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OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

FISHERIES BILL

Third Sitting

Thursday 6 December 2018

(Morning)

CONTENTS

Examination of witnesses.
Adjourned till this day at Two o'clock.

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

not later than

Monday 10 December 2018

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The Committee consisted of the following Members:

Chairs: JAMES GRAY, DAVID HANSON, † MR LAURENCE ROBERTSON, SIR DAVID CRAUSBY

- | | |
|---|---|
| † Aldous, Peter (<i>Waveney</i>) (Con) | † O'Hara, Brendan (<i>Argyll and Bute</i>) (SNP) |
| † Brown, Alan (<i>Kilmarnock and Loudoun</i>) (SNP) | Pennycook, Matthew (<i>Greenwich and Woolwich</i>) (Lab) |
| † Carmichael, Mr Alistair (<i>Orkney and Shetland</i>) (LD) | † Pollard, Luke (<i>Plymouth, Sutton and Devonport</i>) (Lab/Co-op) |
| † Debbonaire, Thangam (<i>Bristol West</i>) (Lab) | † Smith, Owen (<i>Pontypridd</i>) (Lab) |
| † Duguid, David (<i>Banff and Buchan</i>) (Con) | † Stewart, Iain (<i>Milton Keynes South</i>) (Con) |
| † Eustice, George (<i>Minister for Agriculture, Fisheries and Food</i>) | † Sweeney, Mr Paul (<i>Glasgow North East</i>) (Lab/Co-op) |
| † Grant, Bill (<i>Ayr, Carrick and Cumnock</i>) (Con) | † Tracey, Craig (<i>North Warwickshire</i>) (Con) |
| † Hill, Mike (<i>Hartlepool</i>) (Lab) | Gail Poulton, Lis Gerhold, <i>Committee Clerks</i> |
| † Hollinrake, Kevin (<i>Thirsk and Malton</i>) (Con) | |
| † Jones, Mr Marcus (<i>Nuneaton</i>) (Con) | |
| † Lefroy, Jeremy (<i>Stafford</i>) (Con) | |
| † Morris, James (<i>Halesowen and Rowley Regis</i>) (Con) | † attended the Committee |

Witnesses

Rebecca Newsom, Head of Politics, Greenpeace

Andrew Clayton, Project Director, Pew

Helen McLachlan, UK Programme Manager for Fisheries at WWF, Greener UK

Debbie Crockard, Senior Fisheries Policy Advocate, Marine Conservation Society

Andrew Brown, Director, Sustainability and Public Affairs, Macduff Shellfish

Andrew Pillar, Director, Interfish/Northbay Pelagic

Daniel Whittle, Managing Director, Whitby Seafoods Ltd

Mike Park OBE, Chief Executive, Scottish White Fish Producers Association Limited

Public Bill Committee

Thursday 6 December 2018

(Morning)

[MR LAURENCE ROBERTSON *in the Chair*]

Fisheries Bill

11.30 am

The Committee deliberated in private.

Examination of Witnesses

Rebecca Newsom, Andrew Clayton, Helen McLachlan and Debbie Crockard gave evidence.

11.31 am

The Chair: I welcome our witnesses. We have until 12.15 for this session. Will the witnesses very briefly introduce themselves, please?

Debbie Crockard: Good morning. My name is Debbie Crockard and I am the senior fisheries policy advocate for the Marine Conservation Society.

Helen McLachlan: Good morning. I am Helen McLachlan, fisheries programme manager for WWF UK.

Andrew Clayton: I am Andrew Clayton from the Pew Charitable Trusts.

Rebecca Newsom: I am Rebecca Newsom, heading up the politics team at Greenpeace. We have a history of working on marine issues.

Helen McLachlan: I should have said that I am also here as chair of the Greener UK coalition of non-governmental organisations, so representing the views of Greener UK.

The Chair: Thank you very much for coming. You are very welcome. I invite the Minister to ask the first question.

Q147 The Minister for Agriculture, Fisheries and Food (George Eustice): Could each of you explain to us what you think the main flaws and weaknesses in the current common fisheries policy are, but also which of its elements and principles you would like to be retained in a domestic Bill?

Andrew Clayton: I think the biggest weakness in the current common fisheries policy, following the reforms in 2013, is that those reforms have been under-implemented. For example, the legally binding requirement to fish at sustainable levels that was written into the CFP was a classic EU fudge. It was put in there with a deadline of 2015 where possible, and by 2020 in any event, so we are only now coming to the crunch in terms of delivering that and making sure that fishing limits are sustainable when they are set each autumn. The Fisheries Minister will no doubt have a torrid time in Brussels in two weeks, trying to make sure that deadline is achieved. The fudges in agreeing those objectives have added further delay to making that policy sustainable, even though a lot of work has been done in the four years since the policy came into effect.

Debbie Crockard: One of the weaknesses of the CFP is its lack of flexibility and ability to react quickly when situations arise. That is something that can be quite

difficult if there is a situation that requires reactivity. That is one of the biggest weaknesses, but one of the strengths—one of the strongest things that came out of the last reform of the common fisheries policy—was the legally binding requirement to fish at maximum sustainable yield, which is definitely something that we would like to see.

Rebecca Newsom: We would say that the strengthened version of article 17 of the CFP was an important step forward, but it has not been implemented in the way that we need in terms of environmental and social criteria. We welcome the transposition of article 17 into the Bill, but it urgently needs to be strengthened in order to deliver on environmental, social, and local economic objectives.

Helen McLachlan: I agree with my colleagues and just add that the commitment to take a more ecosystems-based approach towards our fisheries management was a welcome inclusion in the CFP, and we need to take that broader perspective—take fisheries out of a silo and look at the environmental impact, not just on target stocks but broader than that, on other marine species and habitats.

Q148 George Eustice: Is it your view that if we move away from the multilateral kind of discussion that takes place at December Council, with qualified majority voting being the underlying principle for decision making, and instead we move to something that is more of a bilateral agreement between the UK and the EU, and given that we have set out clear environmental objectives that we have brought across from the EU in clause 1 of the Bill, then to answer Andrew Clayton's point, it should be easier to deliver those objectives, because it will be a bilateral agreement rather than a qualified majority vote?

Andrew Clayton: I would agree that the deal making might be made a kind of cleaner process through that bilateral discussion, but the big concern for me is that the precautionary objective brought into the Bill is insufficient. It actually undercuts the CFP; it is a lower level of ambition than exists in the CFP at the moment. The UK is signalling with this text as it stands that it will aim lower, and that will certainly make it harder to get that kind of agreement.

Q149 George Eustice: Would you expand on that? I know that you have raised this point with me, and I can make a direct comparison between what we have—clause 1(3)—and article 2.2 of the CFP. With the absence of targets that are now past, or they will be past by the time this Bill is commenced, the wording is identical.

Andrew Clayton: The fudge that was agreed in 2013, and the legally binding objective that at the time was welcomed as a big win for the UK in negotiating that legally binding requirement, was CFP article 2.2, which is written in two parts. The first part of the CFP objective is an objective to restore biomass, defined in terms of maximum sustainable yield. It was felt at the time that it was very difficult to make a biomass objective legally binding, because you would be holding Ministers to account for putting fish in the sea, so it was agreed at the time that there should be a second clause to that objective with the aspiration to restore biomass. The second clause, which is the more important and more

binding, actually relates to exploitation rates—setting fishing limits. It is that more binding clause that brings in those legal deadlines, saying that by 2015 where possible, and by 2020 in any event, fishing limits should be set in line with that scientific advice on maximum sustainable yield. It is that binding part that we can hold Ministers to account to and it is that binding part that is having an impact in the EU decision making. That is the kind of element that is in the forefront of Ministers' minds when they are setting fishing limits in the December Council.

