



Cynulliad Cenedlaethol Cymru **The National Assembly for Wales**

Y Pwyllgor Amgylchedd a Chynaliadwyedd: Grŵp Gorchwyl a Gorffen ar y Polisi Pysgodfeydd Cyffredin

The Environment and Sustainability Committee: Common Fisheries Policy Task and Finish Group

Dydd Iau, 17 Tachwedd 2011
Thursday, 17 November 2011

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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r grŵp gorchwyl a gorffen yn bresennol
Task and finish group members in attendance

Yr Arglwydd/Lord Thomas	Elis-	Plaid Cymru The Party of Wales
Llyr Huws Gruffydd		Plaid Cymru The Party of Wales

Julie James	Llafur (Cadeirydd y Grŵp Gorchwyl a Gorffen) Labour (Task and Finish Group Chair)
William Powell	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
David Rees	Llafur Labour
Antoinette Sandbach	Ceidwadwyr Cymreig Welsh Conservatives

**Eraill yn bresennol
Others in attendance**

Jim Evans	Cymdeithas Pysgotwyr Cymru Welsh Fisherman's Association
Sarah Horsfall	Seafish
Jeremy Percy	New Under Ten Fishermen's Association
James Wilson	Cymdeithas Cynhyrchwyr Dyframaeth Cymru Welsh Aquaculture Producers' Association

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance**

Leanne Hatcher	Dirprwy Glerc Deputy Clerk
Catherine Hunt	Clerc Clerk
Nia Seaton	Y Gwasanaeth Ymchwil The Research Service

*Dechreuodd y cyfarfod am 9.29 a.m.
The meeting began at 9.29 a.m.*

**Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions**

[1] **Julie James:** Good morning, everyone, and welcome. There are no apologies today. All committee members are here, and I thank them all for coming. I will just run through some housekeeping issues. In the event of a fire alarm, we should leave the room via the marked fire exits and follow the instructions of the ushers and staff. We are not expecting a test today, so, if an alarm sounds, it will be real. Hopefully that will not happen. Please switch off all mobile phones and other electronic devices. We will be operating bilingually. Headphones are provided for translation, and they also provide amplification. The translation is on channel 1, and amplification is on channel 0. The microphones will come on and off automatically so do not touch the manual controls if you are asked to speak.

9.30 a.m.

**Ymchwiliad i'r Diwygiadau Arfaethedig i'r Polisi Pysgodfeydd Cyffredin
Inquiry into Proposed Reforms to the Common Fisheries Policy**

[2] **Julie James:** We have asked our witnesses to come here today because they represent the fishing industries. I will ask them to make a short statement to go with their written evidence, and committee members will ask various questions to help us with some of the points that we have heard from other witnesses.

[3] **Mr Percy:** Good morning. Thank you for inviting us. My name is Jeremy Percy. I am the chief executive of the New Under Ten Fishermen's Association, which is the representative body for the small-scale fleet in the UK, which is deemed to be vessels of less than 10 m in length. This is the arbitrary divide in the way that quotas and so on are allocated. The under-10m fleet represents about 75 per cent of the active fleet in the UK.

[4] I will only make a brief opening statement. By now, with the evidence that you have already had, you will recognise that the common fisheries policy in its current form is effectively broken; it is not fit for purpose. The original first page of the CFP said that it had two main aims, which were to maintain fishery-related employment in European waters and to maintain fish stocks in the same area. As has been made clear to you already, it has failed fundamentally to do either over 30 years. Therefore, this reform process quite genuinely represents a last chance to positively affect the outcome and therefore the long-term sustainability of fish stocks and fishing-related employment in European waters, and especially UK waters.

[5] **Mr Evans:** Good morning. My name is Jim Evans. I will not give an introduction as long and eloquent as Jeremy. First and foremost, I am a small-scale commercial fisherman, mainly involved in shell fisheries. I chair the Welsh Fisherman's Association, the Cardigan Bay Fisherman's Association and the mid Wales inshore fisheries group. Thank you for the opportunity to contribute to this process.

[6] **Julie James:** It is very nice of you to come.

[7] **Ms Horsfall:** Good morning. My name is Sarah Horsfall. I work for Seafish industry authority, which is a non-departmental public body that supports all sections of the seafood industry. We have no official mandate for involvement in resource or environmental management, but we have a clear, obvious interest in it. We also have no competence in matters of societal policy so we do not comment on those issues, only on matters of fact.

[8] **Ms Wilson:** Good morning. My name is James Wilson. I am a mussel farmer from north Wales. I am here today representing the Welsh Aquaculture Producers' Association. I do not think that I will have a great deal to contribute on the basis of questions previously circulated, but I would like to have the opportunity to emphasise the importance of aquaculture in the future direction of the common fisheries policy.

[9] **Julie James:** We are very much aware of the inclusion of aquaculture. If we do not ask you questions that get out the things that you would like to say, there will be an opportunity at the end for you to add anything that you think is of interest. I will say this at the end as well, but if you think of something afterwards or if today's session triggers something, do write to us. We want the best possible range of evidence for us to make a contribution to Wales's input into the reform of the common fisheries policy. Effectively, that is what the committee will do; our purpose is to try to put amendments and recommendations into the system and have them pushed through right to the end of the process, hopefully. It is important that we get the full range of evidence. David Rees has a question to kick off, and we will see where we go with that.

[10] **David Rees:** I will start with a specific question for Jeremy. You highlighted in your paper and in your introduction that 75 per cent of the active fleet is inshore and under 10m in length. First of all, could you clarify whether that is 75 per cent of the whole UK fleet?

[11] **Mr Percy:** The 75 per cent is the English and Welsh fleets. Statistics, like everything else, are somewhat liquid. In general terms, it is about three quarters of the active fleet in England and Wales. In fact, I would argue that, in Wales, it is probably significantly more—

about 90 per cent. Most of these statistics come from work undertaken by the Department for Environment, Food and Rural Affairs. Generally speaking, it is about three quarters by number—of course, it varies in terms of gross tonnage and catching capacity.

[12] **David Rees:** So, just to clarify, that is by number, not by capacity. It is just 4 per cent of the overall quota for the UK, including deep sea, I assume. Obviously, quotas will be a big issue. What are your views on the UK quota, and how it would be split under the CFP between inshore, small-scale and deep-sea fishing? We currently have 4 per cent of that quota. It is questionable as to whether the figure should be based on historical captures, because that will damage the industry. Could you give me some views as to how that quota should be allocated, if it comes in?

[13] **Mr Percy:** There are two separate issues here. The allocation of quota on a member state basis is entirely within the remit of the member state. The domestic split is down to the UK, both historically and with the current administration. Our concern in relation to the common fisheries policy reform is focused clearly on the mandatory introduction of transferable fishing concessions, or TFCs—I have to say that, if there is one thing we do not need in European fisheries management, it is another three-letter acronym. You can talk about ITQs, RBM and so on, which is basically individual transferrable quotas and rights-based management. To all intents and purposes, within the UK we already operate an individual transferrable quota system. While I could wax lyrical about the inequity of the domestic allocation, that is not what I am here for. Our concern is that the introduction of mandatory transferrable fishing concessions would cement this idea of the effective privatisation of a public resource.

[14] There are two particular confusions within the paper—I ought to add that there are confusions throughout, and there is, in many respects, insufficient information in the European proposals to get your teeth into them. The devil, as ever with these things, is in the detail. In terms of the transferrable fishing concessions, first, the proposals say that these would be internationally tradable, and this is a key issue. The fisheries commissioner, Maria Damanaki, is already back-tracking on that, but it is still written into the proposals, so one cannot rely entirely on her speeches for reassurance. There is no doubt that the ability to sell off a national resource to the highest bidder is, frankly, a nonsense. I can put it no stronger than that. You can imagine selling off elements of a national resource to a third party, especially the economically powerful in a European context. There are already in-year swaps, deals and such like, and an element of this national resource is dealt away, but only on an annual basis—it reverts back at the end of each year. The idea of something being internationally tradable on a permanent basis is anathema to everything that the industry, and hopefully the country, stands for. That is really the first element.

