



Environment, Food and Rural Affairs Committee

Oral evidence: [Fisheries](#), HC 489

Wednesday 29 November 2017

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Members present: Neil Parish (Chair); Alan Brown; Paul Flynn; Dr Caroline Johnson; Sandy Martin; Mrs Sheryll Murray; David Simpson; Angela Smith.

Questions 111 - 221

Panel 1

Witnesses: **Helen McLachlan**, Programme Manager, Fisheries Governance, WWF UK, **Dr Thomas Appleby**, University of West England, **Dr Steven Mackinson**, Chief Scientific Officer, Scottish Pelagic Fishermen's Association, and **Erin Priddle**, UK Fisheries Manager, Environmental Defence Fund, gave evidence.

Q111 **Chair:** Good morning. Thank you very much for coming this morning to our evidence session regarding fishing. We are very happy to see you all. If you would like to introduce yourselves across the panel, then we will start.

Dr Appleby: I am Dr Thomas Appleby. I am an associate professor at the University of the West of England and a solicitor, non-practising. I am also a trustee of the Blue Marine Foundation. My background in this is as a property and regulatory lawyer, and I came to the fishing and marine-conservation sector about 10 years ago. In terms of my latest publication, I have done a publication with James Harrison at the University of Edinburgh on the effect of Brexit on Scottish fisheries and Scottish legislation, so I have approached it from that angle. Last week, with Erin Priddle, Charles Clover and Adrian Gahan from the Blue Marine Foundation, and various members of the fishing industry, we helped to organise a conference on best practice in world fisheries management.

Chair: I am sure we will come back to all this. It is just an introduction, really, as to who you are, and I am sure a lot of this will come out in a minute. Thank you very much.

Erin Priddle: I am Erin Priddle. I am the UK fisheries manager with an NGO called the Environmental Defence Fund and my responsibility is working on matters related to fisheries post Brexit and climate change adaptation with a broader European perspective.

Helen McLachlan: I am Helen McLachlan, the fisheries programme manager with WWF UK, whom I have been with for some 12 years. I was seconded out during the most recent

reform of the common fisheries policy to work with our Brussels office, running right through that policy reform, and then returned here to the UK to look at implementation of the CFP in the UK.

Dr Mackinson: Good morning. I am the chief scientific officer for the Scottish Pelagic Fishermen's Association, and it is my role to make Scottish pelagic fishermen respected providers of scientifically credible data that is used to assess the status of stocks and changes in the marine environment. Prior to that, I worked for Cefas for 17 years as a researcher on ecosystem change and impacts of fishing.

Q112 **Chair:** Thank you very much. It is a good panel, thank you. I will open with the first question, a fairly simple one, really, but it could be quite widespread. Secretary of State Michael Gove has pledged to deliver a "green Brexit". What is a green Brexit in the context of fisheries?

Dr Mackinson: A green Brexit for the UK is about being able to put a management system in place that delivers the conservation of stocks that are sustainable over the long term, and fisheries are managed such that the pressure does not lead to overfishing in the future. That means having the scientific information to underpin that, which means measuring the stock status and assessing the fishing pressure.

Q113 **Chair:** Norway is able to shut down zones, is it not, very quickly—within about a day or two—if it thinks they are being overfished? That is one model. Would you see that as a possible way forward?

Dr Mackinson: Yes, certainly, where you can get that kind of information. Real-time information means being extremely responsive to that. Getting the information from the fleet rapidly and being able to respond to it is a challenge in itself. By all means, it can work.

Q114 **Chair:** Closing one area and, all being well, opening up another is a way of balancing the fishing effort. We could probably be a bit smarter than we are at the moment.

Helen McLachlan: I recently attended a stakeholder event where we were asked by the Government where we wanted to see UK fisheries 10 years hence. For WWF, that means thriving fish stocks, sustainable industries and a fisheries policy that is set within marine environmental management. We need to see it within that wider context, with fisheries no longer being managed in a silo, where we are setting sustainable targets, exactly as Steve has said, with a strong science foundation, so as to be accountable for those removals. When you ask other people around the world, "Show me an example of world-leading sustainable fisheries", we want them to be able to point to the UK and say, "That is what it looks like, because they have sustainable stocks at healthy levels that they are marketing out at a premium on the basis of that sustainability". Underpinning all that, of course, is a governance system which provides the support for that: engagement with all stakeholders in the decision-making process up and down the supply chain, involving not just the catching sector but the other operators in the supply chain.

Chair: Make sure you lean forward because the mics are not picking up you up very well. They are not terribly good here.