Q150 George Eustice: But the use of the term “exploitation rate” was only in the context of describing the 2015 where possible and by 2020 on all quota stocks.

Andrew Clayton: Yes.

Q151 George Eustice: So it is the date that is the only thing—

Andrew Clayton: Personally, I think the date is a moot point, because the UK is committed to achieving that date by 2020. I realise the timing of this Bill taking effect is uncertain, but either way the UK is committing to achieving that job.

The net effect of removing that second clause is that the future Fisheries Bill would therefore just have an aspirational objective to restore biomass at some point in the future, with no deadline. That still leaves Government and Ministers under short-term pressure every autumn to take that short-term view, to overfish in any given year, and there is always an excuse that can be made that overfishing for one more year might be justified in some way, with this longer term biomass objective in mind. The history of the CFP shows us this, but it is not even a historical point that I am making. We have just literally agreed and signed up to a deal this week to set limits for 2019 for mackerel higher than scientists advise, and the only kind of saving grace in that decision was that the Commission announced that they would not be able to do this again next year because of this 2020 deadline. This deadline is biting at the moment; we need to stick to that and not go backwards on the progress we have made.

Q152 George Eustice: Finally on that, there is something else in the Bill that is not in EU law: the requirement for a joint fisheries statement. That is a statutory requirement to have a plan agreed by all parts of the UK that sets out how we will deliver those statutory objectives in clause 1. Is that not the right place to define and describe in more detail how to deliver that biomass objective?

Debbie Crockard: That may be a good place to define it, but the problem with the joint fisheries statement is that, under clause 6(2), if a national authority takes the decision to act other than in accordance with the JFS, it simply has to state the reason why. There is no binding duty to follow that JFS. If it goes against the JFS and sets fishing limits that are not legally bound, there is nothing to hold it to account in that situation.

Q153 Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): One of my concerns about the Bill is that it does not go far enough in addressing data deficiency. We have data for a number of stocks, but for an awful lot of stocks—some quota and some non-quota—we

do not have a baseline stock assessment or an understanding of how much fish is in the water that we may be catching off-quota. What could be improved in the Bill to address that data deficiency?

Helen McLachlan: That is one of our concerns. It is not really addressed fully by the CFP either, which is why we think the Bill is a great opportunity for the UK to start to fill that gap. You are absolutely right: we do not have an effective means of documenting what we remove from the oceans. There are requirements to log what is taken. We have operated a landings-based system to date, but we should now move over to a catch-based system, with which we should be able to monitor what comes up in the net. We are not able to do that now; the systems are simply not in place. We would like to see the Bill address that with a verifiable, fully documented catch commitment, supported by the use of electronic monitoring in the first instance, for example.

As you say, it is not only the catch but what else comes up in the nets that we can start to gather data on, which can be fed into stock assessments, increasing confidence in those assessments. That, circularly, is good for best management practice. We advocate a verifiable, fully documented fishery approach with the support of electronic monitoring on the vessel. When under a piece of legislation that prohibits discarding, as we are now, that activity occurs at sea, so we need some means of monitoring effectively at sea to take account of that. Improving data collection would be absolutely fulfilled by that requirement.

Q154 Luke Pollard: The Minister asked about MSY by 2020. The omission of the “by 2020” part, although problematic because it looks like the UK will not hit the 2020 date, means that there is no target date in the legislation, which is a de facto reduction in environmental standards compared with the CFP, which is something my party has concerns about. Recognising that we will probably miss the 2020 date, what level do you think would be appropriate for the UK to reach an MSY figure?

Andrew Clayton: I certainly agree that it is a de facto reduction as the Bill stands. I would not necessarily make the assumption that the UK will miss the 2020 deadline, because the power is with the UK to set fishing limits, or for the Council as part of the EU process. The only difference between an overfished stock and a sustainably fished stock are those decisions, and they are in the power of Ministers. I therefore think that we should certainly stick to that MSY commitment.

We have made a huge amount of progress, which is an important point. This is not about some far-off aspirational aim when it comes to setting fishing limits in line with the MSY objective. For 2018, about 44% of fishing limits were set higher than the scientific advice, but for stocks with MSY advice the percentage in line with that advice was about 75%. We have made good progress; we have taken a lot of pain on the way but the UK's stocks are moving in the right direction, with fishing pressure being brought closer to scientific advice, biomass recovering as a result, and profits for the fleet on aggregate rising at an all-time high as a result of that progress. The important thing is not to go backwards.

Q155 Luke Pollard: Can I ask about stock levels in relation to non-quota species such as cuttlefish? Cuttlefish live for only about two years, so there is a risk that if

[Luke Pollard]

you overfish in one year, you can significantly affect stock levels with huge potential future impact. We do not have a lot of data on cuttlefish at the moment. For those types of species, is there anything that could be included in the Bill to require or encourage greater data collection?

Andrew Clayton: I would emphasise that the precautionary objective in the Bill refers to harvested species. The Bill aims to deal with all those stocks, whether they currently have a fishing limit or not. It is a note of concern that the CFP also does that—it talks about harvested species—and the CFP is going in the opposite direction and removing fishing limits. Six limits for deep sea species were removed just in November. It is a good opportunity for the UK to show more ambition in managing those species better and gathering the data that is needed as the starting point.

Q156 Luke Pollard: One of the areas about redistributing quota, both new and potential if we get any drawdown from our EU friends, is allocating that on more economic, environmental and social grounds. Is that an area where, from your point of view, there could be benefits in terms of environmental protection and investment in coastal communities? Is that an area that you would support?

Rebecca Newsom: Absolutely. Greenpeace is working with the Greener UK coalition as well as the New Under Ten Fishermen's Association, the Scottish Creel Fishermen's Federation and Charles Clover's Blue Marine Foundation, to push for a more robust approach to distributing quota—existing, new and future—on the basis of environmental and social criteria. It stands to benefit the entire fishing industry in terms of driving a race to the top for fleets of all sizes, which would have the opportunity to access fishing opportunities as long as they conformed to environmental standards and things such as giving local employment to communities. We see that as a huge opportunity.

Q157 Brendan O'Hara (Argyll and Bute) (SNP): What importance do you feel the Government attach in this Bill to conservation, sustainability and protection of the ecosystem?

Andrew Clayton: Referring to the objectives again, I think the fanfare with which the Bill was published emphasised sustainability and put it at the heart of what the Government are trying to achieve. The language in the objectives is ambitious to the extent that it mirrors some of the existing commitments. I have already described the serious concerns I have about the shortfall in the sustainability and precautionary objective.

Learning the lessons from the CFP, the important thing under this Bill is that the Government pave the way for implementation—that is why it requires slightly more binding commitments in it—and through the joint statements, to ensure that is implemented in practice, with sufficient deadlines and some concrete detail. Fisheries is a policy area that suffers constantly from short-termism and highly politicised annual decisions. It is important that future Fisheries Ministers are not put under as much pressure to make short-term, short-sighted decisions as previous Fisheries Ministers have been.