[15] In terms of the general TFC approach, they suggest that it will only be mandatory for vessels using towed gear, and there is a member state opt-out for vessels of less than 12m in length that do not use towed gear. This is where it gets quite complex. From a Welsh perspective, we have vessels of less than 12m using towed gear as well as passive gears. A lot of our vessels are multi-purpose, and will change depending on species and stocks, and quite how that will pan out is anybody's guess. There are a number of anomalies within the reform proposals in as much as they say that a member state can retain up to 5 per cent of national quota to reward those who reduce bycatch, discards and so on. However, they are only available to those within the TFC system—that is, not the small-scale, passive-gear vessels that already produce those environmental benefits, notwithstanding any rewards. There is at least a precedent set in the proposals that member states should consider rewarding those who have the least impact.

[16] The current system, generally, in terms of the allocation of quota, rewards those who have the greatest impact on the marine environment and on fish stocks—those who, frankly,

very often, in the UK context, have the least beneficial impact on the social element. I will not quote statistics at you, because I inevitably get the figures wrong, but there is quite a significant proportion—more than 50 per cent—of vessels north of the border that employ third-world crews because they cannot generate sufficient income to attract local workers. Small-scale vessels, again particularly on a Welsh basis I have to say, have a massive socioeconomic benefit, and we must ensure that we retain those benefits for the future.

[17] **David Rees:** On the TFCs, the concept is not against the possibility of going ahead individually at the moment, but against the mandatory side and, in particular, the international trading side of things, which you feel very strongly about.

[18] **Mr Percy:** There are two arguments. Obviously, it is dividing between passive gear and smaller vessels using passive gear, which is effectively the Welsh fleet. The key element, whether or not it is internationally tradable, is that there is clear evidence across the world that, where you introduce a transferable system, where you monetise and give value to this public resource quota, it inevitably disappears into the hands of those who have the deepest pockets—the most powerful economic operators. This whole process within the CFP is also tied up with the Westminster Government, with DEFRA's recent proposals on implementing a rights-based approach for the small-scale, under-10m fleet. Although one would think that this would not have a direct impact on the Welsh fleet, because fisheries is a devolved issue, it would nevertheless require the identification of Welsh quota and English, Scottish and Northern Irish quotas.

[19] I have to say that, from a domestic perspective, this bodes extremely badly for Wales, because, quite seriously, more than 90 per cent of our fleet is made up of small-scale, under-10m vessels. I would say that, of those, a good 90 per cent operate static gear. We tend to use nets and pots for lobster, crab and other shellfish. Therefore, we have no track record as a nation of quota species. Although it may be very convenient for DEFRA to seek to further abrogate its responsibilities in terms of fisheries management—just giving it all away, effectively, to the highest bidder—from a national perspective, particularly in Wales, this would have very dire consequences and must be argued against at the highest level. There are opportunities to cement the access to our own Welsh resources, but it will take some pretty sharp tactics and negotiations on the part of the Welsh Assembly Government in what will inevitably be quite intense negotiations, domestically and on a European basis.

[20] Even if we currently do not need or have not utilised these species to date, I can guarantee that, in five, 10 or 15 years, given the wider global food security issues, we will require them. One example is the humble sprat in the Irish sea. According to the latest figures that I saw, the biomass of sprat in the Irish sea was something like 0.75 million tonnes. I have to say that, if I was on a desert island and I could only eat one or two species of fish ever again, sprat would be right up there. It is fast food: six minutes and you are eating it and it is full of Omega 3, so you get all the benefits. We have vast stocks off the Welsh coast, which we have not utilised. We do not have the infrastructure, vessels, landing facilities, processing facilities and so on. However, if we introduce some sort of ownership of quota now, we would not have access to those fish in future, and that is the key issue from the Government and national perspectives.

[21] **Lord Elis-Thomas:** Jerry, I am very grateful to you for leading us on to the issue that I am concerned about—the area that I know best, which is the north part of Cardigan bay. People fishing without recording and who do not have a quota is a major issue that we have already identified. I would be glad to hear more on that and what you—and you as well, Jim—would propose doing to deal with that in order to convince the European Union at the highest level that it is appropriate for people who have been fishing without recording and who, therefore, have no quota to be brought into the system in a way that is fair to them.

9.45 a.m.

[22] **Mr Percy:** There are two elements there. I should also mention that—

[23] **Mr Evans:** Carry on.

[24] **Lord Elis-Thomas:** I want to hear from you as well, Jim.

[25] **Mr Percy:** Do you want to start, Jim?

[26] **Mr Evans:** No.

[27] **Mr Percy:** I warned Jim. Jim and I are good friends. I should mention that I am still a Welsh fisherman. I still have a Welsh registered fishing vessel, although it is going rusty, because I do more on the hind legs these days, arguing the case rather than chucking anything over the side. There are two elements here. It is a confused situation, because of the interaction between the domestic issues that DEFRA is leading on, like space management for small-scale boats—which is particularly pertinent to Wales—and the overarching CFP reform proposals. We have questioned DEFRA extensively on its timing, because it is talking about changing the system for boats under 10m. The CFP mentions vessels under 12m not using towed gear. It is beginning to get a bit complex and confusing.

[28] If one follows the domestic approach, led by DEFRA, of allocating quota on the basis of track record, then, to be blunt, Wales is stuffed. We cannot allow that sort of approach. If DEFRA lead on that in England, and I gather that Scotland is keen on it, then, from a Welsh perspective, we may be caught between a rock and a hard place. If England and Scotland take their share respectively, we get left with the dregs, which is what happened to the under 10m fleet in the early 1990s, when they allocated quota in the first place. We were effectively ignored, patted on the head and told to go away; we then found ourselves entirely disenfranchised. There has to be another way.

[29] On a domestic issue, with regard to the debate that my organisation has had with DEFRA and other interested parties, rather than going down the route of privatisation of resource, as it wants to do with the under 10m boats—briefly, for the benefit of Members, DEFRA's view is that each vessel under 10m that, at present, fishes from a national UK port, whether it is in England, Wales, Scotland or Northern Ireland, is allocated a monthly allocation—it is proposing to identify vessels' individual track records in a reference period of between 1997 and 2000. They will then be allocated a percentage, a fixed quota allocation, based on their track record. Frankly, from a Welsh perspective, that is nonsense. It would disenfranchise us altogether.

[30] The proposal that we have put forward to counter that is to create an inshore producer organisation. In the context of DEFRA's debate, it is for English under 10m vessels, but it is relevant to the Welsh element of the fleet. Instead of giving individual FQAs, which will inevitably create value almost overnight—people will sell them off; that is human nature—efforts should be made to ring fence the pool quota, thereby protecting this national resource for ever. It does not matter whether it is a Welsh or English boat. With anything that seeks to split up or delineate quota between the devolved nations, Wales will lose out. There is no doubt about that. Rather than do that, ring fence the thing, protect it, and have a vehicle to build resources in the same way as the existing producer organisations. We may or may not have the opportunity to discuss decommissioning and so on later, but if you do not ring fence and protect that, anything else will be harmful, from a Welsh perspective.

