

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

FISHERIES BILL

First Sitting

Tuesday 4 December 2018

(Morning)

CONTENTS

Programme motion agreed to.
Written evidence (Reporting to the House) agreed to.
Motion to sit in private agreed to.
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

Saturday 8 December 2018

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The Committee consisted of the following Members:

Chairs: † JAMES GRAY, DAVID HANSON

- | | |
|---|---|
| † 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

- Bertie Armstrong, CEO Scottish Fishermen's Federation
- Barrie Deas, Chief Executive, National Fishermen's Federation Organisation
- Andrew Kuyk CBE, Managing Director, UK Seafood Industry Alliance
- Paul Trebilcock, UK Association of Fisheries Producer Organisations
- Martin Salter, National Campaigns Co-ordinator, Angling Trust

Public Bill Committee

Tuesday 4 December 2018

(Morning)

[JAMES GRAY *in the Chair*]

Fisheries Bill

9.25 am

The Committee deliberated in private.

9.28 am

The Chair: As you all know, we are here to consider the informative bit of the Fisheries Bill. We will first consider the programme motion, which is on the amendment paper. After that we will consider a motion to enable the reporting of written evidence for publication and then a motion allowing us to deliberate in private. I call the Minister to move the programme motion.

Ordered,

That—

- (1) the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 4 December) meet—
 - (a) at 2.00 pm on Tuesday 4 December;
 - (b) at 11.30 am and 2.00 pm on Thursday 6 December;
 - (c) at 9.25 am, 2.00 pm and 5.00 pm on Tuesday 11 December;
 - (d) at 11.30 am and 2.00 pm on Thursday 13 December;
 - (e) at 4.30 pm, 7.00 pm and 9.00 pm on Monday 17 December;
 - (f) at 9.25 am and 2.00 pm on Wednesday 19 December;
- (2) the Committee shall hear oral evidence on Tuesday 4 December in accordance with the following Table:

| <i>Date</i> | <i>Time</i> | <i>Witness</i> |
|------------------------|------------------------------------|--|
| Tuesday 4 December | Until no later than 10.25 am | Scottish Fishermen's Federation; National Fishermen's Federation Organisation |
| Tuesday 4 December | Until no later than 10.55 am | UK Seafood Industry Alliance |
| Tuesday 4 December | Until no later than 11.25 am | UK Association of Fisheries Producer Organisations; Angling Trust |
| Tuesday 4 December | Until no later than 2.30 pm | New Under Ten Fishermen's Association |
| Tuesday 4 December | Until no later than 3.00 pm | Marine Management Organisation |
| Tuesday 4 December | Until no later than 3.30 pm | Blue Marine Foundation |
| Tuesday 4 December | Until no later than 4.00 pm | Fishing for Leave |
| Thursday 6 December | Until no later than 12.15 pm | Greenpeace; Pew; Greener UK; Marine Conservation Society |

| <i>Date</i> | <i>Time</i> | <i>Witness</i> |
|------------------------|-----------------------------------|--|
| Thursday 6 December | Until no later than 1.00 pm | Macduff Shellfish; Interfish/ Northbay Pelagic; Whitby Seafoods Ltd; Scottish White Fish Producers Association Ltd |
| Thursday 6 December | Until no later than 2.30 pm | New Economics Foundation |
| Thursday 6 December | Until no later than 3.00 pm | Carl O'Brien (Chief Fisheries Science Advisor, Department for Environment, Food and Rural Affairs) |
| Thursday 6 December | Until no later than 3.30 pm | Coastal Communities Alliance; Communities Inshore Fisheries Alliance |

- (3) proceedings on consideration of the Bill in Committee shall be taken in the following order: Clauses 1 to 4; Schedule 1; Clauses 5 to 13; Schedule 2; Clauses 14 to 17; Schedule 3; Clauses 18 to 28; Schedule 4; Clause 29; Schedule 5; Clauses 30 to 37; Schedule 6; Clause 38; Schedule 7; Clauses 39 to 43; new Clauses; new Schedules; remaining proceedings on the Bill;
- (4) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Wednesday 19 December.—(*George Eustice.*)

The Chair: Under the programme order, the deadline for amendments to be considered at the first line-by-line sitting of the Committee will be the rise of the House on Thursday, so if Members wish to table amendments to be considered next week in Committee, they must table them by the rise of the House on Thursday.

Resolved,

That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.—(*George Eustice.*)

The Chair: Copies of written evidence that the Committee receives will be made available in the Committee Room.

Resolved,

That, at this and any subsequent meeting at which oral evidence is to be heard, the Committee shall sit in private until the witnesses are admitted.—(*George Eustice.*)

The Chair: Why on earth we have agreed to potentially meet in private now, I have no clue. However, the learned Clerks know better than I. We will now move on to the interesting part of the session.

Examination of Witnesses

Bertie Armstrong and Barrie Deas gave evidence.

9.30 am

The Chair: I am delighted to welcome the Scottish Fishermen's Federation and the National Fisherman's Federation Organisation to give evidence. For the sake of *Hansard*, will you kindly introduce yourselves before we start questions?

Bertie Armstrong: Certainly, in alphabetical order, I am Bertie Armstrong, chief executive of the Scottish Fishermen's Federation, which is the trade association that looks after the catching sector in Scotland. It has nine constituent associations and a geographical spread. It covers some 450 fishing boat businesses from smallest to largest.

Barrie Deas: I am Barrie Deas, chief executive of the National Federation of Fishermen's Organisations, which is the representative body for fishermen in England, Wales and Northern Ireland.

Q1 The Minister for Agriculture, Fisheries and Food (George Eustice): What have been the main shortcomings of the common fisheries policy from your perspective, and what would you hope to achieve through a domestic fisheries policy?

Bertie Armstrong: The central ill of the common fisheries policy is the matter of the distribution of catching opportunity—the so-called relative stability—which places us, from our waters, in the position of 60% of the seafood assets removed from our waters being in the hands of non-UK EU fishing nations. The relative figures for other coastal states, one of which we will become on Brexit day, are Norway 85% or thereabouts and Iceland 90%. So the primary ill is common access to our waters and statutorily giving away that amount of our natural capital.

The second ill of the CFP is that it is distant and remote, and the process is effectively moribund. It is dysfunctionally distant. It is centralised by treaty and cannot be uncentralised or regionalised to any proper extent. The Bill must seek not to replace one unworkable system with another.

Thirdly, and finally, some political elements of the CFP in terms of practical fisheries management are counterproductive and unworkable. For instance, no one wishes to discard our perfectly edible fish, but the way it is linked to the CFP will simply not work.

Barrie Deas: I very much share Bertie's views. The essential problems with the common fisheries policy for the United Kingdom lie in its inception, which was based on the principle of equal access, and ten years later, the principle of relative stability that allocated shares that do not reflect the resources that are in our waters. The comparison is with what we would have been had we been an independent coastal state for the last 45 years, like Norway. It is a huge disparity.

We are tied into an asymmetric and exploitative arrangement. The departure of the UK from the EU and therefore from the common fisheries policy provides us with the first opportunity to break free of that. The content of the Fisheries Bill is extremely important in terms of taking the powers to control who fishes in our waters—the access arrangements—and to renegotiate the quota shares.

I very much share Bertie's view that the common fisheries policy has been cumbersome to deal with and very remote from where the impact of the decisions are felt, which has led to a huge gulf between fairly grandiose legislation and failure at implementation level. The gulf between primary legislation and its implementation has been recognised by the Commission and in the common fisheries policy. In recent years there has been an attempt to address it by introducing an element of regionalisation. Unfortunately, the treaty of Lisbon and the introduction of co-decision making into fisheries involving the European Parliament has moved active decision making even further away from where it counts and where its effects are felt. In that sense, we have moved in the opposite direction.

Q2 George Eustice: Obviously, at the moment every part of the UK has access to each other's waters. The Bill protects that in the first clause by having a key purpose of equal access. Are you happy with that approach?

Barrie Deas: Yes. I think there always has been the right of UK fishing vessels from any part of the country to fish anywhere in the waters. We think that is an important principle that should be retained. The NFFO has some problems with the impact of the devolution settlement on fisheries, which makes it much more complex, but the fundamental principle of equal access for UK vessels is one that we support.

Bertie Armstrong: Likewise, the Scots fleet would like to continue to be able to catch its prawns off South Shields as well as in the Fladen Ground, but we are too small. I think the central and relevant point is that there has been no arm-wrestling and no desire for regionalisation of the catching area. The heft of the UK exclusive economic zone is great because of the area and its seafood contents; it is not great in terms of home nation fleets. I do not think there is any sense in splitting it up, or any requirement to do so.

Q3 George Eustice: Finally, on the issue of a fair sharing methodology in future international negotiations, do you share the approach outlined in our White Paper, which is a move to using zonal attachment as the basis for future sharing arrangements?

Bertie Armstrong: From my point of view, in the strongest possible terms, there has to be some sort of principle for division. Given the fact that there will be access as we have access, for instance, to Norway, there will be access by European boats to UK waters. We need to be very careful not to put anything on the face of the Bill that is obstructive.

Barrie Deas: The most extreme example of the distortion in quota shares is English channel cod: the UK share is 9% and the French share is 84%. Other examples include Celtic sea haddock: our share is about 10% and the French share is 66%. Those kinds of distortion have been part and parcel of relative stability and equal access, and they need to be addressed as a matter of urgency.

The principle of zonal attachment is used in the division of quota shares between the EU and Norway, so it is already accepted by the EU in that context. Obviously, it does not work to their advantage in relation to the UK, which is why it is not unexpected that they are very unhappy about the change. The broad picture is that the principle of zonal attachment, reflecting the resources that are in the UK water, should be the basis for allocating quotas in the future, in our view.

Bertie Armstrong: May I add a practical example of the ills of not doing that? To make a discard reduction or ban, or a landing obligation, work, the fishing opportunity in the area has to resemble what is in the ocean. The great distortions of the CFP mean that you simply cannot make that work, because you get choked immediately on having caught all of one species and still having quota for another. There needs to be an underlying principle, and zonal attachment is the one that, by common sense and instinct—apart from the fact that Norway has accepted it—makes the most sense. If we approach the whole of our new role as a coastal state with the idea that common sense and sustainability are central, we will do well.

Q4 Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): The Minister asked about redistribution of quota from our EU friends to UK fishers. Do you feel that there are enough powers in the Bill to give certainty about how redistribution will take place, and is redistribution a nice-to-have aim and objective, or is it something that will actually happen if it is included in the Bill?

Bertie Armstrong: The Bill in its present form enables the UK to work as a coastal state in the way that other coastal states do, so the answer to that is yes. We would be greatly comforted by the insertion into the Bill of a date of assumption of sovereignty. The self-suggesting date is the end of the transition period—the implementation period, in our parlance. In other words, the end of December 2020.

The Chair: I am very sorry, but I am finding it hard to hear you, perhaps because I am a bit deaf. Would you mind speaking up a bit?

Bertie Armstrong: I will, forgive me. The date of the end of December 2020 should therefore be inserted into the Bill so there is a commitment to becoming, in practical terms, a coastal state.

Q5 Luke Pollard: Do you get a sense that there is a plan for how quota will be drawn down against our EU friends, rather than our having the ability to have control our waters, and then have the same quota share between UK and EU fishers?

Bertie Armstrong: There is a whole fisheries agreement laid down in the withdrawal agreement, which is yet to happen. That is the point. Your question does not indicate from whom I would seek that answer. There is a whole fisheries agreement to be negotiated. Well, we say negotiated, but you need to ask, “Who owns this place?” After Brexit, we own this place. This is the UK’s natural capital. That places a pretty strong trump in your hand of cards for the negotiation.

At one end of the spectrum of the fisheries agreement is, “None of you get in at all and fish anything,” which is absurd. At the other end of the spectrum is, “We’re going to give up and shut the fleet down. You can have at it and have the lot.” The negotiating ground is in between. We would like to see, in the fullness of time, the UK’s fishing opportunity representing zonal attachment or something close to it. That is what should be the result.

Barrie Deas: The UK will be an independent coastal state under international law. The United Nations convention on the law of the sea carries certain rights and responsibilities, including the responsibility to co-operate on the shared management of shared stocks. That is a starting point. There is a very important link between access rights and the renegotiation of quota shares. You can use the EU-Norway example as the most relevant model for future management. The UK is engaged in bilateral negotiations with the EU. That will be about setting quotas and total allowable catches at safe levels. It will also be about access arrangements for the coming year, and it will be about quota shares. That link between access and quota shares is the key to delivering a change and rebalancing of quotas to the UK, where needed. There will be a certain degree of access for European fleets—how much is to be negotiated—and there is the rebalancing of the quota

shares. Those two things should be inextricably linked, and that is where our leverage lies in addressing the quota distortions that are there at the moment.

Q6 Luke Pollard: Okay, but there is nothing in the Bill necessarily that gives certainty about when that drawdown period will take place against it.

Witnesses indicated assent.

Q7 Luke Pollard: On the economic link, having fish caught under UK quota but landed in foreign ports means that the economic link between the UK quota—fish in UK waters—and the benefits to the UK is not always naturally construed. How much fish, especially from quota owned by foreign boats and caught by our EU friends, is landed in UK ports at the moment? How much should be landed, if we are to impress that an economic link should be included in the Bill?

Bertie Armstrong: It is a complicated question. We should look to other coastal states. There is great assistance in looking at other models. Iceland and Norway—to cite the pair of them again—place much stronger economic links on ownership of vessels and ownership of the stewardship of the fishing opportunity, which is less strong in the UK because of EU regulation. Everyone will know that in the late 1970s the UK attempted to apply a 75% ownership limit to foreign investment in fishing vessels and lost in the European courts because that was illegal under European law. It had to be 75% European ownership. There is an opportunity downstream to have another look at ownership.

Q8 Luke Pollard: But that is about ownership rather than about landing, is it not?

Bertie Armstrong: The first thing that happens if you make rules about landing is that you have a boat full of mackerel and you cannot land it until Friday, which is very prejudicial. If we are to make rules about landings which make instinctive perfect sense, to capture the economic activity into the land, we must have a sensible vision of how much volume we will need to cope with and how that will be done seasonally. Making simple rules is likely to produce more problems than it will solve. It would be more helpful to have a vision for the UK fishing industry. In the withdrawal from the EU lies the opportunity effectively to double the economic activity associated with UK fishing, including the whole of the supply chain. As long as we are ready for that, the landings will take place into the UK. We look forward to the day when all UK fishermen will want to land their fish into the UK, because we are a world seafood leader and that is where they will get their best price.

Barrie Deas: The principle is that UK quotas should bring proportionate benefits to the UK. That is the starting point. The question is how you do that. The obligation to land a certain proportion of the fish is there in the current arrangements—the current economic link—but there are other options to meet that question of equivalence. Requiring all fish to be landed in the UK would mean an intervention in the market, because if there are economic benefits to landing particular species abroad where there is higher value, there is obviously an economic purpose to doing it that way, so we have to be careful about that. It is right that the economic link requirements are reviewed in the new circumstances, but I quite like the idea of having the

flexibility, as long as there is an equivalence, and it is all linked back to the fundamental principle that UK quotas should bring proportionate benefit to the UK.

Q9 Peter Aldous (Waveney) (Con): I have two questions. Do you think the Bill will lead to increased fishing opportunities both for new entrants and for what until now have been called the under-10s, although I think it is important we try to get away from that descriptor? Picking up on the Minister's comments about equal allocation across all UK fisheries for all UK boats, do you think that principle lies comfortably with the sustainable management of individual fisheries? I say that because there is a concern that it is difficult to do that when you get boats from other parts of the UK coming into waters off the East Anglian coast, and not only off the East Anglian coast. It is a concern that has been raised with me about waters off the north-east. Yesterday I was hearing about problems with managing cuttlefish down off the south-west where this problem had arisen. I would welcome both your views on those two issues.

Barrie Deas: On increased fishing opportunities and how they could be allocated, for a number of reasons, including case law in the English courts, but also the stewardship that comes along with rights of tenure, which have been an important factor in stabilising our fisheries over the last 20 years, our federation takes the view that for existing quota it should remain the same, but for additional quota we think there is a conversation to be had on the most appropriate use of that. There is a range of options.

Perhaps we are being a bit narrow here. You alluded to the division line at under-10, which has, I think, caused distortions in the fleet and unintended consequences—you have a cohort of high-catching under-10s, sometimes called rule beaters or super-under-10s, that have kind of distorted fishing patterns. There is recognition that we need to move beyond that now. In that context, there is an issue about how you define genuine small boats—genuine low-impact vessels—and I accept that. My organisation would be very interested in taking them out of the quota system altogether. That does not mean not taking into account their contribution to mortality. In a sense, it is a reversion to what we had in the early days of under-10 metre management, where sufficient quota was allocated and we did not have to have monthly quotas for that class of vessels. There is a very interesting conversation to be had about the future and new entrants and how the genuine low-impact fleets fit into that.

Equal access has been an important principle and there are dissatisfactions wherever you have a nomadic fleet arriving on the doorstep of a local fishery. That would be true of our boats fishing in bits of Scotland, I suppose, and certainly you hear these kinds of things about Scottish boats fishing off the Northumbrian coast or down in the south-west. Fishermen are competitive. They are competing with each other as well as with foreign fisherman. That is the context in which you have to situate that particular issue.

Bertie Armstrong: Mr Aldous, your question was about new entrants in under-10s. The enabler for a better deal for new entrants in under-10s will be the uplift in opportunity for fishing that comes with Brexit; otherwise, we presumably have fixed the problems already with the fishing opportunity available. The situation is different as you go around the coast. The small-vessel

fleet in Scotland has a different character and tends to use creels, or pots, to catch shellfish—that is a great generalisation; there are others—so there is a different set of problems. It is generally inshore and small scale and is therefore best sorted out locally, but I think there will be a better deal for all with the uplift in opportunity.

There is another abiding principle here. If you are going to make alterations to arrangements for fishing, the fish need to be there to be caught. It is one thing to give someone tons of fish; it is quite another if the fish are not there in prime condition with a business plan for getting them landed and into a logistics chain. Much is made of the big mackerel catchers in the pelagic fleet, and much is made of rather lurid statistics about what percentage is held by what number. You cannot catch 250,000 tonnes of mackerel in winter, 100 miles to the west of the British Isles, with hand line under-10s—you simply cannot. But a few hundred tonnes to the hand line under-10s, provided the local arrangements pay attention to making sure there is a whole logistics chain and they are going to get that fish to a place where somebody wants it, is where the opportunity lies.

My final input, on behalf of slightly larger-scale fishing, is: be careful what you mean by low impact. The carbon footprint per kilogram of fish of a pelagic trawler catching mackerel is very much smaller than any other form of fishing, because you catch volume efficiently and quickly. There are many aspects to this.

In answer to the question, yes, there is extra opportunity, but there has to be extra opportunity to distribute. The problems are largely regional and should be sorted out regionally. We need to be careful not to place excessive detail on the face of the Bill. I suggest that a lot of this is best done by secondary legislation.

Q10 Alan Brown (Kilmarnock and Loudoun) (SNP): Mr Armstrong, in answer to an earlier question you suggested that we might see a date of what you called sovereignty over quotas and waters. You suggested that the end of the implementation period as it is now—December 2020—was the ideal date. How does that square with the fact that there may be a backstop arrangement and the Prime Minister has said that, depending on what happens, we might need to extend the implementation period? How would inserting a date in the Bill work with the other flexibilities that are still to be resolved?