Helen McLachlan: We want the ability to say, "We are getting market premium for our product because we have 100% sustainable fish. Our consumers do not have to make a

choice in the supermarket about whether or not it is sustainable. It is UK-caught; it is sustainable". That depends on us setting good sustainable targets, being mindful of the broader marine environment and being accountable for them, which is something that WWF has been very clear about recently. We need to be accountable for every fish that we take out of the sea: set a quota but then be accountable for that, as well as the impact that our fishing activities are having on the wider marine environment.

Q115 Chair: We have the common fisheries policy now, which has improved over what it was, but where are the particular improvements that we could make as we leave the common fisheries policy?

Erin Priddle: I was going to echo a lot of what Helen said about a green Brexit and what that looks like for fisheries. Specifically on the CFP, it is important that we evaluate what has worked and has not worked. The idea of setting broad, strong environmental objectives is something that should be carried over into UK law, as the Government now draft their White Paper. We can also reflect on some of the rigidity in the CFP, particularly around the way total allowable catches are set and then allocated. We have to recognise that the marine environment is dynamic and constantly changing. It would be good, as a country, to look at the marine environment and the dynamism within it, and create a management system that has a little bit of flexibility within it, so the management can adapt and change according to what is happening in the water. Through that, we will be able to deliver resilient, responsive management, which is what we need for UK fisheries.

Dr Appleby: It is a question of public good. We have moved from a system of having no science, and people going out and just doing what they wanted, to a system where we are monitoring what people do, we have got rid of the awful things and we are controlling some of the other things. But we are not thinking about what we might be able to achieve. If we are looking forward into the future, we need to develop a system that can do that. The EU is inflexible, and having some pretty stiff top-down measures has hindered it. Having said that, there are some good things in the EU that we need to make sure we take forward. There is always the danger of a bit of chaos, if we are not careful.

If you were to take one point out of that, it is a question of: "This is a public resource. What do we want to do with it? What do we want our fish stocks to look like in 10 years?" because we might even go for different species. You need to remember civil society as well as the environment, so the recreational sector and other people who are interested in the fishery, as we manage it going forward. It has been pretty big fishing industry dominated. It has to be, because you have to be able to afford a ticket to go over to the EU and talk about it.

Chair: That is an interesting point: sea-angling and everything else.

Q116 Sandy Martin: Following on from that, this is mainly for Dr Appleby and Ms McLachlan. Almost all the discourse of this Committee in respect of fisheries is about sustainable stocks. I took it from the Secretary of State's pledge that he was not just talking about sustainable stocks. When we use the word "sustainability", we might mean the ability of people to go fishing because there are fish to go fishing for. That is about sustainable stocks. A green Brexit is about the overall sustainability of the environment, surely. I want to hear from you and from Dr Appleby whether you believe that, in order to achieve an overall green, environmental sustainability in our coastal waters, we need to seriously reduce the amount of fishing that we are doing.

Helen McLachlan: I said that we see fisheries in the future not being managed in a silo, which it has been to date. If you look at our Marine and Coastal Access Act, for example, it manages everything else in the marine environment but has not been able to address fisheries, because fisheries have previously been the competence of the CFP. In the future, we would like to see fisheries brought within that broader management construct, so that you look at the overall sustainability of the marine environment, including the people who are benefiting from it and engaging with it.

The Natural Capital Committee report said that, because we have failed to manage our marine fisheries for the long term, we are losing something like £1.4 billion into the UK economy on an annual basis. Whether or not that figure is absolutely accurate, we have to think that there is more to be had. “Sustainable” means exactly that: looking beyond fisheries and what we mean for marine habitats, the people enjoying the seashore and the other sectors that engage in marine activities. We will have to, with better science, see what fishing opportunities are appropriate for the capacity that we have, or rather the other way round: what capacity we have for appropriate fishing opportunities. We need to bolster that with better science.

Q117 Sandy Martin: You are not saying that there necessarily needs to be less fishing but that it needs to be appropriate for the area in which it is being done.

Helen McLachlan: Indeed.

Dr Appleby: You do not really manage fish; you manage fishermen, or fishers. It is really about what communities we want to develop who are working off and making a living from those fish, bearing in mind the fish are, nominally at least, a public resource. Where we have missed a trick is sponsoring those inshore businesses—or even offshore businesses—in a way that the money stays in the local economy and works that way. In New Zealand, offshore is fantastic but I am sure that it is a small number of people who are living off the resource. If you are looking at sustainability, sustainable communities fit in there too. It is about keeping people employed. The market is a funny thing but fish are an amazing resource, if you think about it. They are a wild animal that we are eating, which is extraordinary. We do not eat other wild animals—not at that kind of level—so it is extraordinary what you are getting. You are getting a premium product and we need to recognise that, so there is a pricing thing that you can fit in there too.