[31] At the same time, we are developing an argument with DEFRA and the European Union on the way that the original allocation was decided. You need to go back to the early

1970s and look at the way that the then Government—it has admitted this; I am not being partisan—threw the fishing industry into the ring, and just gave it away. Edward Heath has subsequently admitted that that was the deal. We need to review the way that that was done, which is not as fanciful and optimistic as one might think. The current UK Government is already saying that there are two elements in the European Union that need to be reviewed. The important one is fisheries; I cannot remember what the other one is. So, there is recognition that there is an opportunity to review the whole basis for it. If that is the case, then it gives us and the Welsh fleet, an opportunity to say that we need to go back to the root cause of the current problems. In general terms, it would, if nothing else, allow a system that rewards those who have the lowest impact on the marine environment and on stocks and the greatest socioeconomic benefits. That would not happen instantly or overnight, but if you were to move from the system that now rewards the larger vessels incrementally—over, say, the next 10 years of the CFP, because it is reviewed every 10 years—so that the resource is allocated more to those that have the least impact, then we would be on a far more sustainable path than the one that we are currently on.

[32] **Antoinette Sandbach:** Can you just clarify how the producer organisation that you would see ring-fencing quota, effectively, will be made up? Do you see that operating on a Welsh level only? In your evidence, you said that anything that leads to the setting up of that quota will, effectively, mean that Wales will lose out. How do you see representation to that organisation being allocated?

[33] **Mr Percy:** There would be no change to the description in the paper that we put forward to DEFRA—I am quite happy to send a copy to the group, although it is on an English basis, for obvious reasons. It could equally apply to England and Wales. In fact, there would be benefits to Wales. All of the other options that are probably on the table actually represent a significant threat. We have put forward the idea of a producer organisation, but I use the term fairly loosely, because it is not based on individual ownership of this resource, and that is a key element. It would have a committee structure, with regional representation, and probably representation to do with gear and method. That would not have to be massive or onerous, because, fortunately, the sea areas are split into International Council for the Exploration of the Sea areas, and that would be a useful vehicle for that. I think that it would be fairly straightforward to build a national committee that represents the interests of various areas and methods to advise on the allocation of quotas.

[34] **Antoinette Sandbach:** You say that you have done this paper for DEFRA; what kind of reception has it had?

[35] **Mr Percy:** I have to say ‘supportive’. It is the political equivalent of pulling teeth, but it is nevertheless supportive. It did allow us one line in its response. I will just mention something briefly—sorry, do tell me to shut up if I am going on. DEFRA ran a consultation in the summer on the sorts of ideas that it had for providing individual FQAs through community quota groups—which are even more disastrous, I have to say—to the English inshore fleet. That was almost universally rejected, so good old DEFRA carried on regardless. It is now going to implement a series of pilot projects over the next 18 months to test this idea of giving individual FQAs to community quota groups, and it is as confused as it sounds. Within that whole pilot project structure, we do not agree with that approach, because it was rejected by the fleet, nobody wants it, yet DEFRA is still pressing ahead with it, and it has all sorts of potential complications. In answer to your question, however, it has now agreed and will support a simultaneous pilot project to run an English inshore PO. That is slightly complicated, because there is a big difference between the simplistic idea of community quota groups and an English PO. We have now to make an application to European fishery funding to support that pilot project, although DEFRA already has the money for its own pilot projects. I am slightly disappointed that it did not engage with us earlier on this, because it has had the paper on the table for some time. Nevertheless, we hope to have something up and

running early in the new year, so that fishermen have a real choice.

[36] **Antoinette Sandbach:** If that organisation, which is clearly your preferred option, is not set up, what, in your view, would be the best way of securing a quota for Wales, if it is not done on a historical basis? If, for whatever reason, that option is not available, what is your next best option for ensuring that Wales does not lose out?

[37] **Mr Percy:** In simple terms, there are two routes. If you go down the FQA route of individual allocations of quota, there are any number of global examples of where that will be sold. The attraction of a rights-based system to administrators is that it does two things: it reduces capacity and it increases profitability. Such systems are very attractive in some respects. Unfortunately, while you can argue the pros and cons of that to the offshore fleet—reducing the number of vessels, reducing capacity and making them more profitable is beneficial—from a small-scale perspective, we argue that there could be more and not fewer boats if the way in which the allocation or access to resources was done favoured low-impact, small scale vessels. Of course, small is not always beautiful and big is not always bad. You have to have a balance. You cannot expect a 9 m boat to be trawling 50 miles offshore.

[38] So, you have to have a balance. Our argument is that the balance has been skewed over the years. So, if you allocate on a rights-based system, Wales will lose out, so you have to ring-fence and protect what is there now and, at the same time, have a debate and argument in favour of reallocating resources to the small-scale or low-impact areas of the fleet on a national, member state basis, and argue at a European level that whole way in which the transferable fishing concessions are approached is changed to be more beneficial to the small-scale fleet, as a result of which, of course, Wales would benefit. The commissioner, Ms Damanaki, is extremely supportive of protecting small-scale interests. She is a Greek politician and, God knows, Greece needs all of the help that it can get at the moment. It has a vast small-scale fleet. One of the arguments that she put forward in the initial debate was that introducing transferable fishing concessions to everybody provides a pension, so that, should you give up and sell up, you can sell the allocation to someone else and provide a pension. However, that provides a ‘pension’ only to the owner, and very often not even to the skipper and certainly not to the crew, and it has no long-term benefit to coastal communities. So, while it might attract those who think that they can make a few quid out of this, you are talking about a public resource, and that is not the way to handle it.

[39] **Julie James:** I am sorry to jump in, but we have also heard evidence from others that all that happens—it is human nature, as you said at the beginning—is that the big fleets come along and buy up all of it. We have heard evidence from other witnesses that, while we have many fewer boats, we have the same capacity; it is just that it is now represented in much larger vessels. Is that the sort of thing that you envisage happening, even in the inshore fleet?

[40] **Mr Percy:** It is not just vessels. We have a particular problem with what we call ‘slipper skippers’. There is a big argument raging in England at the moment about who owns the quota. In its recent review, the Environment, Food and Rural Affairs Committee identified clearly that there is no transparency about who owns it. It was in favour of access to fishing opportunities quotas being held only by working fishermen. At the moment, the cost of leasing fish in order to remain viable is going up, and that is not just a problem for small-scale fishermen. I am aware through a colleague of mine, Iain MacSween, who is a representative for the big boat fleets in Scotland, that they are losing boats because of the cost of quota—not of owning it, but of leasing it, often, apparently, because the system is opaque, from people who are not even fishermen themselves.

[41] The cost of leasing cod per tonne is up to £2,000. There was a graphic photograph on the front of *The Fishing News*, our trade paper, a few months ago of a pair team in the North sea that had had a 1,000-box catch of prime cod in one pull, for which they did not have a

quota. A quota was available, so, nationally, we held access to that resource. The value of that fish at the first sale in the market was around £2.30 or £2.40 per kilo, so £2,300 or so per tonne. The cost of leasing the quota was £2,000 per tonne and by the time that that they would have brought it in, gutted it, iced it, boxed it and carried it back in, it would not have been viable, so it was dumped. They dumped 1,000 boxes of prime cod, not because the UK did not have the quota, but because someone held it and wanted £2,000 per tonne to lease it. Very often, those folk would not be fishermen. It is a nonsense of epic proportions, and is another element that wants changing.

10.00 a.m.

[42] **Julie James:** I apologise for interrupting you, Antoinette.

[43] **Antoinette Sandbach:** That is fine. I wanted to ask Sarah whether she had anything to add in response to the questions that we have asked so far.

[44] **Ms Horsfall:** Jerry has put it all very well, bearing in mind that he represents the under 10 m fleet. There are some advantages to having transferrable fishing quotas. If you were to give fishermen what is, effectively, a property right, they would be able to finance their businesses better and gain access to finance. For example, if they wanted to borrow money to equip a vessel, they would go to the bank, which would want some security, but fishermen cannot offer the bank very much in the way of security at present. If they had a property right, they would have some collateral to put up against any investment in the business. There are many systems in the world that show us that, when fishermen have a property right, people will get together and operate for the benefit of the fishery. There are examples of people taking care of the stocks, particularly in areas such as New Zealand and Australia. Instead of operating only for their private benefit, they will pull together and operate for the benefit of the fishery, which has vast stocks, and there are environmental benefits as well. So, there is always the other side of the coin.

