

ENVIRONMENT AND RURAL DEVELOPMENT COMMITTEE

Wednesday 31 May 2006

Session 2

£5.00

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2006.

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

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by Astron.

CONTENTS

Wednesday 31 May 2006

Col.

ITEM IN PRIVATE.....	3321
EUROPEAN ISSUES	3322

ENVIRONMENT AND RURAL DEVELOPMENT COMMITTEE 19th Meeting 2006, Session 2

CONVENER

*Sarah Boyack (Edinburgh Central) (Lab)

DEPUTY CONVENER

*Mr Mark Ruskell (Mid Scotland and Fife) (Green)

COMMITTEE MEMBERS

*Mr Ted Brocklebank (Mid Scotland and Fife) (Con)

*Rob Gibson (Highlands and Islands) (SNP)

*Richard Lochhead (Moray) (SNP)

*Maureen Macmillan (Highland and Islands) (Lab)

Mr Alasdair Morrison (Western Isles) (Lab)

*Nora Radcliffe (Gordon) (LD)

*Elaine Smith (Coatbridge and Chryston) (Lab)

COMMITTEE SUBSTITUTES

Alex Fergusson (Galloway and Upper Nithsdale) (Con)

Trish Godman (West Renfrewshire) (Lab)

Jim Mather (Highlands and Islands) (SNP)

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD)

Eleanor Scott (Highlands and Islands) (Green)

*attended

CLERK TO THE COMMITTEE

Mark Brough

SENIOR ASSISTANT CLERK

Katherine Wright

ASSISTANT CLERK

Jenny Goldsmith

LOCATION

Committee Room 5

Scottish Parliament

Environment and Rural Development Committee

Wednesday 31 May 2006

[THE CONVENER *opened the meeting at 10:06*]

Item in Private

The Convener (Sarah Boyack): I welcome colleagues and members of the public to our meeting.

Agenda item 1 is to consider whether to take in private item 3, which is consideration of a draft report on our food supply chain inquiry. Are colleagues happy that we should come to conclusions on that report in private?

Members *indicated agreement.*

European Issues

10:07

The Convener: Agenda item 2 is European issues. Members should have before them the seventh of my regular reports on European Union developments on issues that are relevant to the committee. My report takes us through the key areas of recent activity on environment, fisheries and agriculture issues that fall within our remit.

I ask colleagues to have a look at the summary and to highlight issues on which they would like more information from the Executive. We have timetabled this discussion to give us the chance to ask for extra information before we next take oral evidence from the minister on 21 June. The idea is to let members sketch out the areas on which they particularly want to concentrate. My report also outlines the priorities that the Executive has outlined for 2006 and it includes some key issues that the Parliament's European officer has identified.

We have a huge range of issues to consider, so I suggest that we just work our way through them. I presume that colleagues have had time to read the paper. As we deal with each issue, colleagues can say whether they want extra information on it and whether they want it to be put on a future agenda.

In the environment section of my report, the first issue is the biofuels strategy.

Rob Gibson (Highlands and Islands) (SNP): Convener, why do we not start on page 1?

Richard Lochhead (Moray) (SNP): Ah. You are in the annex.

The Convener: Sorry, I have just talked us through the core issues on pages 1, 2 and 3 of my paper. I think that it is useful to have on the record the huge range of issues coming through in our portfolio, so that people outwith the committee can see that. I have structured the paper like this because our discussion is intended to help us to shape the issues on which we want to focus when we take evidence from Ross Finnie. Rob Gibson is right that I have moved on to the annex, which goes through all the key issues in depth. I did not want to read each one out, because our discussion of them will be in the *Official Report*.

Rob Gibson: On the biofuels strategy, when we receive the Executive's response to our biomass industry inquiry, I presume that we should be able to marry up both those issues in some sort of committee response to the minister.

The Convener: Yes, I think that we should. We pretty much had agreement around the table on our report. In considering where we take the issue

next, we can ask what opportunities the EU strategy provides for moving ahead on the issue.