Chair: We will drill down on those matters again in a minute, but it is a very interesting point.

Q118 Mrs Murray: Dr Mackinson might be able to answer this first and then the rest of you can come in. We have Cefas at the moment, but do you think that we should have an independent scientific body established above and beyond Cefas under ICES to monitor and regulate stock management, which operates outside of DEFRA and is completely independent of DEFRA? Should that body be able to set quotas without reference to the Government? Do you think we should establish a completely independent body to both assess the scientific evidence and also set quotas after we leave the common fisheries policy?

Dr Mackinson: The short answer or the easy answer on whether that independent body should be able to set scientific quotas is “no”. The International Council on the Exploration of the Sea is already the right place to do that. It is often confused with being a European

institution but it is not a European institution. It is an intergovernmental organisation that far supersedes European institutions. It came around in the late 1800s and was formally established in 1902, so it has been around a while. It already provides, in a very rigorous and testable way, the information required to provide advice on setting fish quotas, but it does not mean that it sets or defines what those quotas are. That decision has to be in the hands of managers, so it is advice on the biological basis.

Q119 Mrs Murray: We have seen that, under the common fisheries policy, the science has been interfered with historically, because political decisions are often arrived at. This is what we are trying to drill down on. Do you think political decisions in setting quotas should be completely removed, and independent bodies set up to do that?

Dr Mackinson: No, I do not. There are entirely different objectives upon which those decisions are made. You have the best available scientific evidence, and that can be unreliable or uncertain and change from year to year. We have examples in recent years where some of the most well-informed or information-rich stocks have had their stock assessments and their advice revised routinely, within the year, several times, which undermines the basis of that decision-making process. If there is a change in scientific process, those predictions can change. The scientists are doing their best but it is always likely to be wrong, frankly; it is our best picture of it.

The decisions that are made on that are made for other reasons, such as buffering the impact of the advice on businesses and how that might change. Really, that is where those decisions are made about the survival of communities. In many ways, it is buffering those changes that you see in the marine environment for a workable business to be able to make a living out of it. I do not think it should be removed.

Erin Priddle: I will add to that. The politicisation of TAC-setting is very rife in the CFP. It would be good to somehow move away from that. We have ICES, which is an established scientific institution that provides advice in the north-east Atlantic region and beyond, so that is a model that should continue in the future.

Q120 Chair: Are you saying move away from quotas?

Erin Priddle: I am not saying move away from quotas at all, no.

Chair: I was going to ask you, “What are you going to put in their place?”

Erin Priddle: Depoliticise the quota-setting. Sometimes, like Steve mentioned, there is risk and uncertainty in the way quotas are established, but bringing in other data streams, for example through industry-science partnerships, and trying to really get that science in line with observations on the water is something that can be examined in a post-Brexit UK-fishery system. There is a lot to learn from other countries around the world that are doing this, merging these different data streams and bringing more accountability and confidence into the system. When we look at what a science body can do in terms of setting quotas, that should be done by a government body. We have it already; it is just about how you use that best within a post-Brexit UK fisheries management system.

Q121 Chair: How do you see this coming together?

Erin Priddle: In what way—with industry?

Chair: Yes, the practicality of it.

Erin Priddle: It is difficult; it is challenging. There was an example where some Scottish fishermen had a fisheries exchange to British Columbia, and they could not believe the way the scientists and the fishermen were sitting in a room with trusted advice on the system.

Chair: They were talking to each other.

Erin Priddle: They were talking to each other.

Q122 **Mrs Murray:** I have had historical connections with the fishing industry. My late husband was a fisherman and he used to take scientists out to sea with him, but there was always a little bit of suspicion. I think a lot of that was created by the common fisheries policy. Do you think, post Brexit, fishermen and scientists might build more trust because they know that they will be outside this group of 28 nations?

Erin Priddle: That is inevitable. I am Canadian, and our Department of Fisheries and Oceans has scientists, enforcement and policy all in the one building. It is very fisheries-oriented and everything is integrated. Being an independent coastal state, there is an opportunity to move closer towards that sort of model.

Q123 **David Simpson:** Do the panel think that there is any merit in reforming the current maximum sustainable yield method of stock management?

Dr Appleby: The short answer to that is, at some level, we cannot. Outside of the territorial waters to the edge of the EEZ, we only have rights up to that maximum sustainable yield, and we have a duty to restore stocks up to the maximum sustainable yield, whatever that is—over to you, Steven. It is a technical legal definition. It also has a scientific definition as a form of stock assessment, but that is all we have rights up to. We would need to agree that at the international level, if we are going to change it.