[45] **David Rees:** That would apply only if the rights are owned by the fisherman, and not by some other body, because you could have somebody owning those rights who is not a fisherman, who owns the boats, and may want to raise cash for certain purposes, so there is a possibility that the investment may not go back into the fishing industry. Is it fair to say that?

[46] **Ms Horsfall:** Yes, it is possible, but the system can be designed to circumvent that. If there is a concern that there is a possibility of the quota being held by a few individuals, you can design a system where there are caps placed on that to protect the small-scale operators.

[47] **Julie James:** Does anybody else want to add anything on that point?

[48] **Mr Percy:** It depends entirely on the design of the system, but nothing within DEFRA's proposals or the EU's proposals provide the level of protection that would be necessary. The DEFRA proposals talk about a temporary one-way valve, which, frankly, is of no use to man nor beast. According to the proposals, the TFCs at the moment are internationally tradeable. Whether you are large or small-scale, with the exception of the top end of the fleet, which already owns significant resources, it does not provide many benefits, but presents so many more threats.

[49] **William Powell:** I want to move on to the issue of discards. The New Under Ten Fishermen's Association has made a clear assessment of the potential threats of the Commission's proposals with regard to the Welsh context. I wonder whether Jim, who, as Jeremy said, is a currently active fisherman, would concur with the views that NUTFA stated in its evidence.

[50] **Mr Evans:** Jeremy and Sarah are far more aware of the technical issues surrounding the CFP than I am. That is largely the case with the Welsh fleet. Due to a lack of opportunity, there is no investment in wet fish, and, as Jerry mentioned, 90 per cent of the active fleet in Wales fishes shellfish, which is unrestricted and to which quotas do not apply. So, we are a little inexperienced in these matters. In terms of discards, the Welsh fleet is exemplary, because of the forms used for shellfish capture—generally you return the unwanted catch, whether bycatch or undersized fish, back into the sea alive. With unwanted bycatch, you do not get the mortality that you would in mobile gear sectors.

[51] **William Powell:** A lot of it is down to the particular techniques and equipment.

[52] **Mr Evans:** Exactly. Jeremy mentioned static gears; that generally refers to potting or gillnetting activity, which are very selective forms of fishing.

[53] **Julie James:** One thing that has been mentioned to us by the marine conservation people is their worries that the ban on discards that we all hear about is actually a ban on discards of quota fish and that it is not a ban on discards of all fish. However, I think that the public perception is that a ban on discards is a ban on discards. Would you like to comment on that? You have just started down that road, I think.

[54] **Mr Evans:** The Fish Fight campaign has generated a lot of interest in this topic, and rightly so. There are a lot of ideas that Jeremy would have opinions on that I cannot profess to understand, but to me, in principle, it seems reasonable to land all you catch. If I understand it correctly, although this is just a layman's understanding, if you have a quota for cod, you cannot target that species because it is a demersal species and there are a number of fish that occupy the sea bed. You may catch a lot of other fish that you do not have a quota for in the process of trying to catch that fish. If you do not have that quota, then that fish is discarded. With the various conservation approaches to Irish sea cod, I think that they are recommending a zero total allowable catch in the Irish sea for next year. If that is the case, to my mind, that would increase discards.

[55] **William Powell:** It would also be unproductive.

[56] **Mr Evans:** Yes.

[57] **Mr Percy:** It is a very complex situation. There is no simple answer to discards. It is easy to have a knee-jerk reaction and say, 'Bring it all in'. Jim's point is well made—the majority of discards in the Welsh fleet are live discards because they are caught in traps and other passive gears and can be returned safely to the sea without any need to bring them in. That is a key area. It is probably worth mentioning that the main discards in the inshore fleet, from a fin fish perspective, are very much on a regulatory basis, that the fishermen do not have the quota. There has been a great deal of talk about the environmental and social elements of discarding. Of course, it is abhorrent, but I can assure Members that it is equally abhorrent to fishermen as anyone else. Anyone who has gone out to sea at considerable expense and risk and stood on the deck of a boat at 3 a.m. freezing to death, having to throw back two thirds of their catch, will think that it is nonsense across the board. So, there is no doubt that the discards issue for quota species for fin fish needs to be dealt with. I think that it is entirely correct, especially when we get on to discussion about the next fisheries fund, to focus clearly on incentivising fishermen—that is the posh phrase for using carrots and sticks to encourage folk. It is already having a beneficial effect. If we carry on with that, there is timescale that you can argue about within the CFP proposals for discards. From a Welsh perspective, I think that we are a long way there anyway, as we have a mainly passive gear fleet. Wales could quite easily be an exemplar to the wider European fisheries of how you can operate a fishery and significantly reduce discards by a move from mobile to passive gears and the more effective use of light passive gears at the same time.

[58] **William Powell:** Is there scope for the market to be developed within Wales, and more widely, to change the context of the whole discards debate?

[59] **Mr Percy:** There is massive opportunity in Wales. Despite having a Welsh fisheries strategy for some years, as well as financial instrument for fisheries guidance, European fishery funding and an implementation plan that highlights everything that we could possibly discuss in these ways, we have still not got to the point where we are effectively utilising what we catch now and what we potentially could catch in the future. One element that we desperately need in Welsh fishery terms is that ability to diversify. We have the equivalent of all our eggs in one basket. The vast majority of our fleet do not even rely on lobster and crab now, but on lobster, because the price of crab has fallen and we are getting effectively the same price now as we were 10 years ago.

[60] **Mr Evans:** Twenty-five years at least.

[61] **Mr Percy:** Jim is older than me, although he might not look it. [*Laughter.*]

[62] **Mr Evans:** I am a second-generation fisherman and I get less today than my father used to get.

[63] **Mr Percy:** Brown crab has the highest rate of Omega 3 of any species. There are a number of recognised benefits to a fish-based diet, or a diet including fish and shellfish. We have tremendous resources, but we are not utilising them from a market perspective nearly as well as we could. That is something that we need to focus on.

[64] **Julie James:** On that point, we have had evidence from the Deputy Minister that he is trying to stimulate the idea of a fish market in Wales, which we lack at the moment. I take it that you would support that.

[65] **Mr Percy:** I have many grey hairs, because, for my sins, I have not only been a commercial fisherman for many years, but I also ran the first real-time internet-based electronic auction in England and Wales, in Milford Haven. I was general manager for a year. I also had a fish processing and export company in Milford. The latter was extremely successful, the former was less so because of a lack of continuity. There are a number of positive options that Wales should be pursuing in relation to this. I would not disagree with the Deputy Minister that some sort of centralised market may well be beneficial. The design and implementation of it will be key. There are opportunities, but, continuity of supply from a small-scale fleet that is highly dependent on weather and tides, and an inability to catch significant quantities of quota species because of the quota system that we are in now, would make it difficult to be successful from day one. However, marketing the under-utilised species in particular would be a key opportunity for Wales. I do not think that you would disagree with that.

[66] **Mr Evans:** No.

[67] **William Powell:** Yesterday, the Deputy Minister told us in a meeting of his proposal to re-launch the food and drink strategy. There may well be scope within that to have a particular emphasis on the development of a fish strategy.

[68] **Mr Percy:** I was appointed to the food and drink advisory group, which is being reviewed under the current Deputy Minister, I think. Fish did move quite significantly up the general food agenda, and I hope that when the Deputy Minister has reviewed it and it is kicked off again in another form that we can maintain that impetus. We are talking about highly beneficial food, whether it is based in aquaculture—which is a significant

opportunity—or the catching sector, Wales has a huge opportunity.