Debbie Crockard: The ambition here is for world-leading sustainable fisheries management. At the moment we do not have a duty in this Fisheries Bill to meet the objectives in the Bill. Those objectives cover a lot of very good things—sustainability and a precautionary approach—but without the duty there is no clear obligation to deliver those objectives. Without that clear obligation you are in a situation where they might not be met and there is no obligation to meet.

Q158 Brendan O'Hara: Do you think that the Bill as it stands improves or will adversely affect conservation, sustainability and the eco-environment?

Debbie Crockard: It has the potential to improve it if it becomes binding. A lot of these objectives are very good, but they have to be binding; they have to allow us to make those steps to world-leading sustainable fisheries. Without that binding obligation and without the obligation for MSY and without the improvements in CCTV and monitoring and information and data collection, we will struggle to prove that we are even making those changes to sustainability.

Q159 Brendan O'Hara: How confident are you that, without that binding mechanism, this will work?

Debbie Crockard: I think you just have to look, as Andrew said earlier, at the common fisheries policy. We have the binding objectives there, but there is still a lack of political push in many aspects to actually meet those things. MSY was supposed to be put in place by 2015, but it has been pushed back and back to the very last point, which will be 2020. Without that binding obligation, there is a lack of motivation.

Helen McLachlan: That was demonstrated by the CFP. The last reform introduced that binding commitment for a deadline. Prior to that, we consistently set limits over and above that recommended by scientists. Since that binding commitment was brought in, we have started to see those trends going the right way: biomass increasing, fishing mortality decreasing, and trying to balance our fleet sizes appropriately to the resources available to them. This is good in terms of the commitment, but the application will be absolutely critical. To have that duty and also the mechanisms around it in terms of monitoring what is coming up in the net, what we are removing from the sea and how we are being accountable for what we are removing, will be key to the success and the ability to say that we are talking about world leading fisheries. At the minute, without that, we are falling behind.

Andrew Clayton: Also, it is not just about the application. The removal of the requirement to set fishing limits at sustainable levels is a clear signal that we will aim lower, so it is not just the application. As drafted, it sends a message that we will go lower than the EU.

Q160 Mr Marcus Jones (Nuneaton) (Con): Sustainability is clearly important. Several of you have mentioned the remote electronic monitoring equipment, as have other witnesses. Is that technology sufficiently developed to do what we want it to do? Is there any evidence from where it is being used in other countries?

Helen McLachlan: Yes, very much so. Electronic monitoring systems have developed quite rapidly in the last decade and are now standard operational practice

in certain fisheries around the world. In the US, for example, the national administration there has taken the decision that there is no need for further piloting; they just need to get on and do it. They currently have between 25% and 30% of their fleets covered by electronic monitoring. New Zealand has just taken the decision to roll it out across the whole of their fleet. That is in the process of happening.

Numerous other countries have started to adopt it, not just as a means of monitoring but in recognition of the things that New Zealand cited, for example: reduction of waste, so it incentivises more selectivity; reduction of discards; and greater economic returns, because you are no longer taking out lots of smaller fish but allowing them to stay in the water longer. Your biomass and the health of your stock in terms of the make-up of age classes is better. Also, in terms of public confidence in the fisheries, the ability to say, "This comes from a highly sustainable fishery," is a great thing. Coming back to your point on data provision, Mr Pollard, and the data coming out of the system, being able to build into the assessments gives greater confidence in that management. Quite often, if you have higher confidence levels in what you are talking about, your quotas start to increase because your confidence is greater.

There are benefits all around, and I think more and more Governments across the world are realising that. It is a cost-effective and robust means of doing that. Here in the UK we have several vessels currently operating with it and saying that they have benefited from it, because it has been able to demonstrate that sometimes what fishermen see in the water is not what they are being recommended by scientists, so they have said, "We can use this as a great tool to be able to say, 'Actually, what we're seeing is here.'" There is an ability to be very responsive in the management, turning it around very quickly—not quite in real time, but very close to it—and allowing adaptive management.

Q161 Mr Jones: From the New Zealand example that you cited, do you know how long it is taking New Zealand authorities to make this happen on their fleet?

Helen McLachlan: They introduced the intent last year and they are phasing it in.

Q162 Mr Jones: Over what period?

Helen McLachlan: I do not think they have a detailed end point. The commitment is for all vessels going to sea to have this technology. They are rolling it out currently. It is not something that will happen overnight. You cannot all of a sudden one day have a vessel that does not have the technology.

Q163 Mr Jones: That is the point I am making here. You are asking for it to be put into the legislation, and clearly in that case at some point vessels would need to be compliant, so I am trying to get a feel for what that really means, bearing in mind that there are some timescales that we are working to.

Helen McLachlan: I think a reasonable timescale is perhaps over a two-year period. You have to make the decision about what system you are going to go with, you have to get the technology on to vessels and set up on the port side. Two years to get the fleet operational is reasonable.

Q164 Owen Smith (Pontypridd) (Lab): Good morning, everybody. Mr Clayton, could you give us more examples of species where there has been fishing well above the MSY in recent years?

Andrew Clayton: It might be useful to talk about a choke species, because that generates a lot of debate when we talk about setting objectives for sustainability and the difficulties of dealing with stocks that have very low levels of biomass and therefore very low levels in their scientific advice. There is a good example that will be discussed in the December Council: cod to the west of Scotland is a stock that has been overfished for decades. Fishing pressure is way too high and because biomass is so low, scientists advise a zero TAC or a zero level of directed fishing.

That is proving very difficult because of where we are in implementation of the CFP. In 2019, both a landing obligation and this MSY requirement—the deadline to end overfishing—will be approaching. What we need to do with those species is to find a way to reduce their catch. We need to reduce bycatch and we need initiatives to ensure that they are not being fished at the high levels that they have been under pressure from for years and years.

To meet the deadline, what is happening in the EU system at the moment is that they are considering bycatch initiatives—small bycatch TACs that would be used to bring fishing pressure down. Member states have plans to reduce the bycatch to try to restore that stock, because where we have stock that has been overfished to that level over such a long time, we have a huge disparity between the catches in that mixed fishery. That stock will hold back all the other perfectly sustainable catches that could be made in that fishery. What we have done for way too long is overfish and then hide discarding over the horizon. Now is the time when we need to get to grips with the fishing mortality in that fishery and allow that stock to recover so that we can get the highest yield out of the fishery overall.

In this particular case it is not an example of MSY being used to set that limit; no fisheries scientist on the planet would advise catching that stock, because it is in such a dire state. The MSY level of catch for that would be about 500 tonnes, but zero catch is advised because it is in such a poor state. That is one example of overfishing. I mentioned mackerel earlier, which is the UK's most valuable stock. It supports so many jobs in the UK and is a really important iconic species for us. It is also a stock that has been overfished in recent years. That is partly to do with the lack of agreement between the various coastal states that are fishing the stock. Not all coastal states are within the CFP; we have to negotiate with Iceland, Norway and the Faroes.

The advice for this year was for a huge cut of that stock, because our luck ran out. We have been overfishing it, and taking too much of a gamble with that stock. Finally, a huge cut was proposed to try to get things back on track. That is, of course, unpalatable. The main thing that we need to do is to move away from that boom-and-bust cycle, so that we do not keep fishing at the absolute maximum pressure, or even overfishing, and then find it surprising when scientists advise drastic cuts. We need to move away from drastic cuts and get some stability in our fisheries.