Q124 **David Simpson:** Could it be tailored appropriately to suit the UK waters?

Dr Mackinson: Certainly, we have other commitments beyond the CFP to the concept of maximum sustainable yield. It could be tailored but, from a practical point of view, we are going to end up in negotiations that would get muddled. If you changed what our reference points were for fisheries management, you would end up in negotiations and then arguing about whose reference points mattered. You would not be able to have the same conversation at the table. There is a good logic for continuing with the same approach of maximum sustainable yield, which has a biological basis for its conception, because then you are talking apples and apples.

There are other methods for doing things. Maximum economic yield is one measure that has been mentioned in the past. It has its roots, though, in economics, not biology. Economics can fluctuate terribly quickly, so your reference points can fluctuate terribly quickly. If you imagine the fuel prices that we had a few years ago, your reference points for maximum economic yield would be a slave to changes in fuel price. The biological basis of maximum sustainable yield is rooted in the growth and the carrying capacity of fish stocks, so it has a strong biological basis. It has a sound basis for us to work with.

Q125 **David Simpson:** What is the difference between the system we have currently and the Australian system? Erin, would you know?

Erin Priddle: I know that the Australian system is based on maximum economic yield. There is evidence that, under MEY, you can see a reduction in fishing effort, and therefore an increase in biomass and in profits, because you are not taking as much biomass out of the ocean. Steve has good points around how these reference points change.

From my point of view, MSY is the established benchmark. It is stated in UNCLOS. It was in the WSSD guidelines. It is something that fisheries management uses internationally. However, given that there are always new ways to measure how to extract resources from the sea, we cannot close ourselves to other ideas, including ecosystem-based fisheries management and how reference points can be established through that, and alternatives like the MEY.

Q126 **Chair:** You are saying that the policy could evolve, rather than a revolution. Is that what you are saying?

Dr Appleby: Yes, and not all stocks. It really depends, because we do not know what Brexit is yet. There are some stocks, such as shellfish, which do not travel, so we have discretion as to what we do with shellfish, again depending on what access arrangements we get. There is scope on some stocks to do that, definitely. We should look to innovative management to see what we can do. If there is a criticism of the CFP, it is that it tends to take quite a liberal view where we would naturally be more conservative. One of the losses, probably, for the EU is that we have been one of the reformers of it, so we will have to somehow keep dragging them with us.

Dr Mackinson: Can I just come back on one of the points? The theory of maximum economic yield is that, if you fish a little less, the fish stay in the water a little longer and there are more of them. They then take less time and less cost to catch, so your profits are higher. When people try to test that hypothesis and look for evidence to support it—it is a nice economic theory—it just does not stand up to question. You find that fishing effort levels commensurate with maximum sustainable yield lead you to maximum economic yield. The reason for that is that the theory of maximum economic yield rests in the profits made to the fishing industry, but much of the value of fisheries rests with the profits that are made afterwards to all the other industries downstream. That is where you generate the value in fisheries, and more effort or more quota generates a bigger economic yield overall.

Chair: You are really saying that the fish is the raw material that you catch, and then you can add value to it.

Q127 **Paul Flynn:** I am conscious of what happened in Canada off Nova Scotia in 1992, when the cod stocks went down to 1% of what they were for the previous 500 years. It is the public expectation of Brexit: the man in the Dog and Duck or the reader of the *Daily Mail* who voted for Brexit because he thought that expelling Johnny Foreigner from our coastal waters would mean a fishing frenzy and a great bonanza. Could you explain why that will not happen and why there will still be very great limits on our ability to exploit our own coastal waters?

Erin Priddle: I am from Newfoundland, so I lived through that. Overnight, 30,000 jobs were just gone. There were lots of reasons. There have been books written about why that happened. It was not just Joe Foreigner coming over with his longliners and scooping up all the cod off the Grand Banks; there were other issues in terms of the way the science was being reported and the way that management decisions were being made in Ottawa versus the

province of Newfoundland. There were a lot of reasons why that stock collapsed and it was a crisis point.

I do not think the UK is in that situation; we are not at any crisis point. We are in a very reasonable or positive situation where we can take what we have from the policy direction that has been established with the CFP and build on it to improve stocks even further. We are not going to see any dramatic impacts on stocks, because we have some vision of what an independent coastal state looks like.

The most important thing in that is ensuring that the stock setting is done in combination with other coastal states, that it is set to strong scientific limits, and that the UK does not set any unilateral quota, being an independent coastal state, because of the perceived idea that there is going to be a bounty of fish in our waters that other European vessels will not fish.