[69] **Llyr Huws Gruffydd:** I want to move on to the regional advisory councils, which you commented on in your papers. How could they be amended to ensure a stronger voice for small-scale fisheries?

[70] **Mr Evans:** As I mentioned earlier, I have a very limited understanding of that, and my opinion is largely influenced by what I have read, rather than what I have experienced. Jeremy is probably in a better position to comment, but I will mention what I have learned. As I understand it, the RACs are generally considered to be too remote to cover the inshore fisheries sector and the diversity of the fishing waters around Wales. RACs are widely acknowledged for being successful in facilitating the involvement of such stakeholders, but, to date, they have been significantly under-resourced. Whether a combination of those could provide a potential solution, I do not know. I understand that NUTFA is a member of the North Western Waters RAC and is better qualified to comment constructively.

[71] **Mr Percy:** We have just become members of the North Western Waters RAC, which covers Wales in its entirety. The commissioner, Ms Damanaki, has stressed the importance of providing support for effective representation for small-scale fleets across Europe. That has been sadly lacking in terms of the RACs in particular. I have some limited previous experience of RACs, the North Sea RAC and the North Western Waters RAC, and they are dominated by large-scale interests. That is a fact of life; however, they do an extremely good job in many respects. Within the proposals, they identify a need to strengthen the RACs and perhaps give them more responsibility. I have no problem with that. It is particularly important, as in so many of these political areas, to ensure that small-scale interests are more adequately represented.

10.15 a.m.

[72] They are onerous in terms of time because of where they have meetings—because they are international bodies, they have meetings around Europe. I am employed on a part-time basis for three days a week, and if the North Western Waters RAC has a meeting in Madrid, that effectively uses up three days. By the time you have gone from Wales, had the meeting and come back, it has cost you the best part of three days, which is very significant. So, there is an argument for more effective representation for small-scale interests, Welsh interests, on the RAC. As Jim says, NUTFA has become a member of the RAC, and we are, as you have probably gathered, vociferously supportive of small-scale interests. We need a clearer focus on those in a way that does not necessarily contradict what RACs are set up for and what they should be. It is just a matter of having a slightly clearer focus on those particular benefits. As you can probably imagine, there is a degree of antipathy between small-scale and large-scale operators. That is reasonably historical, but there is an opportunity to bring the two sides closer together in the RAC arena. However, direct support is needed to ensure that level of representation.

[73] **Julie James:** The Deputy Minister has also suggested to us that he would like to see it decentralised, perhaps down to an Irish sea arrangement. Do you want to comment on that?

[74] **Mr Percy:** I think that the RAC as it should remain as a North Western Waters RAC. There are benefits to looking globally, but, at the same time, one of the major failings of the common fisheries policy has been this micromanagement from Brussels, trying to make one size fit all. So, perhaps, in the context of the RAC and in other bodies, it is equally important to have a localist approach as well. That is particularly relevant for Wales. In fishing terms, in a UK context, we are small fry. However, it is a vital industry for Wales, and it needs to be supported and developed. RACs are an appropriate way of doing that because decisions that are made at a RAC level, and therefore at Commission level, will have a direct

impact on that.

[75] There are any number of examples of situations where a little more consideration of the socioeconomic importance of this to places such as Wales that derive benefit from inshore vessels in particular would do no harm. I will give you one brief example, if I may. Spurdog, which you will know as rock salmon or huss, the favourite of chip shops the length and breadth of the country—I used to long-line for them extensively for many years—are a slow-growing, live-birth fish. They are susceptible to overfishing, and they were overfished by the large autoliners. As a long-liner, we carried 4,000 or 5,000 hooks, which were all hand-baited and the fish were removed by hand, limiting the impact you could have. We could still be doing that now. An autoliner on the other hand carries an automatic system of between 15,000 and 25,000 hooks. It is shot automatically, baited automatically, hauled automatically and the fish are taken off automatically, and the stocks went down very quickly. So, it was open, restricted and then closed, and we all suffered. However, large vessels can go elsewhere.

[76] That spurdog stock from north to south Wales was only of interest to the inshore fleet because we cannot chase fish, we have to wait for them to come to us. It was an important part of the overall catching season, and what we would prefer to see is that, before we get to that open and closed system, an allowance could be brought in for low-impact fisheries, if you had the skipper on board—so it was not just some sort of remote vessel operating day trips—and had a limited number of hooks that were hand-baited and with the fish removed by hand. With those sort of general controls, that fishery could still be open now, but restricted to those low-impact vessels. For a big offshore interest, that is perhaps not terribly attractive. From an inshore aspect, and certainly from a Welsh perspective, we could still have a fishery now if that had been implemented before it all went to pieces.

[77] **Lord Elis-Thomas:** So, is the whole ecosystem-based approach that is being emphasised something that suits you or that would suit you in the development of a more sustainable Welsh fishery, as you have described it?

[78] **Mr Percy:** There is no argument that an ecosystem-based approach is entirely rational. NUTFA is a member of a European-funded project called PISCES. I will not pretend to remember what it stands for, but it is to develop guidelines for the implementation of an ecosystem-based approach in the Celtic sea, of which we are part, certainly in south Wales. I cannot see any logic in management terms of utilising anything other than the ecosystem-based approach, although I have to say that it seems to be all things to all people. One of the purposes of this project is to clarify specifically what it is, and, as importantly, what it is not. You cannot manage an ecosystem, in general terms; all that you can do is manage the human impacts upon it. There is a significant difference in comprehension there. Especially from a Welsh perspective, I do not think that we could lose, and we could certainly gain significantly from that.

[79] **Lord Elis-Thomas:** It would be good to take a closer look at the PISCES project.

[80] **Mr Percy:** The PISCES project, fortunately, is driven mainly by WWF from Cardiff.

[81] **Lord Elis-Thomas:** That is what I thought. There has been no mention of our friends in the Countryside Council for Wales so far in this discussion—I see you smiling—so I would like to ask for your views on CCW, given that it may be subject to reorganisation. Its emphasis to us was that you could be doing more through the inshore fisheries groups and the Welsh marine fisheries advisory groups, where they are more heavily involved. Before you answer that question, I will make one more general point: we are here as a task and finish group, but we are also part of a wider committee, which is blessed with four Ministers accountable to it. Anything that you say to us goes to Mrs Hart, her Deputy Minister, Alun Davies, John Griffiths, and even, on strategic matters, to the First Minister, so you are not

wasting your time.

[82] **Julie James:** Before you answer, we theoretically have just 10 minutes left in this session. I hope that Members and witnesses will not mind if we overrun a little, because we are interested in where this is going. I have at least two other Members who want to move on to other topics as well. Is that acceptable? Are you all happy with that? I see that you are.

[83] **Mr Percy:** Obviously, Jim and James will be better placed to answer on local issues of this nature.

[84] **Mr Evans:** Yes, I can speak about this. As I mentioned in the written evidence, the Welsh Fisherman's Association is a recently established group, but in that short time we have made some pretty significant steps forward with CCW, particularly in respect of Fish Map Môn. We have established terms of engagement and a working agreement with CCW that engages with the industry, gives it confidence and hopefully allows it to set aside previous experience and look at this as a fresh opportunity to influence its own future. Once that model develops and produces results, and hopefully everyone is happy and satisfied with that progress, we could take that through the region with the other regional offices. I would mention that we have made a significant difference there, in no small part through Tim Jones, the regional director for north Wales.

[85] **Lord Elis-Thomas:** I am sure that he would be glad to hear that.

[86] **Mr Evans:** I thought that I would give him a name check.

[87] **Lord Elis-Thomas:** He is a good guy.