Rob Gibson: I know that the European and External Relations Committee is conducting an inquiry into energy efficiency in a European context. Many of the issues should tie up, but I do not know whether we have been approached to provide an input to that committee's inquiry. I mention the matter just now because we are dealing with the environment section of the convener's report.

The Convener: We have not been approached at all by the European and External Relations Committee, which has formally started taking evidence as part of its inquiry. I found that out relatively recently. I would like us to be able to give our input based on the work that we have done. Mark Brough and I have discussed how we should do that, but the issue will come back on to a future agenda item.

Maureen Macmillan (Highlands and Islands) (Lab): Can somebody tell me what a "second generation" biofuel is? The section of the report on biofuels mentions

"improving their cost-competitiveness and increasing research into 'second generation' fuels".

The Convener: That is a good question to put to the minister. We can ask him about second-generation biofuels.

Maureen Macmillan: Son of woodchip.

The Convener: The paper sets out that the EU's biofuels strategy has three objectives:

"to promote biofuels in both the EU and developing countries; ... to prepare for large-scale use of biofuels by ... increasing research into 'second generation' fuels; and ... to support developing countries where biofuel production could stimulate economic growth."

We can ask the minister whether he can join the dots between what we recommended and the EU strategy. We want a fairly decent presentation on that at the end of June.

Richard Lochhead: Before that session, can we have a short background paper on where Scotland is with regard to biofuels and how our position compares to that of other countries?

The Convener: Okay, we can put that request into the system. It would be good to have that.

Maureen Macmillan: I can invite members to a presentation by Balcas in committee room 4 at lunch time. It will be about wood pellets.

Richard Lochhead: It is a quiet day, so I am glad that you picked today for that.

The Convener: Okay, I think that we have agreement round the table on biofuels.

On biodiversity, the European Commission had a consultation on how the EU could attempt to stop the loss of biodiversity by 2010 and restore biodiversity in the longer term. The Commission has issued a communication on biodiversity along with an EU action plan. Again, we need to consider how that relates to what our committee has worked on. If no-one wants to highlight that issue in particular, we will move on.

By the way, members can highlight any issue on the day, but we want a bit more work done on biofuels before our discussion with the minister.

The next issue to consider is the registration, evaluation and authorisation of chemicals regulation—the REACH regulation—which is the EU's policy on chemicals. I would like a background note on the policy, as it is some time since we had a substantive paper on it. I note that, following the unanimous agreement by the Council of Ministers, the Minister for Environment and Rural Development is likely to come back to the committee with details on any specifically Scottish issues connected with the establishment of a competent authority for the United Kingdom. I would like more information on what the aims and remit of such an authority will be, but a general background paper on where we are with REACH would be useful to us all. We have not discussed the matter in depth for about a year now. Obviously, work is still being done on what exactly REACH will look like, but the EU seems to have reached a key point and is now able to move ahead again. It will be useful to hear the minister's take on the issue and on how it relates to Scotland.

The next section in the paper is on EU directives. The first is the bathing water directive. As members can see, the first set of Scottish statutory instruments for the directive need to be introduced by 24 March 2008. As with previous water regulations, the key issue is the extent to which businesses in the agricultural sector and anyone else with an interest is tuned in to the discussions as well as the outcome of the process.

As members will note, the batteries directive will require to be transposed within two years of its adoption.

Nora Radcliffe (Gordon) (LD): We ought to ask what work is being done at the moment to set up mechanisms to put the directive into practice. Many directives need quite a lot of lead-in time to put mechanisms in place.

The Convener: We can ask the Scottish Executive what its timescale is.

Nora Radcliffe: We should ask what preliminary work the Executive is doing in anticipation of the requirement to collect batteries that need to be disposed of.

The Convener: We can ask what scoping work the Executive has done and what the scale of the challenge is.

The next directive to consider is the energy performance of buildings directive, on which we received an update before Christmas. As the EU is currently consulting on an expansion of the directive, it would be useful to get a note on what that might mean practically for us in Scotland. I presume that that relates to the work that the European and External Relations Committee is doing on the energy efficiency directive that came into force a couple of weeks ago. Before we have the minister before us, it would be helpful to have information about the work that the European and External Relations Committee is doing, so that we know how to target our questions. However, it would be worth while highlighting the issue with the minister.