Bertie Armstrong: I would wish to dispense with the flexibility to extend for fishing the implementation period by placing a date on the face of the Bill. There will undoubtedly be some resistance, but that would not be up to me. That is why we would like to see that in there. We are on record as being less than completely happy that the implementation period applies to fishing at all, because legal sovereignty over the waters and the resource therein comes on Brexit day. However, we are where we are, and we recognise that the withdrawal agreement has compromises all over the place. We therefore, with reluctance, accepted the implementation period compromise, but we would not wish to see it extended at all.

The backstop has been much described, particularly over the last few days. Clarity is helpful on what happens. There are two preconditions: if the backstop clicks in and is applied and there is no fisheries agreement in place by that stage, and there is no prescription of what is in the fisheries agreement, tariffs will apply. Fishing

will be cherry-picked out of the trade arrangements. Tariffs will apply to fish—which, by the way, the Scottish Government study indicates would not necessarily be a terminal problem—and access to our waters for other UK fleets would cease. So it would be a mess of large proportions and we are rather hoping that it would not apply.

I see some puzzlement about the lack of access for anybody else. If there is no fisheries agreement—and there is precedent on this, with EU-Norway arrangements, for instance—there is no access to each other's waters.

The Chair: May I lay down a red line, particularly for our detailed consideration of the Bill, starting next week? The backstop and all that is not in the Bill. Those are, of course, important matters and they do have some relevance to and bearing on it, but our purpose today—and, indeed, during the process of consideration in detail, as of next week—is to consider in detail the words that are on the face of the Bill. Therefore, next week I will take a tough line on the broader political considerations and say that they are, I am afraid, simply out of order. They are important, but let us focus on the Bill.

Q11 Alan Brown: I accept your guidance, Mr Gray, but clearly there is the suggestion of the clear date versus how that would fit into the bigger picture. It is the same thing when we talk about future quota allocations and how that will work. Mr Armstrong mentioned the issue of tariffs in his answer. In yesterday's questions to the Attorney General he said that the backstop arrangements meant that Northern Ireland would have tariff-free access to the EU and tariff-free access to Great Britain, whereas no other market will have that. Is that a concern, and how could that be addressed in this Bill?

Bertie Armstrong: To be honest, that is not where our focus lies at this point in time; it is on making sure that the Bill as an enabler of—I will use the phrase “the sea of opportunity”—makes it on to the statute book, rather than on the details of what does and does not happen to Northern Ireland in the event of a backstop.

David Duguid (Banff and Buchan) (Con): Going back to Mr Pollard's question about UK vessels landing elsewhere, for example Norway, can you say a little about what motivates fishermen to land elsewhere? What changes are required in our ports or onshore infrastructure to make landing in the UK more attractive, and is that covered by the Bill?

Barrie Deas: Money. That's it, really. [Laughter] I had better say a bit more. Over the last 20 years, markets for fish have developed and diversified. Peterhead has become the pre-eminent white fish port in Europe. Flat fish tends to go to Urk in the Netherlands. South-west ports are sending prime, high-value fish to the continent, and then there is the shellfish market. From time to time there will be price differentials. Also, it can reflect where the vessel is fishing: for example, it might make sense to go to Denmark and land for one trip and then land back into Peterhead for the next, or to land into France. Fishermen are commercial animals. They are very much driven by catching fish but also by marketing fish, and price is key.

Bertie Armstrong: I would reinforce that. At the slight risk of crossing the red line again, and as I keep saying, the elevation of the UK to the world stage would mean that, in the simple arithmetic of volume and value, we would overtake Iceland. It would allow us the sort of conditions that our own processing industry would want to entice not only all our own landings but perhaps some from others as well. However, it is a matter of commerce and business, generally.

Q12 David Duguid: So there is the favourable price that you might get from landing elsewhere, but is there something about the ports or the processing facilities, in Norway for example, that the UK needs to catch up on? Could we do something through the Bill to help improve that? When you mentioned money, I thought you were talking about investment in our onshore facilities as well as the price on the market.

Barrie Deas: Over time, and with rebalanced quotas, there would be opportunities, because of the greater throughput, to look again at all these issues. I am not sure what you could put in the Bill particularly that would be helpful, given that this is a dynamic commercial issue that you are addressing. I certainly think that it is an important issue, but I would have to be persuaded that the Bill is the right place to address it.

Q13 Mr Alistair Carmichael (Orkney and Shetland) (LD): Good morning, gentleman. I do not want to dwell on the date, but I think it will be an important part of our discussions when we come to line-by-line scrutiny. Your suggestion is that the date would be 31 December 2020, which is the currently envisaged end of the transitional period. You are resistant to any idea that we should extend the transitional period. How do you see fisheries management working from 29 March 2019 to 31 December 2020?

Bertie Armstrong: The provisions, as we understand it, are that we will act as a coastal state-designate during that period, participating fully in the coastal state arrangements that will set the catching opportunity for 2021.

Q14 Mr Carmichael: What does that mean in practical terms?

Bertie Armstrong: It would mean that, between now and then, there would need to be the construction of coastal state arrangements that include the United Kingdom as a stand-alone coastal state, and for the United Kingdom to participate in that. This is probably in 2020, but not before.

Q15 Mr Carmichael: That is the December Fisheries Council in 2020 anticipating the conclusion of the transitional period. You say that that is the position as you understand it. Is that on the basis of your discussions with the Government?

Bertie Armstrong: It is also as laid down in the withdrawal agreement. Happen as may, it turned up in a paragraph of the legal advice yesterday, which was not actually advice on what we ought to do on fisheries but was a repeat of what was in the withdrawal agreement.

Barrie Deas: The December Council later this month will be the last time that the UK participates as a member state. The whole apparatus of European decision

making will then not apply to us; we will not have MEPs and we will not be involved in any of the decision-making forums. The transitional period is a little bit anomalous and strange, because the UK will be part of the EU delegation to EU-Norway next year but will not be in the room for co-ordination. There is some uncertainty about how that will work in practice, and we need clarity on that. I agree with Bertie that an implication of the withdrawal agreement is that in autumn or December 2020, there will be bilateral or trilateral negotiations with Norway that will set the quotas, quota shares and access arrangements for 2021. That is my understanding.

Q16 Mr Carmichael: That is in 2020, but not in 2019.

Barrie Deas: No—in 2019 we are in the implementation period. It is slightly anomalous that there is a lack of clarity about how that will work in practice. It is governed by a good faith clause for both parties, but it is still uncertain how that would work in practice.

Q17 Mr Carmichael: For the purposes of what would currently be the divvying up of whatever comes out of the EU-Norway arrangements, what is our status at the December Council in 2020? Are we there as the start of a new bilateral—is that how you understand it?

Bertie Armstrong: I know for a fact that you understand this, Mr Carmichael, but there is a point of principle that is worth mentioning. The December Council is something of a distortion of importance, because effectively it takes the pie piece—the amount of opportunity that was agreed in coastal states arrangements for the EU—and, in terms of relative stability, it fiddles about with the details and ratifies them. That will be of no real interest to us in times to come. This year it will be of extreme importance, but in times to come we will be involved in the rather more important division of the north-east Atlantic fishing opportunity. As an owner of a very significant piece of the north-east Atlantic, we will genuinely be at the top table, to use a hackneyed phrase. The December Council is not any form of top table; it is arm wrestling inside the EU for an already settled fishing opportunity.

Q18 Mr Carmichael: We anticipate that this year we will have a difficult December Council, given the science and what we know about North sea cod and other species. In my experience, these years very rarely come along in isolation. I think the anxiety is about how we are able to influence these decisions. The decisions that were made back in 2002 and 2003 about cod stocks in the North sea were central to the prosperity of the fleet. If we are not at the table in 2019 and 2020, how will we avoid becoming the dish of the day?

Barrie Deas: Those concerns have to be there for the negotiations in 2019 for 2020. Science is going to be the basis of the decisions on total allowable catches. There is the good faith clause, but we do not understand the mechanics of how the UK will be consulted as we have been promised. However, 2020 for 2021 is an entirely different scenario: all other things being equal, the UK will be negotiating as an independent coastal state and will carry a great deal more political weight as a result.

Q19 Mr Carmichael: Have the Government ever given you any explanation of why they put us in this position in the first place? They were not going to give in, but then they gave in. Did they tell you why?

Barrie Deas: I think the answer is that a transition or implementation period was agreed to give business a chance to adjust to leaving the EU—

Q20 Mr Carmichael: But why was fisheries put in that?

Barrie Deas: The whole *acquis*—the whole body of EU law, including fisheries law—applies. As much as we would have liked to sidestep that, the Government made a calculation that that was not available or realistic.

Bertie Armstrong: Clearly the industry was not in the room when that happened. As I understand it, there would have been no agreement and it would have been stuck with four or five nations. Of the 27, half do not have a coastline. These pressures apply to a maximum of 11, but more like four or five, nations—

Q21 Mr Carmichael: So it was in order to get a deal?

The Chair: Mr Carmichael, that is your last question. We are all drifting beyond the Bill. We have four questioners and 10 minutes to get them in.

Bertie Armstrong: There is certainly a matter of relevance, although it remains subjective rather than objective. If we become dish of the day, there will be a time when we are a sovereign state with a complete grip on what happens in our waters. It would therefore be unwise for short-term gain to be exacted at that stage, providing that the Government of the day retained their backbone.

Mr Carmichael: Indeed.

Q22 Brendan O'Hara (Argyll and Bute) (SNP): Mr Armstrong, the Scottish Fishermen's Federation suggests that you represent every owner and skipper from Solway to Shetland. For the record, could you tell us who you represent and about the diversity of the fishing community in Scotland?

Bertie Armstrong: We represent the 450 businesses that are responsible for most of the quota species. For the non-quota species, a large number of vessels are one handed or two handed. They belong to no associations—that is not being dismissive, but if you are a one-handed fisherman, you do not have much time for politicking. We have the whole of the Shetland Shellfish Management Organisation and the whole of the Orkney Fisheries Association, but not the Western Isles Fisherman's Association or some of the smaller associations down in the Clyde.

Q23 Brendan O'Hara: Clause 1(7) on page 2 and clause 10 on page 6 talk about the location of home ports and how licences will be administered by Scottish Ministers or by a Northern Ireland department. As regards your membership, how important is it that, within the confines of the Bill, there is a level-playing field across the United Kingdom post-Brexit, and that one part of the UK is not given a competitive advantage over another in fishing?

Bertie Armstrong: I am not seeing much in the Bill that awards that. Be aware of the stats here—I am about to make a statement of fact, not opinion. About 60% to 65% of the UK's fish landings by volume and value come from the Scottish fleet. That is just an observation of the facts. With access to waters, the position of the ports, where the fish live, and a couple of decades of contracting and rationalising the industry, we have ended up with quite a lot of concentration in the core areas of Scotland.

I am aware—I am very concerned—that there should be a level-playing field and no prejudice against any area, but I am comforted by the fact that business will take care of that, as long as there is nothing obstructive. The whole point of the future is the increased economic activity, which business will take care of.

Q24 Brendan O’Hara: So you have no concerns that any one part of the United Kingdom may be given a competitive advantage against another post-Brexit?

Bertie Armstrong: It would be helpful if you framed the question as to which part you think is prejudicial.

Q25 Brendan O’Hara: If Northern Ireland were given preferential treatment ahead of Scotland, Wales and an English fleet.

Bertie Armstrong: We are back to the backstop, and that will kick in only if the backstop kicks in. Anybody’s guess around this room is as good as anybody else’s guess.

The Chair: We are drifting a little. I am keen to extract maximum benefit from our witnesses. We have three more questioners, so I will move on, if you do not mind, Brendan.

Q26 Bill Grant (Ayr, Carrick and Cumnock) (Con): Gentlemen, notwithstanding the desire to have a date of sovereignty in the Bill, which may or may not be possible, in general terms are you content with the Bill?

Barrie Deas: Yes, I think the broad thrust of the Bill goes in the right direction. We have some concerns about particular aspects of it, but the Bill is necessary in order to give Ministers the power to set quotas, albeit in the context of international negotiations, to negotiate as an independent coastal state, to control access to our waters, and, on that basis, to renegotiate our quota shares. That is the main thrust of the Bill, and that is really important.

We also completely understand, having been within the common fisheries policy for so long and having had direct experience, that top-down, over-centralised management is not effective, sustainable management. We need the flexibility to adapt. Fisheries seem to be particularly prone to unintended consequences; you think you are doing one thing, and it generates perverse outcomes. We need to be able to address those in an agile, very prompt fashion, and the Bill contains those delegated powers. I know that there are political concerns about Henry VIII powers, and so on. I think those are valid concerns. As parliamentarians, you have a role in scrutinising secondary legislation.

We would also like to see an advisory council. They have something similar in Australia. They actually have something similar within the common fisheries policy, not that we would necessarily want to follow that particular model. An advisory council of people with experience of the industry, who understand the complexities of a highly diverse, complex industry, would be a kind of filter for legislation. We would like that counterweight, as well as parliamentary scrutiny, but we absolutely understand the need for delegated powers.

Bertie Armstrong: We met, discussed and agreed that as the common position for the two main federations in the UK. We would be a little more concerned about excessive additions to the Bill, rather than dissatisfied with the Bill as it stands.

Q27 Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): Clause 19 sets out that the Secretary of State must consult devolved Administrations and the Marine Management Organisation when setting total levels of catches and days at sea. However, the clause does not define the manner or rigour of that consultation, or indeed any other form of consultation with stakeholders or interested parties. Do you feel that there could be an opportunity to enhance the Bill and clause 19 with further definition of what that should entail?

Barrie Deas: That relates to the idea of an advisory council to run new ideas through a panel of experts—people who understand the complexities and nuances. It would be advisory. We understand that the job of Ministers and fisheries managers is to manage, but we think that an advisory council could add something, as it does in other countries—I would certainly recommend looking at the Australian model. It could make recommendations and provide advice on new legislation coming through. That is one of the areas where the Bill could be tweaked in the right direction.

Bertie Armstrong: In that clause, there is the little anomaly of adding the Marine Management Organisation. It is an organisation good and true, no doubt, but if you are talking about, as Barrie has described, a council of administrations, it is rather an ill fit for the MMO. Perhaps it would be a technical adviser.

Barrie Deas: To build on that point, when you see that consent is required from the Secretary of State, Ministers for Scotland, for Northern Ireland and for Wales, and then the MMO, which is the delivery arm of the Department for Environment, Food and Rural Affairs, it does seem, as Bertie says, an anomalous situation.

The Chair: I apologise to the remaining questioners, whom we have not been able to squeeze in. We have run out of time, bar a few seconds, so I shall simply say thank you very much to both witnesses for extremely useful evidence that will greatly add to our consideration of the Bill next week. Thank you very much for taking the time and trouble to come and give evidence to us this morning.

Examination of Witness

Andrew Kuyk gave evidence.

10.25 am

Q28 The Chair: With no further ado, I welcome the representative of the UK Seafood Industry Alliance. Will you kindly introduce yourself for the record?

Andrew Kuyk: Thank you, Mr Gray. My name is Andrew Kuyk. I am director general of the Provision Trade Federation, which is a food trade association, but as part of that role, I also represent the UK Seafood Industry Alliance, which represents UK fish processors and traders.

Q29 George Eustice: We heard earlier about the problems with relative stability as a sharing basis. I know that in a former life you had a role in the Department for Environment, Food and Rural Affairs when things such as relative stability were set up and principles such as the Hague preference were established. Could you explain to the Committee the genesis of the existing relative stability shares and why the UK ended up with a smaller share than has seemed appropriate?

Andrew Kuyk: How long have you got?

The Chair: We have until 10.55, so let us try to keep it brief.

Andrew Kuyk: This is going back into history. At the time, I was first secretary, fisheries, in the UK permanent representation in Brussels, so I was the desk officer for these negotiations. I will not go into it in too much detail, but Committee members may recall that we had already joined the EU by that stage. The common fisheries policy had to wait another four or five years; it was a lengthy and difficult negotiation. The background was that, at the time we joined, we did not have an exclusive 200-mile zone, although the concept existed. We joined the EU and became subject to what was known as the common pond. There was equal access within that, save for some coastal rights under the London convention. Also, prior to the CFP, fisheries were managed by things such as the North East Atlantic Fisheries Commission—NEAFC. There was a concept of high seas and so on. Total allowable catches and quotas, as a management instrument, were familiar, but they were not done within the EU, so we had to invent that system.

The reason why there is an apparent imbalance in some of the quota shares is that the negotiation was done with reference to what was called track record, which was the catches historically taken by the various component parts of the EU fleet. Prior to our joining, most of the fish that were relevant to our domestic market were fished off countries such as Iceland and Norway. We had what then was our distant water fleet—large vessels based in Hull and Grimsby that went quite far afield to get the main species on which our market depended. Therefore, our track record was on those vessels, in waters that were not immediately covered by the EU common pond.

Also at the time—this is going back some 30 years—there was not—

The Chair: Mr Kuyk, I am keeping a close eye on the clock and would be most grateful if you would restrict your remarks as much as you can.

Andrew Kuyk: I will get there quickly now. The smaller vessels were not subject to logbooks and recording of catches. Our track record was good in relation to the bigger vessels, and the track record used for the decisions was going back 10 or 20 years prior to 1980. The track record for the smaller vessels was not so good. Therefore, one of the reasons why the quota shares do not necessarily reflect current realities is that they were backward-looking and based on partial data. That is the short answer to your question, Minister.

Q30 George Eustice: Thank you. Now I fast-forward to your current role. Most of your members import large quantities of cod, predominantly, from Iceland, Norway and even, I think, Russia, Finland and the Barents sea. Can you explain the nature of the preferential trade agreements we have with Iceland and Norway, and also the process of autonomous tariff rate quotas for other countries?

Andrew Kuyk: Briefly, for the benefit of the Committee, we have what I term the supply paradox. Roughly two thirds of what we eat in this country, we import, and a lot of that is not from the EU. Some 80% of what is

caught by UK vessels is exported, mainly to the EU. The reasons for that are largely to do with consumer choice. The main species consumed in the UK are cod, salmon, haddock, tuna, shrimps and prawns. Obviously, the tuna and most of the shrimps and prawns are not available in UK or EU waters. The salmon is largely aquaculture. On species such as cod and haddock, we are very far from self-sufficient. Our total consumption of cod in the UK is about three times the total EU TAC for cod, so we are about 10% self-sufficient in cod.

We import that raw material because that is the market demand. A lot of that does not come from the EU, but a lot of it comes via the EU, which complicates the trade statistics. The Minister has referred to the autonomous tariff quota system—ATQs. This system is a regulation that normally runs for three years. It recognises that the EU, not just the UK, is a deficit market in fish. That relativity—about two thirds imports—applies to the EU market as a whole, so the EU recognises that the fish to meet consumer need are not available under its jurisdiction. Although there is an external tariff, it has these autonomous tariff quotas. Specified quantities are admitted, either tariff-free or at a reduced tariff, and they are negotiated on a three-yearly basis. We are just about to conclude the next agreement, which will run for only two years, rather than three.

Most of those imports come in through some kind of preferential arrangement. We pay some tariffs on some of them. There is the complication of trans-shipment through the EU; some of those are landed in, say, Rotterdam, Bremerhaven or wherever and then come to us as part of free circulation within the single market.

In summary, imports come through a variety of arrangements; some come as a result of the EU-Norway agreement. Various agreements are in place that give us the benefit of significant tariff reductions. Those are necessary, because otherwise we would not be able to supply market demand in the UK.

Q31 George Eustice: Finally, leaving aside shellfish and some of the species that we export for which tariffs are quite low, and looking specifically at your members who predominantly process highly processed cod products, what proportion of their production is re-exported to the EU, and what proportion of those highly processed products is sold in the UK?