[88] **Mr Evans:** Yes, we have a very good working relationship. Other issues have followed on—for example, the Modiolus modiolus consultation off the north Llŷn coast, where a new bed has been identified. There is already an existing bed, and bye-law 21 has been in place there for some 10 or 12 years. We had an interesting meeting about that and agreed some common ground. We are still in a process, but we are close to coming to a resolution. Hopefully, potential impacts on small-scale fishers could be reduced, given the recent introduction of new technologies, such as vessel-monitoring systems, which have undergone trials in the south-west of England and can demonstrate that, if you have a reef of a certain size to protect, you would need a buffer zone of a certain size. There is also the possibility, while preserving those designated features, of reducing the impact on the local economy by reducing the buffer zones through an appropriate process of negotiation. We are taking very positive steps with that. Again, that is due in no small part to Tim Jones's refreshing attitude. James has a much better working relationship with CCW, I hope.

[89] **Mr Wilson:** Our relationship is based more on necessity, because we work in European marine sites more or less exclusively, certainly in the context of what I normally do, which is to farm mussels.

[90] It is quite an interesting question in the context of this debate, with regard to the CFP and the dimension of ecosystem-based approaches to management and the marine strategy framework directive, which some people say will be the piece of legislation that will take primacy in Europe over environmental management.

[91] Jim has mentioned Tim Jones a couple of times. We in north Wales were fortunate, when the special area of conservation process was begun, to have a very good and rational dialogue with individuals in the organisation. There are numerous examples on a European level of interaction of environmental management and aquaculture or fisheries that have not worked. Largely, I think that that is down to clashes of personalities. There are pragmatic

ways through the system, however. We have demonstrated that in Wales over the past 10 years in the mussel sector. Hopefully, the Fish Map Môn process is indicating a new direction for the wider fishing industry in Wales. It can be done. However, I think that the view in Europe is that European marine sites are largely an obstacle to development. I do not think that the objectives of environmental management and aquaculture or fisheries management are necessarily as far apart as it perceived to be.

[92] **Lord Elis-Thomas:** Perhaps you would like to tell us more—maybe not this morning, but in a note—about your happy relationship with CCW.

[93] **Mr Wilson:** It will be glowing and glorious.

[94] **Lord Elis-Thomas:** We would be glad to hear it, because some of us are concerned about the future of the organisation.

[95] **Mr Wilson:** As Jeremy says, you cannot argue against ecosystem-based approaches to management, and they are not a new concept, because they were certainly made evident in the last CFP reform. It is that nobody knows what they are. How long is a piece of string? How far do you want to take this? Unfortunately, this is not a highly resourced area in terms of research and understanding. You have some researchers who are very keen on it and are pushing the agenda that way, which may bias it towards environmental management as opposed to what I understand ecosystem-based approaches to be, namely the integrated interaction of all activities that occur in a sustainable way. That understanding takes the 1987 definition of sustainable development, which I think is a fantastic definition—that UN convention showed great foresight.

[96] **Lord Elis-Thomas:** You may be aware that the Welsh Government intends to legislate on that as well, and that will create a job for us.

[97] **Mr Wilson:** It was a bold move, when devolution came, for Wales to say that it would be sustainable in everything that it does. It took a while in the marine environment—as these things always do—for that to roll out. Now is a very important time, with marine spatial planning for example, for us not to forget that, so that large corporate-driven agendas are not promoted at the expense of small-scale activities—fisheries and aquaculture are still small-scale activities, unfortunately.

[98] **Julie James:** While we have you talking, may I just ask you what you think of the inclusion of aquaculture in the CFP?

[99] **Mr Wilson:** It is important. It has always been included, just not as clearly. The proposal in the Green Paper is to make it one of the integrated pillars, expanding the pillars from four to five. It is clearly an issue that is being driven by food security. The paradoxical situation is that, as global aquaculture production has expanded, in Europe it has for the most part stalled. There are various reasons for that, and I could witter on about them all day. It is not easy. Largely, it comes down to spatial conflict, and people wanting to do other things.

10.30 a.m.

[100] **Julie James:** You know that the UK Government is expressing concerns about inclusion, and putting forward subsidiarity-type arguments. I do not think that those are the sorts of things normally talked about on fishing fleet vessels on a Tuesday. Are you concerned about having that kind of management from Brussels? You sound as though you are more accepting of it.

[101] **Mr Wilson:** No, I am completely opposed to that view. I believe that it is important

to have a central driver for this. Jim mentioned the Welsh fisheries strategy, and aquaculture is a big part of that. England is developing its own aquaculture strategy. Scotland has an aquaculture strategy, as does Northern Ireland. What difference does that make? We are confronted with issues in the context of extensive culturing of bivalves, which are the most cultured organisms in Europe, followed by salmonids. These are issues associated with pollution and water quality. We have to deal with large corporate entities. On a regional scale, we get nowhere. It is vital that we have strong direction from Europe, encouraging a balanced debate that is about more than the initial costs and benefits. Aquaculture is very different in every country. Every country has its own driver for promoting its aquaculture sector. Due to the nature of the marine environment and what goes into it, we need to have strength coming from a central body. Then, I am sure that there will be plenty of flexibility as to how that is promoted in different member states.

[102] **David Rees:** The papers submitted by NUTFA and WFA both highlight the historic rights issue as a serious concern. I assume that you will be pleased that the Deputy Minister is talking about legislating for a distance of up to 6 nautical miles, though the distance between 6 nautical miles and the median line is clearly an issue that has to be negotiated with member states. Your papers make a few points regarding what you feel are the crucial aspects of this. You are concerned about conservation and sustainability. Could you expand on that in relation to the historic rights issue?

[103] **Mr Evans:** Basically, historic rights apply from 6 nautical miles up to 12 nautical miles—in truth, up to 25 nautical miles. In Wales, they apply to French, Belgian and Irish vessels. In reference to sustainability, the concern is that those fishers provide no economic benefit to Wales, or, if they do, that benefit is minimal. Nevertheless, they exploit our resources pretty much every day of the year, because the fishing vessels concerned are significant. In addition, Wales has no remit under the CFP to regulate those fisheries. For example, if we had minimum landing sizes in relation to the types of fish that they would normally catch, they would not apply, and we would not be able to enforce any decisions in that area, as far as I understand the situation. To me, this makes a bit of a nonsense of any kind of sustainable development or management. Personally, I do not see how this situation benefits Wales, and it does not provide a track record for Wales either. So, there are a lot of issues there, and they all seem to be negative ones as far as Wales is concerned. If that resource was available to Wales, or if we were able to ring-fence it on behalf of Welsh interests, we would, presumably, have a resource to sustain smaller fishers, or possibly to provide opportunities for investment in the industry. That investment does not exist at the moment because the opportunities are not there. This approach could address a historical situation in which Wales has always been the poor relation in respect of total allowable catches.

[104] **Mr Percy:** Jim is entirely correct. Last year, I was talking to a charter boat skipper out of Aberystwyth—a rod and line angling chappie—who has kept records of catches for 20 years. Species of ray are one of his main catches. Basically, the graph shows that, over a 20-year period, Welsh interest has certainly not created that reduction in catches; there is no doubt whatsoever about that, so you have to look elsewhere.

[105] Jim quite rightly said that, under current legislation—EU Council Regulation 2371/2007—where EU member states have historical rights in the 6-12 nautical mile zone, or from 6 nautical miles to the median line, if you want your national legislation to affect those vessels, you must get the agreement of the member state concerned. That is the marine equivalent of asking turkeys to vote for Christmas. The clearest example of this, apart from what Jim said, is the significant presence of Belgium beam trawlers in the 6-12 nautical mile zone, or from 6 nautical miles to the median line. Certainly, in Cardigan bay and in that neck of the woods, it has undoubtedly had a massive effect.