10:15

Nora Radcliffe: If we have a role in the series of energy efficiency action plans at member state level, we should know what our input is and whether there are disaggregated Scottish targets.

The Convener: Okay. The next issue is the draft directive on flooding, which might be interesting.

Richard Lochhead: I am very interested in that from a constituency perspective and from the national perspective, given the debate about climate change. The issue is a big one for many communities in Scotland and for many members, but it has a low profile in Parliament. The committee should perhaps examine the issue to find out where we are, particularly in relation to the rest of the UK. As the paper makes clear, the Department for Environment, Food and Rural Affairs is taking the lead in the UK input to Europe, but the UK tends to go at a different pace from that of Scotland on flooding issues, according to British insurers. I wonder whether simply discussing the issue with the minister as part of his overall session on European matters would do the issue justice. Perhaps we could have a short evidence-taking session of half an hour or 45 minutes specifically on flooding.

The Convener: We discussed—was it two weeks ago?—an update from the minister about flooding issues.

Richard Lochhead: Can you clarify what format that was going take?

The Convener: Do you mean the framework for preparing national flood risk assessments?

Richard Lochhead: Were we just to get a letter from the minister?

The Convener: No, we discussed the issue in the committee.

Richard Lochhead: Do you mean in relation to the legislation?

The Convener: Yes. We had an update on the Water Environment and Water Services (Scotland) Act 2003.

Richard Lochhead: Sorry; I thought that you meant that we had requested information.

The Convener: No. Flooding was highlighted during the update. Several members asked questions about it and we debated how far we had moved on the issue. The first point that we should raise with the minister is probably about our preparedness to put in place the national flood risk assessment, in the light of the work that has already been done through the 2003 act. The Executive should be well down the road with that.

Rob Gibson: The paper mentions flood risk maps. There has been considerable anguish about flooding or inundation from the sea in the Western Isles in the past two years. When we think about flooding, we usually think of inland areas, but flooding from the sea on to the land must be considered. I hope that any document that is drawn up bears that in mind.

The Convener: We should raise that as a separate issue with the minister, as I am not sure that it falls under the flood risk assessment.

Maureen Macmillan: That does not fit into the water framework directive—it would have to be separate.

Rob Gibson: Yes, but nevertheless—

Maureen Macmillan: I am not saying that we should not consider the issue.

The Convener: I do not think that the issue fits in with the water framework directive, but we can ask the minister where it does slot in.

Mr Mark Ruskell (Mid Scotland and Fife) (Green): The issue is relevant to the debate about marine spatial planning and how we manage our coastal areas. We may need to do some work on that, too, at some point.

Elaine Smith (Coatbridge and Chryston) (Lab): Perhaps all those issues could be gathered together and considered during the committee's away day, with a view to doing some work on that after the summer recess. Alternatively, the issues could be included in the committee's legacy paper.

The Convener: Every time a member says that they want to put X on the agenda, Mark Brough, the clerk, writes that down and we panic about when we can discuss it. As Elaine Smith says, we

need to collect all those thoughts and come back to them.

The next issue is the waste electrical and electronic equipment—WEEE—directive, which was to have been transposed by 13 August 2004. No revised dates for implementation have as yet been proposed, so it might be useful to have an update on that.

Nora Radcliffe: That shows the importance of thinking about directives well in advance, which is what we should do with the batteries directive, so that we do not land in the same shemozzle.

The Convener: Okay.

Do members have any comments to make on the environment policy review and the environmental action programme, which are two big, long-term pieces of European Commission work that are meant to implement changes at the top of Governments' thinking rather than at the operational level? We may want to return to them later.

Members will see from paragraph 22 of the paper that there is quite a debate about the definition of the term "good environmental status", which member states are meant to be working towards by 2021. People have said that there is no "clear definition of what constitutes a healthy sea".

It sounds as though there will be a big discussion later on, and I suppose that it would be useful to find out where the Commission is on such matters.

