in one national and one local newspaper the publication of the statement, summary or draft plan mentioned in section 11, and to strengthen certain duties on SEPA. We intend to move amendments on those issues at stage 3 and to make adequate provision for the use of electronic media, which members know I support.

Having covered those points, we may need to have a catch-all provision, such as the one in amendment 156, or to re-examine how people with disabilities will be able to gain access to information such as maps, which are not readily transferable to all other formats. I am happy to do that, but the amendment would not achieve that objective because it does not address those issues.

I am happy to discuss the matter further with Fiona McLeod. As I said, I was interested in her reference to Water Industry (Scotland) Act 2002, and I would be happy to examine the amendment in that context with Michael Kellet and Fiona to see whether the points raised would be better covered elsewhere or with improved drafting.

Fiona McLeod: I am sorry that amendment 156 caused the minister such consternation. I was perhaps looking at the bill with my information professional's eye, rather than my politician's eye, but, in my view, the amendment should not cause consternation. The information that we are talking about will be available in print because, as the minister said, the bill specifically says at certain points that maps will be available. Given my knowledge of publishing, I know that all information that has been produced in print has been produced electronically to start with anyway. Therefore, paragraphs (a) and (b) of my amendment are covered.

Paragraph (c) is designed to ensure that we look at such information imaginatively. That goes beyond simply covering equality issues for those who have difficulty with print or electronic formats. For example, in specific instances, we could produce tactile models to ensure that people have better access to the information and to encourage them to become involved in the process. As I listened to the minister, it dawned on me that we should also consider making information available in a format that would be more accessible to young people and allow them to become engaged and involved in the work of protecting our water environment.

The minister said that amendment 99 was accepted in principle, but he will remember that it was withdrawn. This is another issue on which the minister has promised that he will do something at stage 3.

We must take the minister on trust, and I will take a deep breath and do so. I will also take the minister up on his offer of discussions to ensure that the ideas I have in mind may be achieved, where that is considered necessary. If I do not think that I have convinced the minister at the end of those discussions, I will return with an amendment at stage 3.

Amendment 156, by agreement, withdrawn.

The Convener: You had better live up to Fiona McLeod's trust in you, minister.

Allan Wilson: The member is pushing at an open door.

Section 25—Interpretation of Part 1

The Convener: Amendment 201 is in a group on its own.

10:30

John Scott: Once again, we return to bodies of water, which have been happy hunting grounds for us all thus far. It is important that I ask the minister again to consider the Scottish snowfields, as it is vital to protect those areas. They are like aquifers, as they form the headwaters of many rivers that we need to protect. It would be unreasonable not to protect such significant bodies of water. Snowfields are bodies of inland surface water, and the fact that they are frozen does not mean that they should not be looked after under the bill. I would like the minister to reconsider the need to protect those important areas.

I move amendment 201.

The Convener: Do any other members wish to comment? I see that Angus MacKay has a mischievous look on his face.

Angus MacKay: Aside from the question of bodies of frozen headwater, I am curious why section 25, which John Scott seeks to amend, lists every conceivable form of water other than burns. I wondered why that was.

Allan Wilson: I think that Angus MacKay will find that a burn is a river. Therefore, the term "river" encapsulates burns.

I have a sense of déjà vu about amendment 201. I stand by the answer that I gave to John Scott three weeks ago, in response to the debate on amendment 110: generally speaking, snow and ice are not bodies of water—or even a body of water—for the purposes of the bill. The effect of amendment 201 would be that every bit of snow or piece of ice would be considered to be a body of inland surface water. As part of the water environment, they would be subject to characterisation, monitoring and the processes involved in setting environmental objectives.

Obviously, that would be impracticable. For that reason, I argue that the committee should not accept amendment 201.

The bill is about the protection of the water environment, not of individual pockets of snow or ice. We have been here before, colleagues. When snow or ice melts to form part of the water environment, it will be subject to the controls to be introduced under the bill. As I said three weeks ago, I confirm that rivers or lochs are still regarded as bodies of water when they freeze over. Therefore, they will be subject to the bill's controls.

It is not true to say that we cannot protect land from polluting discharges. A parcel of land is not a body of water, whether or not it happens to be covered by snow or ice. A number of legislative provisions seek to regulate potentially polluting activity on land, not least section 3 of the Control of Pollution Act 1974. The Groundwater Regulations 1998 also provide protection from any other activity on or in the ground that might lead to direct or indirect discharges

"into groundwater of any substance in list I or II"

that are likely to cause pollution. The 1998 regulations also state:

"'pollution' means the discharge ... directly or indirectly, of substances or energy into groundwater, the results of which are such as to endanger human health or water supplies, harm ... the aquatic ecosystem or interfere with other legitimate uses of water".

Regulations that we may introduce under section 20 may also be able to afford protection against discharges to land that, in turn, impact on the water environment. I go along with John Scott in the direction that he is taking with amendment 201 in so far as discharges to frozen surface water on land consequentially impact on the water environment further down the watercourse. When snow and ice melt, they become subject to control and characterisation under the bill where they join rivers, burns, lochs, and streams—you name it. However, when they are frozen on a mountain, they are not a body of water.

John Scott: On the minister's last point, only an accident of temperature allows such water to be protected. If the temperature is below freezing point, that water is not protected; if the temperature is above freezing point, it is. The minister appears to have arrived at an anomaly. To use—or at least to paraphrase—the minister's words, as soon as the water is unfrozen, it is protected. However, water that fell out of the sky as snow rather than rain because of an accident of temperature is not protected. That is just bizarre.

Nonetheless, I accept what the minister says. No—I do not. I press amendment 201.

The Convener: On that note of clarity, the question is, that amendment 201 be agreed to.

Are we agreed?

Members: No.

The Convener: There will be a division.

FOR

Scott, John (Ayr) (Con)

AGAINST

Crawford, Bruce (Mid Scotland and Fife) (SNP)
MacKay, Angus (Edinburgh South) (Lab)
McLeod, Fiona (West of Scotland) (SNP)
Macmillan, Maureen (Highlands and Islands) (Lab)
Muldoon, Bristow (Livingston) (Lab)
Radcliffe, Nora (Gordon) (LD)
Thomson, Elaine (Aberdeen North) (Lab)

The Convener: The result of the division is: For 1, Against 7, Abstentions 0.

Amendment 201 disagreed to.

Amendment 78 moved—[Allan Wilson]—and agreed to.

Amendment 55 moved—[Nora Radcliffe].

The Convener: The question is, that amendment 55 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

FOR

Crawford, Bruce (Mid Scotland and Fife) (SNP)
McLeod, Fiona (West of Scotland) (SNP)
Radcliffe, Nora (Gordon) (LD)

AGAINST

MacKay, Angus (Edinburgh South) (Lab)
Macmillan, Maureen (Highlands and Islands) (Lab)
Muldoon, Bristow (Livingston) (Lab)
Scott, John (Ayr) (Con)
Thomson, Elaine (Aberdeen North) (Lab)

The Convener: The result of the division is: For 3, Against 5, Abstentions 0.

Amendment 55 disagreed to.

The Convener: Amendment 202 is in a group on its own. The amendment is in the name of Robin Harper, who is not here at the moment. Bruce Crawford will speak to and move the amendment.

Bruce Crawford: Robin Harper has had to go to another committee. He asked me whether I would move amendment 202, and I am happy to do that.

Before I do so, I will raise a point of clarification on section 25, which talks about a

"significant element of surface water such as a loch, a stream, river, canal".

The minister defined a river as a burn. Is a burn a river or a stream? Should the bill talk about wee burns and big burns instead of rivers?

Allan Wilson: It could obviously be a river or a stream under that section. [*Interruption.*]

The Convener: I encourage members not to get into a debate about the definition of a burn.

Bruce Crawford: I am considering whether we need to lodge an amendment at stage 3.

In previous consideration of the bill, the committee agreed amendment 30, which inserted a new subsection into section 2, which concerns duties, after subsection (5). The new subsection states:

“The Scottish Ministers, SEPA and the responsible authorities must, in exercising their functions under the relevant enactments, ensure that an integrated approach is adopted.”