Q165 Owen Smith: You have obviously been very clear that you think that this is a less ambitious set of targets, and less binding on Ministers, than the CFP.

[Owen Smith]

How would you repair the Bill to make it more ambitious and more binding? Would you simply transpose into the Bill that second part of article 2.2 of the CFP, or would you do something else?

Andrew Clayton: I understand the head scratching about the 2015 deadline and the 2020 deadline. I understand that that might not be appropriate for the Bill at this stage, but Greener UK has submitted amendments that would correct this and ensure that a fishing limit is set in line with scientific advice.

Q166 Owen Smith: Finally, do you think that recreational fishing could play a part in improving sustainability? That is to say, certain stocks could be preserved for recreational fishing, as has happened in New Zealand and elsewhere.

Andrew Clayton: Yes, I think it is time that recreational fishers were at the table and involved in management decisions, because they bring a large amount of money into the economy and are involved in fishing mortality as well. They should be a player in the system.

The Chair: We have less than 15 minutes remaining, so brief questions and brief answers might be helpful.

Q167 Peter Aldous (Waveney) (Con): My apologies for arriving late. In my experience, fisheries management is currently incredibly adversarial. We in this place, parliamentarians, and non-governmental organisations very much promote a more collaborative approach, with the fishermen being the solution. Do you think that that will be achievable in practice, and how do we make it achievable? We talk about collaboration the whole time, but in the real world it can be very difficult.

Helen McLachlan: Again, it comes down to the processes, the implementation and how we are going to take it forward. There are some good models of collaboration and effective delivery. For example, the Scottish Administration have taken a very strong approach to that, really bringing the catching sector, the processors and the NGOs around the table to have very frank discussions about what needs to happen if we are to meet certain objectives. That is a good model, and one that could be replicated by the different Administrations. We will not deliver sustainable fisheries management by having conflict and not having the catching sector working alongside administrators and the NGOs, because we all represent important constituents.

Rebecca Newsom: Adopting a more fair, equitable and sustainable approach to the distribution of fishing opportunities in the future is of fundamental importance to securing the buy-in of fishers across our coastlines. We just have to look at the current unequal distribution, which can also contribute to unsustainable outcomes, to recognise that we need to see urgent change.

In practice, all we are saying is required to deliver on that is a couple of small tweaks to clause 20, which essentially removes historical catch levels as the prevailing criterion for determining the distribution of fishing opportunities in the future and requires that environmental, social and local economic criteria are prioritised instead. We need to think about the political buy-in that can be achieved by that and, in turn, how that helps us to deliver on the higher-scale MSY objectives that we have been talking about.

Debbie Crockard: The advisory councils are also an example of collaboration between the other interest groups—OIGs—rather than the NGOs, on the advisory councils, and the industry. While we do not always agree, and it can take a lot of time to come to any agreement, there is a lot of really useful discussion and collaboration in those groups.

Q168 Mike Hill (Hartlepool) (Lab): This is a bit of a repeat, but are you in favour of redistributing quotas more fairly to under-10s?

Rebecca Newsom: Yes we are, but we want to stress that the way to achieve that is through introducing transparent and objective environmental and social criteria that all fleets need to abide by. It is not necessarily a black-and-white dichotomy between small scale and large scale, although of course the new approach would stand to benefit the smaller-scale fleets significantly, given their current fishing practices where, for example, about 90% of the under-10s use passive gears.

Q169 Mike Hill: Do you think that would have a positive economic impact on localities such as Hartlepool, where we hardly have a fleet but where the fleet could grow given a fairer distribution of quotas?

Rebecca Newsom: Absolutely. I refer the Committee back to the evidence from Jerry Percy on Tuesday. To add to that, the social criteria that we would suggest were used would need to be developed through public consultation and advice from experts. They should include, but not be limited to, things such as local employment and port and processing opportunities. That is a way to bed in local economic benefits.

Q170 Mike Hill: I have one last question on climate change, which is hardly mentioned in the Bill. Are the provisions adequate to abide by international climate change obligations? What are the implications of climate change for fish stocks and marine ecosystems?

Andrew Clayton: I can say something about the level of precaution and the importance of building resilience. As managers of fish stocks, as I said earlier, we cannot put fish in the sea and we cannot control biomass directly. All we can do, when we are managing exploitation and managing the fishing fleet, is operate with a suitable level of precaution and make sure that stocks can be resilient if they face other pressures.

Fishing pressure obviously has a huge impact on fish stocks, but so do climate change, habitat degradation and acidification—there are all kinds of other threats that fish stocks face. It is about leaving them enough space to be resilient to those other pressures as well.

On the economics, I wanted to say that the concept of maximum sustainable yield is primarily an economic concept that gained ground after the second world war. It is about providing as much protein for hungry people's plates as possible. It is not a green benchmark; it is not something that you would start from if you were looking only at the environment—you might want to be more cautious with some other measure.

It is a happy coincidence that we, as green organisations, find that we are advocating a high-yield, highly profitable, highly economically successful approach. That is what other countries around the world have seen when they have delivered MSY. It is win-win for the environment and for the bottom line of fishing businesses.

Q171 Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): I would like to ask about the legal implications of potentially redistributing quotas. What do you envisage the complexities of that might be? How can we address them as part of the process? What is your take on monopolistic activity in the fishing industry?

Rebecca Newsom: Greenpeace has taken independent legal advice on the issue. The conclusion was that, from a legal perspective, the Government and any other relevant national authorities can feel very confident in proceeding with this new approach to quota distribution. The prospects of a successful judicial review are very low, and the reasons for that are twofold. First, in the Brexit process, the proposed amendment is being put into a new Westminster Act of Parliament. As such, after we leave the EU, Parliament will be supreme and the law will have superiority to case law. Secondly, the 2012 legal case discussed on Tuesday concluded that while there may be some property rights attached to fixed quota allocations, those are not applicable if the quota has not been used. In any case, it is within the power of the Secretary of State to allocate as they see fit. Taken together, our conclusion is that such a measure would be clearly compatible with national and international law.

Q172 Alan Brown (Kilmarnock and Loudoun) (SNP): Good morning, everybody. We have not discussed the fact that the Bill includes a proposal for a discard prevention scheme. Do you have a view as to whether the measures are transparent enough? What are the risks of doing that? Is it the right approach to avoiding discards?

Helen McLachlan: Discards are a major issue and we welcome the continued commitment to trying to minimise discards overall. Our view on the measures in the Bill is that it is not quite clear what consequences or unintended consequences might arise. We would like to see more effort being placed on being clear about what it is we are taking out of the water and how much we really do need to discard. Going back to electronic monitoring at sea, we need to get a clear case. What we are concerned about at the end of the day is what we are removing from our ocean systems and how we can account for that sustainably. I think we would like to see more focus on that, rather than penalties per se, particularly as we are not quite clear on the intended or unintended consequences at this point.

Debbie Crockard: Especially because the original intention of the landing obligation was to improve selectivity, to make fishing more sustainable and to reduce waste. If there are uncertainties and things that are not clear within the Bill, we need to ensure that the legislation is still trying to meet those initial intentions.

Q173 Alan Brown: Rebecca, if we go back to quotas and quota allocations, you are talking about wanting to see more transparency, environmental measures and social benefits. You spoke about public consultation developing that. What do you actually want to see on the face of the Bill? That is what we are looking at just now. How do we get those protections in the Bill?