The paper then mentions the sustainable development strategy.

Rob Gibson: How the Scottish approach to sustainable development compares with the United Kingdom's approach in drawing up its guiding questions could be considered.

The Convener: The approach in "Choosing Our Future: Scotland's Sustainable Development Strategy" in particular could be considered.

Next, the paper mentions the green paper on security of supply, competitiveness and sustainable energy. As Mark Ruskell pointed out, the European and External Relations Committee has started work on its energy efficiency inquiry. It would help us if we could see the remit of that inquiry in advance of the discussion with Ross Finnie.

A huge number of major pieces of work are in progress on the environment alone. It would be useful if we were to minute those pieces of work so that external organisations can see on our website what is being discussed in Europe.

The next topic is fisheries and the action plan on simplification of common fisheries policy regulations.

Mr Ted Brocklebank (Mid Scotland and Fife) (Con): We need an update from the minister on where the action plan is going. From what I have heard, the regional advisory committees do not appear to be working particularly effectively, as some of us predicted. Our own fishermen do not support them. There should be more involvement in the committees, but the fishermen appear to think that they are more talking shops than anything else. Getting the minister's perspective on the matter would be useful.

The European fisheries fund is mentioned. It would be useful to get an update on why the talks apparently collapsed last week, when they will resume and what we should do about countries such as France, Spain and Portugal, which are seeking to increase engine sizes and their capacity at a time when our capacity has been seriously reduced. Nobody else seems to be taking conservation seriously. Obviously, the minister walked away from the talks last week when they collapsed, but it would be interesting to find out what the fall-back strategy is and what we should do about this wretched business. Incoming countries and others still want to use the fund to build up their fleets, but 165 boats have gone out of the Scottish fleet in the past two years alone.

The Convener: Yes. That approach totally undermines the policy objectives.

Richard Lochhead: I support some of what Ted Brocklebank said. We urgently need an update on what is happening, not least on what the Government's input into the review of the cod recovery plan will be. According to the paper, review of the plan will start some time this year and may continue into next year, which is, unfortunately, a long timescale. We must find out what the Government's views are. There are other issues, such as the rising costs of fuel, which are hitting the fishing industry badly. There has been talk about the Commission introducing various measures, but some of those have been put on the back burner. We must find out our Government's views and how we can help the industry to cope with rising costs.

Ted Brocklebank referred to the recent collapse of talks. Some European states were adamant that they should be able to continue to use fisheries funding to build new vessels, although several years ago the idea was that doing so would be phased out.

The Convener: I presume that we would not want an agreement that enabled such things to happen.

Mr Brocklebank: No.

The Convener: Perhaps the issue is the extent to which the minister has a plan B and where the political judgment in European countries lies on

the matter. Turning back the clock would be catastrophic.

Mr Ruskell: Focusing on the European fisheries fund would be useful. I think that the minister agreed in a debate in the Parliament last year to an amendment to a motion that required him to consider specific things within the fund and to try to push measures through Europe. It would be useful to return to that debate and see how those arguments played out in the recent discussions. What specific measures is the Executive pushing rather than simply increasing the size of engines? It would be good to unpick that.

Maureen Macmillan: It is all about trade-offs.

The Convener: We will indicate to the minister that we would like a pretty decent discussion on those issues to find out where we are going.

The next issue is the use of non-native species in aquaculture.

Rob Gibson: I am concerned about that. We need to get a clearer idea of what the proposal involves. For example, which oysters are used for seeding is a moot point because non-native ones grow more quickly. There are also issues about species of fish—such as the Arctic char, which we have mentioned before—being brought in from Canada. It concerns me that we do not have a clear statement on how Scotland will handle the matter. I am sure that many other members feel the same.

The Convener: Is there a read-across to the fisheries bill that we will look at next? Is there a relationship there?

Mr Ruskell: There should be. If there is not, I will be worried. We need clarity on that.

The Convener: That is the obvious point that occurs to me. We are about to consider legislation on inshore fisheries and aquaculture, so if there are new discussions about non-native species, they must be part of the picture on that bill. It would be useful to ask the minister to outline the relationship between the two.