The committee felt that the bill as introduced would not ensure that all Executive departments and decision makers integrated the requirements of the directive into their work and that a general duty was required to facilitate that process, in line with the committee’s stage 1 report.

The committee agreed to amendment 30. Robin Harper now proposes an amendment that seeks to clarify and define what is meant by the “integrated approach” to which amendment 30 refers. Amendment 202, in the name of Robin Harper, refers to a number of issues. Of particular importance are collectivity and the need to avoid conflict. The intention of the amendment is clear—that ministers and responsible authorities should act collectively, as well as individually, to meet the objectives of the bill and, in doing so, should seek to avoid conflict. Robin Harper seeks the committee’s support for amendment 202. I am reminded of the burn Forth.

I move amendment 202.

The Convener: I do not care whether it is a burn or a stream—I simply want to avoid being in it.

Allan Wilson: Amendment 202 is consequential to amendment 30, which related to section 2 and to which the committee agreed. Members will recall that I opposed amendment 30, on the basis that it was not necessary given other provisions in sections 2 and 16, to most of which the committee later agreed. I believe that those provisions are sufficient to ensure the integrated approach that Robin Harper seeks.

I confirm today that we will not seek to delete amendment 30 at stage 3. However, there are difficulties with the amendment. Its drafting suffers from some of the same defects from which other amendments to section 2 suffered. In particular, it confuses designated functions, which relate to responsible authorities, and relevant enactments, which relate to Scottish ministers and SEPA. We will have to clarify that issue.

At stage 3 we will lodge amendments to tidy up the new subsection that amendment 30 introduces. I assure members that the reference to

“an integrated approach”, which is the substantive provision in the new subsection, will remain. We will not lodge amendments that seek to delete that phrase.

Amendment 202 seeks to introduce a definition of the integrated approach to which amendment 30 refers. I am not convinced that such a definition is necessary. Once the new subsection has been appropriately drafted, the duty to promote an integrated approach will be able to stand on its own. Rather than clarifying what constitutes an integrated approach, amendment 202 muddies the waters—if members will excuse the pun.

What are the “common objectives” to which the amendment refers? The meaning of that term is far from clear. The only objectives that the bill sets are the environmental objectives that are established under section 9. Section 16 requires that Scottish ministers, public bodies and offices holders should

“have regard to the river basin management plan”.

Every water body in Scotland will have an individual environmental objective. To introduce the term “common objectives” would be to introduce unnecessary confusion.

Although integration is vital and will be important in many circumstances—I have accepted the principle of taking an integrated approach—it will not always be appropriate. Not all relevant bodies will or should have a common objective all the time, as the amendment requires.

For example, consider the planning functions of local authorities and Scottish ministers in that context. As we have already discussed, the roles of ministers and local authorities are rightly quite distinct. Ministers and councils have separate functions in the determination of applications for planning permission; both are important but distinct. We risk confusing them in a way that destroys accountability and transparency for those affected by the decisions. The approach suggested in the amendment is to have common objectives. Local authorities and ministers might not have common objectives in the planning context.

10:45

The amendment also causes some difficulties in relation to river basin planning. With its partners, SEPA will prepare the river basin plan. However, it is important that the responsibility for approving the plan, which we have discussed at length, lies with ministers. That route ensures accountability because ministers are then accountable back to the Parliament, through the committee. We can seek to legislate for differing points of view between ministers and SEPA or, for that matter, any other responsible authority. If the amendment

were passed, it would suggest that we all had common objectives in relation to that process. That may not, and probably will not, be the case.

Another problem with amendment 202 is that it does not refer specifically to SEPA, although amendment 30 refers, correctly, to SEPA, so there is no direct correlation between amendment 202 and amendment 30.

I have given an assurance that the integrated approach will remain and that I will attempt to do nothing other than clarify and tidy up amendment 30, which has been agreed to. There is no requirement to further define what constitutes an integrated approach; ministers and local authorities do not necessarily have common objectives in relation to planning, for example. Given all that, I ask Bruce Crawford to withdraw the amendment.

Bruce Crawford: I listened carefully to what the minister said. I am heartened that he intends to introduce other amendments to “tidy up” amendment 30 and ensure that the integrated approach is accepted. I can understand the minister’s arguments that there might be times when SEPA or local authorities might require to be in conflict with Scottish ministers on particular issues. Therefore, I look forward to the minister’s suggested amendments, which will strengthen the provision introduced by amendment 30.

Amendment 202, by agreement, withdrawn.

Section 25, as amended, agreed to.

Angus MacKay: Do members have an opportunity to speak at this stage?

The Convener: No, we have reached the end of the debate. With section 25 agreed, that brings us to the end of the part of the bill dealing with the water environment. I understand that the Executive wishes to have a tactical substitution of some of the officials advising the minister. Michael Kellet and Brian Dornan are leaving but will return for later amendments. William Fleming will join us. I will adjourn for a minute or so for the minister to adjust his team.

10:48

Meeting suspended.

10:51

On resuming—

Section 26—Duty to provide water and sewerage services

The Convener: We move on to part 2 of the bill, which deals with water and sewerage services. Amendment 158 is grouped with amendment 159.

Allan Wilson: The principle that underlies part 2 of the bill is that housing developers should provide the water and sewerage infrastructure that is needed to connect their properties to Scottish Water’s networks. Such connection should be subject to two conditions. First, the developers’ infrastructure must satisfy Scottish Water’s construction standards; secondly, making a connection with a particular development should not require Scottish Water to incur expenditure that cannot be covered by the income that it will get from that development.

Amendments 158 and 159 will establish that ministers, through regulations, can empower Scottish Water to take account of the significant consequential costs that providing a connection to its networks could generate. The amendments cover circumstances in which Scottish Water might have to enlarge mains, extend treatment works or even build new treatment works or pumping stations to make such a connection. I am sure that members will agree that Scottish Water should be able to take those considerations into account in deciding whether to connect a new development to its system.

I move amendment 158.

Amendment 158 agreed to.

Amendment 159 moved—[Allan Wilson]—and agreed to.

Section 26, as amended, agreed to.

Section 27—Private sewers and sewage treatment works etc: conditions for connection or takeover

The Convener: Amendment 160 is grouped with amendments 161 to 171, 194 and 196.

Allan Wilson: The amendments in this group ensure that the policy in section 27 is applied consistently to all relevant parts of the Sewerage (Scotland) Act 1968. That ensures that sewers may not connect to the public network and, which is important, vest in Scottish water unless they meet the construction standards and vesting conditions that ministers require Scottish Water and all other parties to meet. That is necessary to ensure that substandard infrastructure does not become part of the public network by default, which could put public health or the environment at risk. Again, the amendments are technical and I recommend that the committee accept them.

I move amendment 160.

Amendment 160 agreed to.

Amendments 161 to 171 moved—[Allan Wilson]—and agreed to.

Section 27, as amended, agreed to.

Section 28—Laying of water mains by persons other than Scottish Water

The Convener: Amendment 172 is grouped with amendments 173 to 193, 195, and 197 to 199.

Allan Wilson: Currently, only Scottish Water may lay the communication pipes that link a property supply to the mains. Given our general approach in this part of the bill, it makes sense for developers to be able to carry out the work themselves. The amendments in this group provide for that additional flexibility through several amendments to the Water (Scotland) Act 1980, in section 23 and elsewhere. That includes adding a new schedule to the act to enable Scottish Water to authorise others to open roads to lay and maintain mains and communications pipes. Again, that provides for consistency between the 1980 act and the 1968 act, which already allows Scottish Water to authorise others to open roads to lay sewers. I commend these technical amendments to the committee.

I move amendment 172.

Nora Radcliffe: Who will be responsible if the reinstatement of the roads is not up to scratch?

Allan Wilson: That would fall to the developer.

Nora Radcliffe: So that responsibility is handed over with the power to open the road.

Allan Wilson: Yes.

Amendment 172 agreed to.

Amendments 173 to 197 moved—[Allan Wilson]—and agreed to.

Section 28, as amended, agreed to.

Section 29 agreed to.

After section 29

Amendment 198 moved—[Allan Wilson]—and agreed to.