Andrew Kuyk: I am not sure I would use the term “highly processed”. Quite a lot of it is things such as bread-crumbs; I do not know whether you regard that as a high degree of processing. It is to do with the presentation. These are consumer-ready, convenience products—fillets with some kind of coating. There is a growing line in ready meals—a meal opportunity: a fish product with vegetables and a sauce, and so on. Most of those imports are for domestic consumption, because we are a deficit market. There is some re-export. I do not have an exact figure, but I would imagine it is something like 10% or 15%—not more than that. The vast majority is to supply our domestic market.

Q32 Luke Pollard: The Bill does not talk very much about processing. If we were to include an economic link for anyone catching fish under a UK quota, where more fish was landed in the UK ports, what would the impact of that be on the UK processing sector?

Andrew Kuyk: It is difficult to say. Again, without going too much into the history, we used to have what I would call an end-to-end processing industry in the UK, where a whole wet fish would go in one end of the factory and a product would come out of the other. Over the years, that has become rationalised and specialised, and a lot of that first-stage processing now happens elsewhere. Some of it happens on board vessels, on factory ships. Some fish—I know this sounds anomalous, but it is sheer market economics—are sent to places such as China, where they are filleted, and come back as frozen blocks. The raw material for quite a lot of our processing industry at the moment is a pre-prepared product—it is not the fish straight from the boat.

That could be a problem on two or three different levels. It is a problem and an opportunity. Clearly, if there was more domestic supply available, the UK processing industry would do its best to cope with that, but that would require investment. I was listening to the earlier session. The front end of the processing factory does exist on a smaller scale in some parts of the country, but for the people who supply the vast volumes—a sort of 80:20 thing—that front end, the lines of people physically filleting the fish and so on, does not exist any more. To reinvent that, you would need the labour, which I know is a tangential issue not to do with the Fisheries Bill, but it is a broader issue for the food industry in relation to Brexit—the supply of labour—and you need the skill. You need both the people and the skill, and you would need some physical investment in capacity, more storage, more chilling and so on.

It is not as if there is under-utilised capacity. It is a function of modern business that capacity matches throughput and the market, so there is not excess processing capacity waiting for new supplies of fish. It would have to be put in place. It would require money, people and skills. To invest the money, you would need a sound business case that could give you a projection of what your price and what your market share would be. The price, critically, would depend on what your broader trading relationship was—tariffs and currency—and what the competition was. It is quite a complex jigsaw, but the short answer is that there is not significant under-utilised capacity that, at the flick of a switch, could suddenly cope with an influx of domestically caught fish.

Luke Pollard: Thank you. I think you are underselling the success story.

The Chair: Before we go on, Mr Grant looks as if he has a question on this particular point.

Q33 Bill Grant: The processing industry accounts for more than 50% of those employed in the fishing industry as a whole. Is there anything in the Bill that gives you concern that the security of those 14,000-plus jobs could be affected, or is there anything that gives you concern about the supply of fish, which is essential to secure the jobs? Is there anything in the Bill that concerns you in relation to job security and the security of the supply of fish?

Andrew Kuyk: I think not, in the sense that those are not areas that are covered in the Bill. It does not cover trading relationships or the kinds of issues that you are raising. From our point of view, is that a significant omission? Not necessarily, because my understanding

of the Bill is that it is a piece of framework legislation, which gives the Government the necessary tools to manage fisheries in the UK and the marine environment, in a changed legal situation where we become a sovereign coastal state. It is the tool box for the management of fisheries. It does not address those issues. Do we have concerns about those issues? Yes, we do, but I am not sure that the Bill is the appropriate place for those concerns to be addressed.

Q34 Luke Pollard: I was just going to say that I think you are underselling the success story of British fish processing. I think the vast majority of our jobs in fishing are in processing. If more fish were landed, there would be a commensurate increase in potential jobs in processing. Earlier, you mentioned statistics about how much fish we export and how much fish we import, because there does seem to be an imbalance there. I do not think it is widely understood that we mainly export the fish we catch and import the fish we eat.

Andrew Kuyk: It is because they are not the same species.

Q35 Luke Pollard: Exactly. What are the complications? What situations would you want referenced in the Bill to ensure that there is easy and free trade in those fish products? I imagine that any tariff could have quite an impact on the level of trade across our boundary. Is there anything that needs to be included in the Bill to give fish processors the confidence that they need to invest in more facilities in UK ports and elsewhere?

Andrew Kuyk: I am not a parliamentary draughtsman, and I am not sure it is relevant to the subject of the Bill. I suppose it would be possible for the Government to include a trade section in the Bill. One of the things that unites the people I represent and your previous witnesses is that we do not think there should be a link between trade, access to waters and quotas. We think those are separate issues. I know, Mr Gray, that you do not want to go too near Brexit and the backstop, but there is a relevance, given that in the backstop you have a carve-out in article 6 of the Northern Ireland protocol, which exempts fish and fishery products from the single customs territory that would otherwise apply in the backstop, so there is the potential for tariffs to be imposed on UK exports.

To recap, the main things we catch are things like herring, mackerel and shellfish, for which there is not great demand on our domestic market—people prefer cod, tuna and salmon—but there is a good market in the EU. In that succession of hypotheses if there is not an agreement and we come into the backstop, UK exports would potentially face significant tariff barriers. There may be opportunities elsewhere, but that would have a significant impact on the trade. I genuinely do not know how you would guard against that in the Fisheries Bill.

In terms of our access to the raw materials we need, we have the ATQ system and the benefit of some EU trade agreements with third countries. Again, I do not know how you make a reserve carve-out and preserve that position in the Fisheries Bill. That would be our aspiration. As processors, we want free and frictionless trade, like any other part of the food industry. That is our headline message: free and frictionless trade. The deal on the table—the political declaration—holds out the prospect of free trade. That would be very good.

The friction will depend on the degree of regulatory alignment. Fish fall into the category of products of animal origin, to which certain special rules apply in the EU. As a third country, things would have to go through a border inspection post, and so on. Clearly, for a highly perishable fresh product, any increase in the degree of inspection control is potentially detrimental if it leads to delay. Even if the product is not spoiled, its commercial quality and its value will have reduced.

The Chair: We have 10 minutes for five questions. Let us be quick.

Q36 Peter Aldous: You said that 80% of our exports go to the EU.

Andrew Kuyk: We export 80% of what we catch. The majority of that goes to the EU.

Q37 Peter Aldous: Is there any scope for increasing exports outside the EU?

Andrew Kuyk: That is not really within my area of responsibility, because we are processors and traders. Quite a lot of that is exported as fish; it is not processed. You could argue from first principles that, as a UK industry, we should be getting more added value from that. Some of that fish is landed directly in EU ports. Although there is a market for that, you could argue that there would be greater economic benefit if we could get some of that value added and export.

There clearly are markets elsewhere in the world. We are a deficit market. Just a bit of propaganda for the fish industry: fish is a healthy, nutritious product, and is a renewable resource if managed properly and sustainability. There are a lot of people in the world for whom fish is their sole source of protein. There is a big demand for fish in the global trade, so there will be opportunities there, but as in any kind of market, it depends on how competitive you are. For the sorts of export that we have at the moment, which are predominantly fresh exports, not processed products, you have obvious barriers of distance. You would have to do something to make it a product that you could sell further afield. There is potential there, but going back to my earlier point it would require investment and to make the investment there has to be a sound business case.

Q38 Mr Sweeney: The Faroe Isles require boats fishing in their waters to land their catches in their ports, therefore benefitting their fish processing industry. Do you envisage similar provisions in the Bill to make that arrangement for Scottish ports?

Andrew Kuyk: I think that harks back to an earlier question. There is no surplus processing capacity to do that at the moment. You could legislate for what people have to do, in terms of where they land things, but I do not think you can legislate for how the processing industry or investors would respond to that opportunity. They might or they might not.

Q39 Mr Sweeney: As a supplementary, clause 28 mentions a grant scheme, which may be an opportunity.

Andrew Kuyk: Clearly, that would help solve the investment problem. Again, it would not be for me to pronounce on the use of public funds in that way for a particular sector of a particular industry, but if the

Government chose to make grants available to do that, clearly that would help the business case for those kinds of investment.

Q40 David Duguid: I have anecdotal evidence that Dutch fishermen are currently catching about 80% of their small pelagic species in UK waters, and about 90% of that is being exported, with minimal processing, straight to west Africa. What can we do in this country to essentially cut out the middleman and make sure that the UK fleet is able to catch, land and export straight to these third countries?

Andrew Kuyk: Again, that is straying outside my territory as representing processors and traders. Your previous witnesses would be involved in that. Without going into the history too much, the Committee will be generally aware of the ability of people to buy quota and so on; it was freely sold and it was freely acquired. That is the way that the market has operated up until now. Clearly, were more quota available it would be possible for the UK fleet to seek to exploit these value added opportunities and, as you say, to cut out the middleman.

It would not necessarily be my members who would be involved in that at the outset, because that it is not business that we are currently involved in. The people who export those pelagics are not my members; it is the large pelagic companies on the catching side of the industry. It is done with minimal processing and minimal value added. I think that is a missed opportunity for UK plc, but I am not sure how much you can legislate for that. If you provide a framework that is conducive to that, then clearly business will step in with the right incentives and will do its best to take advantage of those possibilities.

Q41 David Duguid: Going back to what you said earlier about how the majority of our exports go to the EU, do you have any data on how much we export to the EU that is just minimally processed and further exported to third countries?

Andrew Kuyk: I do not have an exact figure, but I imagine that a clear majority of that would have no or minimal processing.

Q42 Jeremy Lefroy (Stafford) (Con): You mentioned earlier the import of cod from the Barents sea, Russia, which is obviously outside the EU and the European economic area. What sort of friction is there in bringing that into the UK market, in comparison with what might be experienced in the future.

Andrew Kuyk: Virtually none, in the sense that quite a lot of this stuff is transhipped through other countries, as I have already explained. If it comes in to us through the tunnel there is no friction at all, as it has already entered the single market, so any formalities—border inspection and any controls—have taken place elsewhere. The same is true of some fish that comes from Norway; some of that comes overland into Sweden on lorries. It is not quite just-in-time in the same sense as in the automotive industry, but there is a narrow window—something like 48 hours maximum—for getting those lorries through and into the UK market. At the moment, that is frictionless.

Q43 Jeremy Lefroy: Do we import any fish from outside EU markets?

Andrew Kuyk: Yes, and we have some stuff that is landed directly in the UK. There are well tried and trusted systems, and any necessary adaptations have already taken place. We have the facilities to cope with fish that are landed directly in the UK—from Norway, Iceland or anywhere else—because that is established trade. It is well run-in, it functions smoothly and it is not a problem. My general answer is that at the moment we do not have friction either through the EU route or directly. There are controls and rules that have to be complied with, but there are tried and trusted systems. The relevant capacities for handling at ports and for storage are all there for existing trade.

Q44 Luke Pollard: I have a quick question. On supply chain fairness, there have been concerns in the media about the involvement of modern slavery in the employment practices of foreign food processors. Can you give a sense of what the UK processing sector is doing to ensure that no fish in our system are processed or caught using methods of modern slavery?

Andrew Kuyk: We certainly recognise that that is an issue in global supply chains. I think that both our members and our retail customers do their utmost through due diligence and audits to try to ensure that our own supply chains do not suffer from that. This is an issue in the textile industry and others; it is not restricted to the food industry. Part of our industry's overall corporate responsibility is not just sustainability of the resource, but ethics and employment practices. That is part of the sustainability agenda of all major processors and retailers, and we do everything that we can to ensure that poor practice is eliminated.

Q45 Luke Pollard: So an objective in the Bill to ensure supply chain fairness—to ensure that there are no practices like modern slavery going on—would not be an obstacle to your sector operating?

Andrew Kuyk: No. As you said, there is already modern slavery legislation. Companies over a certain size must have policies in place. We would have no difficulty with that. Obviously there are some practical issues in supply chains in terms of tracing things back and assigning responsibility. On the aquaculture side—without going off at too much of a tangent—the fish feed might come from less well-regulated fisheries, but those are known problems in the industry and people are doing all in their power to tackle them, including using the commercial power not to source from areas where there is dubious practice. There is also the EU regulation on illegal, unreported and unregulated fishing, which I know we will wish to continue. There is no social chapter in IUU, but that is part of the approach to ensure that things are sustainably and ethically sourced.

The Chair: Mr Kuyk, I thank you very much for your most learned, well informed and well expressed evidence, which will be extremely useful to the Committee.

Examination of Witnesses

Paul Trebilcock and Martin Salter gave evidence.

10.54 am

The Chair: It is a great pleasure to welcome back Mr Martin Salter, who was the Member of Parliament for Reading West for a number of years and is a dear

old friend of mine, and Paul Trebilcock from the UK Association of Fish Producer Organisations. Mr Salter is from the Angling Trust. Perhaps you could kindly introduce yourselves briefly for the record.

Martin Salter: Thank you, Mr Gray—I miss our late-night train journeys back to Swindon. My name is Martin Salter, formerly of this parish and now head of campaigns for the Angling Trust, the national representative body for all forms of recreational fishing. That includes sea angling, which according to figures from the Department for Environment, Food and Rural Affairs is an industry in its own right worth £2 billion to the UK economy, generating 20,000 jobs and supporting thousands of coastal businesses.

One of the reasons we were very keen to give evidence before you is that, despite the warm words from Ministers and in the White Paper, recreational sea angling is not mentioned in the Bill, and we are hoping that you will put that right.

Paul Trebilcock: I am Paul Trebilcock, chairman of the UK Association of Fish Producer Organisations. All producer organisations in England, Wales and Northern Ireland are in our membership. Our members account for more than 40% by value of fish and shellfish landings in the UK.

Q46 George Eustice: I will start with a question for Paul Trebilcock. The very first clause of the Bill sets out a number of important environmental targets for the sustainable harvest of our marine environment. In the south-west we have particular challenges with maximum sustainable yields in a mixed fishery. Would you explain, from the point of view of fishermen in the south-west, the types of challenge we have as we try to abide by that target?

Paul Trebilcock: I should probably say at the outset that the fishing industry clearly has an interest and a priority to ensure the long-term sustainability of all our fisheries. Sustainability is at the very core of what we want from the Bill and the UK acting as an independent coastal state. However, in the words of Karl O'Brien at the Centre for Environment, Fisheries and Aquaculture Science, the MSY concept is scientifically illiterate. To have all stocks at MSY at a particular point in time is just not possible. In particular, in ultra-mixed fisheries, as we have in the south-west, there will always be ups and downs and natural variants. We are trying to manage a dynamic natural resource.

The concept of MSY is a good principle. Working towards MSY proxies on the key driver stocks is probably more practical than what we have at the moment, with an arbitrary legally binding commitment in the common fisheries policy that gives us some perverse pieces of advice. Zero TACs on stocks does not mean they will not be caught in mixed fisheries; it just means they are not taken account of in practical fisheries management. A far better way would be to have the MSY framework as an aspiration and to move towards it, and wherever possible have as many stocks as possible in that MSY range.

Q47 George Eustice: Some people say we can learn from Norway, which uses MSY and other approaches, too. Is there anything you think we can learn from that?

Paul Trebilcock: As I say, I think there are lessons to be learned from independent coastal member states such as Norway. Its approach to fisheries management

takes the whole ecosystem into account and does not try just to manage stock on arbitrary numbers. There are lessons to be learned, such as using proxies or other indicators to ensure that the whole mix of stocks is going in the right direction and perhaps using the MSY as the driver for some of the key economic stocks. It is about trying to take into account that we are trying to manage a dynamic natural resource rather than something that neatly obeys some scientific modelling.

Q48 George Eustice: Mr Salter, I feel you are a bit glass half empty about the Bill. Clause 28(1)(e), which I am sure you have read, creates the powers to give financial assistance for

“the promotion or development of recreational fishing.”

That is in the Bill and it is the first time ever that we have created power to give financial assistance to angling. Is that something you welcome?

Martin Salter: What do you think, Minister? With due respect, it is obviously right and proper that the European maritime and fisheries fund makes some of it available to the commercial sector. That is fine, but you had six direct references in the White Paper to recreational fishing. One of the great failures of the common fisheries policy is the failure to recognise recreational angling as a legitimate stakeholder in the European fishery. That is a failure of the CFP that the Bill could put right. You could do that, as we state in our evidence, by putting on the face of the Bill, “The UK Government recognise recreational sea angling as a direct user and a legitimate stakeholder in the fishery.” That would be a win-win situation and it would add to the very welcome news that we are going to have access to EMFF funding.

Q49 George Eustice: I have done this job for five years. We meet every year—you are always invited ahead of the December Council, along with the commercial fishing sector, to discuss our priorities. Bass has dominated discussions, certainly in the past three years. What is it that you seek for us to do with legal powers? Obviously the Bill is about legal powers. Are you saying you would like a licensing regime for recreational anglers? In what way would you like us to legally recognise you?

Martin Salter: We, like you, are looking forward to saying goodbye to the annual horse trading that takes place at the Fisheries Council. It is worth putting on the record that, despite the reform of the CFP, some 44% of total allowable catch limits were set above scientifically recommended limits. That process is far from perfect, and it is to be welcomed that the Bill and particularly the White Paper talk in terms of world-leading fisheries management.

However, the point for politicians is that it is easy to claim that we are going to be an independent coastal state, but that does not deliver sustainable fisheries. Senegal is an independent coastal state, and its fisheries have been wiped out by super-trawlers, which are mainly European and have used their economic power to destroy the livelihoods of artisanal fishermen in independent coastal states. You will deliver sustainable fisheries management by having world-leading sustainable fisheries policy. You will deliver that by looking at the very best in the world. You should look at Norway and in particular at the United States. The Magnuson-Stevens Fishery

Conservation and Management Act 1976 puts a statutory duty on the eight regional fishery councils to take action to rebuild fish stocks.

You asked what we are seeking. We would like to see on the face of the Bill a binding duty for Ministers to set total allowable catch limits in line with scientifically recommended evidence, rather than this dreadful horse trading that takes place every year at the European Fisheries Council, which is no model of sustainable fisheries management at all.

Q50 George Eustice: Do you not think that that is there in the very first clause of the Bill, in subsection (3), which states that the “precautionary objective” is to ensure that “living marine biological resources” are exploited in such a way that they are harvested

“above biomass levels capable of producing maximum sustainable yield.”

There is a legal commitment there.

Martin Salter: There is, but there is a section in the Bill about binding duties. Frankly, Minister, if I were in your shoes, I would want a binding duty. I would want to make it crystal clear that we are going to end the discredited system that has operated under the common fisheries policy and replace it with a legally backed duty to fish at sustainable levels, just as we have legally backed targets for climate change and emissions.

I am afraid I do not agree with Paul and my colleagues in the commercial catching sector about having MSY as an aspiration. Minister, you have piloted bass conservation measures more than anybody else, but usually in the face of opposition from the commercial catching sector. We have seen those conservation measures start to lead to the rebuilding of bass stocks in the UK, which is really to be commended. We need to be bold, we need to be outliers, we need to learn from the best in the world, and we need it clearly and simply on the face of the Bill.

Q51 Luke Pollard: Paul, at the moment, not all UK fisheries are classed as sufficiently sustainable under the UK Government’s procurement policies for the Government to buy fish from them. What needs to happen for all UK fisheries to be classed as sustainable, so the UK Government’s procurement policies enable their fish to be bought and so we can be proud that all our fisheries are sustainable?