Next is agriculture and rural development. Paragraph 35, on avian influenza, gives an update on activity at the EU level. It focuses on the agriculture side rather than on human safety, which is presumably being reported back through the Health Committee.

Rob Gibson: It is interesting that different responses have been made to avian flu in different countries. We can see how the French responded with regard to ducks and geese and compare that with the response here. It is important for us to find out whether the minister has an overview of the different responses and how he responds to that.

Nora Radcliffe: I think that, globally, there has been a 14 per cent drop in the consumption of poultry. That has a huge effect on our domestic industry, because we are all trading in a world market.

Mr Ruskell: I am concerned that we are not prepared for the vaccination of birds. It would be useful to get some clarity on vaccination and to know how prepared the Executive is to use it as another tool in the box in the event of an outbreak. We have a contingency plan for avian flu but there are concerns throughout Europe about vaccine stocks. To my knowledge, sufficient stocks have not been built up in the UK. There are key questions about preparedness and the use of vaccination as a tool.

Nora Radcliffe: It might be good to get some technical guidance on vaccination, which is a complicated issue. I remember from our work on foot-and-mouth disease and the Animal Health and Welfare (Scotland) Bill that vaccination is not as simple as it seems. There are a lot of technical complications about having the right vaccine for the right strain of flu, for example. It would be possible to have huge stocks of something that was entirely useless.

The Convener: Our next discussion with Ross Finnie will be on 21 June. We will see whether we can get a note on the Executive's thinking on vaccination issues in general.

Nora Radcliffe: There must be some background information or advice dating from the previous outbreak that would still be useful.

The Convener: I would have thought that the chief vet would have given the Executive some advice and guidance, particularly about flocks. The committee needs that information so that we can discuss what is happening at the European level. Is that agreed?

Members indicated agreement.

The Convener: The next point in the paper concerns the end of the export ban on beef. I imagine that colleagues welcome that.

Members indicated agreement.

10:30

The Convener: The beef industry is certainly pretty keen on it. It is a huge step forwards.

Nora Radcliffe: It opens the door, but we have to talk our way into the market.

The Convener: Yes. We should ask the minister what happens next on promotion.

Nora Radcliffe: We have been out of the market for 10 years and other suppliers are filling

it, so we must fight to get our share back. It is only the start of a long process.

Elaine Smith: Not only that, it is about rebuilding confidence. There are technical issues with having been out of the market, but confidence building is important as well. Perhaps we could ask how that is being tackled.

The Convener: We will add that to the list.

Genetically modified organisms were discussed again in October last year but no agreement was reached between member states. The matter was discussed again in March this year. Different member states still have huge concern and many reservations about the long-term effects of GMOs. We expect the Commission to produce a report on co-existence measures on the cultivation of organic, conventional and GM crops at some point this year. We would like to see what input the Scottish Executive is making to that.

Mr Ruskell: About a year or a year and a half ago, we were promised that the Executive would launch its own consultation on co-existence and liability, but that has not arrived. The most recent promise was that it would be produced in the spring of this year but nothing has been conclusively reported yet. We need to revisit the issue and find out whether the Executive is hanging back because of the European report that will come out later this year.

Rob Gibson: If we believe the *Scottish Farming Leader*, NFU Scotland and others have provided the Scottish Executive Environment and Rural Affairs Department with information and had discussions with it about separation distances. Therefore, we are awaiting a response from the minister. It would be interesting to hear his view about what the co-existence regime should be, his view on the European Food Safety Authority's credibility and what input the Scottish Government is making to those debates. The two matters of consumer confidence and farmers' confidence about whether they can grow crops and get any kind of market for them if they are next to GM crops are tied together.

The Convener: There are specific issues with cross-contamination to organic crops, such as what the appropriate residue levels and separation distances are. Do committee members agree to ask for an extensive update on that matter?

Members indicated agreement.

The Convener: Paragraphs 40 and 41 of the paper concern regulations on protecting local food and drink. They are about being able to brand local produce and make it unique to its area.