After schedule 2

Amendments 199 moved—[Allan Wilson]—and agreed to.

Section 30 agreed to.

Section 31—Orders and regulations

The Convener: Amendment 79 is grouped with amendments 80 to 83, 152 and 153. If amendment 83 is agreed to, amendment 152 will be pre-empted.

11:00

Allan Wilson: The question of orders and regulations is one to which the Subordinate

Legislation Committee and the Transport and the Environment Committee have paid particular attention. We have lodged a series of amendments to address the balance between the affirmative and negative parliamentary procedures following the concerns that were raised in the committee's stage 1 report. I will briefly outline what we are proposing to do before going into the role that each amendment would play in the changes.

The amendments will make the designation of river basin districts under section 4 subject to affirmative procedure rather than negative procedure, as at present. It will make regulations made under section 8, on monitoring, section 22, on remedial and restoration measures, and section 23, on the fixing of charges for water services, subject to the same procedure as that for regulations made under section 20. That is, the procedure is either negative or affirmative as ministers may determine, but always affirmative when regulations textually amend other acts. That is an important consideration.

Regulations made under section 19, which are general powers of regulation dealing with the form and content of river basin management plans, will, again, be either negative or positive as ministers determine. That is a move away from the purely negative procedure required by the bill at present. That allows Parliament to examine in greater detail those regulations that are important enough to warrant that degree of scrutiny. Following exchanges that we have had with the Subordinate Legislation Committee, we agreed that regulations made under section 24, relating to the power to give effect to subsequent obligations, should be affirmative in all cases.

The amendments will ensure that, in all cases, regulations made under section 24 will be affirmative.

Amendment 79 tidies up a drafting matter and brings the wording used in section 31(2)(a) into line with section 32. Amendment 80 adds section 22, which deals with remedial and restoration measures, to the list of those sections under which regulations can be made that can modify other acts.

Amendment 81 is in response to the view that fewer regulations should be subject to the negative parliamentary procedure. As the number of exceptions to the general negative procedure has become extremely long, amendment 81 alters section 31(4) so that it lists those powers that are subject to negative procedure rather than those that are not. In practice, that means that regulations that are made under sections 4, 8, 22, 23 and 24 are no longer subject purely to the negative parliamentary procedure.

Amendment 82 would have the effect of making regulations under sections 8, 19, 22 and 23, along with regulations under section 20, as at present, subject to either negative or positive parliamentary procedure, as ministers determine.

Amendment 83 expands the list of regulations that are subject to the affirmative parliamentary procedure. At present, the list extends to orders under section 32 or regulations under sections 8, 20 or 23 that textually amend other acts. The new powers, subject to affirmative procedures, relate to orders made under section 24, on the power to give effect to community obligations, and section 22, on remedial and restoration measures, that textually amend other acts.

I hope that the committee agrees that those amendments will ensure that we take a big step forward in terms of parliamentary scrutiny of certain regulations and that we have taken on board the recommendations of this committee and the Subordinate Legislation Committee. I recommend that the committee accepts amendments 79 to 83.

That leaves amendments 152 and 153, in the name of Bruce Crawford, which should be read in tandem. I think that the intent of the amendments is to require that all regulations made under section 23 be subject to the affirmative procedure. If that is their intent, they are unnecessary and undesirable. If the amendments that have I lodged are agreed to, regulations that are made under section 23 will be subject to either affirmative procedure or negative procedure, as ministers deem appropriate, but always to affirmative procedure when textually amending other acts. That is important and is the right balance. It will allow the Parliament to look in greater depth at important issues that may arise, but will not choke the parliamentary timetable with less important issues. The committee will note that we have already amended section 23 to require ministers to consult on the terms of any regulations that are made under section 23.

As I said, the amendments are unnecessary and undesirable in respect of parliamentary procedure, given that negative and affirmative procedures require the Parliament's approval. Requiring the use of the affirmative procedure in every instance is inappropriate. I ask Bruce Crawford not to move amendments 152 and 153 and instead to take our approach, which is the right approach.

I move amendment 79.

The Convener: I invite Bruce Crawford to speak to amendments 152 and 153.

Bruce Crawford: I had no intention of moving amendments 152 and 153. My understanding of what they were meant to achieve is not the same as the minister's understanding. The amendments

are linked to amendment 151, which I moved earlier. The effect would be to ensure that any order under amendment 151, which is about the fixing of charges, would need to come back to the Parliament under the affirmative rather than the negative procedure. There is no need to move the amendments.

Amendment 79 agreed to.

Amendments 80 to 83 moved—[Allan Wilson]—and agreed to.

Amendments 152 and 153 not moved.

Section 31, as amended, agreed to.

Section 32 agreed to.

Section 33—Commencement and short title

Amendment 157 not moved.

Section 33 agreed to.

Long title agreed to.

The Convener: The good news is that that brings us to the end of stage 2 consideration of the Water Environment and Water Services (Scotland) Bill. An announcement will be made in tomorrow's business bulletin about deadlines for lodging amendments for stage 3.

I thank all members who have participated in stage 2, the minister and the Executive officials who have supported him. I look forward to the stage 3 debate in the chamber.

We will briefly move into private session to discuss lines of questioning for witnesses on the Organic Farming Targets (Scotland) Bill.

11:08

Meeting continued in private.

11:24

Meeting continued in public.

Organic Farming Targets (Scotland) Bill: Stage 1

The Convener: Agenda item 5 is consideration of the Organic Farming Targets (Scotland) Bill. I welcome Lisa Schneidau of the Scottish Wildlife Trust, Peter Pitkin of Scottish Natural Heritage and Duncan Orr-Ewing of RSPB Scotland. We have received written evidence from you all and I understand that you do not wish to make opening statements to supplement your written evidence. We will move to questioning after I have explained how the committee will consider the bill. The Rural Development Committee is the lead committee on the bill, but the Transport and the Environment Committee has chosen to examine the environmental aspects of organic farming in the context of the bill. We intend to submit a report to the lead committee, which will be taken into account in the broader consideration of the bill.

Nora Radcliffe: The first questions are to do with research. What evidence is there that increased biodiversity on organically managed farmland is a result of the organic nature of production rather than of different management practices?

Duncan Orr-Ewing (RSPB Scotland): Good morning. In November 2001, the RSPB commissioned a desktop study of all the work that had been done on the benefits or otherwise of organic farming and the benefits to biodiversity in particular. We pulled out 33 studies from across Europe as well as a couple from America. Of those studies, six were on birds, one was on mammals, 16 were on invertebrates, eight were on flora and two were on soil microbes. In all cases, organic farming was found to be more or less beneficial. All the bird studies found that organic farming was generally positive for birds. For example, a study was carried out in England on skylarks—as members will be aware, the skylark is a red data book species and a United Kingdom biodiversity action plan species. The study showed that densities of skylarks increased on organic farming systems.

Nora Radcliffe: Did any of that research compare extensive farming, rather than simply conventional farming, with organic farming?

Duncan Orr-Ewing: The skylark study made direct comparison between organic farms and conventionally managed farms. In the round, the studies showed positive benefits of organic farming.

Nora Radcliffe: That still does not answer my question. Could one manage a non-organic scheme in the same way as one manages an organic scheme and achieve the same biodiversity benefits?

Duncan Orr-Ewing: It is possible—

Nora Radcliffe: It is difficult to tell.

Duncan Orr-Ewing: Yes, it is difficult to tell without making an in-depth study. Conventionally managed farms can be run in an extensive way. Crofting is an example. One cannot deny that some crofting practices in the Western Isles can achieve high biodiversity interest.

John Scott: To what do you attribute the increased population of skylarks? Is it down to the stocking density levels rather than the farming techniques that are used?

Duncan Orr-Ewing: Techniques that are employed in organic systems are generally beneficial to biodiversity. It is possible to point immediately to the lack of herbicide and insecticide inputs, the lack of use of synthetic fertilisers—

John Scott: But in an area with skylarks, surely none of those inputs would be made.