Rebecca Newsom: In terms of the Bill, we are talking specifically about clause 20, which starts off as a transposition of article 17 of the CFP. We are suggesting

that a few very small changes are made to that article essentially to remove historic catch levels as one of the determining factors for distributing quota and to prioritise environmental, social and local economic criteria instead. That would be the tangible, most important change on the face of the Bill. In terms of the follow-up process, the change in the Bill would set the principles and the legal framework for how quota should be distributed in the future, but it would then become the responsibility and powers of the relevant national authorities, including the devolved Administrations, to run their own public, transparent consultation process to determine exactly what those criteria are, how it works in practice and to implement it.

The Chair: We now have to conclude this session. I thank all the witnesses for attending; your evidence has been very helpful.

Examination of Witnesses

Andrew Brown, Andrew Pillar, Daniel Whittle and Mike Park gave evidence.

12.15 pm

The Chair: I thank our new set of witnesses for joining us. Could you please introduce yourselves very briefly?

Andrew Pillar: My name is Andrew Pillar. I am representing Interfish and Northbay Pelagic, which are primary processing and exporting businesses in Plymouth and Peterhead, but I am also wearing a hat here on behalf of the Scottish Pelagic Processors Association.

Mike Park: My name is Mike Park and I am chief executive of the Scottish White Fish Producers Association, representing over 240 businesses.

Andrew Brown: My name is Andrew Brown and I am the director for sustainability and public affairs at Macduff Shellfish, which is the biggest shellfish processor in Europe.

Daniel Whittle: I am Daniel Whittle from Whitby Seafoods, which is the UK's largest scampi manufacturer. We are somewhat unique, in that we are entirely supplied from the UK and supply into the UK. I would say we are also representing Northern Ireland, because we have a factory there and are very dependent on its supply.

Q174 George Eustice: Obviously, some of our most important fisheries agreements are those with Norway and the Faroe Islands and the coastal states agreements on species such as mackerel, all of which are currently handled by the EU, where we do not have a direct seat at the table in the way the other coastal states do. Would you explain some of the consequences of that lack of representation by virtue of the fact that we are an EU member?

Andrew Pillar: I have attended many of those meetings with teams travelling from the UK, and it is an extremely frustrating position to witness that power being taken out of the hands of a team representing the UK and placed in the hands of the EU, making decisions that are not best aligned with the interests of the UK catching and processing sector. We have seen in recent years this becoming a very difficult issue in terms of negotiating

away access to UK waters, in the coastal states agreements, for a period of time that has been inconsistent with the best interests of the UK.

Mike Park: You will be aware that the EU-Norway negotiations are going on in London as we speak. They failed to come to a conclusion last week. I have been going to these negotiations for over 25 years, I think, and one aspect of the negotiations that we look at with envy is the Norwegian Government always sitting with their sector. They normally have five or six fishermen bound roundabout them so that they can feed from one another in terms of what the appropriate output should be.

I also feel sorry for some of the member state officials, such as the officials from the Department for Environment, Food and Rural Affairs and Marine Scotland, who sit in these meetings, because very often they are kept out of the heads of delegation meetings, where the detail of the discussions and sometimes the conclusion agreements are set. For 25 years we have sat there, looking at Norway with envy, thinking that at some point we would like to do that, and I think that, as we move forward, perhaps we will. For us, it has always been a negative that the fishermen of Europe are not talked to in any way other than a loose way, and we are certainly not bound into any of the negotiations to feed in in an appropriate manner.

Andrew Brown: I can say a little about this: I used to be involved in these negotiations for the Scottish Government. It was very difficult to try to continue the dialogue with the industry as the negotiations went on. One of the roles I had was to speak to Mike and his like as the negotiations continued. I think there is something in what Mike has suggested.

Daniel Whittle: I do not get to go to the negotiations, but in the previous session there was talk about TAC being set above the recommended scientific advice, and I know a good example of where that happens: area 7 in the Irish sea, for nephrops, where there is a large, 20,000-tonne fishery. Every year they set it above that because the French and the Spanish have quotas that are largely unused, so they set the TAC above what the recommended scientific advice is, to allow that to happen. There is nuance in when the TAC is set above what the scientific advice is.

Q175 George Eustice: In conclusion on this point of the important fisheries in the North sea, is it your view that British interests get traded away by the EU in order to get advantages for other member states?

Andrew Pillar: The opportunity for us is not to be underestimated—to be at the table as a coastal state. That is the prize we in the industry see. Mike touched on that point about the industry working with Government to best achieve those objectives. There will be some trading and negotiations, but they need to be right for the UK and at this moment we are not in that position because we are not a coastal state, but this framework will enable that and delivery of a coastal state has to be the objective.

Mike Park: There is a typical example going on just now in the current negotiations, where the quota of North sea haddock next year will come down by approximately 30%. We would like to get some trade in from Norway to help us through next year, but that has

now been balanced against north Norway cod, which the Spanish and French are lobbying heavily to get. That could mean that we do not get the haddock we want in the North sea. The answer to your question, Minister, is yes, it works against us at times.

Q176 George Eustice: All of you export some of your products. In the event of a World Trade Organisation scenario with most favoured nation tariffs, how high is the tariff on the fresh fish that you sell, and are you more worried about tariffs or the possibility of border inspection posing some disruption to the supply chain? Which concerns you most when it comes to trade?

Andrew Brown: As a shellfish processor, we are highly reliant on exports, particularly to Europe, which is the destination for 95% of our scallops, for example. At the moment we enjoy free and frictionless trade, so the implementation of MFN tariffs would have significant effects. We have done some calculations for the shellfish industry as a whole. We are looking at perhaps £43 million in additional costs on shellfish exporters if we moved to that, plus, with third-country agreements with the likes of South Korea, probably another £5 million on top of that—that is per annum. Whether some of that can be absorbed by the customers and buyers in Europe is a difficult one to see. It is a competitive market; therefore, we have concerns that this will have an impact on our competitiveness and on how well we are able to sell our product.

The non-tariff barriers are equally, if not more, important. If we move to a stage where we need health checks and border checks at both sides of the border, that will cause a delay. For shellfish—a highly perishable, high-premium product—a 12-hour delay can reduce value by almost 50%. If you are delayed for 48 hours, you have more or less lost that consignment. The non-tariff aspects are really significant for the shellfish sector and for other sectors.

Q177 George Eustice: On scallops, the MFN tariff is 8%. Arguably, that is a bit like VAT—it is a tax on the consumer, ultimately. I know some in the fish processing sector have said, “Yes, we would obviously rather have tariff-free trade, but don’t sell out the catching sector on our behalf.” I wondered whether an 8% tariff, at the end of the day, given the fluctuations in market price anyway, is hugely problematic.

Andrew Brown: Of course, we do not welcome such a tariff. We have to remember that the shellfish sector is not really gaining anything in additional quotas through Brexit. These are non-quota stocks, other than the langoustine, which we already have a very large share of, so there is no benefit to us—to the shellfish sector—from the Brexit process. We do not expect our catches to be able to go up much, and we require access to some European waters for scallops and crabs, so there are multiple threats to the shellfish sector. We need to ensure that the sector is not forgotten about in the larger discussion on fin fishing.