Q128 Chair: I think I am right in saying that we should have access to a greater amount of quota and greater waters after Brexit; therefore, we should still be able to fish for more fish, but remain within total allowable catches and sustainable. It is probably one of the parts of Brexit that could be positive.

Dr Appleby: We have paper title, as lawyers would call it, to more, if we use zonal attachment over relative stability. At the conference we had last week, the Norwegians' advice to us was this: you have to get those negotiations in early. If you leave fish to the last thing to decide, the man in the Dog and Duck is going to be very disappointed. We have issued Article 50. We have fallen into a bit of a legal elephant trap in having two years to negotiate something. Ideally, we would have done all this before we issued the notice. We have kind of served notice on our landlord and we do not have somewhere to move to.

We have to act fast. A lot of bandwidth has been taken up by things like days at sea. We need to move away from those, because the bigger question needs to be settled rapidly. If it gets left until last, we are not going to get the advantages that we could, because we will have just gambled them away.

Q129 Paul Flynn: What is the best heaven that Brexit might produce and what is the worst hell?

Chair: That is a broad question.

Dr Appleby: On the fisheries side, I have heard talk of up to 60% extra catch—the research is still to be done—that would go to us. The worst hell is refrigerators at Dover in the lorry park with lots of smelly molluscs going off and prices skyrocketing in the shops. It can go anywhere. It would have been so much nicer for the general public if we had got this agreement done before we got ourselves going down this line, because so much of this depends on conversations with Europe. Even in our world, we are not having as many conversations with the Europeans as we should do to find out what their bottom lines are.

Q130 Mrs Murray: Do you not think that decisions will be able to be taken more rapidly? If we were facing the situation that was referred to with the Canadian cod stocks, it would be much easier to introduce emergency conservation measures if it was just our Minister who was responsible for taking that decision in our 200 mile to median line limit EEZ?

Dr Appleby: The trouble is devolution: it will not necessarily be one Minister making the decision; it could be four.

Chair: It may be easier than 28.

Q131 **Mrs Murray:** They are all from the United Kingdom and they are all British. If it was a British decision rather than an EU decision, do you think it would be?

Dr Appleby: They are all humans. As lawyers, we take a dim view of human nature generally and are rarely disappointed.

Q132 **Chair:** Do you mean you take a cynical view? You probably see all of it in your line of business.

Dr Appleby: I am afraid so.

Helen McLachlan: I have a point on Paul's question about the impact of Brexit and the fact that Tom referred to there, which we must not forget. It is not just about the fish that are coming out of the water; it is about what we then do with the fish up and down the supply chain. It is all very well us getting more fish, but where are we going to sell them to? Who is going to process them? We export the large majority of what we do. We do not, as a nation, necessarily eat the majority of UK fish, so we depend very much on those good relations. Leadership from the UK in terms of the shared management on all levels and good relationships will be key to taking us forward.

Chair: Yes, because it is no good to catch the fish if we do not have a market for them. It is about making sure we square the circle.

Q133 **Alan Brown:** Paul was talking about heaven and hell but, if we have the hope that we will get to nirvana where future sustainable stocks are continued, how do the UK Government, going forward, and perhaps even the devolved nations, work with both the EU and third countries when it comes to the sustainability of shared stocks?

Helen McLachlan: This comes back to that leadership role. When we exit the CFP and become an independent coastal state, we will have to look at which of the regional fisheries management organisations the UK wants to engage in. We will continue to be engaged in some of them because we are currently are because of our overseas territories. We will want to look at joining some, such as NEAFC—the North East Atlantic Fisheries Commission—which is going to be very important for our northern stocks. It is about getting that membership secured and showing leadership within those RFMOs.

As I alluded to earlier, we import the vast majority of what we eat. Tuna and prawn are managed by these regional fisheries management organisations and, if we are going to have a leadership role in sustainable fisheries management, we need to influence those management organisations, bring them up, bring in harvest-control rules and bring in accountability. We have a very great opportunity to take that leadership role and be a strong player in some of this regional management.

Q134 **Alan Brown:** How does that work when we are in a two-year countdown and all the other negotiations are ongoing?

Helen McLachlan: There are discussions underway, I think. It varies with the different RFMOs; there are different processes. There are some that we are already in and some that we may to be.