Paul Trebilcock: I think we are well down the track on that one. Increasing numbers of UK fisheries have either achieved accreditation and are now Marine Stewardship Council-accredited, or are going through the process. Growing numbers by volume and across Scotland, England and Northern Ireland are achieving that. We are definitely moving in that direction, and the UK fishing industry is currently on a trajectory toward having all its fisheries on a sustainable footing. Contrary to Martin’s view, I think the people who will deliver a sustainable fishery and fishing industry are the fishermen themselves, those who are actively at sea. Currently, there are elements of the common fisheries policy, whether it be relative stability shares, access arrangements or some of the technical measures, that hamper the travel toward that sustainability.

The UK operating as a genuine independent coastal state, with a practical and balanced fisheries policy that takes into account all three pillars of sustainability—not just the environmental but the social and economic

pillars—will in a very short space of time take the UK further down that track and ultimately toward our shared aspiration of all UK fisheries operating in a sustainable way that will allow the UK Government and anybody else to buy with a clear conscience.

Q52 Luke Pollard: Martin, I agree that this Bill seems to undervalue the contribution of recreational angling and fishing to the UK economy, especially our coastal communities. You mentioned in your earlier remarks that recreational angling was a key stakeholder in other jurisdictions around the world, with the US, Canada, Australia and New Zealand all recognising recreational angling as a key stakeholder. Do you think it should be included as part of this Bill that recreational angling is a key stakeholder and should be regarded as such as the new fisheries policy is introduced?

Martin Salter: Yes, thank you for that. We are promoting an amendment that states:

“Promoting the sustainable development of public access to recreational fishing opportunities as both part of the catching sector and the leisure and tourism industries, taking into account socio-economic factors.”

What is interesting, if we look across the pond at America, is that they have fishery management policies on some stocks. It is worth bearing in mind that those fish stocks that are of interest to the recreational sector do not clash desperately with the fish stocks that my colleagues from the catching sector wish to exploit. We are not interested in monkfish. We are not interested in hake. We are not interested in crabs. We are not interested in lobsters. We are actually only interested in something like 20% of fish landed into UK ports, so there is plenty of opportunity to look at sensible resource-sharing.

In America, the striped bass fishery, which was driven to extinction by commercial overfishing, has recovered as a result of tough conservation measures. They now have in place a resource-sharing operation where X percentage of the stock each year is reserved for the recreational sector, which generates huge value for the US economy. I can read the figures into the record if you like. We have the potential to do that over here. We can look at certain fish stocks and say, “Do you know what? We could deliver better for UK plc by managing that stock recreationally, or at least sharing a proportion of that stock.”

Q53 Luke Pollard: On that point, we have had representations about Cornish bluefin tuna effectively being allocated as a catch-and-release stock in future. That seems to be an area where there might be a tension between recreational fishing and those commercial fishers who might want to catch and use that in the food supply chain. How can the tension be resolved for a stock such as that, and is there anything that needs to go in the Bill about how stocks could be better managed where there is a potential clash?

Martin Salter: To be honest, Mr Pollard, I do not think that is a matter for the Bill. We are looking forward to meeting the Minister on bluefin tuna, although we accept that he is pretty busy at the moment with two Bills going through Parliament. It is interesting that the bluefin tuna is still on the endangered list, but the International Union for Conservation of Nature list goes back to 2011, which predates the International Commission for the Conservation of Atlantic Tunas

stock recovery programme. That stock recovery programme has seen the global quota increased to something like 38,000 tonnes. The EU gets 20,000 tonnes of that. Under ICCAT rules, the EU has to allocate a small proportion to a non-commercial interest—in other words, a recreational catch-and-release interest. The recreational sector only ever needs a very small part of that quota because of the mortality rate for bluefin tuna. They are big, tough animals, and the Canadian model shows that their mortality rate is around 3.6%.

You can therefore have a very small quota in the UK and develop a thriving recreational tuna fishery. Given that the stock is slowly recovering, I should imagine that ICCAT would consider it far too early to start thinking about cranking up commercial exploitation in an area of the globe where it has not traditionally happened. A first run at tuna, if you like, really needs to be a tightly licensed, properly controlled recreational fishery that sits alongside the tagging programmes that the World Wildlife Fund is currently doing in Sweden and has also done in the Mediterranean.

We need to know a lot more about these wonderful creatures before we open the door to commercial exploitation, and the first stage would be to set up a recreational bluefin tuna fishery. That would generate an awful lot of money for the south-west and for Ireland, and it would also mean—this is really important—that there would be anglers out there looking after this resource. Frankly, if stakeholders are not engaged in the fishery, bad people will do bad things to fish, as can be seen in the amount of illegal and black fish landings that take place every year in this country.

Q54 Peter Aldous: I have a couple of questions. Mr Salter, the highlight of the Second Reading debate was the vision of my hon. Friend the Member for Broxbourne (Mr Walker) for what recreational fishing might do for local economies. Does recreational fishing need to be mentioned in the Bill for you to actually achieve that objective?

Mr Trebilcock, the Bill suggests an enhanced role for producer organisations. Are you fit for purpose—not your specific PO but generally—to fulfil such a role? At the beginning of last month the European Commission issued a reasoned opinion to the UK Government, which admittedly was about the management of POs but in which there was a strong suggestion that you are not doing what you should be.

Paul Trebilcock: You are absolutely right. The Commission is certainly having a look and gave a reasoned opinion about POs functioning in the UK, although that focused primarily on the compliance checks and the audit process by the Marine Management Organisation rather than the functioning of particular POs.

The short answer to your question is that, yes, I think POs are fit for purpose. They are primarily fishermen’s organisations, entirely funded by fishermen and run by and for fishermen to manage quota, market and represent. They have an extremely valuable role. Is there room to improve as we enter a new regime? Absolutely. Clarification of a standard that all POs across the country must deliver to, clarity of function and a greater understanding from people outside POs of what they actually do would all be really useful.

Q55 Peter Aldous: If I could just come back on that, you said POs function very much for the benefit of their local communities. The Lowestoft producer organisation in my constituency is made up of three or four accountants in the town but seven trawlers that never come near the port. I do not think that that is functioning properly.

Paul Trebilcock: No, but in response I argue that the Cornish PO, for example, is made up of around 150 different fishermen, from small handliners catching mackerel and bass through to beam trawlers. That is an example of how a producer organisation might work.

In the Lowestoft example, the local boats sold to Dutch interests, and there was an evolutionary process. The Lowestoft PO functions as a producer organisation, securing maximum price for its members and that sort of thing. The local community in Lowestoft chose not to be part of that. It is important that, as we enter the UK operating as an independent coastal state, all parts of the commercial industry are encouraged into producer organisations to ensure that they collectively understand and drive the function and operation of producer organisations wherever they might be.

You really have to be seeing the benefit. Perhaps that is a role where UK Association of Fish Producer Organisations and producer organisations in general have not particularly done well in explaining to and educating people outside the PO movement what they actually do for fishing communities. The reach and effect of producer organisations goes beyond their membership in a lot of areas. I know that the south-west and east of England POs will help those in the local community who are not even in membership. I strongly feel that producer organisations do a tremendous job around the country at the moment, and have the scope to build on that and do better things as we go into the post-Brexit era.

Martin Salter: The highlight of any debate is the contribution from the hon. Member for Broxbourner, as we know.

Do we need recreational fishing on the face of the Bill? It is great when the White Paper says:

“We will consider how we can further integrate recreational angling within the new fisheries framework recognising the societal benefits of this activity and impacts on some stocks.”

However—your constituents who fish recreationally will tell you this—for many years they have been a bit sick and tired of seeing their recreational sea angling experience fall off a cliff edge as stocks are overfished, and in some cases get driven into parlous conditions. They feel that the recreational sector, despite its economic significance—its significance for jobs and for coastal communities—is basically being left to feed on the crumbs that are left over after commercial exploitation has had its whack.

If you look at quality fishery management—at America and Magnuson-Stevens, and the New Zealand fishery conservation legislation—shares are allocated. There is proper resource sharing. There is consideration in a sensible, grown-up, policy development way—recognising the social and economic impacts of the exploitation of different stocks for different purposes. It might not just be for recreational fishing. It might be for diving or other forms of tourism. It might be for conservation. Yes, putting it on the face of the Bill would send a strong signal, and would also mean a sea change from the very discredited policies of the common fisheries

policy. What I think the Bill is really about is recognising that this is a new chapter for fisheries management. That is why I would urge you to support our amendment.

The Chair: We have eight minutes for five questions.

Q56 Mr Carmichael: Paul, I think I agree with you that the work of the POs is much undervalued, and frankly not much understood. Tell us a little bit about the work of POs in terms of trading quota across the different parts of the UK.

Paul Trebilcock: One of POs' functions is quota management. Part of that involves getting quota to those who need it—fishermen. That can be done through the swaps and transfer mechanism, which has evolved and developed over many years. Those can be swaps involving different quota stocks swapped for those needed. It can be leasing, it can be gifting, it can be borrowing and it can be a form of banking—it is quite a sophisticated and complex, or flexible, way of doing things, which enables it to be moved around to where it is needed, wherever possible.

Q57 Mr Carmichael: What happens if the Administration in one part of the UK, for example, tries to restrict quota trading among other parts?

Paul Trebilcock: At the moment we have the ability to trade across all parts of the devolved Administration quota tonnages on an annual basis, but it is not possible to move the fixed quota allocation units across Administration borders, which hinders business and stops FQAs getting to where they need to be—fixed quota allocation units for stocks off the south-west probably are not needed in Shetland and vice versa. The ability to rebalance that and free that movement would be welcome, but at the moment there is free movement of quota tonnages across the devolved Administrations, which is absolutely essential in getting quotas.

Q58 Mr Carmichael: And the Bill as it stands would allow that to continue free of political interference?

Paul Trebilcock: The Bill as it stands, as I read it, does allow for that. The risk, of course, is that there is the signal towards devolution that means the different devolved Administrations can, I think, as I read it, choose to have their own quota management rules. That is certainly a risk, but it does not appear on my reading to be a high risk. I would hope that all devolved Administrations were trying to work collectively for the benefit of their respective fishing industries and the UK as a whole, so retaining flexibility and restoring the flexibility to move FQAs would be a welcome addition.

Jeremy Lefroy: Mr Salter, you rightly placed great emphasis on sustainability. Given that in the UK we export most of our fish and export most of what we catch, most of what is consumed comes from places in which as an independent coastal state we rightly have no control over whether things are fished sustainably. Do you see a role for consumer-type markings on sustainability? Should that be left up to the industry or should there be some kind of legal basis so that we walk the walk on sustainability as well as talking the talk?

Martin Salter: I think consumers welcome guidance. It is a matter for you whether you think legislation is required, but when you walk into a supermarket you see a very complicated tapestry in front of you.

We have a very real problem with farmed salmon. Our colleagues from Scotland recognise it as an important industry, but if it were a land industry it would be shut down tomorrow given the appalling levels of pollution. The amount of sewage that is discharged as a result of the Scottish salmon farming industry into pristine marine lochs is quite horrendous. The wrasse that are prevalent around Mr Pollard's constituency in the south-west are slow-growing fish of very little commercial value—often the first fish that youngsters catch when they go sea angling. They are being shipped live to the Scottish salmon farming industry as a cleaner fish to eat the lice because that is cheaper. That is a double bad whammy. The industry really needs to improve its act—I notice that Norway is moving a lot of its agriculture on to land so that it can deal with the effluent.

I still see an awful lot of people eating Scottish farmed salmon. I am sure Scottish MPs welcome the fact that they do so, but in sustainability terms and environmental terms it is a dreadful product—doubly dreadful because of its impact on sea fish down in the south-west. Perhaps statutory guidance would be welcome, or at least a level playing field in which agriculture was forced to clean its act up as farming practices on land have been forced to do over the years.

The Chair: We are running out of time. May we have a last question from Alan Brown?

Q59 Alan Brown: Mr Salter, you seem to be talking about having a percentage of quotas ring-fenced for recreational angling. How would getting that into the Bill work? Would it apply to future quotas to allow expansion of the sector?

Martin Salter: We are not calling for that to be in the Bill; it would tie the Minister's hands. If we are to adopt world-leading sustainable fishery management practice, it is important that Ministers and decision makers are able to take the best scientific advice without having to

come back to Parliament to change quotas and reallocate bass stocks from 30% recreational to 37% recreational, for example. That clearly would not work. They have to have that power, but that is why it is important that we put a duty in the Bill for Ministers to set sustainability targets.

The point about resource sharing is more about achieving an optimal economic and societal return for the stock. I find it very sad that protected species such as the grey mullet that we see swimming around harbours in the UK have very little commercial value, yet at times of spawning aggregations we see entire year classes of those stocks totally netted, flooding the market and getting less than £2 a kilo. This is a slow-growing species: a grey mullet takes anything from 10 to 12 years to achieve a size that makes it a useful recreational angling target. It is a very poor use of that resource. As a good business calculation, which is the better use of that stock? Would reserving more of it for recreation give us more jobs for the UK economy—more bites for our buck, if you like? That is something that good fishery management practice would seek to achieve. It will not be achieved by legislation as such, but it could be assisted by a power and duty for fishery Ministers.

Alan Brown: That is a complication, because trying to get a legislative framework that gives that certainty—

The Chair: Order. We are strictly limited by time and it is now 11.25 am, so I fear I have to call this evidence session to an end. The Committee will meet again at 2 pm. The Committee Room will be locked in the meantime, so hon. Members may leave their papers here if they wish. I thank the witnesses very much indeed for their useful evidence.

11.25 am

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

Adjourned till this day at Two o'clock.

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

FISHERIES BILL

Second Sitting

Tuesday 4 December 2018

(Afternoon)

CONTENTS

Examination of witnesses.

Adjourned till Thursday 6 December at half-past Eleven o'clock.

Written evidence reported to the House.

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

Saturday 8 December 2018

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The Committee consisted of the following Members:

Chairs: JAMES GRAY, † DAVID HANSON

- | | |
|---|---|
| † 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

Jerry Percy, Director, New Under Ten Fishermen's Association

Phil Haslam, Director of Operations, Marine Management Organisation

Dr Tom Appleby, Director, Blue Marine Foundation

Aaron Brown, Fishing for Leave

Public Bill Committee

Tuesday 4 December 2018

(Afternoon)

[DAVID HANSON *in the Chair*]

Fisheries Bill

Examination of Witness

Jerry Percy gave evidence.

2 pm

The Chair: In this afternoon's sitting we will first hear oral evidence from the New Under Ten Fishermen's Association. Will the witness please introduce himself?

Jerry Percy: Good afternoon. Thank you for inviting me. My name is Jeremy Percy. I am the director of the New Under Ten Fishermen's Association, the representative body for 80% of the UK fleet, which operates from vessels of less than 10 metres in length.

The Chair: I shall hand over to the Minister for the first questions.

Q60 The Minister for Agriculture, Fisheries and Food (George Eustice): This morning we heard in evidence that the principle of relative stability had served the inshore fleet particularly badly because of the data and the absences of data in the '70s and '80s when the track record was established. What are the key priorities of the inshore sector as we leave the European Union and set our own domestic policy?

Jerry Percy: We have long argued that relative stability needed to be reviewed, primarily because of the very bad deal that the under-10-metre sector has always had in the UK, not just because of relative stability but because of the way in which quota was allocated back in the '90s, when we did not have a seat at the table and therefore, despite being nearly 80% of the fleet, ended up with less than 2% of the overall UK quota. Relative stability really does need to change.

Our priorities are, overall, to ensure that the under-10-metre fleet—unquestionably, it has been massively disenfranchised over the past few decades—comes out of it with a significantly increased allocation. We have argued strongly that the current method for allocating quota is unfair and discriminates against the under-10s, and of course the myriad coastal communities they support. I have been in the fishing industry as a fisherman and in other roles off and on for over 40 years, and I have seen the demise of any number of coastal communities, the fleets that they supported and the people who supported them over that period. Our main aim is to ensure that the under-10s specifically get a fair deal come the new horizon.

Q61 George Eustice: On management, we outlined a number of ideas in the White Paper. Some have suggested that we should move away from a Marine Management Organisation-administered under-10-metre pool and towards a producer organisation for the inshore sector. What is your view of such an approach?

Jerry Percy: You will not be surprised to hear that I am very supportive of the idea, having written the initial paper back in 2012. There is absolutely no doubt about that. To put it into perspective, at the moment I gather that the UK has had infraction proceedings served upon it by the European Commission for failure to manage and regulate its producer organisations adequately. I have not seen the detail but I would have thought that the Commission was concerned that, despite the fact that the coastal PO—the producer organisation dedicated to the under-10-metre sector—has had official recognition by the UK Government and by the Commission for over a year, we are still refused the ability to manage the quota of our own members. This is particularly important with the run-up to the landings obligation, where the ability to acquire quota retrospectively will be vital.

With the greatest respect to the Marine Management Organisation, the disparity between the rationale for MMO management of quota and that by the producer organisations, which are very focused on the commercial benefits of their particular members, is huge. This has resulted in this year to date, for example, in only just over 50% of the under-10-metre quota actually being fished, although that is down to a number of issues. One of them is undoubtedly the inflexibility in the Government trying to manage the quota, so I am particularly supportive of the coastal PO.

I fail to understand why the Government have not permitted us to have exactly the same rights—no more; no fewer—as the existing POs. In fact, in your own words, Sir, in a letter earlier this year, you said that as soon as we had the correct infrastructure in place you would like to see us going ahead and doing this sort of management. We have had the infrastructure in place for a considerable amount of time, yet we are still refused the ability to manage for the benefit of our members.

Q62 George Eustice: But do you accept that there could be more than one PO covering the inshore sector?

Jerry Percy: I do not think so.

Q63 George Eustice: You shouldn't force everyone to join it if they don't want to.

Jerry Percy: No, there is always a choice about whether you join a producer organisation or not. To be honest, there is absolutely no reason why any under-10 metre vessel even slightly reliant on quota should not join the coastal PO. The membership fee is £1. More importantly, however, membership should give those vessels access to far more flexible and user-oriented management of their quota, rather than the current situation.

Q64 George Eustice: I have two other points that we raised in the White Paper that I want your views on. First, do you think that the under-10-metre category is still the right criteria to use, or should we look at other measures, such as engine capacity or the zone in which they fish, so that there would be a different way of defining the artisanal, small-scale fleet? Secondly, we have obviously had quite a lot of representations about the possibility of moving more to an effort-based regime for the inshore fleet rather than a quota system. What is your view of that?

Jerry Percy: In response to your first question, there is no doubt that the arbitrary under-10/over-10 metre divider has been an unnecessary nuisance, frankly, especially as time has gone on. Yes, 20 or 30 years there was a very significant difference between what was in the '90s a much more artisanal fleet and today's under-10 metre boats, which can be 9.99 metres and highly efficient. One of the purposes of developing the coastal PO initiative was that, rather like other examples one might think about in the current climate, you tend not to go to war with people you are trading with, and there has always been a difference of opinion between under-10s and over-10s and their POs.

Losing the 10-metre measure in the fullness of time would be a very positive step forward. Clearly, if you look at the breakdown of the under-10s, which are some thousands of vessels, you see that the vast majority are less than 8 metres in length, and again you can go down. So there is a strong argument for taking any boat up to 6 metres completely out of the quota system, whether or not you replace it with something like effort management. I can speak from experience. While a modern under-10 metre boat has a very significant fishing capacity, far in excess of what it would have been 20 or 30 years ago, it remains the case that boats that are less than 18 feet would really struggle to make any significant impact on stocks.

At the same time, we have said all the way along that although the effort management suggestion is ostensibly a fairer way of allocating access to the resource than quota, with all its issues and problems, we really need to have a proper, full-scale and focused trial before anybody could say unequivocally, "This would be the most effective and efficient way forward."