Luke Pollard: In previous sessions, you might have heard me asking about a national landing obligation—a requirement to land fish caught under a UK quota in UK ports. Would that have an impact on the processing side of the businesses that you represent? In the interest

of complete disclosure, I also declare an interest, because Mr Pillar and Interfish are based in the constituency that I represent. What impact would a landing obligation to land fish in UK ports have on your sector? Would it be beneficial?

Andrew Pillar: One of the key things in the port that we originate from, in Plymouth, is the market—the auction—and the opportunity for fishermen at all levels to access that and sell their catch. That is from the under-10 fleet right through to larger vessels. As it stands, that business has absolutely no security and no certainty that there will be a supply of fish coming into that marketplace if operators were to choose to put their fish into the back of a lorry and send it directly overseas, which can and does happen. In some ports around the country, that has evolved under the CFP to a situation where markets have failed and there has not been the opportunity to have a diverse marketplace for small, medium and larger vessels.

In the pelagic sector, the opportunities around employment export, upstream and downstream, are wide-ranging. To be competitive in many of those markets, it is essential to have a critical mass—a business must have that critical mass. In the UK, we operate with very different bases for business in terms of business rates, labour costs and harbour costs, which do not put processing on an even playing field with many of our competitors, but we must recognise that it is a competitive market. What we do have is some of the best, highest quality seafood that we will stake our case for being sustainably produced within British waters. That is a highly desirable product and not to be undervalued.

Mike Park: From a Scottish perspective, in terms of landing to the market, up in Scotland all our vessels operate locally. We do not fish north Norway, the Mediterranean or the Pacific or anything; we fish around our coasts.

The vast majority of the demersal fish comes in to ports such as Peterhead, which is the largest white fish port in Europe, and Fraserburgh, which is the largest nephrops port in Europe. You see the investment going on there: we have a new fish market there, and last week we landed 36,000 boxes of fish into that fish market, which is unprecedented elsewhere. You see a significant investment in new vessels—replacement vessels, not additional vessels. You see an enthusiasm up there, which is built on the fact that the stocks are on our shores, we take care of them and we land it back to our markets. There is a small amount that goes to northern Denmark for the Christmas market—we utilise their market for saithe over that period—but apart from that, everything largely comes back home to Scotland.

Luke Pollard: One of our concerns about the Bill is the potential for standards to be different on British fishing boats versus foreign fishing boats fishing in British waters. From your point of view, for those who trade here, is there a concern that there could be a differential in terms of cost base, compliance and regulations, environmental protections and marine safety if there is not a level playing field between British fishing boats and foreign fishing boats in our waters?

Daniel Whittle: I have a suggestion on that front. There was discussion about remote monitoring. You could make that part of a requirement of fishing in UK waters, so that there would be a level playing field.

To give our perspective on the landing obligation, in Northern Ireland, it is challenging that there is a whiting bycatch. There has been a lot of work on selectivity to reduce it. I fear that the approach being taken, which is “Let’s have a deadline,” is not a practical approach. The approach should be that fisheries continue to try to remove unwanted catch from their nets, but it should not be deadline-driven; it should be a continuous improvement approach.

Andrew Brown: On the foreign vessel conditions, the Bill needs a little more explanation. Each fishing administration is able to establish its own licence and therefore its own licence conditions, and each fishing administration can in principle establish licences for foreign vessels as well. A problem could exist whereby a British or a foreign fishing vessel, fishing in different waters around the UK, might be subject to different licence conditions. It is not clear to me in the Bill how that will operate. That could indeed have an effect on UK fishermen who fish in more than one fishing administration’s waters and on what licence conditions will apply.

Mike Park: In Scottish waters, we do a lot to try and protect the stocks. We have closed areas for spawning females of cod. We have other areas for abundances, and of course we have a network of marine protected areas, like everyone else. One of the things that we ask for going forward—it is a positive, but a negative for our fishermen—is that we avoid the areas of high density. Chances are that that means we catch less fish in terms of economic viability. We could go to area A and catch loads of fish, but we do not; we avoid it. We go to area B where we catch less, but it allows stocks to recover. We do not feel there is equivalence across the EU because some of our EU colleagues enter these areas while we have them closed unilaterally. On issues like that, in the future we would have to ensure that whatever happens there is a degree of equivalence, so that when we make a rule in UK waters, that rule applies to everyone. I am sure it will.

Q178 Luke Pollard: We heard in one of our evidence sessions on Tuesday that some fish are caught in UK waters, exported to China for processing and then brought back. I think an awful lot of people will have found that very disturbing. The issue of food miles has dropped from the political agenda, especially with the focus on trade deals with countries far away. How do consumers know whether they are buying fish that has been caught, landed and processed in the UK, or something that has travelled all the way round the world and back again to get to your plate?

Daniel Whittle: Can I ask a question? Where did your suit come from? [*Laughter.*] And where was it made?

Luke Pollard: It’s from Marks and Spencer, like all the best suits.

Daniel Whittle: Are you bothered about where it has or has not been in the supply chain? You trust Marks and Spencer to act ethically, so why would you scrutinise a fishery?

Q179 Luke Pollard: The difference is that there is a label so that I can see where it is made. As a consumer, if I rock up to a supermarket and buy some fish, how do I

[*Luke Pollard*]

know where it has come from? Can we get clarity for British consumers who might be under the impression that, because we are an island nation, the fish we buy have simply been plucked out of the sea and brought in?

Daniel Whittle: Ethically, should you not be wearing a British wool suit?

Luke Pollard: Perhaps we can do less on suits and more on fish.

The Chair: Order.

Mike Park: Perhaps I can answer the question that the hon. Member posed. In Scotland, I chair a group called the Scottish Fisheries Sustainable Accreditation Group. That group focuses on ensuring that we build stocks up to sustainable levels and that our fishermen harvest stocks appropriately in terms of selectivity and other things. Once we reach a certain standard, we put them through the gold standard of the Marine Stewardship Council certification. The consumer is more concerned about whether she is buying a sustainably caught fish—quality fish—than she is about where it is filleted. By attaching that mark we ensure we give comfort to the consumer. I think that where it is filleted or whatever is a bit of a red herring—excuse the pun. At the end of the day, the consumer is focused on whether the fish comes from a sustainable source and whether it is of good quality. That is what we as an industry group actually ensure.

Andrew Pillar: One of the things that we would like to see strengthened is the recognition around labelling and for labelling to be consistent with the chain of custody and provenance—where a fish has been through its life cycle. That really is driven by point of landing. If something is British, that point of landing is key because you start to derive the value upstream and downstream in the chain of jobs dependent on that fish being produced.

Andrew Brown: I agree with what Mike said about accreditation. Macduff is working hard on accreditation for nephrops stocks and scallop stocks. That is important to us, and, post Brexit, accreditation and certification will become that much more important to guarantee the sustainability of our stocks.

Alan Brown: Andrew, you commented that access to EU markets and the EU workforce is critical for business and industry. What will the ending of free movement mean for your industry? Have you seen any impact of Brexit already since the referendum? Also, what are your views on future immigration policy? The UK Government are talking about not allowing what they call “low-skilled workers”, and having a £30,000 threshold for qualification.

The Chair: Order. I am advised that free movement is beyond the scope of the Bill.