Dr Appleby: We have a weird opportunity here. The UK has overseas territories in the Atlantic, in the Indian Ocean and in the Pacific, with Pitcairn. We are in the EU but they are not. It is a really mind-numbingly complicated situation. We are not allowed to lobby against the EU on behalf of them. More naturally, they are aligned to coastal states, many of which are Commonwealth. There is potentially a link there in breathing a little life into the overseas territories. The Government are backing the Blue Belt initiative, which is looking at more marine conservation in those areas. That is a way into taking thought leadership in other areas. That is something we could push a little now, and it would be useful to start exploring that a bit further. To be fair, the Government are doing that, but it is something to acknowledge and to develop.

Dr Mackinson: I have a more practical way that we can demonstrate some leadership when it comes to shared stock management. One of the key issues about shared stock management is being able to assess the zonal attachment and how it changes from year to year. When we go into negotiations, we need to have an assessment of that. This is one of the areas where the fishing industry could step up to provide that kind of information on the changes in the distribution of fish that it is encountering. Information from industry could be a real leadership key to put on the table. That data would then be used to help provide evidence for the management decisions related to zonal attachment.

Erin Priddle: We have the shared stocks agreement out of UNCLOS as well, which provides a governing framework for how we should share stocks. NEAFC looks at those stocks that are in international waters. Coastal state agreements look at stocks that are within national jurisdictions. Underpinning this is this dynamic environment. A recent ICES report has identified 18 big movers, and a lot of these fish are going north. It is so important to get the shared management in the coastal state agreements right, because these fish are not staying in one area. Whatever agreements come to the fore as a result of the UK becoming an independent coastal state, there have to be measures and tools within them to have, for example, good dispute-resolution mechanisms, good TAC setting and signs that align between the different coastal states. These will be really important factors, as you take forward future international agreements on fisheries.

Q135 **Sandy Martin:** This is mainly for Ms McLachlan, but any of the others as well. In order to have a policy on quotas, there has to be a policy on discards as well. How do you think we can ensure that there is a workable discard ban? How will we make sure that it is adhered to?

Helen McLachlan: The landings obligation, or discard ban, as you are probably aware, was brought in as a result of a recognition of the wasteful practice of discarding unwanted fish. Somewhere in the region of 25% of the catch was being discarded, and that varied right up and down the fisheries, from 0.1% to 90%, depending on which fishery. There was a definite recognition that something needed to happen. I do not think that anybody thinks that the instrument of the landings obligation is a perfect piece of legislation. But what it did, and its intention, was to shift fisheries to becoming more selective in their application, whether that is using more selective gear or fishing in a more selective manner: “I am going to avoid this

area here because I know there are a lot of juveniles” or “This is an area where I just do not have quota for this species”.

That has happened. We have seen shifts in selectivity but I would say probably not enough. We have developed innovative gear to avoid certain species, but the application of that has not been what it should be. Looking into the future, incentivising uptake of more selective gears is one of the key features we would want to see. More importantly, from a sustainability perspective, understanding of what is happening at sea is going to be key, because discards, by virtue of where they happen, happen at sea. We need to understand what is happening there.

We have a situation now where vessels have been given what is called a top-up. They are being given a quota that now includes their previously discarded element, and they are allowed to fish that quota, but we do not have a strong degree of confidence about how much of that is being abided by, because we have less than 1% of at-sea monitoring going on in our fisheries at the minute. It is a piece of work that WWF has been looking at, with the use of electronic monitoring with cameras, which are well used in other fisheries around the world, whereby you can monitor what is coming up in the net, what is happening at sea and what is coming down the processing chute on the vessel. It is a very useful tool.

The New Zealanders have legislated this year on the basis that not only does it monitor levels of waste and discard practice, but it also provides a lot more information to put back into the management of the fishery and, very importantly, to give confidence in the product. We have colleagues in the processing and trading sector who have identified that, for the first time in many years, they may have illegality in the EU supply chain as a result of the discards ban not being properly monitored and enforced. For them, that is a red flag; they cannot have that. In their sourcing policy, the first question is, “Is it legal?” If they cannot tick that box, they put themselves out of that market, so it is vital that we get the monitoring and enforcement effectively in place.

We have looked at the figures on the use of cameras. For £5 million, which is about a quarter of the current spend, you could have all over-10-metre vessels kitted out with cameras feeding that information. To be clear, you only look at a snapshot—say 8% to 10% of any video footage—just to get an idea of what is going on. If you are alerted to anything else, you can dig deeper into that footage. It is a very robust, reliable and cost-effective solution. Again, feeding back to that confident, sustainable, accountable fisheries management, we see that as fundamental. It could be a condition of fishing in UK waters. UK vessels would put it in place. We know that some already operate with it.

Q136 Chair: Anybody else coming into our waters would have to have the same.

Helen McLachlan: Absolutely, yes. Again, it is that leadership. We start to say, “Look, this is sustainable fisheries management. This is the way we do it”.