Q65 Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): A real consensus is emerging around the Bill that there should be more focus on giving more quota—more fishing opportunities—to the smaller boats. The question is about how we do it. From your point of view, what would be the best way within the Bill, and within the powers it contains, to encourage more fishing opportunities to be held by smaller boats, which generally speaking are the least impactful on the environment and contribute more to their coastal communities?

Jerry Percy: There are two main answers to that question. At the moment, despite the claims that we are going to be an independent coastal state and take back control, nearly 50% of the UK's allocation of quota is held in foreign hands. Now, although a lot of that is the pelagic species, such as mackerel, herring and blue whiting, nevertheless fish quota, whether we like it or not—we do not—has become a commodity and gaining more access and a fairer balance post Brexit, when the Bill comes in, would be a particular opportunity.

There are opportunities. The Government have always been concerned that if you tried to repatriate quota, then you get a whole queue of people lining up for a judicial review, but it was clear from the judicial review in 2012 and from legal advice subsequently that that is entirely practical. In fact, the Faroe Islands has just instigated a similar sort of system. Rather than us arguing that one should rob Peter to pay Paul, it is at heart the allocation system that is at fault. It is based on historical rights.

As I said, I go back far too many years in this business. In the 1990s, the Government said to the over-10-metre vessels, "Go out and fish and record all your catches, and we will take a three-year average and provide you with your fixed quota allocation—your proportion of the overall UK cake." Not surprisingly—the larger-scale representatives admitted this in the judicial review I mentioned—they did ghost fishing. If you went out and caught 10 tonnes, you might put down 12 or 14 tonnes just to make sure that you had good opportunities. I dare say that if I had been in that position I might have thought the same. The whole thing was predicated on a lie, frankly, and it has gone on ever since. Historical rights are really not an effective method, for any number of reasons.

The answer to your question, which we put forward in our response to the Bill, is that clause 20 effectively takes in article 17 of the common fisheries policy. We suggest that should be amended so that quotas are allocated according to social and environmental criteria and economic benefit for coastal communities. Some 80% of the under-10 metre fleet use passive rather than mobile gear, so their environmental credentials are better, and their economic credentials are certainly more significant. We would take our chances with everybody else, but that would provide a level playing field, irrespective of size of vessel, and your allocation of the resource would be based on environmental, social and economic criteria.

Q66 Luke Pollard: This morning I asked about strengthening the economic link, so if you catch fish under a UK quota you should land at least half of it in a UK port. Can you explain where the under-10 fleet—the small boats—mainly land their fish? Do they land it in UK ports already, or is a sizeable portion landed in foreign countries?

Jerry Percy: No, it is almost exclusively landed into UK ports, although of course a very significant element is then exported to markets in France, where our European neighbours tend to pay far more for it. I think it is relevant to mention at this point that, with all due respect, we must not focus just on the quota issue, although that is vital because the quota has been so unfairly dealt out in the past. A very significant proportion of the under-10-metre fleet relies on non-quota species such as cuttlefish, shellfish, lobster and crab, and they in turn rely on direct export. About 90% gets exported, mainly to France and Spain, so the export market is key.

Q67 Luke Pollard: Finally, I have a question that is not about quotas—it is about marine safety. The Bill talks about our potentially being able to allocate quota that is drawn down from our EU friends in a slightly different manner from the FQA system we have at the moment, and to apply different conditions to that. You mentioned social, economic and environmental criteria potentially being some of those conditions. Marine safety is an issue for many small boats because of the pressures on those boats and the fact that the 10-metre limit has led to lots of dumpy boats with strength rather than stability. Would you give us a sense of the implications for the sector of amendments to the Bill that introduced a requirement for marine safety to be such a condition, to ensure that people who go out to catch our fish are safe, and tell us what the current safety levels are in the sector?

Jerry Percy: Fishing, unfortunately, still carries the record as the most dangerous occupation in the world. I sit here having lost any number of friends and colleagues over the years in pursuit of fish. I do not think having to carry more fish should be a significant safety issue. It is going to be more relevant in terms of the forthcoming landings obligation, under which we can no longer discard any fish so we have to keep it all aboard. There are of course safety issues in that respect.

The Sea Fish Industry Authority monitors and measures, and ensures that vessels are safe to go to sea. We are effectively talking about capsizing as a result of overloading, which is actually quite rare. It is perhaps more common in the pelagic fisheries, where a great bulk of fish is landed. For most small-scale fish fleets, I think fishermen and the authorities would ensure that there was no safety issue. Even in my wildest dreams, safety has never come to mind as being an issue if we had significantly more quota. I have never thought, “Oh, I’m going to catch too much fish and put myself at risk.” It does happen—even now, with non-quota species, you never throw it back.

Q68 Luke Pollard: On that point, there seems to be universal agreement that personal locator beacons attached to lifejackets are a good thing, but we know there is a cost to fishermen of buying new lifejackets with PLBs and registering them. Do you think that, if there were a specified improvement on marine safety in the Bill, lifejackets with PLBs could be one area that might make a big improvement in marine safety?

Jerry Percy: Yes. Under the International Labour Organisation’s convention 188, it is now mandatory for fishermen to wear lifejackets unless the owner and/or skipper of the vessel can prove that he has sufficient guards in place to ensure that fishermen do not go over the side.

I still go to sea quite often. I have a personal locator beacon that I bought myself for about £170. It will tell the rescue people where I am in the water anywhere in the world. It is cheap. As far as I understand it, European funding would probably cover it because it is not a mandatory requirement, but surely, in terms of safety, it is a few pounds and it makes all the difference in the world.

Q69 Peter Aldous (Waveney) (Con): My question is a variation on the Opposition spokesman’s point. It is commonly recognised that the inshore fleet—the under-10s—has had a raw deal as far as access to quota and fishing opportunities is concerned. The Bill is largely based on the assumption that an increase in opportunities, as a result of taking back control of our waters, will give us an uplift that will provide additional fishing opportunities for the inshore fleet. Do you think that goes far enough, or do we need to look at something bolder and more radical in terms of quota allocation or fishing opportunities?

Jerry Percy: Our main concern is that the Bill is predicated on a successful fisheries Brexit, if I may call it that, with a significant windfall of quota. Again, with the greatest respect, that would get the Government out of the hole that successive Governments have painted themselves into—if I may mix my metaphors—in that because there is only so much in the UK pie of quota, they are somewhat hamstrung, in their view, in their ability to reallocate more fairly and effectively. Not

surprisingly, we disagree with that version and there is legal argument that they could do so, albeit slowly—that was said by the judge in a judicial review in 2012.

I gave an answer earlier about moving the method of allocation to become genuinely reliant on the social, environmental and economic criteria, but I do say genuinely because the UK Government are also already subject to article 17 of the common fisheries policy, which says something similar about allocating quota on those three criteria. The Government have argued that they meet those criteria. I personally do not think that they even remotely reach them in many respects. If we are going to have a revised method of allocation, we need an undertaking or to ensure that the Bill does what it says on the tin.

Q70 Brendan O’Hara (Argyll and Bute) (SNP): Thank you for coming along, Mr Percy. We have heard a lot about control of our own waters, but that has to be set against access to markets, particularly for your members. How confident are you that the interests of your members are fully understood and fully protected by what is in the Bill?

Jerry Percy: I do not think it goes far enough in some respects. Again, going back to the common fisheries point, the European maritime funding document says that member states shall produce an action plan for the development of their small-scale fleets. To date, we have not really seen anything to that extent, and there is nothing specific in the Bill in that respect.

Our main concern is that, from a non-quota, shellfish perspective—this is particularly reflected in our members and colleagues in the Scottish Creel Fishermen’s Federation, who asked me to mention it, which I am more than happy to do—the whole business of hundreds, if not well over 1,000, boats around the west coast especially, and the east coast of Scotland to some extent, as well as Wales and the rest of the UK, is based on seamless transport across the channel to our markets in France and Spain. Their main concern, of course, is that if any issues come up in a post-Brexit scenario where we seek to take back control, not only will we get tariffs, which will make a big difference, but what is more, there will be non-tariff barriers in terms of the requirement for veterinary inspections of live shellfish. At the moment, the only two ports with those facilities are Dunkirk and Rotterdam, neither of which we use and neither of which, effectively, is a Channel port. To date, the French have not exactly been quick off the mark in building new facilities in time for next year.

We are equally concerned about the fact that French fishermen, like French farmers, are renowned for taking very direct action should they feel that something has upset them. You will remember that when the French farmers got upset about some aspect of Welsh lamb exports, they actually burned the lorries as they came off the ferry in France. We are very concerned that if we do have an independent coastal state, and so on and so forth, it would kill that transport overnight. We only need a few hours’ delay for it to make all the difference in the world.

Q71 Brendan O’Hara: As the Member for Argyll and Bute, I take on board what you are saying. We are absolutely dependent on speed of access to market. What should we in this Committee be looking at over the next few weeks to ensure that vital shellfish market

remains open and there is that speed of delivery from Loch Fyne to Madrid, for example? How do we ensure that that is as seamless as possible, and that we keep those vitally important markets?

Jerry Percy: There has to be a balance in the negotiations, permitting some level of access to our waters—although much less than currently—to ensure that we do not have those non-tariff barriers, and that the facilities, including on the French side, permit us to have that seamless transport and that there are no road blocks in the meantime.

Q72 David Duguid (Banff and Buchan) (Con): On access to market versus access to waters, I think you mentioned that there would be some exchange of access for quota in any future arrangement. I presume you would agree that it is important that, as an independent coastal state, we have full control of that access so that we can use it as leverage. I hesitate to use the phrase “bargaining chip”, but when we go into future annual negotiations, that has to be the leverage that we have.

Jerry Percy: Absolutely. We should start with a clean sheet: “We are an independent coastal state. That’s that.” We have a clean sheet and nobody has the right of access. Then there will inevitably be negotiations and bargaining, and that balance is going to be extremely difficult, because Mr Macron, the Commission and others have already made clear that they want the status quo to be the basis of any further negotiation. The Government will have their work cut out to try to sort that out.

Q73 David Duguid: Is there anything in this Bill that you think we should focus on, in order to add more power to our elbow in those future negotiations?

Jerry Percy: Our concern about the Bill is that there are a lot of phrases in it like “intend to”, “will consider”, “could include”, “aim to”, or “DEFRA intends to be”. There is not a great deal of certainty about some elements on which we would have liked to have seen more certainty and absolutely unequivocal statements: “We will do this.” The Government have made it clear to date that they want an unequivocally clean sheet start. Whether we actually achieve that, of course, is open to significant debate.

Q74 David Duguid: One more question, if I may. Going back to what you were saying earlier, I think your exact words were along the lines of “Unfortunately, quotas have become a commodity.” With quotas being sellable and buyable, they are an asset, at least. If quotas were to be more fairly distributed among the smaller vessels in future, how would you avoid them just becoming sellable commodities, bought up by others?

Jerry Percy: There are a number of global examples where you can retain quota as a national resource without allowing its sale. There obviously needs to be flexibility in-year to move quota about, to ensure that those people benefit from it. It is not an easy situation to resolve, but there are global examples of what can be done to ensure that almost half of our national resource is not in foreign hands, as has happened here.

Q75 Mike Hill (Hartlepool) (Lab): I represent Hartlepool, which is one of those coastal communities affected long ago by unfair quotas for under-10s. There is an argument

that our industry could be revived if fairer quotas were allocated. In your opinion, how many ports would benefit from an uplift in quotas?

Jerry Percy: It is not just ports; there are harbours, coves, small areas and small coastal communities. It would be dozens, if not hundreds. Going back 40-odd years, I can remember fishing out of Lowestoft as a boy fisherman. There were myriad groups of small boats all the way up and down the coast, all providing a significant benefit to those local communities. They may not show up on an economist’s spreadsheet, but those people are nevertheless paying their mortgage, taking their kids to school and keeping the local infrastructure going. I am not exaggerating; it could certainly be in the hundreds that we could revive and have some level of renaissance. There is no doubt whatever.

Q76 Mike Hill: I get the impression from representatives from the larger fleets that they would oppose quota redistribution. What arguments are there against that?

Jerry Percy: Well, why should they get more? To an extent, it is based on greed. They already have approximately 98% of access to the quota, 50% of which is in foreign hands, and a very significant proportion is in the hands of the five richest families in this country. It has become a fundamental nonsense and is grossly unfair socially, environmentally and economically that nearly 80% of the fleet in the UK has access to only 2% of the quota. The idea or argument that any additional quota should be allocated according to the existing fixed quota allocations frankly is just grossly unfair. There is no sensible economic or social reason why that should be the case.

The Chair: Does any other Government Member wish to ask a question?

Q77 Jeremy Lefroy (Stafford) (Con): Thank you very much, Mr Hanson. I am very interested in what you said about 50% of the quota being in foreign hands. Is there an example, as far as you are aware, of any EU coastal state that makes better use of the common fisheries policy for under-10 metres or smaller boats, or is it just universal that it is dominated by large vessels?

Jerry Percy: You could say that across Europe the scene is dominated by the larger scale vessels. They have more resources, more PR companies and more paid lobbyists; they were at the table when the rules were set, and we were not. It is only in recent times—NUTFA was created in 2006—that we have had actually had a voice, and it takes time to build up. Hopefully with the Fisheries Bill we are now on an equal footing with a seat at the table to ensure that the 80% of the fleet gets a fair deal.

Q78 Mr Alistair Carmichael (Orkney and Shetland) (LD): Briefly, I want to explore with you how we get from here to there. As you say, there is a case for the redistribution of quota. I am very interested in your thoughts about how you stop quota or other management tools from becoming a tradeable commodity. As you say, some of these interests are big and well resourced. Rich people have good lawyers and a legitimate expectation in their property rights. How do you get to the point where you can change the nature of quota?

Jerry Percy: By negotiation, but our response to the Fisheries Bill was the first step. We are particularly concerned that there is a suggestion within the Bill that an element of the UK's fishing opportunities should be put up for auction. I struggle to understand the logic in that when the whole thrust is in terms of environmental, social and economic criteria. The Government Minister identified the fact that we need to support and enhance the small-scale fleet for all the very tangible benefits that are there to be taken. I struggle to understand why you would then take a piece and sell it off to what will inevitably be those who already have financial resources. If we are going to have flexibility in the quota, we need to bring in new entrants and we need to make it attractive. The cost of quota is one of those significant areas that keeps out new and young entrants.

Q79 Mr Carmichael: So the idea of auction does not recommend itself to you.

Jerry Percy: Anything but, sir.

The Chair: We have 35 seconds if anyone has a one-word question and a one-word answer. Is there anything else you wish to say to the Committee, Mr Percy?

Jerry Percy: Thank you for the inquiry. The Fisheries Bill gives us an opportunity. There are some failings in it, but we seriously look forward to conversations with Government and others in that respect. I am grateful for the opportunity to talk to you.

Examination of Witness

Phil Haslam gave evidence.

2.30 pm

The Chair: Good afternoon, Mr Haslam. For the benefit of the Committee, could you introduce yourself and your organisation?

Phil Haslam: Good afternoon. My name is Phil Haslam and I am the operations director of the Marine Management Organisation, which is an arm's length body of the Department for Environment, Food and Rural Affairs with the competence to deliver marine planning and licensing and, in this context, fisheries management, control and enforcement regulation.

Q80 George Eustice: I am sure that the Committee will have noticed from your biography that you have long experience in the fisheries protection fleet and the Royal Navy, and most recently at the MMO. Before getting on to the work we have done on future enforcement, I wonder whether you could describe to the Committee what the MMO control room in Newcastle does, how we monitor fishing vessels and how many fisheries protection vessels we currently have access to.

Phil Haslam: The mechanism we use to conduct fisheries control and enforcement is risk-based and intelligence-led. The mechanism by which we do that ashore is to have up to 75 warranted officers who can be deployed—routinely, circa 50 are able to be deployed—and we are situated at 14 offices around the coast of England. The MMO regulates only within English waters. That is one element of our business: shore-based inspections of landing, marketplace inspections and the like. The risk-based, intelligence-led description is basically what it

says. We understand where risk may arise and we have a level of intelligence that we apply to that, which can make our operations targeted.

At sea, our surveillance is conducted by vessels from the Royal Navy fishery protection squadron, which we contract on an annual basis for a set number of hours. They conduct patrol and inspection routines on our behalf on the direction of the Newcastle fisheries monitoring centre ops room. The way that works operationally is that we direct them to conduct a patrol in a certain area, we direct the outcomes we wish to see, and then it is down to the commanding officer in the vessel to deliver them. On the number of ships that are available to us, both because of budgetary restraint or constraint within the MMO and the availability of Royal Navy vessels, the Royal Navy is this year providing 2,000 hours of patrol time within English waters.

Q81 George Eustice: I understand that at the moment there are three offshore patrol vessels, two of which are normally on duty in English waters. Could you explain what has taken place, as part of your planning over the last year for enforcement after we leave the EU, to get additional offshore patrol vessels from the Royal Navy? What discussions have been had and what work has been done with Border Force on the ability to redeploy some of its assets? Could you explain anything you have done by way of procuring aerial surveillance from, say, the coastguard service?

Phil Haslam: As a result of the referendum and the fact that we will be becoming an independent coastal state and taking back control of our waters in the future, a risk-based analysis has been done of what could happen after that exit moment, and based on that analysis we have identified increased risk across the piece. Our work has driven us to look at our current surveillance levels and to judge what we will need to effectively enforce the integrity of the exclusive economic zone from the fisheries point of view. That has led us to bid for an uplift in surface surveillance and within that to move away from having all our eggs in one basket in relation to the Royal Navy, to come to a mixed economy of providers for both the inshore and the offshore element of the patrol requirement.

We have come up with a greater amount of surface surveillance that we need in the round, and the mechanism to deliver that will of course include the Royal Navy. We have dialogue with Border Force as well, to see what utility there is within its vessel fleet—it is predominantly its cutters. Similarly, the inshore fisheries and conservation authorities, which are the small English-based regional organisations that have a jurisdiction of the nought to 6 miles of inshore fisheries, have a fleet of vessels that we may be able to get some utility out of. Also, we are speaking with colleagues in the devolved Administrations to see what utilities are there. We are trying to get a blended provision of surface surveillance.

Aerial surveillance is a capability that is being reintroduced. The idea is to have routine overflight of our waters so that, should there be vessels that should not be there and are not discernible through remote location devices, we have, basically, a set of eyes in the air that can see them. In terms of monitoring vessels at sea at present, there is a system called the vessels monitoring system, which gives us the position statement of vessels of 12 metres or longer.

Q82 George Eustice: Finally, the Ministry of Defence recently announced that it had delayed the decommissioning of the existing three offshore patrol vessels, and it intends to introduce four new ones, I think. How much difference will having that extra capacity in reserve make, should it be needed?

Phil Haslam: It will make an enormous difference. As you stated earlier, at the moment the fishery protection squadron is relatively constrained in the number of vessels it can put to sea, and that matches our constraint in being able to contract them. Having more vessels available to us to police a very large EEZ gives us that flexibility to deploy ships to the right place at the right time. By keeping the batch one offshore patrol vessels in service for longer and introducing the batch twos incrementally, as they come off the build, there will be a larger hand of cards to be played with.

Q83 George Eustice: I have one other final point. Enforcement is obviously devolved, so what you have described is what is taking place and what is planned for in England. Could you describe how the challenge differs, for instance in Scotland, where we obviously have a large interest? What work do we do with Marine Scotland and its enforcement vessels?

Phil Haslam: Fisheries enforcement is devolved, as you state. The way the Scottish do it is to have three vessels that conduct enforcement up to 330 days a year within their waters. They contract two aircraft as well, to provide oversight. At this moment, they have the kind of surveillance capability and control and enforcement capability that we are building up to.