Duncan Orr-Ewing: Yes, but those techniques are not employed on organic farms. A different vegetation structure results and skylarks need that more open vegetation structure. Organic farms also tend to follow the spring cropping practice, which is also beneficial to that species. One of the key reasons why the skylark population has declined in England in particular and in some parts of Scotland is the switch from spring cropping to winter cereal growing.

11:30

Maureen Macmillan: Could you please explain what you mean by an “open vegetation structure”?

Duncan Orr-Ewing: Yes. Conventional farming with its higher synthetic fertiliser inputs results in a denser sward, or vegetation, structure, which produces more plants per square metre than is the case with organic systems. The crop structure tends to be more open in organic systems than it is in conventional farming systems, particularly arable farming. Birds depend on that crop structure as well as on the weeds and invertebrates that are part of organic systems.

Peter Pitkin (Scottish Natural Heritage): It would be misleading to claim that all the evidence is in place. Although we certainly do not have complete proof, we have a substantial amount of research-based evidence that points to the fact that organic farming generally represents a better deal for the various components of the environment than most types of conventional farming do.

The question was also on whether organic farming lines up against other kinds of environmental farming. It is important to remember

that not all organic farming is the same and that some kinds of organic management are more favourable to the environment than others are. I am thinking of the relationship with wildlife. There is also a range of conventional farming models, some of which pay close attention to the needs of wildlife and the general health of the environment.

In 1998-99, the Ministry of Agriculture, Fisheries and Food commissioned an interesting review, which studied the environmental benefits that arise from organic farming and lined them up against the environmental benefits that could be detected in other similar farming systems that aim to integrate environmental improvements. I cannot remember the figures—I am afraid that I do not have the review with me—but the study showed the range of environmental benefits and advantage that resulted for wildlife and the reductions in pollution and management inputs. Organic systems were shown to be at the top of the range, but significant and similar advantages were to be gained from a number of other integrated approaches.

Nora Radcliffe: Did the two systems overlap? Was the bottom ranking of organic systems lower than the highest ranking of integrated systems?

Peter Pitkin: I do not have the details. Other integrated system initiatives incorporate practices that are used in organic systems.

Lisa Schneidau (Scottish Wildlife Trust): The Scottish Wildlife Trust has recently put a lot of effort into developing its policy on organic agriculture. We have collated as much research evidence as we can find. The majority of research evidence on biodiversity relates to lowland agricultural systems. If one compared a conventional farm with an organic farm, neither of which were in a scheme that would add other benefits—such as the rural stewardship scheme—we are convinced that, generally speaking, there would be a higher level of biodiversity in a number of areas on the organic farm. If it would be helpful, we could point the committee in the direction of a number of wider studies that attempt to summarise some of that evidence.

We have found that a number of other European countries, including other countries within the United Kingdom, have recognised the intrinsic biodiversity and environmental benefits of organic agriculture. In the “Action plan to develop organic food and farming in England”, Margaret Beckett said:

“Organic farming and food offer real benefits for the environment”.

She also said that Government support for organic farming is justified by the fact that those environmental benefits are produced on behalf of the taxpayer through organic agriculture.

The Scottish Wildlife Trust feels that organic systems and conventional systems are not mutually exclusive and that further improvements in all agricultural systems, through schemes such as the rural stewardship scheme, will benefit the environment. Such benefits are over and above the environmental benefits that we think are intrinsic to organic agriculture. We support organic agriculture, as it represents an opportunity to develop farming systems that can benefit biodiversity.

We need far more research on the environmental benefits of organic agriculture in Scotland. We found it extremely difficult to collect evidence on upland systems. Eighty-five per cent of land in organic agriculture in Scotland is in the uplands. Common sense would dictate that the more extensive systems that organic farming favours and other factors such as the lack of ivermectin point to greater biodiversity in upland systems.

As Peter Pitkin said, it is difficult to compare different farming systems and the relative benefits that they could provide. We have been chasing a report that the Department for Environment, Food and Rural Affairs has on upland agriculture, which we have had great difficulty in finding. In the meantime, we tend to err on the side of common sense and to say that, even in upland systems, there could be further biodiversity benefit. We would like to see more research.

Angus MacKay: I would be interested in your definition of the difference between organic and conventional farming. Where is the border? If there is no clear border, in which areas is the border blurred? We must rely on the research in taking decisions in such areas. Where is that research founded in relation to what is an organic approach and what is a conventional approach? You mentioned that you could give us some pointers to wider studies; the committee would find that useful.

I would also like to know whether any specific pilot projects have been carried out. The bill proposes establishing a target for the percentage of land on which organic farming is to take place of 20 per cent, so it would be useful to be able to found that on a substantive piece of work that has been unequivocal in revealing benefits.

Studies on skylarks have been mentioned. Where have studies been carried out that show clear, or marginal to clear, benefits for a particular bird species? Were the consequences for other bird species or other wildlife monitored in those locations? I presume that changing the ecoculture in a location will have benefits for some species and disbenefits for others. Have such considerations formed part of the studies?

Duncan Orr-Ewing: I will answer the last point first. I referred to six bird studies, but I cannot speak about all the studies specifically, because each of those pieces of work contains a lot of information. Such studies generally involve looking at weeds and insect populations, which, as the food of birds, are important for achieving higher densities of birds. In general, it has been discovered through the studies that arable weeds—including some rarer arable weeds—are more prevalent in organic systems. The insects, beetles and worms upon which birds depend for food are also more prevalent on organic farms than in conventional farming systems.

There are caveats in relation to all the evidence that I have given. It would be best for me to make some of the research available to the committee, so that members may consider it in more detail.

Angus MacKay: Thank you. Do the studies to which you have referred consider the effect of organic farming on other bird species or populations?

Duncan Orr-Ewing: Yes. The studies dealt with yellowhammers—a common farmland species in Scotland that is in decline—as well as skylarks. The population of yellowhammers was shown to increase in organic farming systems.

I reiterate the point that Lisa Schneidau made: only a small number of studies have been conducted across Europe and North America and there is a need for further research. Given that Scotland has a predominantly upland landscape, it is vital that more research is done on the benefits or otherwise of organic farming systems in uplands. We have very little information on the subject. Our collation of studies has revealed that no studies have been carried out on upland situations.

Peter Pitkin: The essential distinction between organic and conventional farming is that organic farming is based on the use of natural processes and systems. In so far as it is possible, it avoids artificial inputs. Organic farming takes a systems-based approach. It tries to manage systems as self-contained entities, which reduces the impact of farming on the environment. We must support that principle and ideal.

I have examined the research that has come to my notice to identify which organisms and aspects of wildlife and the countryside have been shown to gain tangible benefit from organic methods. There is reasonable evidence of benefit to birds, butterflies and plants. There is some evidence of benefit to spiders and other kinds of invertebrates, but invertebrates are a varied and mixed category. More surprisingly, there seems to be some relationship between organic farming and the visual character of the landscape. The

Countryside Commission commissioned research that showed that lowland landscapes are more varied under organic management than they tend to be under conventional management.

One of the conclusions that one inevitably reaches is that benefits are difficult to quantify. Some of the work that has been done on birds has considered the quantitative benefits of organic farming—the increased rates of breeding and the increases in population that result from organic management. However, that is not the case for much of the other research that has been done.

The other thing that we ought to say about the research is that in some cases it is difficult to know how it relates to Scotland. Much of the research has been done in England or in other European countries, where some of the birds and plants are not the same as those in Scotland. Only a relatively small amount of research has been done in Scotland.

11:45

Lisa Schneidau: I agree with Peter Pitkin's wide definition of organic agriculture, but the policy memorandum for the bill outlines the standards set by UKROFS—the UK register of organic food standards—and gives details of the certification procedures that organic farmers have to go through and the rigorous standards that are set for them. If the committee would like more detail, we would be happy to provide it.

The Convener: John Scott and Angus MacKay have supplementary questions. I ask them to be brief, and we will take them together.