Q137 Sandy Martin: Do you believe that the fisheries vessels themselves should pay for the introduction of the remote electronic monitoring systems?

Helen McLachlan: There are lots of options. Currently, we still have access to the European funding mechanism, so they could get up to 90% for hardware costs, for example. The New Zealand system has said that industry paying for it means that it is better looked after and

people care more about the system by doing that. There are models and, if we got in with the EMFF before we lost it, that would be a good advantage for everybody.

Erin Priddle: The costs of putting a camera on are probably marginal. It is how you audit that system. In New Zealand and Canada, and maybe the US, they have third-party service providers, so it is taken out of the hands of government. These companies provide this service to fishermen and, if they spot any infringements, they report that to the government department. It works really well because you can reduce down and you are working at economies of scale. Because it is a private, independent company, you can reduce your costs. That is the model that has been rolled out elsewhere. If you talk to fishermen who have had full monitoring onboard their vessels, they see the benefits in terms of bringing science and industry observations in line. They also have the confidence that they can go out, comply with the rules and know that a fishing vessel next to them is not in breach of the regulation.

Chair: Yes, it is doing the same.

Erin Priddle: Exactly. They have NGOs like us off their cases, so that is really good as well.

Sandy Martin: Ms Priddle, we have the Press Complaints Commission, for instance—an industry-paid-for and sponsored monitoring organisation—and I am sure that there are lots of other industry-paid-for monitoring organisations. They tend to monitor the people who are paying them and tell everyone that everything is wonderful. I find it hard to believe that any monitoring system paid for by the people being monitored is going to slap any wrists or stop activity of any sort.

Q138 **Mrs Murray:** Ms McLachlan, you said we have grant funding. It is my understanding that you cannot get access to European grant funding for measures that are compulsory. You can only access grant funding for something that is above what is compulsory under EU legislation. Am I correct there?

Helen McLachlan: I think that is the case, but there are opportunities for how you may describe the introduction of it—say, as a piloting system.

Mrs Murray: We already have it on a lot of vessels, so they would not be able to access grant funding.

Q139 **Chair:** Coming back to Ms Priddle and the point Sandy is making, there must be some checks and balances on a system. If it is privately run, there still must be a way that the state can do some spot checks and things, so perhaps you could describe how it works.

Erin Priddle: Yes. I can investigate that and get back to the Committee with specifically how these operations run, but I have been in the offices of one in particular—Archipelago—that employs about 50 people. When you walk in the office, there are about 50 computers that are constantly watching what is happening on board vessels. It seems to work well. I imagine that, if you set up your business model, it would operate under the premise that you would be legitimate in the way that you are monitoring the activities of what is happening. Cameras are running 100% of the time, but they do about 10% audits. For those vessels that have been infringed previously, they would up the audit, so maybe they would start at 50% and work their way down until they were confident that that vessel was being compliant on the water. I can submit the operational stats.



Q140 Chair: I know the Food Standards Agency works on a similar remit, where it goes in when it thinks there is a risk and what have you, and I imagine that is done a certain amount. I accept Sandy's point: you would want a check and balance on that.

Sandy Martin: From our experience of the Food Standards Agency this year, it is not a great recommendation.

Chair: Yes, it is also mixed.

Dr Mackinson: There are other methods of monitoring. We have quickly moved on to the tool, the hammer looking for the nail: remote electronic monitoring. There are other methods for achieving the kind of information that you are after on discarding. Is it legal? Is it providing information on the biology or the catch composition—things that we need to know? Is what we are catching in our waters representative of the quotas and things like that? There are many issues or problems that we might want information for, and there are other tools. We still have the observer mechanisms. The industry has reference fleets, such as the Norwegian reference fleet.

Q141 Chair: What do you mean by that exactly?

Dr Mackinson: A reference fleet is where a selected number of vessels from industry provide that role to be fully documented in their catch reporting. They are observed at close scrutiny and they are believed to be representative of the behaviour of the rest of the fleet, in the same way cameras or something else catches only a small percentage of the activity.

Q142 Sandy Martin: Is there not a danger, Dr Mackinson, if you have a reference fleet that has cameras onboard, that its behaviour will be different from the boats that do not have cameras onboard? The issue that we are trying to deal with here is that there is no point in having a discard ban if there is nobody there to make sure that people do not discard fish. If you have a discard ban that is not being policed, it will not be adhered to, will it?

Dr Mackinson: The point that I am trying to make is that there is a suite of methods that can achieve what you need to do. It is identifying the problem and then making an appropriate solution. The challenge is the uptake of these methods, because they are often voluntary schemes. Around the world, including recently in New Zealand, there are quite a lot of difficulties in getting the uptake.