Q84 Luke Pollard: A moment ago you gave the figure of 2,000 hours of surveillance. Could you give us a sense of how the number of hours that have been deployed for enforcement has changed since 2010?

Phil Haslam: Yes. Royal Navy vessels used to be contracted on a 24-hour-day basis. That was always non-exclusive, so they were not passed to the MMO, where we would have command and control of them; they would conduct our business but always with the risk of higher priority national tasking taking them away. But we did have more of them in 2010, and over time, with reductions in the MMO budget, we have had to roll back the number of hours, or days, we can contract, moving from 24-hour days to 12-hour days and then to nine-hour days.

When I came into this job we were relatively constrained regarding where we could deploy them for that part of the day. The idea of going to hours was to give us the flexibility to deploy them where the need was, rather than where they were shackled. So there has been a reduction, but on the other side of that, with the vessel monitoring system we have an understanding of what is going on in our waters. We have a picture against which we can patrol. So it was risk-based.

Q85 Luke Pollard: The figures I have seen suggest that in 2010 there were 16,000 hours, and now we have 2,000. That trajectory, that path, that reduction of enforcement, at a time when we will probably, based on risk assessments, need to protect and enforce our waters to a greater extent than in the past, concerns me. It seems quite a challenge. What is your assessment of whether we will see more things like the scallop wars, not in French waters but in UK waters, after Brexit? Do

you think sufficient resource is provided to ensure that UK waters are kept safe and protected and that our regulations are properly enforced?

Phil Haslam: There is always a risk of tensions unearthing themselves within a fishing thing, but I must say that what we saw with the baie de Seine scallop wars was an expression of discontent based on using fishing vessel rather than on non-compliance with fisheries regulation, which is what the MMO does. There is a risk—that is the risk we have analysed—and against that risk we have built a bid for increased surveillance to meet and mitigate it.

Q86 Luke Pollard: The Batch 2 River class that you are getting as part of the fishery patrol vessels are very capable ships, and not having the Batch ones retired is a good move. That total fleet, though, relies on numbers of people to put them to sea and we know that there is huge pressure within the Royal Navy to provide people. Given your former experience with the Fishery Protection Squadron, could you enlighten us a little bit? Having more hulls is a good thing, but is there a sufficient number of people to man those hulls to ensure that we have the necessary enforcement capacity?

Phil Haslam: We have to be careful. The vessels the Royal Navy deploys to meet any MMO contract that is signed in the future is within its gift. It may be Batch 2s or Batch 1s, but that is the call of the commander of the squadron. In terms of manning the ships, it is similar. If the demand is there and it is required, the Royal Navy, being as innovative as it is, will come up with manning solutions to meet what it needs to do.

Q87 Luke Pollard: Finally, you mentioned the consultation on inshore vessel monitoring systems. It seems to be a good thing to switch from an automatic identification system. Anecdotal evidence suggests that fishermen turn their AIS off if they find fish so as not to alert their friends as to where there is a good catch, but I-VMS does not come with that switch. Is that right? Can you explain what difference that would make to vessel monitoring with regard to enforcement and safety?

Phil Haslam: The automatic information system, which is fitted to vessels of 300 gross tonnage and above is predominantly an anti-collision device. It is to create situational awareness at sea. It is an open-source mechanism by which you can find out information about any given ship, where it is going and what type it is. In fishing, a fisherman's mark of where he is fishing and what he is getting from it is commercially sensitive and we would not wish to openly display that. I-VMS—the inshore vessel monitoring system—is a similar system to the one on smaller vessels. It gives us a picture of what is going on within the fishery. To conduct a fishery, you need to know what the input is so that you can control the output. That is not something we have at the moment. Also, it covers off that commercial sensitivity. We are not transmitting where a fisherman is. There is a point-to-point transmission of that data, which we will take into a hub so that we have a picture of what is going on in our waters, but that is not widely accessible.

Q88 Jeremy Lefroy: Could you give us a brief insight into the kinds of enforcement actions you have to take now and whether they are likely in future to be different in type or in quantity, or in both?

Phil Haslam: The enforcement action we take now is that we enforce the requirements of the common fisheries policy. In a routine inspection, when you board a fishing vessel you check the paperwork. Is the vessel licensed, in the first instance? Does it have quota for its catch? Then you would go into the mechanics of, “What have you caught? How have you caught them? Which area have you caught them in?” Then you do an inspection to see whether what is reflected in the logbook is manifest within the fishing vessel. That is what we do at sea in terms of inspection. It is everything from paperwork, to gear inspection, through to the actual catch. Ashore it is similar: it is about taking data from the logbook and then inspecting to see whether what is being landed matches that, and then goes through to the marketplace as well. All of it is in pursuit of assuring sustainable practice, but also the traceability of fish. That underpins the sustainability.

Q89 Jeremy Lefroy: Would you envisage it to be similar in future or different in the nature or quantity of inspections?

Phil Haslam: I would expect it to be similar in future. We do controlled enforcement now. There may be a requirement to do much more of it in the future, and there may be additional complexity, such as different permissions to be able to access our waters and the like. All of that will just become another thing that we have to understand, inspect and ensure compliance with.

Q90 Jeremy Lefroy: Finally, what percentage of inspections result in you finding that rules have not been complied with?

Phil Haslam: At sea, it can be as much as one in three where you find some level of non-compliant behaviour. Not all of that ends up in a court room. Some of that can be covered off with a verbal re-brief, because it is a genuine misunderstanding. At the other end of the spectrum is known behaviours. That is where we will have prosecution.

Q91 Brendan O’Hara: Following on from what Mr Lefroy was saying, in planning for a no-deal Brexit or a much-changed situation, what analysis has been carried out by your department about the different nature of the increased threat post-Brexit? Based on that, what assessment has been made of how your capability is going to have to grow to meet that increased threat?

Phil Haslam: The project that I am driving has basically considered several options, one of which is no deal. Access would no longer be guaranteed; therefore, a risk that comes off that would be illegal incursion to the EEZ. There are others options where access is permitted and there is non-compliance with the conditions of that access, so something has to be done about that. The other thing is that there could be a risk of non-compliance from home fleet, based on difficulties with the outcome of the negotiations or whatever. However, from a purely regulatory enforcement perspective we have weighed those risks, and that is the way we have built the additional capability.

Q92 Brendan O’Hara: Do you have the capacity, the capability and the funding to meet the worst-case scenario that we have talked about?

Phil Haslam: That is where our judgment has been made, and that is where the bid has gone in. We are building that capability in order to be able to deploy it within the timescales, so by March.

Q93 David Duguid: Still on the subject of fisheries protection, you mentioned airborne surveillance earlier. One of the questions that fishermen in my constituency keep asking is: how does the eye in the sky seeing something wrong—somebody shooting their nets where they should not be shooting their nets, or whatever it is—turn into some kind of enforcement or some kind of actual protection, particularly in the future when there is no automatic equal access to our EEZ?

Phil Haslam: The intent of redeploying aerial surveillance on a more routine basis is to cover off any risk that we do not continue to receive data that we receive now through the vessel monitoring system and the like. We would need a mechanism to build a picture of what was happening in our waters. If it is not derived remotely from a location device on board a vessel, we will have to actively go out and build that picture.

What the aerial surveillance does in the first instance is build situational awareness of what is going on in the water. If, once you have that, you see in among it non-compliant behaviour, it can operate as a queuing platform. Either it can queue in a surface vessel to come and take subsequent action, or you can warrant the air crew so that they can issue lawful orders, whether it be, “You are required to recover your gear and exit our waters,” or whatever it is. That can be passed from the aircraft.

It is not an entire panacea. It cannot stop non-compliant activity, because it is clearly airborne, but it gives you, first and foremost, that picture. It has a very clear deterrent capability, and it can start a compliance regime by queuing.

Q94 Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): Although it is encouraging that the Royal Navy is making contingency plans with the River class, there is still concern about the differential in policing standards to which foreign vessels will be held relative to domestic vessels. I am just looking at what the planning is for that and at how you address the 80% fall in boardings in the past six years, from 1,400 to 278. That indicates a clear reduction in capability. Would it be helpful if the Bill defined that the Royal Navy has to provide a statutory capability, along with the Scottish Fisheries Protection Agency, to deliver that enforcement in UK waters?

Phil Haslam: Taking the first point, we work, as I said, on a risk-based, intelligence-led basis, so refining where we deploy our assets is based on that outlook. That is how we would deploy it. In terms of the differential between inspection rates of foreign vessels and UK vessels, I think that comes under the same cover. Where we perceive that there is risk and intelligence, we will take action on where it needs to go.

I am sorry, but I missed the second point about including something in the Bill.

Q95 Mr Sweeney: I was asking whether there should be a specific capability defined in the Bill about what our asset should be for fisheries protection.

Phil Haslam: No, because I think it involves over time the introduction of technology that may come downstream. At the moment, the reason we do what we do in the manner that we do it is to get evidential quality, should we need to take compliance activity. We still need inspectors to step on board fishing vessels.

Q96 George Eustice: I want to come back to a couple of points that were raised earlier. Could you tell us what work has been done in terms of personnel to identify people who have recently served in the Fishery Protection Squadron and who, if you needed a surge in capacity, might be able to be deployed again and already have the required training?

Phil Haslam: We have spoken about increased surveillance as part of the package to deliver an enhanced control enforcement capability. People are central to that. In the first instance, we are recruiting additional people into the MMO, so I will go from the cadre of warranted officers I have now to an increased number. That is actively under way. Also, to provide contingency planning, we have looked within the Royal Navy at who is currently qualified to conduct warranted fisheries business and who has recently been qualified. There has to be a cut-off, because obviously you will time out. There is a cadre of people still within the Royal Navy who could, should the need arise, be deployable to carry a warrant and conduct the inspection capability.

Q97 George Eustice: Secondly, in terms of managing access, additional access is sometimes granted in fisheries agreements. We do this in Scotland now; for instance, we allow the Faroes to catch 30% of their mackerel in UK waters. Could you explain how that process works? How does Marine Scotland enforce that process of managing conditional access?

Phil Haslam: Basically, if you allow access to your waters you have to control who is coming in and who goes out. There is quite a sophisticated way of checking in and checking out: a vessel has to declare its catch on entering and its catch on exit. Indeed, the point of exit and point of entry is conditioned as well, so you can establish gates at sea where people have to actively come through, so you can understand who is in your waters at any given time. I know that within Scottish waters quite a dynamic mechanism has to be in place to manage the inflow and outflow of vessels.

Q98 Mr Carmichael: You have a tremendous range of experience. To what extent do you think that non-compliance can be driven in the mismatch between quota and stocks? Let me give you an idea of my thinking. Some 20 years ago I used to make modest sums of money in Banff sheriff court defending constituents of Mr Duguid who had caught their monkfish one side of the 4 degree line when all the quota was on the other, which led to misreporting. That was just a classic mismatch between where the quota was and where the stock was. To what extent do you think that that sort of mismatch drives non-compliance?

Phil Haslam: It provides an opportunity for non-compliance, provided you are minded to do that. I would not want to perceive something adversarial, with the regulator running around trying to catch fishermen out. The way this works best is that the rules work for the industry. We, as an enabling regulator, support them

in the pursuit but within the bounds of the regulation. As I understand it, that is what we are working towards—that is rather more of a strategic partnership.

Q99 Mr Carmichael: One proposal that has come from the NFFO is for the establishment of formal advisory councils, so that you would be bringing scientists, conservationists, industry representatives and perhaps even those responsible for enforcement around the table. Do you think that would be effective in terms of delivering a management system that would be less reliant on enforcement?

Phil Haslam: Personally speaking, yes, because anything that increases the dialogue between the cadre of people you have mentioned can only help. This has to be a process of shared understanding and pursuit of common objectives.

Q100 Mr Carmichael: So you get away from that adversarial approach to enforcement?

Phil Haslam: Yes.

Q101 Owen Smith (Pontypridd) (Lab): Good afternoon, Mr Haslam. You said earlier that the MMO budget has been cut. How much has it been cut by since 2010 in cash or percentage terms? Secondly, related to that, you put in a big bid for an increase in resources in order to deal with a no-deal scenario. How much extra have you asked for and has the Minister indicated that he is going to provide it?

Phil Haslam: The budget reduction since inception has been in the order of 60%, but that is counterweighted by the fact that the MMO can accrue income through services delivered. That has provided a relatively stable, if declining, budget. In terms of the bid for additional capability going forward, a bid has been made and we are just in the process of finessing that.

Q102 Owen Smith: Can you tell us how much more you have asked for?

Phil Haslam: How much more in terms of actual—

Owen Smith: Percentage versus current budgets, or in cash terms.

Phil Haslam: It is basically a doubling of the budget at the moment.

Q103 Owen Smith: Has the Minister indicated that might be forthcoming?

Phil Haslam: Support in delivering it, yes. I have not seen any resistance in terms of, “We need this capability.” The scale and volume is the bit, because it is based on judgments of risk, but nobody has said they have any doubt about the operational need.

Q104 Owen Smith: But hitherto, this Government have cut 60% of your funding.

Phil Haslam: Under austerity, in line with all Government spending, there has been a decline.

The Chair: We have five minutes left for any further questions from the Government side. If not, Luke Pollard.

Q105 Luke Pollard: I want to pick up on your earlier answer where you described the inshore vessel monitoring system. Will foreign boats fishing in UK waters have a

[*Luke Pollard*]

requirement to have IVMS on their boats, so you will be able to track where they are when they are in UK waters?

Phil Haslam: We have the latitude to make that a condition of the permit to enter.

Q106 Luke Pollard: So you have that power currently.

Phil Haslam: That is what we can do as an independent coastal state. Access to our waters will be granted by a permit, and the conditions we put on that permit are for the country to determine, so yes we can.

Q107 Luke Pollard: Just so I understand, you are saying that the UK will have that power in the future. Should that power be set out in the Bill—that this should be a requirement? My concern is that UK boats might have to have IVMS, but foreign boats might not, depending on what option we decide to put in the licence. There should be a level playing field between UK boats and foreign boats in UK waters, so should all boats not have to have IVMS on them?

Phil Haslam: The power in the Bill gives us the ability to regulate who comes into our waters by granting permission. I do not think the conditions of permission need to be explicit in the Bill, but they can be part of that, among other things that we would require any vessel within our waters to comply with.

Q108 Mike Hill: On the point you made about IVMS, would that extend to what I consider to be leisure fishing craft as well?

Phil Haslam: There will be a cut-off of who actually gets fitted with it, because the point is to try to develop a picture of what is the main input into the fishery in terms of effort on vessels out there. There will be some vessels—there will be a line below which we will not need to go. At the moment we are looking to catch—not catch, that is the wrong word—fit IVMS to the active fishing vessels.

Mike Hill: To commercial vessels.

Phil Haslam: To commercially active fishing vessels, yes.

Q109 Luke Pollard: The Bill includes provision for the Secretary of State to allocate fishing opportunities based on days at sea, as well as the fixed quota allocation. How does your enforcement action differ when you are looking at a boat using days at sea versus looking at a boat fishing against an FQA?

The Chair: Can you answer that question quickly, Mr Haslam, because one other Member wishes to ask a question?

Phil Haslam: Okay. In terms of an effort scheme, we would just need a data flow to track how often that vessel is put to sea, and whether it is in the bounds of the effort that is available. We have effort schemes that we run now.

Q110 Bill Grant (Ayr, Carrick and Cumnock) (Con): I was also thinking about the licensing of vessels for fishing. Licensing of vessels or permits to fish in our waters may go to vessels not from within the EU 27. I assume that they can come from elsewhere in the globe;

we are not confined to permitting vessels simply from Europe. My question is how do we ensure the seaworthiness of those vessels that may or may not receive a permit or licence to operate in our seas?

Phil Haslam: Taking what happens now for a UK vessel or an English vessel, the Maritime and Coastguard Agency issues a certificate of seaworthiness, and that is the first thing we need to see in granting a licence to fish.

Q111 Bill Grant: No matter where that vessel emanates from.

Phil Haslam: We would expect a similar behaviour. If that vessel was applying for a licence to fish in UK waters, one of the checks and balances you would have is asking, “Is it fit to conduct itself at sea? Is it seaworthy?” That would be the first check.

Bill Grant: Thank you.

The Chair: On behalf of the Committee, Mr Haslam, I thank you for your attendance and your evidence.

Examination of Witness

Dr Tom Appleby gave evidence.

3 pm

The Chair: We now move on to our sixth witness, from the Blue Marine Foundation. Would you please introduce yourself and your organisation?

Dr Appleby: I am Dr Tom Appleby. I am a non-practising solicitor but I have been in property law for about 20 years. I am also an associate professor of the University of the West of England, and I have been operating in this sphere—ports, marine conservation and fisheries—for about 15 years.

Q112 George Eustice: May I ask for your general impressions of the Bill? Does it do the things that you would expect a domestic fisheries policy to do, or are there other elements that you would like to see included?

Dr Appleby: First off, it has been drafted in short order to deal with the situation that we have. By and large, and given the constraints that the drafters had—you can see that it is drafted in different forms and it does not sit together very well; it is not very beautiful—it does what it says on the tin, but it could be improved. I was looking at some other legislation. The Australian Fisheries Management Act 1991 has 168 sections, the MACA—the Marine and Coastal Access Act 2009—has 325, but this has 43. You can see that more could have gone in here, but there were time constraints on the people who drafted it, and I think that they produced what they could in the timescale.

Q113 George Eustice: Are you happy that clause 1 broadly brings across the marine environment objectives from European legislation?

Dr Appleby: It does. Clause 1 leads you into the devolution minefield. One thing it has to try to deal with in drafting is repatriating legislation on the one hand, and then delegating it around the four nations of the UK on the other. It tries to do that. Given the constraints on the drafters, there are fisheries plans to bring these objectives in.

There are potentially some bits missing. We do not have marine planning in there, which we could possibly put in. Quota could possibly go in there. There could be a method of dealing with quota at that stage, on how, if and when quota comes back, what happens with climate change and fishing opportunities. That could be put into the plans as well.

However, I recognise that the drafters sat there not only having to operate from the UK perspective but also having to take the devolved Administrations with them, which inevitably is slow. The clause could be improved if we had a little more time.

Q114 George Eustice: We obviously have to look at marine planning in the context of the retained EU law coming across and that we have other bits of legislation. Some of those things are already provided for.

The second point I want to raise is on the fixed quota allocation—the FQA units—which has been the basis of quota allocation inside the UK, attached to individual vessels, as you know. We have been explicit in the White Paper, and we take the powers in the Bill to make a break from that, and to say that any additional fishing opportunities that come as we depart from relative stability could be allocated on a different basis. What is your view of the FQA units system?

Dr Appleby: What has happened is that the UK fishery has essentially been, for want of a better word, squatted. We gave it out free to two people, who then sold it and it became propertised. The UK Association of Fish Producer Organisations case held that unused FQA became a property right.

The White Paper talks about quota being a public asset, so we have to make a decision on whether the UK fishery—particularly if we are getting more back; it will be very expensively brought—starts off as a public asset. That means unwinding the FQA system. You can potentially do that under existing powers, or you can do it under some things in the Bill. When you actually look at the auction, I think you have probably constrained yourself a bit too much. If you auction off quota, you are looking at people who have the cash to buy the quota in the first place. A royalty, for instance, is the sort of thing that you would charge—I think we would call it turnover rent in the property sector. That would be a way of charging people and then not having to come up with the cash. Even in the Bill, it only says “may” use an auction. Without constraining yourself, you could expand your powers on what we do with repatriated quota and, indeed, what we do with FQA generally.