Mr Brocklebank: Arbroath smokies, for example.

The Convener: Yes.

Committee members should note that paragraph 41 mentions the removal of the requirement that non-EU member states that want to register such products within the EU should apply similar reciprocal and equivalent protection. The new regulations also allow producers from non-EU member states to submit applications for protected geographical indication status directly to the Commission rather than through their Governments. Perhaps we should get an update on where those changes leave Scottish food producers.

Rob Gibson: We should indeed.

Richard Lochhead: Can we also find out the candidates for PGI status? In other words, on whose behalf is the Government battling to try to get the status? We know that the Arbroath smokie is swimming in safer waters, having qualified.

The Convener: I imagine that it would be a long list, but we will clarify that matter.

The next point concerns EU regulation of organic food production. The paragraph needs to be read together with those on GMOs because there is a crossover in the discussion of GMO content in organic food, the accidental contamination of organic food with GMOs, who is liable for accidents and the robustness of organic regimes outwith the EU. I do not think that we want to buy less rigorous organic products from outside the EU, given that EU farmers work to fairly stringent agreements. We need a bit of clarity on that, given that the new regime comes into play on 1 January 2007. I would imagine that that is imminent from the point of view of people growing crops.

I turn to the rural development budget issue.

Mr Brocklebank: I presume that our allocation is dropping by 20 per cent because, given the incoming countries, the money has to be spread more thinly. The paper states:

"However, since EU money only makes up 30% of total spending on the current programme ... this would represent a reduction of 6% in overall funding for the programme."

Where does the rest come from? Does it come from the UK Government?

The Convener: Yes; the money is made up by the UK Government. There is discretionary spending, too.

Richard Lochhead: The issue of the overall budget, which in turn influences the size of the rural development budget and the size of the cut that Scotland will suffer, was controversial. Can we ask the minister what his input into the debate was, to see whether he was fighting for Scotland's interests, and how he intends to cope with the cut?

The Convener: Okay. We will have to return to that when we next consider the budget.

The last paragraph in the paper is about an initiative to simplify the common agricultural policy. We can expect an action plan during 2006.

Maureen Macmillan: That is a good idea.

The Convener: It will be interesting to see what that means.

That was quite a lengthy discussion, but it is useful for people outside the Parliament to see what issues are coming up. Today's discussion will enable us to have a good discussion with the minister on 21 June and to go over in more depth the key issues in which we are interested. I thank colleagues for their input.

We will now discuss in private our report on the food supply chain inquiry. I ask members of the press and public and broadcasting and official report staff to leave. Thank you.

10:37

Meeting continued in private until 12:22.

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

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

The deadline for corrections to this edition is:

Tuesday 13 June 2006

PRICES AND SUBSCRIPTION RATES

OFFICIAL REPORT daily editions

Single copies: £5.00

Meetings of the Parliament annual subscriptions: £350.00

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

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

Single copies: £3.75

Annual subscriptions: £150.00

Standing orders will be accepted at Document Supply.

Published in Edinburgh by Astron and available from:

Blackwell's Bookshop
53 South Bridge
Edinburgh EH1 1YS
0131 622 8222

Blackwell's Bookshops:
243-244 High Holborn
London WC1 7DZ
Tel 020 7831 9501

All trade orders for Scottish Parliament documents should be placed through Blackwell's Edinburgh

Blackwell's Scottish Parliament Documentation
Helpline may be able to assist with additional information on publications of or about the Scottish Parliament, their availability and cost:

Telephone orders and inquiries
0131 622 8283 or
0131 622 8258

Fax orders
0131 557 8149

E-mail orders
business.edinburgh@blackwell.co.uk

Subscriptions & Standing Orders
business.edinburgh@blackwell.co.uk

RNID Typetalk calls welcome on
18001 0131 348 5412
Textphone 0845 270 0152

sp.info@scottish.parliament.uk

All documents are available on the Scottish Parliament website at:

www.scottish.parliament.uk

Accredited Agents
(see Yellow Pages)

and through good booksellers

Printed in Scotland by Astron