[106] As I mentioned earlier, when I ran a fish auction in Milford, we used to get the dregs of the Belgian fleet's catch when it could not fit all of it in the lorry, or when it had too much. So, we would have some to put on the market. They would regularly come in, having fished the Irish sea, with 10, 12 or 14 boxes, 30 kg each, of ray the size of my hand. The south Wales sea fishery committee, when it was extant, introduced a minimum landing size for ray of about 40 cm from wing to wing—I do not remember the exact size, although I should know because I wrote it. My hand is nowhere near that size, so these fish had not spawned. When you read headlines that say that 80-odd per cent of cod caught in the North sea have not spawned, and everyone throws up their hands in response, you should know that it is very much the same for ray species in Welsh water.

[107] As there is no European minimum landing size for ray, because ostensibly they are not important enough, in the Bristol channel fishery along the south Wales coast, ray represent 75 per cent by value of landing. So, from a Welsh perspective, they are vitally important, hence the minimum landing size introduced by the south Wales sea fishery committee. I see no reason why we should not push for a minimum landing size as a precautionary approach and, as the Minister clearly indicated, why we should not review this whole business of historical rights because, frankly, it is nonsense.

[108] Interestingly, when we entered the EU, France was given access to 15 fishing areas in UK waters, Ireland had two, Germany had six, the Netherlands had three and Belgium had five, and many of those were in Welsh waters. The UK fleet had access to two areas in German waters and one in France. You can see this in terms of a level playing field, and I think that we have suffered as a result.

[109] The UK Government sought to introduce restrictive requirements. The best example would be the Southwest Approaches, where there was a pair-trawling fishery. When the Scottish pair trawlers came down looking for the mackerel shoals, they found the bass shoals, and bass aggregate in the Southwest Approaches—it is pre-spawning activity. They found these highly valuable fish in very large quantities, which were very open to pelagic, mid-water pair trawlers. They caught very significant quantities. If you focus on a spawning stock in that way, you can imagine the impact it can have. At the same time, there was a significant bycatch of cetaceans, such as dolphins and porpoises, which were feeding and which got caught in the trawling.

[110] The UK Government took the view that this was inappropriate and it banned it. However, this is a fishery that is mainly within the 6-12 nautical mile zone where the French have historical rights in our waters. We stopped our vessels from fishing there, but the French fleet continues to do so. You can imagine the view of an English fisherman given that, in this example, he was banned from fishing there—and quite rightly in some people's view—but the French were allowed unrestricted access. This is exactly the sort of thing that needs to be addressed as a matter of urgency.

[111] **David Rees:** Are you aware what the views of the Scottish fishing industry would be on this?

[112] **Lord Elis-Thomas:** I would suspect that there is no help from there. [*Laughter.*]

[113] **Mr Percy:** I must admit that I am not in a position to answer the question.

[114] **Antoinette Sandbach:** Does Sarah have anything to add to that?

[115] **Ms Horsfall:** It is a vital issue for fisheries, and there are numerous examples. It applies not only to finned fish, but to crabs and lobsters with minimum landing sizes. Ideally, we could get historical rights overturned and they would not be in our waters anymore.

However, on the basis that that will not happen, we have to rely on the regionalisation approach, which is a strong feature of the common fisheries policy reform. They have not said how they will achieve this regionalisation. Their basic premise is that they will regionalise and decentralise management, all of which, I am sure, everybody in the industry strongly supports, but there is no mechanism for doing so. They say that they will involve the regional advisory councils further, but, as we understand it, there is no way for legislative powers to be given to regional advisory councils. So, they must come forward with some sort of mechanism as to how this decentralisation will be achieved. Will it be achieved through the regional advisory councils working in partnership with member states? If it is, where will the legislative compulsion for member states to work together come from? In the marine strategy framework directive, for example, the legislation says that the member states must work together on a regional seas basis. That does not appear in the common fisheries policy reform, as yet, and it is just as vital for it to appear there as it is for it to appear in the marine strategy framework directive.

[116] There is a requirement in the common fisheries policy reform for all these pieces of legislation to be harmonised, yet it does not seem to achieve this harmonisation. Another example of that is with regard to the discards. The timescales that they put on discards are varied, but they are around 2015-16, whereas the marine strategy framework directive is 2020. These timelines very much need to be harmonised. If I may add on the discarding issue, it would be marvellous to say, 'By 2015 you must stop discarding'. The fishing industry hates discarding more than anybody else and it is the fishing industry that suffered from the bad press from discarding, but yet, as we all know, it is the common fisheries policy that really causes discarding. So, they have to be more flexible in their approach to 2015. That is not to say that we cannot achieve it, but a lot of the scientific research that will reduce discarding comes from trial and error and from experimentation with new gear. There is no provision, after 2015, for new gear trialling. How will it be trialled out in the sea if you cannot discard because there is an absolute ban on it? As Jerry said, it only refers to quota species. If we take the ecosystem-based approach, why does it not apply to all fauna in the sea? There is also the point that landing the discards may not always be the most appropriate way of doing it. As long as you are collecting the data as to what is being discarded and doing so reliably, it may be found in a lot of instances to be more beneficial to throw it back into the sea, where it can feed other species, rather than taking it out of the sea where, in all likelihood, it will be wasted when it comes back to shore. So, there are massive issues surrounding that as well, and the fact that the common fisheries policy is not particularly in line with the marine strategy framework directive is probably one of the bigger ones.

[117] **Mr Wilson:** May I make a comment on discards? It is not directly to do with aquaculture, but I used to work on a deep-water trawler off the Canadian Pacific coast and discarding was a problem there. Discarding is a problem everywhere. I do not think that we can look at it just in the context of the EU. Fisheries management has struggled with it globally for a long time. The situation in the EU has changed, largely due to pressure from Hugh's Fish Fight. That is it. Economists and biologists have struggled with the issue of discarding for 25 years without coming up with a workable solution.

[118] To follow on from what Sarah said, I also sit on the Seafish board, and Seafish has a discard action group, which works quite closely and in a positive sense with the Commission on the issue of discards. In the UK, the Centre for Environment, Fisheries and Aquaculture Science has just undertaken a scoping trial with regard to discarding. It had two vessels that were allowed to go out and fish for a limited amount of time and land everything that they brought ashore. Most of that ended up being crushed down as fishmeal. That is not the solution that we want, because most of the species were under-utilised species. The committee has touched upon the marketing of under-utilised species; the reason that species are under-utilised is that there is no market for them because people do not want to eat them. So, we are talking about a cultural change that we have to engender. That is not a short-term

thing.

10.45 a.m.

[119] **Mr Percy:** I agree with James on that point. I am a member of the discard action group. There is a job to be done on this and it is clear that the Minister recognises the importance of marketing them. One species in our waters is the spotted dogfish—both lesser and greater. This is one of my favourite fish. It is cartilaginous, it has no bones, and it is glorious in batter with a sweet and sour sauce, and it is a pest species in some areas. You have to work hard to avoid it, whether you are trawling, long-lining, or even netting. There are opportunities in that respect and, from a Welsh perspective, it is something that we could develop.

[120] **Julie James:** Indeed, and all of us who have visited European markets, and so on, will have noticed the variety there compared with what you can get here. I lived in Newfoundland for a short period of time, so I familiar with the fact that the problem is experienced worldwide, as the Newfoundland fisheries have faced a problem with discards for 60 years or so.

[121] **Mr Percy:** Both James and Sarah are entirely correct to say that there is a rationale in taking the discard route, but it should not be so prescriptive, because that would have unintended consequences. There are opportunities, as long as it is done sensibly and logically and not as a knee-jerk reaction to the current media frenzy.