We went through some debate when first drafting our amendments. We thought that we needed to put a stop to FQA, but a legal argument will come back the other way that says quota is a property right. We thought, “Well, if you give eight years’ notice, that’s probably sufficient to deal with any compensation that would arise,” but even then, I did not feel comfortable putting that in the Bill, because you reify the situation as soon as you do that. We put it in to start with, then we took it back out again on the basis that there needs to be a proper conversation about what we do with quota. Given the time restraints, we will not be able to do that in the Bill, even with the best will in the world. We can reserve the powers in the Bill to ensure that whatever we decide to do with FQA in the long run

is settled, and that we can do some interesting things with it. I think that balance is there if you pull back just slightly on the prescriptive language about what you do with it.

Q115 George Eustice: Do you think a legal power is needed to do that? They passed legislation in the Faroes that effectively put people on notice, and said that after 10 years they would depart from an FQA system. Our view is that the Government could state that intention, at which point the clock would start ticking without the need to have a provision on the face of the Bill.

Dr Appleby: We reallocated quota last time—unused quota—without compensation or additional legislation, so I think we could do that. I think you have to be careful when you do that, because a lot of people borrow money by using their quota as collateral. One the one hand, there are some very rich people sitting on quota—the quota barons we read about—but on the other hand, there are people who use quota to support their running a business. You would need to think about what you will do, but I think you can do that under the current legislation.

What has happened here is that it has been beefed up. We have put some more suggestions forward. There are two things that you could do. You could vest the fishery so that it actually becomes public property. We have done a heck a lot of research at UWE on who owns it, and we reckon it was set up by some sort of implied Crown trust that goes back to the middle ages. One of my PhD students is working on this at the moment.

It would be easier just to state in the Bill that it is a public asset and put it in some sort of trust, and then you would get the kind of things that you would normally expect when disposing of a public asset to the commercial sector. That is the way I would approach it. I appreciate that we did not start there; we started with an open-access resource, which we have tried to deal with through legislation. We are in a transition.

Q116 Luke Pollard: You mention fisheries management and how that is missing from the Bill. In particular, fisheries management and how that fits with marine plans in the Marine and Coastal Access Act 2009 seems to be omitted. Can you just expand on what you think the Bill is missing in fisheries management?

Dr Appleby: I am not sure. In common with previous speakers, I liked the idea of a scientific adviser, which would be a lovely thing to have. Its constitution is probably the same size as the Act, so you can imagine the bunfight about who sits on the advisory panel, whether it is peer reviewed and whether it is devolved. That is a huge conversation to have, and it needs to be had in public. That is something I would like to see. If we had more time, I would like to see that go in the Bill.

There is a mirror piece of legislation, which is the Environmental Principles and Governance Bill. Does that apply to fishing or not? When we leave the EU, we will lose the right to infraction proceedings against recalcitrant UK—all parts of the UK. Should Scotland do something, it is the UK that gets infringed. We will lose that, and we have not quite been able to replace that kind of thing.

Those are just two examples: a good, robust, scientific, forward-looking body that looks at how to make the most of our resources, and some sort of regulatory regime to punish the hindmost, if you want to be quite so curt.

Q117 Luke Pollard: On the dispute resolution mechanism that you are talking about, the Government seem to think that they have the powers to resolve disputes between the devolved administrations and the UK Government at the moment. Is it your view that that is the case, or would an explicit dispute mechanism requirement in the Bill make that easier in the future?

Dr Appleby: I think you can put one in. I would love to, but given the timeframe to which we are working—having this Bill ready for March—it would almost be a wrecking amendment if we tried to put something like that in. You are going into devolution which is an enormously emotive topic, especially at the moment. In terms of the Government's position of being able to hit the devolved administrations with a stick: it is a devolved matter. I do not think the Government can do that.

When you look at most of the Act, it is consensual and they are consulting one another. That is how it should be, to be honest. The four nations should be able to work together and that is right. At some level we have lost the outside influence that we had. The way everything is drafted is, unfortunately, currently predicated on having a common fisheries policy that kept everything together. I am talking around the subject because were you to put a drafting pen in front of me and say, "Get on and draft that," it would be incredibly difficult. My sympathies go out to the Government for what they have done.

Q118 Luke Pollard: Finally, one of the areas that seems to be weaker in the Bill than in the common fisheries policy is the area around maximum sustainable yield and the removal of a commitment to achieve it by 2020. Where there are difficulties in achieving maximum sustainable yield by 2020, do you think that the MSY provisions in the Fisheries Bill are sufficiently robust to make sure that we are restoring stock levels in our oceans, especially as climate change seems to be missing as a theme from much of the Bill? Is that something that we could address?

Dr Appleby: What does maximum sustainable yield actually mean? The European Union defines it as something like the highest theoretical equilibrium yield. It says something like that in the basic regulation. You take a basket of theories and you use the highest one. It has been knocked around as a term for a long time. Our rights in our EEZ only go up to maximum sustainable yield and we do not have a right to fish beyond it. We can take the interest off our fish stock outside our territorial waters, but we cannot spend the capital. This is the way to look at it.

To some extent, that is all the rights we have. I have not explicitly looked at that, but my sense on the way this works is that we would be bound by MSY targets anyway. The other thing is that the UK has access to judicial review, whereas trying to review the European Commission is interesting. It is very difficult to get a standing in the European Court of Justice, particularly on maximum sustainable yield. A few years the World Wildlife Fund tried to get access on cod quotas, I think, and they failed. So the European Union is good at giving rules to other people, but not so good at looking

after itself. From an environmental charity point of view, we are not so concerned as long as there is something in there that does allow some conversation about moving to the right stocks that produce more fish, more jobs and a better environment. We could get hung up on this if we are not careful.

Q119 Peter Aldous: Tom, you were expressing concern at how a public asset might have inadvertently become a property right, and how that might constrain more radical reforms of the quota system. Could we go back to the court case of 2012-13 when Lord Justice Coulson put down his determination? I have heard some suggestions that the Secretary of State won that case against the POs, because what he was proposing was very reasonable and small-scale, and the POs were acting unreasonably. Is that a view that you would share, or would you say that Coulson allows one to go a step further?

Dr Appleby: An FQA is a possession under the European convention on human rights. There is a distinction. "Quota" is once it is distributed, and FQA units are about your expectation of how much of a share of the UK's TAC you are going to get every year. That was based on the historical landings data, traditionally. He said that unused FQA units could be reallocated without compensation. FQA units are a possession, so the corollary of that is that used FQA units—and most of them are used—would require some sort of compensation payment. I have not been privy to the subsequent legal advice, and I took a sharp intake of breath when he said that at the time. In fact, I went to court to watch some of the court proceedings—it was quite interesting; it was right up my field. It is inherent in the UK that we do not take assets off people without compensation. It is part of our culture—way before the European convention.

There is another point about that redistribution and the immediate way it would have ramifications on how the whole commercial sector is constructed, which you need to be mindful of. Once you put that whole lot into a bag and shake it up, you could design a scheme to reallocate quota, but it would need to be done in a sensible, crafted way.

Q120 Owen Smith: Dr Appleby, you say that MSY is not necessary, and that hardwiring a greater onus on Ministers to adhere to MSY in terms of the allocation of future quotas is not necessarily the way to go. If we had more time—I take what you say about there being limited time—is there a way in which we could hardwire sustainability in respect of future fisheries management into this Bill?

Dr Appleby: That is a good question. There are things that you can do. The Australian legislation, for instance, makes it a legal duty to fish sustainably and according to the plans that they come up with. We could put that in. Our fisheries statements are a bit woolly. I notice that there is a bit in here that says that they do not have to adhere if relevant considerations are taken into account. What is a relevant consideration? I could not find a definition of that.

We have not nailed the Secretary of State to the floor in this Bill, and that could be done. Again, it would have to be done in the context of devolution, so we would have to nail everybody's feet to the floor around the UK, because we cannot have a situation in which one part of the UK can fish non-sustainably and the other

parts cannot. There are things that you can do. There are tweaks and modifications that can be made to harden up that duty.

Q121 Owen Smith: For clarification, you were saying that it is in Australian legislation that there are fisheries policies?

Dr Appleby: Yes, I think that their fisheries plans are statutory.

Q122 Owen Smith: And they are legally binding on Ministers to ensure those things are observed?

Dr Appleby: They have a management board. We are looking at the scientific advisory panel that has been put forward. Those scientific recommendations are binding in some way.

Q123 Owen Smith: I have one separate question. Do you take an environmental view of what the potential benefits might be of preserving certain fisheries or stocks for recreational fishing, as has happened elsewhere?

Dr Appleby: You are looking at a public resource, so how do we make the best of that public resource? Some of that is going to be to the commercial sector and some of it is undoubtedly going to be to the recreational sector. The whole thing is so political because we are trying to carve up this public resource through regulation. Undoubtedly, the recreational sector is an important part of this conversation, too. Historically, although it has recently been included in the common fisheries policy, it has come to the table late.

Q124 George Eustice: I want to come back to this point about some of the environmental criteria and potentially having a hard nib point for MSY, for instance, as a statutory target.

One unique thing about fisheries is that, in or out of the EU, they are subject to annual international fisheries negotiations. Norway, for instance, follows MSY but also follows lots of other scientific metrics that it thinks are superior to those that we use. In such a situation, do you think it is important to keep that flexibility, so that you can actually land an agreement with Norway, the Faroes, Iceland and the EU, or is it preferable to make it unlawful for the UK to reach such an agreement and just have everyone go off on their own and unilaterally set a tax?

Dr Appleby: That is an interesting question; theoretically, we cannot fish beyond MSY, because that is all we have. Under the United Nations convention on the law of the sea, our rights extend to MSY and that is it. You cannot have an agreement on what you do not have.

However, the question is: what is MSY? It comes down to the definition. The Norwegians would probably argue that, by taking a basket of different theories, we achieve MSY, because one stock can be plotted on a graph and another cannot. I am not a fisheries scientist—you would have to ask them—but it seems that you are essentially looking at something like a repairing obligation on a lease. How far can you go with this and do it in a sensible way?

The difficulty with going into, say, MSY or BMSY or all those things, which I have never completely got my head around, is that you define a particular scientific methodology in your Bill. I think that could come back to haunt the draftsman if stock does not behave in a

certain way or if you want some sort of flexibility. Again, it is interesting that, coming from a conservation point of view with my Blue hat on, I am not uncomfortable with just leaving it at MSY.

The Chair: I have Alistair Carmichael and then Mike Hill, unless anybody else wishes to contribute.

Q125 Mr Carmichael: May I just tease out for a second or two the question of property rights as they pertain to FQA? As I understand your evidence so far, if we were to get to somewhere sensible on this, we would not start from here. Is that a fair comment? I can understand why you would take the idea of eight years and then think no—if I came to you and said I will take your house away in eight years' time, you would not be very happy about that. At the same time, does the whole idea of quota auction not put beyond any doubt that this is a tradeable commodity?

Dr Appleby: You can write that into the legislation. The Americans, in the Magnuson–Stevens Fishery Conservation and Management Act, just write in that it is not a property right. You can make it terminable, so that it kind of becomes a contractual right.

Q126 Mr Carmichael: But that is what you could do with a blank sheet of paper. We do not have a blank sheet of paper; we have a history here of people borrowing large sums of money on the basis of their then having property rights that they can then offer up as security.

Dr Appleby: One way of dealing with that is to inflate your way out of it, so that you do not punish one individual. You could say that, this year, you are going to topslice 20%.

Q127 Mr Carmichael: So do you think that it would be possible for repatriated quota and existing quota to have different rights?

Dr Appleby: I think you could. We are straying into an area for which you need explicit legal advice, but I see no reason why not. You are not disappointing somebody. The other thing about doing this sort of thing with this sort of asset is that you cannot target one individual and say that you are going to take their quota off them and off they go. That really is compulsory purchase. When you water down the entire pot, it is much harder for somebody to make a claim, particularly if fish stocks start to come back and the inherent value of the asset has not really changed.

The price of quota pings around like anything, depending on how much fish has been landed that month. It is not a very stably priced asset anyway. Again, if in the Act you use robust wording about this, the first thing the courts will look at is the Act and ask what Parliament has said. It comes back to reasonableness, I think.

Q128 Mr Carmichael: You can slice it and dice it any way you like, but in essence you are talking about nationalising a private resource. You compensate for that, do you not?

Dr Appleby: The thing is that it was never privatised properly in the first place. Normal squatter's rights would be 12 years, but this is based on three years. It is a much shorter timeline that people have a track record for. We did the same thing with the milk quota—that

was wound down—and various other farm subsidy payments were wound down, too. This is not a sector where this sort of thing happens.

The duty of the public administrators is to make sure there is no undue shock on the fishing industry by pulling the rug out from everyone, and otherwise to make sure we safeguard what is, at least nominally, a public asset. Elsewhere, in the UK Association of Fish Producer Organisations case, which is a slightly funny case, Justice Cranston says that it is a public resource. There is some force in the intervenor's point that it is a public resource.

Q129 Mr Carmichael: Just 30 seconds on devolution, because I want to give colleagues some time. Is there not a conflict of interest where the United Kingdom is holding the reins but is *parti pris* in respect of the English interest as well?

Dr Appleby: That is a very good question. I put my amendments together in two parts. The Secretary of State is doing two roles; I am sitting here with two roles myself, so I appreciate that. One is being the Secretary of State on behalf of the UK—he is a trustee of the UK's public fishery—and the other one is being English Fisheries Minister. That is why I do not like the way clause 20 is drafted, because I thought you would split the functions. The trouble is that it goes into some very difficult water when we start to look at the different devolution settlements.

Q130 Mike Hill: I have two simple questions. In your opinion, does the Bill provide the requirement for the UK fisheries to be sustainable? Should the Secretary of State provide annual statements on stock levels?

Dr Appleby: I will take the second question first because the second one leads to the first. How can you define "sustainable" if you do not know what the stock levels are? There is a massive absence of science on this. If we get money back in from the fishery, I would like the commissioning of decent science so we can look ahead and plan forward. We seem to be navigating while looking behind us. We need to get better data to manage the stock. We also need to have a conversation about which stock we want to fish. What are the stocks that live best in our waters that we want to feed the country in the 21st century?

The Chair: Mr Aldous wants to ask a question and we have just less than a minute left.

Q131 Peter Aldous: The Secretary of State has to consult with Welsh and Scottish Ministers and the Northern Irish on this. Are the English put at a disadvantage?

Dr Appleby: There is an argument. If we were to try to stick an English Fisheries Minister into this Bill, which is kind of where you are going, that is the West Lothian question. I almost feel we should ask the Minister what he feels.

The Chair: The Minister will have several hours over the next few weeks to tell us what he thinks. Time is at a premium. On behalf of the Committee, I thank you Dr Appleby and the organisation for your submission. Watch the Bill with interest as it progresses.

Examination of witness

Aaron Brown gave evidence.

3.29 pm

The Chair: We now move to our final session of the day, which I remind colleagues must finish at 4 pm. The final witness is Aaron Brown of Fishing for Leave. Could you please introduce yourself as the witness?

Aaron Brown: I am Aaron Brown of Fishing for Leave; thank you to hon. Members for having me along today.

Q132 George Eustice: Thank you very much for joining us. I know you have long been an advocate of an effort-based regime, rather than a quota-based regime or potentially a hybrid model. You will be aware that the White Paper sets out a commitment to pilot that, particularly with the inshore mixed fisheries. Could you just set out what your thoughts are in that respect and why you think an effort-based regime would be better than a quota-based regime?

Aaron Brown: To start with, overall we were very happy with the White Paper. The Bill is somewhat disappointing, because a lot of what was good and gave a lot of hope to people has disappeared, and an effort pilot was one such thing. We have been staunch advocates of that, because over 30 years with increasing regulatory burden we have tried to go up a cul-de-sac and it has not worked. We have had black fish and discards, and now we are on to choke species.

We sat back and said, to use a phrase the Minister likes to coin himself, "What are the first principles of management?", and that is the ecosystem. You have to work with mother nature. Currently, all the problems, many of which Members have discussed today—whether that is enforcement, science or shares of resources—all stem from the current quota system. What we said is that the only way to manage a dynamic mixed fishery, where you catch a mix of species that fluctuate up and down and it is difficult to determine exact, quantitative, arbitrary figures such as quotas, is to say to vessels, "What is a sustainable level of time that vessels need to catch a sustainable amount of fish from an ecosystem? If in the North sea you can take 200,000 tonnes of biomass, combined, from that ecosystem, how long does it take your fleet collectively to do that?"

That allows vessels to land all catches. It means you see exactly what the fluctuations and dynamism in the marine environment are, which generates accurate science, and you are flowing along with the environment rather than what we are trying to do just now, which is to impose arbitrary theoretical targets and then try to hit them. That has been proved not to work.

Just to finish, before Mr Aldous asks a question, we quickly concluded that effort control alone does not work, and that is what we brought to the Department as a solution that answers most questions. Blunt time at sea, especially in a blunt measurement such as days at sea, does not work. What we have developed is a system where you adopt FQAs, so there is no contention about people losing their investment in that, and turn them into percentages that people should be aiming to catch. It is not an arbitrary weight that you are aiming for; what you are aiming for is a percentage-based mix of

what is deemed to be sustainable. If you catch outside that percentage, what happens is that you lose time in compensation.

Therefore, as a vessel is losing time for catching the wrong fish that he is able to land for that time penalty, his effort burden on the environment is coming back. Since the fish that has been landed has almost been time for the crime, scientists know that is a true representation of what is going on. I have worked on this for over two years; we have not asked for it to be dropped out of the sky, as some of the amendments to the Bill seem to be—for an enabling Bill, there are some clauses that seem to be a shopping list for DEFRA. What we are asking for is a trial, because we truly believe that for a unique system anywhere in the world, we have a system here that could get us away from poor science, solve the problem of FQAs and who owns them, and get us towards a far more sustainable fisheries management system.

We implore hon. Members to put in a legislative requirement that a trial across the fleet, not just inshore, is enacted to give us an alternate solution. If it fails, it fails, and if it is proved right, we have lost nothing but gained a lot.

Q133 George Eustice: Just to clarify, there is a different purpose behind a White Paper, which sets out your policy and what you seek to do with the powers, and a Bill that establishes the legal powers you need to deliver your policy. We would not need a specific clause to say, “You must run a trial,” in order to be able to run a trial; the legal powers to run a trial are in the existing clauses of the Bill.

Coming back to the principle, the difficulty with fisheries is that, while you have said effort does not work, nothing quite works on fisheries. That is why it becomes a circular argument. You seem to be arguing for a return to catch composition rules, which themselves became slightly discredited so that people tried to move away from them. The challenge is that an effort regime works best in a mixed fishery where it is harder to segregate out the fish, but a tonnage system works best in, say, the pelagic.

Aaron Brown: Absolutely. We would say for pelagic species, where you are catching an individual bulk species and vessels can reasonably accurately target that, although at times you do get it wrong, a quota system is fine. The problem is that dynamic mixed fishery—the white fish; we include nephrops in that mixed fishery. What we are saying is catch compositions but not arbitrary limits, which, again, is a problem. It has flexibility.

To avoid a race to fish, to avoid giving people a blunt dollop of time and their going off and targeting the highest value species because the economic incentive is there, what you are effectively doing under this system is a buffer scheme, if you like. It is a trading scheme. “Okay, I’ve caught the wrong fish. It’s worth money”. Then, rather than discard it into the sea unrecorded and keep on fishing and killing more of that species while trying to find one you can keep, what you are moving towards is trading overall ceiling of effort for that wrong fish. So it is a compensation scheme, effectively, in which you get the financial benefit of that fish and your men get their pay—we will come on to that with the system that DEFRA proposes for discards—but, overall, your ceiling in the year comes down to meet you.