John Scott: I want to return to the point that Duncan Orr-Ewing and Lisa Schneidau made. There is a huge danger in extrapolating from studies that have been carried out on low ground given that, as Lisa Schneidau pointed out, 80 per cent of Scotland comprises LFAs—or, for the benefit of the official report, less favoured areas. In the upland areas in particular—the mountainous parts of Scotland, which are severely disadvantaged areas—there will be little or no difference between conventional agriculture and organic systems. As a result, probably a great deal more than 20 per cent of Scotland is, in effect, organically farmed. Do our witnesses agree? I would also like to hear their views on the dangers of setting targets based on a complete lack of knowledge—as has readily been admitted, little or no information is available on the type of systems that cover 85 per cent of Scotland's landmass.

Angus MacKay: I have two brief points. Peter Pitkin referred to research on benefits for birds, butterflies, spiders and what not. It would be useful for the committee to see that. I would like him to say what sources have conducted the research.

The lack of research in Scotland and the fact that it is unclear what the impacts or consequences might be, particularly in upland areas, sit closely alongside arguments that have been used in the Parliament against genetically modified crop testing. Is there a similar argument that the widespread application of organic farming targets in Scotland should be deferred in areas where we do not know what the consequences might be because the research does not exist? The precautionary principle seems to apply in both cases.

The Convener: We will hear from Peter Pitkin first, because Angus MacKay asked him a specific question. After that, we will address the broader issues.

Peter Pitkin: A helpful review of research—"The Biodiversity Benefits of Organic Farming", which was jointly funded by the Soil Association and WWF UK—was published in May 2000. It describes in some detail, but pretty succinctly, about a dozen major studies and reviews and, rather more briefly, a number of smaller studies, including a couple in Scotland. It also gives an account of a number of previous reviews of research. I have found it to be a helpful summary of the work that has been done. It is reasonably unbiased.

Lisa Schneidau: The review to which Peter Pitkin has referred tries to identify the benefits of organic farming in the uplands even though there has been little extensive research on that. I do not agree that the majority of upland Scotland is already organically farmed by default, because it does not come under the regulations to which organic farmers have to adhere.

On upland biodiversity, the Soil Association report says:

"Two main conservation problems in the uplands have been the intensification of livestock stocking rates and the loss of mixed farms, leading to widespread overgrazing of the natural level of grassland vegetation, and the loss of traditional small areas of arable habitats for feeding and nesting ... Two-thirds of the heather moorland lost between 1947 and 1980 has been attributed to overgrazing."

The Scottish Wildlife Trust would welcome any system that contributed towards the extensification of grazing in the uplands, given the huge impact of overgrazing on biodiversity. We would welcome organic systems on that basis.

The report carries on:

"The loss of mixed farming has been a problem in all grassland areas, the lowlands and the uplands ... As organic farming is both more extensive and in nearly all cases based on some mixed farming, these problems would be automatically addressed, suggesting that organic farming is of important benefit to the biodiversity of the uplands."

I hope that that helps a little.

John Scott: Do you concede that extensification can take place readily within conventional agricultural systems and lead to the regeneration of heather?

Lisa Schneidau: It can, but the incentives for that are inadequate at the moment.

John Scott: The western southern upland extensification scheme is designed for no reason other than heather regeneration. For those who are in the scheme, there are significant inducements to allow heather to regenerate. Most of them are doing that within conventional farming systems.

Lisa Schneidau: I agree that those schemes can work well, but the incentive—the available funding and the extent of such schemes—is nowhere near what we need to restore biodiversity in the uplands.

One of the main reasons why targets across various sectors are needed to help organic agriculture is that 85 per cent of the uptake of the organic aid scheme in Scotland so far has been in the uplands. One reason for that is that to convert to organic is much easier in the uplands—perhaps because of simpler systems—than it is in the lowlands.

The Scottish Wildlife Trust is concerned that, once the five-year conversion payment under the current organic aid scheme is up, the farmers who have converted will go straight back to conventional agriculture. There is no further incentive; there is no recognition from the taxpayer that those farmers need to continue to deliver the environmental goods. We fully support targets for a number of reasons, but, in relation to John Scott's question, we support them on the basis that the organic sector needs to be developed across all farming types in Scotland, not just in the uplands. That needs guidance from the Government.

Peter Pitkin: I will give a slightly different take on conversion in the uplands. We should not dismiss conversion in the uplands as something to do just because it is easy. We should perhaps consider organic farming in the uplands as a way of helping to provide a new opportunity for some farmers—sheep farmers in particular, but also some cattle farmers—to exploit a new market or a market that may be developing. I am not saying that I know how that could easily be done. Farming in the uplands needs to take advantage of as many opportunities as possible to restore its economic status. It needs to identify a new market that would offer the possibility of restoring prosperity to producers. Organic farming—coupled with sustainable management, which is important from a natural heritage point of view—would provide a way of doing that.

The Convener: Angus MacKay has indicated that he still wants an answer to some of the points that he made.

Duncan Orr-Ewing: As an addition to Lisa Schneidau's points, I will provide some context. Farm-land biodiversity has declined in the uplands as well as in the lowlands; for example, the populations of some farm-land bird species in the uplands have declined severely. In support of Lisa's points, I point out that organic farms tend to have lower stocking densities and more mixed farming and that those two factors are likely to result in increased bird populations. The educated guess is that more organic farming would improve the situation for birds in those areas.

The Convener: Do the witnesses wish to reply to Angus MacKay's earlier question, which was whether now is the right time to proceed with the bill, given the lack of research?

Peter Pitkin: More research is important. The steps that we take should be tentative and spread over time as our knowledge and understanding increases. Advice is also important, as is consideration of ways in which to exploit and develop markets. Any approach that we take must be based on the development of a number of strands.

Lisa Schneidau: I agree with Peter Pitkin.

The Convener: I want to make progress because we have a number of other areas to explore. I indicate for the record that Robin Harper, who is now with us, has said that because he is the main sponsor of the bill, he does not wish to participate in the question and answer session. He will listen to the answers, but he does not wish to be both a sponsor and a questioner.

Nora Radcliffe: It has been mentioned that organic farms tend to be mixed. Must they be mixed or is it possible for farms to be organic and not mixed?

Duncan Orr-Ewing: They are not required to be mixed, but the general feeling is that although it is difficult to run an organic arable farm with livestock, it is easier to run an organic livestock farm without arable.

Nora Radcliffe: So mixed farming is not a prerequisite of being organic, but it tends to happen because of the type of people who want to have organic farms and the systems that they operate.

Peter Pitkin: It is easier to manage a mixed farm as an integrated organic system than it is an arable or livestock farm.

Duncan Orr-Ewing: Part of the ethos of organic farming is the whole-farm approach. That approach is also being developed through land-

management contracts and tends to veer towards situations such as that which Peter Pitkin described.

Nora Radcliffe: If we widen organic farming, people might start to use it as a subsidy opportunity. Is it possible that we will lose some of the benefits that otherwise accrue from organic farming?

Duncan Orr-Ewing: That is always a risk.

Lisa Schneidau: That is why a targeted approach would have benefits.

John Scott: Peter Pitkin said that setting organic targets would provide market opportunities for organic produce and organic farmers. How would a marked increase in organic production sustain the premiums, which are difficult to achieve at the moment?

Peter Pitkin: I said that fairly tentatively. I also said that I did not know how to achieve that. However, I am interested in the possibility that Scotland could develop a market for organic sheep, given that conventional sheep production looks as though it is struggling quite severely at the moment. Much of the conventional sheep production is carried out to standards that are already fairly close to organic. If we could achieve that conversion fairly easily and get the product to the consumer as an organic product, that could have considerable benefits for sheep farming in Scotland.

John Scott: Is there any research to show that the consumer is prepared to pay a significant premium for that commodity?

12:00

Peter Pitkin: I am afraid that I have no information on that. I simply wanted to bring the idea to the committee's attention.

Duncan Orr-Ewing: I can provide an example that might help. We were lucky enough to visit an area of the former East Germany right on the Polish border that has been targeted for organic production. Brandenburg state has individual targets for the production of a certain amount of organic produce. Those targets are linked directly to demand in Berlin. Organic production has been developed so that, throughout the chain between the producer and the market, the links are made clear and the markets that need to be serviced and the demand within Berlin are identified. Perhaps that study would be of interest to the committee.