Q180 Brendan O’Hara: I have a question for Mr Brown about the importance of the shellfish industry. As the Member of Parliament for Argyll and Bute, I understand the importance of shellfish to my west of Scotland constituency. Do you think that the shellfish industry

has been adequately heard in the debate, or do you feel that you have been slightly subsumed into the big fishing producers and big organisations? Are your concerns adequately covered in the Bill?

Andrew Brown: Obviously, fisheries have played a prominent role in Brexit and there has been a lot of publicity about the possibility of additional quotas. The fact that inshore fisheries and shellfish fisheries will not gain from that has probably been underplayed. There is certainly that aspect to it. We want to see tools in the Bill to allow Ministers to manage shellfish stock sustainably. If anything, shellfish stock management has probably lagged considerably behind demersal and pelagic management because of some inherent difficulties in the stocks, given their patchy distribution across UK waters.

However, it has always been the kind of fishery that new entrants have come into, because if you are a new entrant to a fishery you need three things: a licence, a vessel and a quota. Those are all expensive, but to get into the shellfish sector you do not need your quota, because they are non-quota stocks. The main way to get into the fishing industry is through the shellfish sector, and to try to build up a quota from there. That means that the entrance to shellfish fisheries is not very well controlled. Consequently, it is difficult to use management levers.

We would try to increase the significance, or the relative importance, that shellfish fisheries have in the Bill. Scallop shellfish fisheries are the most important fisheries in England, and the third most important fisheries in the whole of the UK, in terms of value. They have not been given the kind of management, attention and science that they need.

Q181 Brendan O’Hara: You talked about the financial and time cost of any barriers being put up. It is essential that a lot of the live product gets to continental Europe as quickly as it can. Are you confident from what you have seen in the Bill, and from what you have heard from the debate surrounding the Bill, that those time costs in particular will not damage your industry?

Andrew Brown: I am not sure that much can be done on this on the face of the Bill, but obviously, on how ports are managed and facilities maintained, within the Bill there is certainly the power to award grants to support infrastructure to someplace where you might have looked into their storage and freezing facilities. But yes, you are right; any kind of delay becomes quite significant. A two-hour delay on a motorway heading towards a port can mean you miss the ferry, which can lead to a day’s delay. An awful lot needs to be done to ensure the smooth running of this. Local authorities are involved as well, because we need export health certificates from them. There is a lot of work to be done to ensure that delays are minimised to the smallest amount possible.

Brendan O’Hara: Thank you very much. Thank you, Mr Robertson; I am sure my esteemed colleague has now reworded his question.

The Chair: We will come back to Mr Brown, but we have to move over to the other side.

Q182 David Duguid (Banff and Buchan) (Con): Earlier, you talked about how the likes of Norway, Iceland and others have been looked on with envy in negotiations, probably not just by us, but by other EU member states. In the future, as an independent coastal state, when we end up in those negotiations with that increased power, what role do you see Ministers and officials from devolved Assemblies playing, and how well is that covered in the Bill?

Mike Park: In the discussions that we have had with both the Scottish Government and with Ministers and officials at DEFRA, we have always tried to put across the point that now we have a blank sheet of paper, we should look at governance structures and good governance. It is essential that one of the lessons we learn from the CFP is that we should start to build policy from the bottom up. That is perhaps not how we should approach international negotiations, but it aligns with where the key areas should be.

It is essential that we build a suitable advisory structure, perhaps within the Administrations but certainly within the UK. I think, as we move forward into what will become trilaterals on setting tax and bilaterals on exchanges and balances, we should start to bind the sector in there. You referred to my previous comments about looking on in envy at our Norwegian colleagues, who are part of the Norwegian delegation. We would ask Ministers—or the people to whom we need to apply—to ensure that there are knowledgeable people sitting behind the officials and doing the negotiations.

Andrew Pillar: In my experience—I have been to several rounds of mackerel coastal states talks this year—the officials representing the Scottish Government and DEFRA are very competent, well informed and, quite honestly, raring to go in what I see as individuals lined up to be taking that seat negotiating on our behalf as a UK coastal state. We are very enthusiastic about that.

I echo the points you have already heard about making sure that the industry is close to that. I have seen first hand how that has happened, with the likes of the Faroese Government listening very carefully to their industry and acting on their instructions to deliver for them.

Q183 David Duguid: Do you think the role of the devolved Administrations is adequately covered in the Bill?

Mike Park: Personally I would have liked to see some tighter wording around structures, governance and inclusion. The document talks about “interested persons” being asked to comment. I am not entirely sure how broad that goes. I would like to be classed as more than an “interested person”—not just me personally, but across the broader industry sector.

Q184 Mr Sweeney: There has been a focus on the pricing aspects of the impact of Brexit, but I am also interested in the workforce aspects, particularly in more remote communities, such as the Western Isles, where there is a big shellfish industry. If we look at the skills profile of the fishing industry in the UK, 67% of the workforce is in the process. What long-term impact do you think that will have on the skills profile and the age of the workforce, and will that present any challenges for you?

Andrew Brown: Yes, there will be challenges going forward. Obviously it comes back to an earlier point that Mr Brown made about EU migration policy. We have a lot of reliance on that—76% of our workforce are EU migrants. In the longer term, we hope to see commitment of investment from Government into vocational training for workers, both on land and at sea. In the short term, it is very difficult to see where we can get staff. Retention of staff is really important for us. We do what we can to make the job as attractive as possible and to look after our staff, but going forward it is an issue we have to plan for.

Daniel Whittle: In both Whitby and Kilkeel, in Northern Ireland, about 80% of the workforce are local. I personally believe that a high availability of low-skilled and low-paid people has perhaps made life relatively easy—not easy but easier—when businesses compete. I think the area of competition may lean more towards productivity—output per person and kilos per hour—and be much more focused on automation. Not everything can be automated, but if there is support to help with that process, and I think there is a mention of that in the Bill, then that could ease the situation.

Mike Park: May I mention the catching sector? It is perhaps not contained within the Bill. If you want me to stop I certainly will. This is in relation to our reliability on non-EEA crew in the fishing sector and the problems for communities in the west of Scotland, where we cannot bring in non-EEA workers because they come in on a transit visa and are not allowed to operate inside 12 miles. If you look at the west of Scotland, there are very few areas where they can work where they are not operating inside 12 miles, which means that they are struggling for crew.

Daniel Whittle: Just to follow up, that has a significant impact on the nephrops fishery, which has historically been one of the top three high-value species in UK fishing over the past 10 years. This year—as of last week—that quota was 51% caught. It has been fundamentally undermined by the lack of crew available to fish on the boats, and that goes across the west of Scotland and Northern Ireland. In the North sea, where most of the fisheries are outside the 12 miles, the landings have actually increased.

Q185 Mr Sweeney: Are you satisfied that the grant provisions in clause 28 are robust enough? Would you like to see further definition of what those opportunities might be, if you are looking at labour substitution with capital investment to offset the cost and scarcity of labour?

Daniel Whittle: It is currently very vague in the Bill, I would say.

The Chair: We have only 10 minutes to go and I have four questioners. Brief questions and brief answers would be appreciated.

Q186 Bill Grant (Ayr, Carrick and Cumnock) (Con): I ask this to everyone, with the exception of Whitby Seafoods, who I think source UK and sell UK catch for the other three panel members. I am sure the movement of fish products—catch—will be dictated by the consumers’ palate rather than by any Bill. I understand that there is a lot caught in UK waters and shipped abroad. There is

[Bill Grant]

almost a reversal; we like what somebody else catches and somebody else likes what we catch. Is there anything in the Bill that will impair that continued process, which is essential for the industry? Is there anything in the Bill that could improve that process for the future?