That would solve the bass problem. You could put in a zero catch composition for bass. Any catches would have a time penalty. Boats could be tied up on the Monday but they would have that bass landed, and the financial benefit of it. It would work for spurdogs. We really believe there is a system here that merits a good look, and proper scrutiny and trial. As we say, we lose nothing if it fails and we gain everything if it succeeds.

Q134 Luke Pollard: Do you think that fish should be a public asset and that that should be defined in the Bill?

Aaron Brown: I think that absolutely, yes. I think there has always been that case. I was very pleased to hear Dr Tom Appleby state that, and many of the other non-governmental organisations have said it, about the idea of privatisation. Even with the FQA system, it says in the paperwork that people get through, that it should not be bartered, sold or bought. It just happens to be that the industry has gone and done it.

Fish always has been a public resource. Various judicial hearings have defined that as well. Indeed, it probably stretches all the way back into Magna Carta, right back through our constitution. At the end of the day, we as fishermen, as the members of the public who catch, are only custodians of what is the nation’s; we look after it and husband it well for current generations and future ones. We would very much like to see a clause put in towards that.

Q135 Luke Pollard: One of the questions asked earlier was about auctioning additional fishing opportunities, and one of the key concerns that Fishing for Leave has raised when we have met has been about how auctioning could favour people who already have a quota, who already have cash, which would not support the small boats, on which there should probably be the greater focus. Do you have any concerns about where auctioning sits?

Aaron Brown: That is one of the main five things that are in the Bill. As I said at the start, one thing that disappointed us more was what was missing from the Bill rather than what was in it. But out of the five things we are deeply concerned about, that auctioning clause is one of them. It runs coach and horses through the principle of it being a public resource. Practically, it will end up in the hands of the highest bidders.

There is no tightening of the economic link in the Fisheries Bill, which is one of the things we really want to see included, so without that, combined with auctioning, you could have massive, multinational, hugely wealthy seafood companies saying, “British fishing is on the up so we’ll come in and wave our cheque book and outbid everyone else.” Even the biggest companies in Britain could not compete with some of those far eastern ones.

If we go down the auctioning route, we have an opportunity to draw a line, as I think the right hon. Member for Orkney and Shetland said, between the current quota resources—how it has been divvied out, not in the way we would have chosen—and this clean slate of what comes back. If we go down the auctioning route, where it is monopolised into the hands of a few big interests, with their financial firepower, it rides coach and horses through the Government’s objective of rebuilding coastal communities and supporting family-based fishing.

Q136 Luke Pollard: You mentioned effort, and you suggested a hybrid scheme between FQAs and days at sea. There are concerns that the Bill gives the Secretary of State powers to allocate fishing opportunities simply on days at sea, without any qualification after that. But the White Paper spoke about there being a series of trials to assess whether days at sea would deliver against the objectives. Do you think that the simple inclusion of days at sea without any qualification that comes afterwards could make that more problematic?

Aaron Brown: One of the amendments we put in was to amend it to hours at sea. It might seem contrary to Members that fishermen would want to tighten what could be perceived as a noose on themselves. That amendment was to get towards what we really need to get towards, which is some kind of catch-per-unit effort system of fisheries management.

Over the years, one of the clauses in the Bill we would like to see amended is right at the start: clause 1. It says that management will “ensure that...activities are”, which suggests that the Government kind of take a hammer and beats down the industry to meet their requirements. We would like to see that reversed so that policy requires management that delivers. In other words, the onus should be on the Government to say, “Okay, here are the objectives we want to meet. How do we move towards that?” We want it changed to hours of soak time at sea, because that is a far more accurate method of delivering catch-per-unit effort. You would be getting accurate data to deliver management that actually achieves objectives rather than just trying to take a hammer to the industry to make it comply.

Q137 Luke Pollard: Finally, we have heard today that the way fishing is conducted in UK waters has changed over many years, with new technologies and greater efficiency in catching fish. There is a new development called electronic pulse-beam fishing, which I have a lot of problems with. Although this level of detail might not be included in a framework Bill such as this one, we received representations—I tend to agree with them—that that practice should be banned. Do you have strong views about where electronic pulse-beam fishing sits within acceptable fishing practices?

Aaron Brown: Absolutely. We feel it should be banned outright immediately. You could put a sub-clause in that says it should be banned until it is proved that it is not responsible for the environmental degradation that has been reported by fishermen all around the southern North sea, where the derogation has happened. I certainly do not think anyone could say that the Dutch, who are primarily responsible for this, have not taken the Michael—that’s the polite word. It started as a derogation against the ban on electric fishing that the European Commission itself got—let us remember that it was a derogation against the EU’s own scientific advice—for a trial of the method. That trial has gone on for 10 years and has 100 boats on it. That is a commercial fishery masquerading as a trial. Even the Dutch now hold their hands up to that. We would like to see that banned.

We would also like to see sandeel fishing banned in the central North sea. For years and years, that has taken away a key component of the food chain—the base of the food chain—for sea birds, fish and obviously fishermen. Neither method—pulse fishing or sandeel

fishing—is of benefit to any UK vessels, and with sandeel fishing you have the double dunt that the sandeels are taken for pig feed, so the British bacon industry could see a competitor’s food costs go up.

There would be a massive environmental gain if we banned both practices. That would not affect any British industry. I am actually very surprised that a Government who extol their environmental credentials with plastic cups and wars on wet wipes have not taken the easy win of banning pulse fishing.

The Chair: There is considerable interest in asking questions in this session. We have to finish at 4 pm, so can I ask for short questions and shorter answers, please?

Q138 Peter Aldous: I will not comment on pulse fishing, because I agree with you, Mr Brown. I think the Minister said that the Government are happy to look at an effort-based pilot. I am conscious that there was a pilot in the past. What was the outcome of that? What shortcomings were there, and what lessons might we learn for future pilots?

Aaron Brown: That is one of the areas where, when we devised this system, we realised there had been a massive failing. The days at sea scheme was blunt and there was no effective monitoring. Generally, it was with smaller boats in south-east England. I think even the fishermen themselves would hold their hands up and say they really knocked the backside out of the pilot. There was mis-reporting going on—they just went out and kind of went Tonto on it.

We are advocating an hours-based system. You would obviously have vessel monitoring systems. We want to get towards a fully integrated monitoring/management system. Vessels would have sensors, which are not expensive to put on—vessels use a similar technology for gear telemetry and door sensors—and go on any type of fishing gear, to monitor soak time, so you would know the exact time a vessel’s gear was in the water. There would be a stipulation to monitor where vessels were through your inshore VMS or your full-on VMS, and also to fill out electronic logbooks, which are here now. You would get an up-to-date, haul-by-haul update on how much fishing effort was going in. You would know, “That boat towed six hours in this area and he caught x amount of fish for this size of gear. The chap over to the side towed similar gear and caught half the amount of fish.” You would start to know where the abundancies were.

The one main control to go for with a pilot is making sure it is rigorously enforced and it is an hours-based scheme. The other main thing is the catch composition thing. That really is the main control for regulating the industry. Rather than everybody going Tonto, like they did last time, and targeting Dover sole, cod or bass, you would say, “Yes guys, you can catch them and keep them, but be aware that if you do that, your ceiling of hours is going to come clattering down to meet you.”

Q139 Alan Brown (Kilmarnock and Loudoun) (SNP): I think you touched on this topic earlier on; you said you would probably come on to it. Do you have a view on the discard prevention charging scheme that is in the Bill and on how transparent it is and how it would actually work?

Aaron Brown: That is one of the things in the Bill that very much seems to ride coach and horses over the idea that the Bill is just an enabling Bill. Obviously, there is a bit of reticence—okay, you could say, “Understandably so”—to career on towards a different type of management on an effort-based system, yet somehow we have a scheme here that has dropped out of the air, with no prior piloting and no prior consultation, and that has just arrived on the table. We are vehemently against it, because we personally feel—and everybody who has read the Bill, both among our membership and in other organisations, feels—that only an idiot who could not understand the practical implications of such a scheme would propose it.

We feel that the scheme is there to administratively abrogate the failings of the current system. The Government are proposing to take all the repatriated resources and use them as headroom to avoid choke species, whereby, as of 2019, vessels have to cease fishing on the exhaustion of their lowest quota. What will happen is that you will have vessels going to sea. Many hon. Members are from the south-west, as the Minister is, and haddocks are a huge problem there—in the North sea, it is hakes. The Government then say, “We will honour the fish that would choke you or would tie you up. We will give you fish to keep fishing, but so that there is no economic incentive to target that species, you must land it for free.” That scheme effectively creates a giant shuttle service, where boats are going to have to run in and out, in and out of harbour, landing all this fish that they cannot profit from, to allow them to keep fishing.

The first big problem with that scheme is retention of crew. Lads are not going to work to retain—well, just now it is a 40% discard rate, so if they have to retain that 40% for free, you are going to lose your crew very quick. The next problem is that there is no provision in the Bill as to what happens to this fish when it is landed: you cannot turn around and allow processors, hauliers, markets or shore-based people to profit from it, because that would disadvantage the fishermen. Really, the logical question about that clause is, “Are we going into some sort of Soviet system, where the fishing industry is going to work for free for the Government?” It is an ill-thought out thing, and I think it needs taking out of the Bill. It needs to come back once it has been properly tested and run in to see if it actually works, because we see such pitfalls in it, and it does not actually—

The Chair: We have to move on, sorry. We have to finish at 4 pm and we may have a Division in the House before then, so we have to be quick on questions, or all Members will not get in. Any further questions, Mr Brown?

Q140 Alan Brown: In terms of perverse incentives and the process of making money out of these fish, you said that they would be landed for free. Could there not be a risk of collusion, with fish being landed and processed so that some of that money is recouped?

Aaron Brown: To some extent, that would be difficult now. It would come back to black fish, which were really stamped out through the vessel monitoring system and designated ports legislation, whereby vessels now have to book in three hours in advance and declare their catch. Effectively, the only way to do it would be coming in and mis-declaring that you did not have those fish—because otherwise you would be declaring them, and the Government would know they were there—and

taking them up the road. Obviously at the ceiling, you could say, “Well, the tally was wrong.” There is some degree of openness to abuse.

However, the thing that disappoints us most, where our system works but this one allowing fish to come in does not, is that it does not address the fundamental flaw: arbitrary quotas do not work in mixed fisheries. All that happens is that we are now setting an arbitrary target that we try to hit, and all this scheme does is allow you to make it right up to that target. It does not actually tell you, “Is that more abundance of fish?”

In the south-west with haddock, say, or in the North sea with hake, you could lift the quota up—double it—and the fleet would still catch it. Does that tell you there is a greater abundance of species, or does it basically show that you have given more legislative headroom to bring fish ashore? The only way that scheme would work is if you increased the quota disproportionately high, which no one is going to agree to. Since there would be no economic incentive for the boats to go off and handle all these fish that they are not profiting from, you would see where the fleet came up to and what a natural abundance catch was. That might be 60,000 tonnes, but if you had set the quota at 100,000 tonnes, you would know that there was not that abundance. The scheme, effectively, does not work. It needs taking out.

Q141 Bill Grant: I noted that you were very much against the big boys, or the financially powerful, coming in on an auction system to buy up the quotas or the right to fish. Bearing in mind that skippers with smaller quotas or rights to fish sold them on to those people, what is your alternative to that system? How would you make it fair?

Aaron Brown: The way we want to see it is with the auction clause taken out and a direct replacement put in on what we call the 1 tonne to one boat principle, whereby the resource is seen as a national resource and legislated as such. What happens is that all the repatriated resource that we gain under zonal attachment—anything about that is missing from the Bill—that national pot of resources, gets allocated to all vessels in a sea area fairly, equally. For the west coast of Scotland, where we are both from, about 60,000 tonnes of mackerel could be repatriated—worth about £60 million—and about 100 vessels are left there with the capability to go to that fishery, so what you would turn around to say, therefore, is that each west coast fishing boat in the ICES sea area for that stock gets 600 tonnes. That applies across any stock.

What we would like to see with that is, instead of it just being administrated on a spreadsheet like the non-sector is, which ends up with DEFRA just saying that we get 12 tonnes for 12 months, spread out equally over the months, is that that fish can be held in a PO—not monetarily traded, rented, bought or sold, but held in a PO—as a kind of holding vessel to use it at the best time of year, when that fishery may be on, rather than trying to spread 600 tonnes over 10 months. Also, if you cannot use that resource, it goes back into the national pot. We believe that has a huge degree of simplicity to it, legislatively and operationally. It would provide the flexibility for vessels to use that fish at the best time of year and, obviously, it would allow it to be reabsorbed into the national pool. That is what we would like to see.

The Chair: I call Alistair Carmichael. We have nine minutes left, and four Members wish to speak.

Q142 Mr Carmichael: The NFFO and the SFF told us this morning that they wanted to see a commencement date on the face of the Bill, namely 31 December 2020. What advantages would there be to such an amendment?

Aaron Brown: We would agree with that. We have one—it is actually the first one that we have put together ourselves—and we are obviously aiming for 2019. The way that negotiations are going, it will probably end up being 2019—hopefully, if God is merciful. Yes, we would absolutely agree with that. Our big fear is that if there is not a commencement date, the Secretary of State has the powers to kick the can down the road—it depends on what Government is there. We very much agree with a commencement date, preferably 2019, when we actually are a fully independent coastal state.

We have made it clear—I would like to put it on the record—that the transition is an existential threat to the industry: we leave, but we then sign up to re-obey the CFP—we have to obey all EU law—and they can enforce any detrimental legislation that they please, which they have every incentive to do, because under UNCLOS article 62, paragraph 2, if a state cannot catch its own resources, it must give the surplus to its neighbours. The EU has absolutely every incentive—they have even mentioned it in their own studies by the PECH committees, that this could happen—to run a bulldozer over the top of the UK fleet.

We implore Members: fishing cannot be in a transition. Obviously, with the wider deal, the big problem is that the EU says that there must be a future relationship or we are into the backstop, and that future relationship for fisheries will be based on current access and quota. That is not conjecture; the EU has said quite clearly that Gibraltar and fisheries are getting it, in the words of Mr Macron—via my rusty French translation. There is a huge danger of fishing going into that, so as the right hon. Member for Orkney and Shetland said in the Chamber, given the current poor state of the negotiations as they have been conducted, every red line has been breached. If the Government truly had a commitment to fisheries not getting mangled again—bartered a second time—they would not have been in the transition in the first place.

The Chair: Thank you. I want to get Members in. I call David Duguid.

Q143 David Duguid: Thank you, Mr Hanson. Mr Brown, there has been a lot of talk today about the ownership of quotas. As Mr Carmichael said earlier, if we were to design this again from scratch, we would not start from where we are. A lot of what you describe sounds like it might work if you were starting from scratch, but I cannot help but feel a bit squeamish about the idea of taking something away from someone who owns something—I am a Conservative; I cannot help myself. I do not see that as being fair. Not only does it in essence involve taking ownership of an asset away from someone, even over time, but how fair do you think it is that the fishermen who benefit, the smaller fishermen who would get a bigger share of the quota, in some previous generations might have benefited financially from selling that quota to the larger fishermen in the first place?

Aaron Brown: I absolutely agree with you. That is why Fishing for Leave has been absolutely explicit right from the start that FQAs as they stand—the current quota and the current FQAs—should not be touched. We agree with you that it opens up a total legal and moral can of worms to turn round and say, “Okay, this shouldn’t have happened, but it has happened, but we’re going to take it off you.” I absolutely agree.

Our solution to preserving the FQAs, while moving to a more equitable system of management for both fisherman and the fish was to convert them into this flexible catch composition entitlement. That is very simple to do. It is legislatively no problem, because all you are doing is saying that your FQA is not an entitlement to a kilogram; it is an entitlement to a percentage. So the resources all come back, and the current resources go into a national pool; that is divided out as time and everybody gets an equal stake of time to reach their potential, but those biggest quota holders, both in the south-west and the north-east, which have heavily invested in FQAs, get the benefit of their investment, because when the fleet’s national average might work out at 5% cod in the North sea, those who have invested heavily in FQAs would get their 30% or 40% or whatever. We think that is a fair way to do it.

The Chair: Okay. I call Owen Smith.

Q144 Owen Smith: Are you disappointed that, two and a half years after Brexit, so little seems to be resolved in concrete terms for the future of the fisheries?

Aaron Brown: You have no idea the level of my disappointment.

Q145 Owen Smith: Perhaps you could tell us in a minute. Are you worried that several Cabinet members have warned that transition could go on for as long as four years?

Aaron Brown: Yes, absolutely. That makes it worse. It pours petrol on the bonfire that I have described to you. In the transition, the EU has every incentive to run a bulldozer over the top of us. They can abolish the 12-mile limit; they could fully enforce the discard ban in choke species and, obviously, we would not be able to implement policy to mitigate that, such as suggested in the Bill. They would be able to barter UK resources in international swaps, because we will not be party to international agreements but the EU will be making them on our behalf.

The other thing that is really devastating right round the country is that currently the UK relies on a lot of swaps in the EU, to get in fish that would otherwise probably be ours under a zonal attachment. We will not be able to do that because we will not actually be sitting at the table any more. So we will be trapped in this kind of halfway house, where the EU has every incentive to take a great big stick and beat us with it like a piñata. It is not a position that I think is equitable for the survival of the industry. To be brutally honest, by the time we get round to a new British policy, if we are not shovelled into the backstop, of which there is a high likelihood, there will not be a fleet left to take advantage of anyway.

Q146 Mr Sweeney: Whether it is the smaller under-10 shellfish boats working out of the west coast ports, such as Stornoway or Oban, or the pelagic and white fish

fleets running out of the big commercial ports, such as Fraserburgh and Peterhead, what benefit to Scottish ports would there be of introducing an economic link of landing at least 50% of all fish in Scottish ports?

Aaron Brown: I am fully supportive of that. We have gone further and said 60%, and not just for landings. There is a huge benefit from that. Currently just now, the flagship problem that Britain has, after the Factortame case, is that under freedom of establishment and freedom of movement, any EU national could come in and buy up British entitlement. Obviously, with the British fleet struggling with so much loss of its own resources, and regulatory ineptitude, many family fishermen felt compelled to sell. That is huge problem just now as we see on the west coast, in Lochinver. I think it was £30 million of fish went through Lochinver and there was not a single indigenous fishing boat. That needs to be tightened up on. There is a huge benefit, not just to the fisherman and their communities, but also to processors and market share.

Norway's crowning glory is not actually its fishing fleet. Norway's crowning glory is its dominance in processing and marketing globally. That is something that Britain could equally compete in with the resource we have got. We would like to see 60% landings into the UK, sold and processed, because otherwise people will

just put them on the back of a lorry and run them down the road. We want to see 60% beneficial ownership of any British vessel—that is no different from the other Nordic countries—to avoid foreign nationals or conglomerates buying out the UK fleet.

We would also like to see 60% British crew, but with a five-year or thereabouts dispensation for foreign crew, until we rebuild the future generation back into the industry to replace the one we have lost. The economic link absolutely needs to be there and we implore you to accept that that is an amendment that needs to go in. The Conservatives tried to do it in 1988 with the Merchant Shipping Act. I argue that if it is good enough for Mrs Thatcher, then it should be good enough for this Government as well.

The Chair: I think that brings us almost to the end of the session. It is good to hear Mrs Thatcher still being quoted 38 years after she gained office. On behalf of the Committee, thank you, Mr Brown, for your contribution.

Ordered. That further consideration be now adjourned.—(*George Eustice.*)

3.59 pm

Adjourned till Thursday 6 December at half-past Eleven o'clock.

**Written evidence to be reported to the
House**

FISH03 National Federation of Fishermen's Organisations

FISH01 Angling Trust

FISH02 Greenpeace UK