The Convener: Some of Maureen Macmillan's lines of questioning have already been touched on, but does she want to pick up on anything else?

Maureen Macmillan: I will pick up on one or two things. One problem for organic livestock farming

is that, for example, sheep do not go directly from Shetland to the market and then on to the butcher's slab, but are finished elsewhere in Scotland. We would need a link-up between the crofter and the finisher, but I do not know how easy that would be. I think that many crofters would like to have the organic label, which they see as a good marketing tool, but they feel in some way detached from the process because their livestock must go elsewhere to be finished. That is perhaps a comment rather than a question.

Peter Pitkin: I understand that that is a significant problem for organic production, certainly in the remoter parts of Scotland. That question was raised in the Executive's consultation earlier this year on the future of the agri-environment scheme and the organic aid scheme. The Executive suggested that organic conversion payments should become conditional on there being a demonstrable market for the product. Our view is that such a proposal looks at the problem rather less creatively than might be desirable. We feel that the problem could be addressed in other ways, such as the establishment of some kind of support for organic finishing.

Maureen Macmillan: I am glad to hear that you recognise the problem. However, what I really wanted to talk about was the possible environmental downsides of organic farming, if you can admit to such. The syndrome is similar to the way in which the amount of petrol that is used in taking bottles to the bottle bank outweighs the environmental benefit of recycling the glass. Are there issues like that in environmental farming? For example, if more machinery had to be used, more hydrocarbons might be released into the atmosphere.

When I was in Kintyre on Monday, the dairy farmers complained to me that SEPA was on their backs because of the amount of what we in the Black Isle call "sham" that the cows produce. When I asked them why they did not choose organic farming, they said, "For goodness' sake, that would get SEPA even more on our backs." There is obviously a perception among farmers that organic farming would not necessarily cause less diffuse pollution and that it might even cause more.

A question has also been asked about whether the use of cattle dung for fertiliser could increase the incidence of E coli 0157. Will you comment on that?

Peter Pitkin: We might be setting our sights a little too high if we expect organic farming to solve all these environmental problems. Some of the things that have been mentioned are pretty complex problems, which beset not only organic but conventional farming, particularly in remoter

parts of Scotland.

Lisa Schneidau: The Scottish Wildlife Trust recognises that there can be difficulties with the issues that Maureen Macmillan raised. As Peter Pitkin said, those difficulties are as apparent in conventional agriculture as they are in organic agriculture. Organic agriculture does not claim to be perfect; rather, it claims that it can be a positive benefit.

Friends of the Earth Scotland submitted detailed evidence on the wider environmental benefits of organic agriculture, over and above the biodiversity benefits, to the Rural Development Committee. I do not know whether the Transport and the Environment Committee received that information, but it goes into more detail about climate change benefits, waste and water, food miles and economic and social benefits. That might give the committee answers to its questions.

Robin Harper: I will clarify the point of the bill's construction. Organising the payments from the organic aid scheme on a sectoral basis would address the problem of finishing lambs, to which Maureen Macmillan referred.

Angus MacKay: I am not sure that the committee has a clear picture of the possible financial consequences of the bill, but I presume that it would require a given amount of money. In the opinion of your organisations, what is the biggest threat to Scotland's environment and species? What is the biggest threat to the work of the RSPB Scotland, Scottish Natural Heritage and the Scottish Wildlife Trust? Is it excessive road use, excessive pollution caused by heavy industry or the depletion of the ozone layer? In other words, if we are to spend money, why spend it on the promotion of organic farming?

For the sake of argument, if organic farming is to cost £50 million a year, would not that money be better spent on subsidising bus and train transport so that less cars are used and less pollution is pumped into the atmosphere. I am trying to get a broader idea of the benefits of organic farming as opposed to allocating the same amount of money to another policy area.

Duncan Orr-Ewing: That is a very broad question, and the answer depends on the desired benefits. For many years, one of the RSPB's arguments has been that the rural stewardship scheme, which is one of the key schemes that is available to all farmers in Scotland, is chronically underfunded. If you were looking for biodiversity benefits and had £50 million to spend, a significant increase in funding for the rural stewardship scheme would benefit a wide variety of wildlife species and would be open to all farmers. That cannot be denied.

In England, DEFRA recently increased funding

for its equivalent of the rural stewardship scheme by £150 million, which obviously delivered a significant benefit to wildlife. However, to deliver some of the wider benefits, for the reasons that we outlined, it might make more sense to target the organic sector.

Peter Pitkin: I will give a slightly different reply. At the moment, we in Scotland are supporting agriculture to the tune of £500 million a year. In terms of the benefits to the public or the outcomes that we get from that investment at the moment, that expenditure is not best value for money.

Lisa Schneidau: I would give another different answer.

Angus MacKay: I was pausing to see whether that was the end of that answer.

Peter Pitkin: That is my answer. We are concerned that only a small proportion of that £500 million is allocated to environmental measures. As arrangements stand, that small allocation has to fund the natural heritage management of the countryside through agri-environmental schemes. It has also to fund any programmes for conversion to organic farming.

A situation in which two kinds of initiative compete presents us with a choice that we should not have to make. The choice should be about whether we are prepared to increase our support for environmental objectives within the overall agricultural support programme of £0.5 billion.

Lisa Schneidau: I will give a slightly different answer. Seventy-five per cent of Scotland's land is farmed and the farming policies that have just been described have led to a large-scale loss of farm-land biodiversity on that land. Reform of agricultural policy and taxpayers' support for that policy towards more sustainable farming systems that recognise the delivery of environmental, social and economic benefits would be one of the major things that could improve wildlife biodiversity in Scotland and achieve more sustainable management of Scotland's land.

Nora Radcliffe: I want to leap on my hobby-horse for a few moments. The policy intention of the enormous sums that go to support agriculture is to subsidise food for the consumer. Subsidies are often seen in a negative light and the beneficiaries are seen to be farmers rather than consumers. Obviously the eventual beneficiary will be the consumer.

The Convener: Maureen, are your questions finished?

Maureen Macmillan: Yes. All the questions that I was going to ask have been dealt with.

The Convener: John Scott was going to ask about the economics of organics.

John Scott: I might go over some of the same ground again. I declare belatedly my interest as an upland sheep farmer who finishes lambs, among other activities.

Maureen Macmillan: We will send you the Shetland lambs.

John Scott: I would be perfectly happy to receive them, provided they are at the right price.

In its evidence, SNH said that the cost of environmentally sustainable production should be reflected fully in the price of the product. I would be interested to know how that could be achieved in the first place and then guaranteed. How does that equate with the view that organic farming needs financial support in order to develop—as we have just discussed—given the acknowledged underfunding of agri-environment schemes?

Lisa Schneidau spoke about the money that is currently used to subsidise Scottish agriculture being better used for social and environmental benefits. If that money was used to fund organics, would not it reduce significantly the £500 million support if much of it was reallocated towards organic farming? Obviously there is not going to be enough money in the existing agri-environment schemes. Would doing that not result in a reduction in the number of people who are actively engaged in farming and thereby defeat the social objectives?

Peter Pitkin: There are several policy objectives at play, and one is certainly to do with the number of people who are employed in agriculture. It is an objective of the less favoured areas payments to maintain agricultural systems that are inherently less productive because of environmental and climate considerations. The payments go to areas where those systems would not otherwise be viable in order to maintain local communities and sustain population levels.

12:15

Incorporating environmental costs into the price of food is obviously a gradual process and is not something that can be done at the flick of a switch. We envisage its being achieved by measures such as those that form part of the European Commissioners' proposals for the mid-term review of the common agricultural policy and, in particular, the proposals for further decoupling support from production and making decouple payments subject to statutory environmental conditions. We see that as a significant step forward in ensuring that more account is taken of the environmental cost of production in the market price of food.

We would very much like to see a larger proportion of the total agricultural support budget

in Scotland being used to support organic farming. There is no question about that. We need to examine more closely exactly how those payments are made. We currently make payments over five years for organic conversion, but there might well be a case for extending the scope of those payments beyond five years if we can show that there are positive social and environmental gains and, in particular, if active management is required to maintain and improve the natural heritage.