[122] **Julie James:** No, indeed. We really are running short of time, but I am going to indulge myself with a question that I want to ask about the common fisheries fund. We will take that question first and then see what time we have left. I want to move on to that. As a very short question, although I suspect that the answer will be a bit longer, how do you view the new fund, what priorities do you think we should be pushing for with the fund, and can you give any information about its potential operation? The committee is looking to put forward amendments, regulations and suggestions for the new policy, so is there anything else that the four of you would like to tell us about the way in which that fund should be structured?

[123] **Mr Percy:** May I start and then I will give the others an opportunity to reply? I have made some notes on that, because it was one of the areas that was raised. I have written that the current situation is rotten to the core. There is no doubt about that whatsoever. Around €980 million of European aid is given to the fisheries sector. I know that it is partisan to say this, but around 50 per cent or so goes to two nations—and I have mentioned Spain specifically. I have written examples—

[124] **Lord Elis-Thomas:** [*Inaudible.*]—the Basques this time. [*Laughter.*]

[125] **Mr Percy:** There are a number of examples, which I will not bore you with now, where the abuse and corruption have been very significant, particularly when you compare it to the onerous application systems in the UK in general and Wales in particular. I am a member of the national programme monitoring committee for the European fisheries fund, I was instrumental in writing the operational plan for Wales, and I sit on the current selection panel for Wales. We really need to develop a clear plan, which I thought we had done in the Welsh fisheries strategy, but apparently, we did not.

[126] As I think you have heard, there are some massive opportunities for Wales in terms of marketing and diversification. We have options; we need to cement those options so that we have a claim in the future. The problem we have is that there is a bit of a vicious circle in Wales. The industry is at such a low ebb that it cannot generate resources to match fund and

develop itself. It needs very significant resources for representation. I was previously the chief executive of the Welsh Federation of Fishermen's Associations, and we fell foul of the situation. We were not allowed to apply for European moneys for core costs—for running costs. Where will this money come from? While people may shake their heads—and we had discussions with the Welsh Government and many others—it had to close down.

[127] So, there is no effective representation for this industry. There is now only a part-time national representative, and there is Jim, who works on a voluntary basis at some considerable sacrifice economically and personally, and it needs to be noted in this committee that it is people like Jim who are prepared to make such sacrifices and represent the industry. Without them, we would not be here and the industry would suffer significantly. That is fine in the short term, but an avenue needs to be found, whether that is through any future European fisheries fund or whatever, bearing in mind, as I mentioned earlier, that the commissioner has recognised the need for effective representation, and that needs support, especially from inshore small-scale people who do not generate the necessary level of resources.

[128] The reason that we are in the mess that we are in from a small-scale perspective is because we have never been at the table, going right back to the early 1990s, when the funding was originally shared out. The reason why we got mugged, as it were, by Government and everyone else was because we were not there. It is vital in this debate and in future debates that the industry is represented effectively and does not have to rely on the voluntary sacrifices of a few individuals. We tend to have piecemeal development, and we need to adhere more to a strategic approach across Wales. Wales is not a big country. We have had a first-come, first-served approach without a wider strategic approach, and while the Deputy Minister, quite rightly, identifies opportunities for markets and marketing, we need to do that in a joined-up way rather than having little developments here and there around Wales that could be in competition with each other. There is a fisheries strategy and a fisheries strategy implementation plan, although they will no doubt need to be modified in the light of current events. However, unless we have a joined-up strategic approach, which, potentially, would include aquaculture, so that we get the maximum benefit from Wales fishing plc across the board, we will be losing probably the major opportunity that we have.

[129] **Mr Evans:** Hear, hear. [*Laughter.*]

[130] **Mr Wilson:** I wish to echo what Jeremy has just said about Jim.

[131] **Mr Evans:** Behave.

[132] **Mr Wilson:** It is not just to make Jim blush. When we discussed the interaction between the industry and CCW before, it is not stretching it too far to say that, without Jim being who he is and having a dialogue with Tim Jones, the industry would be in a much worse condition than it is in at the moment. It is appalling that Jim is doing this off his own back. I have a crew and a phone, so my work goes on. However, Jim is a small-scale fisherman. If he is here, he is not out fishing.

[133] With regard to the wider fund, it presents a great opportunity but there is also a threat. The European fisheries fund allowed fisheries and aquaculture activities to be considered separately, albeit that they have a much smaller pot of money to pull from. Jerry is perfectly right: the Spanish, surprisingly, got the lion's share. I thought that the amount was much more, actually—I think that the Spanish have received €1.2 billion in funding through the EFF process for 2007-2013, which is a hell of a lot of money. In the UK, we have received about €119 million. It is difficult to say exactly how much, but it is considerably less.

[134] **Mr Percy:** It is considerably less, even pro rata.

[135] **Mr Wilson:** The new fund is for all marine sectors. While that means that we can apply for our bit of a bigger pot, there are also lots of other activities out there. I talked about large-scale corporate activities, and the expansion of the offshore renewable sector is incredible. I still see it in some ways as a great opportunity, but it occupies mind-blowing expanses of the sea. I do not think that people fully appreciate the extent of some of these offshore phase 3 sites, which will, no doubt, be followed by large offshore phase 4 sites. Where these sites are, nothing else can go. Given that it will take a hell of a lot of engineering technology to get to those phase 4 sites, I think that the companies involved will be into that fund, and that is a concern.

[136] **Julie James:** Sarah, did you want to add something to that?

[137] **Ms Horsfall:** It is more of a political issue, which we do not tend to get involved in. However, fisheries science data is considerably the poor relation. Most quota allocations are done on the basis of science that is very much accepted to be at least 20 per cent inaccurate, up to 50 per cent inaccurate, and several years out of date. So, perhaps there is an opportunity with the new fund to ensure that the science is improved, so that we can have better management of fisheries all round.

[138] **Julie James:** We are now running 25 minutes over our time, and I know that two other Members want to ask questions. I really want to finish in the next five minutes, if possible. Our witnesses have been very indulgent of us in running over time this morning. So, I will allow Members to ask their questions, but please fit them into the next five minutes.

[139] **William Powell:** My question is on the European maritime fund. I want to ask Jim, given that you referred to being a second-generation fisherman, what more could be done to secure that next generation and what role the fund could play in that. You referred to the fund in your evidence, so could you tease that out a little?

[140] **Mr Evans:** In thinking ahead and trying to encourage new entrants, the funding is important, but we must go back to the beginning really. There needs to be opportunity, because, without it, there is nothing else: marketing and all the other ideas will come to nothing. You cannot look at the two separately, because you cannot invent a fishery with funds. We can diversify and look at other species, but it all needs to be part of a coherent management strategy. Perhaps that would be a better use of funding, and, as Sarah mentioned, developing the science provision.

[141] **William Powell:** So that the work can begin.

[142] **Mr Evans:** Yes.

[143] **Julie James:** Antoinette has kindly forgone her question. So, it just remains for me to thank you for your evidence, which has been excellent this morning. We can all agree that it has been a very good session. We have run right out of time, so if there is anything that you want to add, please let us know so that we can have it in writing. We can always get you back in if something occurs to you later on that you want to comment on. Please keep in touch with us on that basis. Thank you very much for this morning's session; I have found it most useful, as has the whole group. It has been excellent.

[144] **Lord Elis-Thomas:** I think that you deserve a round of applause.

[145] **Antoinette Sandbach:** May I just ask, Jerry, when the pilot programme is due to end and when you will have the data?

[146] **Mr Percy:** It has yet to start. Our pilot programme is reliant on European fisheries

fund support, and I am in conversation with the Marine Management Organisation on that basis. It will ostensibly run for a year or so from early next year.

[147] On behalf of all of us, thank you very much for your invitation. We hope that we have been useful to you. If anything subsequently occurs to you, please feel free to get in touch for clarification.

[148] **Julie James:** Thank you very much indeed.

Daeth y cyfarfod i ben am 10.58 a.m.
The meeting ended at 10.58 a.m.