Andrew Brown: I do not think there is anything in the Bill. If you look at shellfish, for example, our only important market in the UK is for langoustine tails for scampi. Practically everything else goes abroad, mainly to the EU but to some other parts of the world as well. I think it is very difficult to change food culture. Traditionally, UK consumers have not eaten crab, scallops or dog whelks to any great extent. It would take a long time to change that, I think. Even if we could do that, we would still have more product than would be consumed by a UK market. It would not just be a case of changing tastes. We would need to increase the general uptake of seafood in people's diet as well. Even then, we would still have more product than could be sold.

Andrew Pillar: In our experience of working with British retailers and consumer markets, there is a real opportunity to engage people with what British-produced, good fresh fish looks like and what it tastes like. I was with the Minister in the last 12 months, eating gurnard in a local restaurant in Plymouth. There is that opportunity, but we need to get the retailers and other points of the supply chain on board to recognise exactly what we have within our waters, and to think differently. When we put that in front of consumers, in our experience quite often we can see that they can be well-priced, competitive, very good offerings. We have to try to market that and it is not straightforward. It takes effort.

Q187 Bill Grant: Going forward, do you see wider markets beyond the European Union? Do you see opportunities for the products caught off UK shores elsewhere in the world, other than the EU?

Andrew Pillar: In our experience, very much so. We have experience already with exports throughout Asia and elsewhere around the world. There is a very strong demand, particularly for the pelagic products coming from UK waters, based on the quality that we have available.

Andrew Brown: From our perspective, we have growing markets in Asia and north America, but they are not of the scale that would be able to replace what we currently export to Europe.

Daniel Whittle: We have seen evidence of something similar of late, with brown crabs. There has been a significant increase in the price of brown crabs as a consequence of exports of live brown crab to China, which is driving up the price.

Q188 Owen Smith: Generally, you have obviously set a lot of store by the prospect of us being at the top table, as it were, when we are a so-called independent coastal state. Are you worried that during transition we are going to be even further away from the top table than we are presently?

Mike Park: There is some concern that Europe could introduce some rules or plans that impact on us more than on other member states. There is that concern. How real those concerns are, I am not entirely sure. Pelagic is the area that should probably be most concerned,

when they renew some of the plans. It is difficult to see how they could impact on us, other than to ignore us. For instance, the December Council is coming up. We are still a member state at that Council. Could they ignore us during that? We normally go with a shopping list. As the Minister will know, England has normally got its requirements and Scotland has its requirements. Whether we are in the IP or whatever—if the IP comes—and whether we are ignored during those events could impact on us. As yet that is an unknown, but yes, there is the possibility.

Q189 Owen Smith: On tariffs, the Minister was implying that an 8% increase in tariffs on shellfish might not necessarily be a problem. You talked about £43 million of increased costs for the industry. Would we see more or fewer jobs in the industry if we had an extra 8% tariffs on our shellfish?

Andrew Brown: It is difficult to predict. Obviously, it will affect our competitiveness and it is a competitive market, so it cannot be a good thing for the industry, but different products have different premiums and can absorb different levels of tariffs. It really depends what stock you are talking about and what market you are talking about. There is an average of an 8% to 9% tariff value across all our stocks, so clearly that is not going to help us in terms of profitability.

Q190 Owen Smith: Are you anticipating growth in your industry post Brexit?

Andrew Brown: Yes. I think we are, but it is reliant on a number of factors and the sustainability and management of the stocks. We are very dependent on, let us say, growth in China. Currently the situation is good, but that market can be subject to sudden and unexpected regulatory change, which can close off markets just as quickly as they open up. There are risks associated with that, and we have to build that into our business planning.

Q191 Peter Aldous: There is a scenario at present in the southern North sea where a significant amount of fish is caught, in particular by Dutch vessels, using particularly unsustainable practices such as electric pulse fishing, and it is processed in the Netherlands and then imported back into the UK. That presents three challenges: allowing UK fishermen to catch more of the fish in our waters; promoting sustainable fishing so electric pulse fishing just cannot take place in the way it has; and promoting our own processing sector. Does the Bill help us achieve those three goals?

Andrew Pillar: We have expertise in the demersal sector but also in demersal processing. This is a stepping stone in that direction. There is clearly other work that will need to be done, but it is part of the enabling framework. It is clear from the work that was done in terms of the consultation and the White Paper behind the Bill, and from my engagement with the team who went out on the road and did the fact finding, that a tremendous amount of work went into producing the Bill. We recognise that, and we recognise that it is not all going to be there on day one. This is part of the framework. If we successfully implement the Bill and its spirit, we will set out a framework for sustainable production—for harvesting fish, for having access to markets and for domestic processing—and for enabling

those people who are employed indirectly and have no direct association with fishing opportunities or quotas to find employment.

Mike Park: I guess the good thing is that the Bill does not do anything horribly wrong. That is the main thing for me.

Q192 Peter Aldous: Should we have Bills that do not do anything horribly wrong or Bills that promote the best possible practices?

Mike Park: It allows fisheries to develop in a positive way. It does nothing to restrict that, and it does nothing overly to promote it. If you overly promote something and it is wrong, the chances are that is not a good thing. It does nothing horribly wrong. It should allow fisheries to progress into this highly sustainable and sought after product. As an industry we are very aware of the marketplace and of regulation. For us, that is essential, because as we leave Europe and the spotlight comes on us in terms of sustainability, we will have to do things better than anyone else if we want to increase our market share. That is where our awareness is currently focused, and the Bill does nothing to stop that.

Andrew Brown: I agree with that. It is a framework Bill. The proof will be in the pudding—in the policies that emerge from this framework. The principles of sustainability and scientific basis, which we support, should stand us in good stead.

Daniel Whittle: I echo that. There are a lot of excellent policies in the Bill. I particularly support the focus on the devolution of licensing and so on. The challenges in Scotland and England are different from those in Wales and Northern Ireland. Allowing devolved Governments to control effort is a big step forward.

The Chair: We have less than two minutes, but I call Marcus Jones.

Q193 Mr Jones: The standards of foreign and UK vessels have been mentioned. Mr Whittle, you mentioned electronic monitoring equipment. I did not quite catch—pardon the pun—what you said, so would you elaborate on that? In that context, Mr Brown, will you say a little about licensing if we have time?

Daniel Whittle: I said if you were serious about implementing the landing obligation and seeing it as a source of data, which I believe it is, you should have remote electronic monitoring of UK vessels and make that a necessary criterion for fishing in UK waters, which would mean that any foreign boat wishing to fish in UK waters would need it, too. We feel it particularly acutely because we buy the smaller end of our species, and there tends to be high grading within the Irish fleet, which frustrates us.

Andrew Pillar: Can I very quickly interject? We have experience of doing trial work for the REM equipment with DEFRA on the demersal fleet in the south-west, and—

The Chair: Order. I am terribly sorry, but my hands are tied; I have to end the session at 1 o'clock, which it now is. I apologise to Mr Brown that I was not able to bring him back in. Witnesses, thank you very much for joining us today. It has been very useful.

1 pm

The Chair adjourned the Committee without Question put (Standing Order No. 88).

Adjourned till this day at Two o'clock.