Duncan Orr-Ewing: Correct me if I am wrong, but I have a couple of points of detail. I think that there is some research that shows that more people are on average employed in organic agriculture than in conventional farming systems, but I cannot point to the actual research.

John Scott: Is that the case in upland areas?

Duncan Orr-Ewing: I do not know, but there is some research that shows that difference, which might be worth considering. I also think that that is a possible research area for the Scottish Executive environment and rural affairs department. SEERAD should be looking at how much the consumer will pay for the environmental benefits and other public benefits of organic and biodiverse farming. To date, I do not think that SEERAD has examined that as it should. However, it is clear that consumers are voting with their feet. My notes refer to a 33 per cent growth in organic produce purchasing in 2000-01. We also know that 70 per cent of our organic produce is still imported.

Lisa Schneidau: I want to add a few extra points on to the market versus government-payment led development of organic agriculture, which was the point that John Scott was making. The Scottish Wildlife Trust supports the Organic Farming Targets (Scotland) Bill because it recognises that an action plan is needed for all sectors, and that that includes commitment from the Government. We argue that that commitment must not be just financial; positive leadership is needed from the Government in Scotland to help develop the organic sector and to bring the various strands of the organic sector together. We certainly would not accept that the matter should just be left to market forces, which has been the Executive's line until now, because that is clearly not working. It has not resulted in a balanced approach and it is not helping to develop the sector in response to consumer demand.

John Scott: Would you guarantee the income of those who had gone into organic production but who came to realise that they were in an over-supplied world market? How could those people be given a sustainable income? Their production volumes will be significantly less than in conventional agriculture but the market return

might be no greater.

Lisa Schneidau: As I said, we think that on-going payments should be made to organic farmers after the five-year conversion period, which would recognise the environmental good that they do.

Because markets change for a number of reasons, targets must be flexible enough to respond. Targets—which are, essentially, a way of measuring against output—are important because without them an action plan could easily become a wish list and the needs of various sectors might not be provided for. It is interesting that the target in DEFRA's action plan that was published in July is for 70 per cent of consumer demand to be met by English production. It proposes that there be a yearly review of that figure according to what the market demands. Setting a target and helping the stakeholders to meet it is a more positive approach than the approach that the Scottish Executive is taking, which seems to be a "the glass is half empty" approach to organic agriculture—and I am certain that it is not organic milk in the glass.

Angus MacKay: Like Lisa Schneidau, I do not believe that progress will be made simply by leaving the matter to market forces.

John Scott: That is what is happening at the moment.

Angus MacKay: There is a point to be made about what is happening at the moment. Duncan Orr-Ewing said that there had been a 33 per cent increase in demand in 2000 or 2001 and anyone who shops in supermarkets will have seen, over the past few years, the organic section going from a small shelf to many shelves that contain a broad range of goods. I agree that market forces have driven that percentage increase, but I do not think that we can rely on market forces alone to ensure that the increased demand will be serviced or that the mechanisms will be in place to ensure that the organic industry is capable of growing. That will need Government support and direction. The DEFRA approach is interesting because it has a mixed-economy approach that involves market forces and command.

I would like to know more about that 33 per cent increase. What is it 33 per cent of? If the base figure were low, that increase could be small.

Duncan Orr-Ewing: I do not have all the figures, but I know that the market is growing every year. I do not know whether that growth is sustainable, however. I am not an economist.

Angus MacKay: If you could let us have a reference for that figure, that would be helpful.

Duncan Orr-Ewing: I believe that the figure is in the bill's explanatory notes, but I am not sure.

Lisa Schneidau: There is also a relevant figure in the Scottish Executive's evidence to the Rural Development Committee.

Duncan Orr-Ewing: I have found it. Paragraph 11 of the bill's policy memorandum says:

"Sales of organic food in the UK are increasing faster than in any other European country. During the year 2000-2001 sales of organic foods reached £802m, a rise of 33%."

John Scott: What does that represent as a total of UK agricultural food sales?

Duncan Orr-Ewing: I do not know.

Lisa Schneidau: Would there be any way in which one could find that out?

Duncan Orr-Ewing: I presume so.

Angus MacKay: The source is the Soil Association's organic food and farming report 2001. I presume that if we can dig out that report, we could find out.

John Scott: It would be worth finding that.

Duncan Orr-Ewing: Whatever way you look at it, 33 per cent of £802 million is a fairly substantial amount.

John Scott: For products that are impossible to grow in Scotland, do the environmental costs of importing organic produce outweigh the benefits of growing the products organically elsewhere in the world in the first place?

I will come back with a supplementary to that if I may.

Duncan Orr-Ewing: Again, that is a large question, but significant research has been done in examining, for example, the costs of importing by air a bottle of organic wine from Australia or South Africa. That shows that we would be far better sourcing organic wine from France or any country that is growing vines organically nearer home. That information is available and it could be provided if it is required.

Peter Pitkin: If we stick by the principle that the full environmental costs of production should be part of the price for both home-produced and imported food, the current balance of imports and exports would change quite considerably.

John Scott: Before I ask my supplementary question, I declare an interest as the chairman of the Scottish Association of Farmers Markets.

I cannot accept Angus MacKay's point about something that is worth while and acceptable, such as the farmers market movement in Scotland. From the point of view of seeing the glass half full, that movement has been driven entirely by market forces. It has received absolutely no Government support and has

become one of Scotland's fastest growing small businesses, turning over between £10 and £15 million a year from a standing start three years ago.

Would a solution need to be absolutely Government led to produce something that you claim the market wants? If the market wants it that much, I cannot see that there is a need for targets and huge amounts of Government support.

Lisa Schneidau: In developing organic targets and the organic sector, the Government needs to work with the industry. Again, I point you to the action plan in England, in which Margaret Beckett puts great importance on the fact that the major retailers have committed themselves to working with the organic action plan group and the follow-up to that, in helping to develop the organic sector. An integrated approach can be taken. We would say that both targets and Government support are needed.

John Scott: I wish you luck.

Peter Pitkin: Small-scale marketing, local labelling and the marketing of quality produce of the sort that farmers' markets supply are important parts of a more sustainable approach to agricultural production.

Duncan Orr-Ewing: I have a final point on that. Six or seven other European countries, aside from England, have taken the decision to go down the targets route. As part of that process, I think that they have weighed up the fact that Government intervention is important in helping to design the market so that it suits the needs of producers and consumers.

12:30

Angus MacKay: Lisa Schneidau's point about DEFRA was interesting. Focusing on the relationship between targets and demand is perhaps the way forward to ensure that our policy, if we go down the organic targets path, is not only financially supportable, but has a clear, output-related benefit.

In our discussion on figures, I was struck by the figure that showed that there had been an increase of 33 per cent in the consumption of organic food, which means, according to my rudimentary calculation, that in 2001 there was an increase from £600 million to £800 million. If we accept that £800 million figure, the Barnett-style share of it for Scotland is £80 million. Therefore, consumers in Scotland spend about £80 million annually on organic products.

That figure is small compared with overall retail spending, particularly on food products. Nonetheless, spending on organic products is growing. Poor health is a serious problem in

Scotland, but we have great difficulty in persuading people to eat any fruit and vegetables at all. We are discussing how we can encourage people to eat better produced, healthier food, but we have difficulty in the first place getting people to eat any kind of healthy food. That makes me uncomfortable, in terms of expenditure. Can Lisa Schneidau help us to square that circle?

The Convener: We should not spend too long on this matter, because we are drifting into other areas of policy. Lisa, you can respond briefly to Mr MacKay's question.

Lisa Schneidau: I cannot comment on health issues, I am afraid. However, in terms of justifying more expenditure, we certainly feel that more agri-environment funding is required, as Duncan Orr-Ewing said, not only for organic production, but for rural stewardship schemes and wider agri-environment measures. We should ask why most European countries felt it necessary and desirable to develop their organic sectors through a targets approach. I sit on the organic stakeholders group on behalf of Scottish Environment LINK, which the Executive asked to produce an action plan by January. We must ask why Scotland is not setting organic targets and why it has trouble with the idea of them. If Scotland does not have organic targets and does not give as much support as possible to organic farmers—such as the continuing payments after year 5 to which England has agreed—would that not put Scottish organic producers at a competitive disadvantage?

Angus MacKay: Those are important points, but they do not answer my question. We propose to go down a particular policy line that will have a clear cost in terms of either additional, new investment of Executive moneys or the displacement of existing budgets in the agricultural budget or elsewhere. We propose to do that in a context in which one of our biggest challenges is to get people in Scotland to eat more healthily by eating fruit and vegetables. I am not unsympathetic to the broad policy on organics, but the need to reconcile that with the healthy eating challenge makes it harder, not easier, to support the bill.

We must be clear about the policy priorities and expenditure to which we will commit ourselves through the bill. How do we relate the value of organic production to the core social justice challenges that we face? All those policy areas are interlinked, however weakly or distantly. None of our policy decisions is free of costs or consequences. How do we prioritise the bill as opposed to something else? Or, how do we prioritise the bill and reconcile that with broader objectives? I realise that those are broad questions, but I think that they must be addressed.

The Convener: I want to move us on. We, as politicians, must make a judgment on those

questions; it is not fair to ask our panel of witnesses to answer them.

Angus MacKay: You did not say that we had to be fair.

The Convener: Duncan Orr-Ewing wants to make a point.

Duncan Orr-Ewing: I fear to tread on this matter, but I have just one point to make. I heard Jack McConnell give a speech about environmental justice, so perhaps organic production connects with that policy, which I understood was partly about sustainable agricultural development. Perhaps that policy connects to the environmental justice policy. That is the only extent to which I would be prepared to answer Angus MacKay's questions.

The Convener: I would like us to draw to a close on this matter. I will give Angus MacKay a final opportunity to examine the proposed target of 20 per cent and how it has come about.

Angus MacKay: Why should we go for a target of 20 per cent of land, rather than 20 per cent of food production? In either case, why 20 per cent? Why not 30 per cent or 15 per cent or 10 per cent?

The Convener: Do we have a volunteer to answer that question?

Peter Pitkin: If I am forced to, I will go first. I do not think that there is an environmental case to be made for 20 per cent. I do not think that we have the information and research to be able to say that conversion of 20 per cent—whether it is 20 per cent of the market, 20 per cent of the area or whatever—will deliver specified environmental benefits. That is as much as I can say from our perspective.

Lisa Schneidau: There are a lot of different types of targets in the UK and other European countries. For example, Wales has gone for 10 per cent by 2005. The principle of targets, which I have said is important, should be explored. The Executive is questioning that principle. There has been a lot of talk of targets. I note that the Scottish Labour party conference and the Scottish Liberal Democrat conference this year voted in favour of targets, sometimes with figures attached and sometimes without.

Targets attached to land are important, because they give a concrete result with respect to the way that land is managed. From our point of view and from a biodiversity point of view, such a result is tangible and useful, and all the different organic sectors can relate to that. It also addresses the concerns about the balance of organic conversion between sectors, and the fact that there is an imbalance at the moment. I understand that a Europe-wide organic plan is being produced, and that the target of 20 per cent across Europe is being discussed as a potential figure.

In relation to the amount of land that is converted, the figure of 20 per cent would need a lot of discussion. It has been discussed a lot by the various groups and parties that have brought together the bill. If further discussion is needed, we would be happy to help. A target figure has to be put on the amount of land that you would like to convert by a certain date. That figure might need reviewing as we go along, as long as there is a target.

Duncan Orr-Ewing: More explicit links should be made between the target of 20 per cent and the delivery of other targets to which the Government is committed; I am thinking of some of the sustainability-type targets. For example, DEFRA has a target to reverse farmland bird declines by 2020. Given the research that we have indicated, there are some benefits to farmland birds. Perhaps those linkages could be made and it could be shown how the 20 per cent figure stacks up in relation to some of the other targets to which the Government is committed.

John Scott: You have spoken, as we would expect you to, about the benefits to skylarks, to environmental justice, to redressing bird decline and so on. We all agree that the rural stewardship scheme is significantly underfunded, but would it not be taking a more direct and honest approach—I do not say that in an unkind way—to say, “Look, the targets that we all want to achieve would and should be met through the agri-environment scheme?”

In a way, a Trojan horse is being used to deliver the environmental benefits that we all want to see. I submit that organic food is very much a niche market and a luxury product, which should be driven purely by the market—given that there is a premium for it over all other types of food—rather than by Government subsidy.

Duncan Orr-Ewing: Our argument agrees broadly with Peter Pitkin's. Currently, there is a £500 million spend on agriculture. There is room for both those schemes, if that is how it is decided to reallocate existing spend. As we said, we would not want a squeeze on the already over-stretched rural stewardship scheme fund. In fact, we would like that fund to be increased. If you are asking me a direct question, we would probably like both the schemes to be funded from the £500 million budget to the detriment of some of the other existing agriculture spend.

You mentioned the market case. My data, and I am not an expert, suggest that demand exists and is increasing. We should surely take a future look in that regard.

John Scott: If the market is demand led, why does organic production need to be subsidised?

Duncan Orr-Ewing: We have tried to demonstrate that the market-led approach is not

without its faults. The approach to date has been market led, to a certain extent, and that has resulted in discrepancies in the number of lowland farms that are able to finish lambs, for example. As a result, some lambs have been put into the conventional market, which has resulted in problems for the organic producers.

John Scott: That is because the premium is not sufficient for lowland farms to be converted to organic so that lambs can be finished. If the market premium were sufficient, such farms would finish lambs.

The Convener: I want to draw that point to a close. Much of the agriculture sector receives subsidy, so the suggestion that organics should receive subsidy is not necessarily untoward.

Nora Radcliffe: I am trying to get my head round what the bill is for. I was going to ask whether the land target was the one to go for. Are we talking about land management or food production? If we are talking about land management, would we get more bang for the bucks by using the rural stewardship scheme than by focusing more narrowly on organic farming? Or is the overall objective of the bill to increase organic food production? Will you comment on that balancing act and on what the bill will deliver?

Peter Pitkin: Different markets are involved where food production is concerned, and different approaches are required where the environment is concerned. To summarise that, we need different approaches to sustainability. We need to be able to encourage people who are inclined to take different approaches to sustainability to make those leaps, where we are convinced that those leaps will benefit society.

We must see organic production and support for organic production as complementary to the funding that we provide for the management of the environment and the natural heritage. In many ways, those are complementary. Somebody who is being supported in converting to organic production will make changes to their business that will mean that the business will be able to accommodate the kind of management that is supported under agri-environmental schemes. That is quite important.

From the public investment aspect, someone is paid to manage the landscape components, wildlife habitats and other similar matters. That investment is quite likely to be more secure and durable on organically managed land than on land that is entered into schemes under conventional systems. I emphasise the complementarity.

Lisa Schneidau: In effect, the bill is trying to achieve a positive approach from Government to develop a sector that involves all players. That has several different outputs. It is quite difficult to

balance more organic food production against the environmental benefits and to quantify and measure those elements against each other. To my mind, and to the Scottish Wildlife Trust's mind, the bill would deliver good things all the way along. It would increase the amount of local organic food that is produced in Scotland and deliver environmental benefits. To use a horrible expression, it is win-win all the way through.

Duncan Orr-Ewing: I will add something to what Peter Pitkin said. The forward strategy for Scottish agriculture sets out the map route for the sector. There is a fairly clear steer that there must be room for all approaches—the conventional approach, which John Scott described; the organic approach; and an approach for those farmers who want to follow an environmental route on a conventional farm. It is about choice, and there is room for all approaches. It is about ensuring that some sectors, such as organics, are given room in the existing agricultural budget, which is possibly not available to them at the moment.

The Convener: On behalf of the committee, I thank Duncan Orr-Ewing, Peter Pitkin and Lisa Schneidau for giving evidence. The committee will move into private session to consider initial responses to today's evidence.

Peter Pitkin: We have a copy of the Soil Association's work on the biodiversity benefits of organic farming, which we can leave with you.

The Convener: That would be very kind of you.

12:46

Meeting continued in private until 13:18.

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