Q143 Sandy Martin: We started by defining the problem, and the problem is that, if you have quotas and you catch fish that you do not have a quota for, the overwhelming temptation is to discard them. If we are going to prevent discards, we have to have a way of stopping the discards. Ms McLachlan has identified a way that she thinks would be effective in stopping the discards. You have said that that is not the only way, so I would be really interested to hear from you another way that you think would be effective in preventing people from discarding fish at sea that was not part of their quota.

Dr Mackinson: It is about the coverage. We have the observer programmes. In some countries, they have full observer programmes, and every single trip has an observer onboard. That is paid for by the industry, so there is full documentation by independent observers. Archipelago is one of the organisations that provide those services, as well as remote

electronic monitoring. It depends on the situation that you have. There are different methods for different situations.

Q144 Chair: Coupled with the discard ban, you have to have a method for landing that fish, and a method for dealing with it, either through the quota system or through fish processing into fishmeal. If you say to the boats that they have to land everything that they catch, you have to have a system to land that and then for them to market it. It is twofold.

Dr Mackinson: In the last Committee meeting, for instance, you heard about the enforcement in Norwegian waters. Frankly, the enforcement that goes on there terrifies people in those waters from any infringements. Their enforcement is effective without cameras, so at-sea enforcement also works.

Dr Appleby: We found out last week that New Zealand cancels your licence, so you lose your whole quota.

Q145 Chair: That is quite draconian. That would make you think, would it not?

Dr Appleby: We also have to be mindful of the different jurisdictions in the UK. In Scotland, you have to have two points of evidence to take a case. From speaking to enforcement officers in Scotland, I know it is harder for them to run a case successfully than it is in the rest of the UK, where we only need a single point of evidence. You probably know more about this than I, but there are regional differences that we need to be careful of.

Q146 Dr Johnson: I have two observations from what we have been discussing. You talked about cameras and observers paid for by the industry. We have also mentioned that the large commercial fishing operations have an increased lobby power because they can pay for lobbyists. How would the cost of cameras, independent observers and such things be borne by the smaller fishermen?

Dr Appleby: If you look back at the origins of the CFP, it was to support rural communities. Like all these things, under the law of good intentions, they get more suborned the longer they hang around. There is something in there about making sure those are subsidised. If you look at the IFCA model in England, which you do not have in Scotland—and we have just done a report on the abolition in Wales of the sea fisheries committees—those are probably quite expensive structures to run. I think they are excellent.

When I was watching other countries talking about their inshore fisheries being a mess, which is pretty much universal from the four case studies we have looked at, I was thinking: there is something we do extremely well. The nought-to-six is outside of the EU, so it is a bit of stuff that we have generated ourselves, and the IFCA's are a really good model for doing that. They are paid for partly out of local taxation. The IFCA's, being independent, are able to apply for EMFF money. They apply for scientific funding. We do not, but I know that Plymouth University, for instance, funds PhD students with it, who then feed into the local management. Having that local infrastructure around to look at those inshore fleets and to see how they run—sure, you are going to get patchy performance, because there are lots of them—is a really good model, as far as I can see.

Erin Priddle: The cost could be spread across the sector. We talked about cameras not being the expensive part of this; it is monitoring it, managing it and enforcing it. That cost could be spread across the sector. In the UK, maybe it is not appropriate to have a camera on the

smallest vessel but maybe they have VMS, as like you suggested. Those costs are probably marginal compared to the overall management costs, which can be spread across the sector as a whole, and government as well.

Helen McLachlan: To add to that, looking at it through the lens of the discard ban, we have looked at it for over-10-metre vessels. They account for something like 94% of the weight caught and 88% in value. Introducing it on those over-10s would capture the lion's share of the catch, while, in the meantime, looking at some of the alternatives for the inshore. Having VMS on all the smaller inshore vessels is something that we should be aspiring to. If you start looking at marine management as a whole—where your marine protected areas are and the areas that you want to try to avoid—you want to have an understanding of where vessels are operating. There are different systems that can be applied for smaller vessels. Cameras are vastly cheaper than having a human observer, the costs of which are much higher. Quite often, it is a pretty nasty job and you are not the most welcome person on the boat. Looking at the over-10-metres in the first instance would capture a lot of the catch.

Q147 **Dr Johnson:** The other follow-up to that was about the discards. I know that you cannot discard and you bring the fish onshore. What happens to the fish that arrive onshore?

Helen McLachlan: They will go into the system, as far as I understand.

Q148 **Dr Johnson:** Will they all get used?

Chair: That is what I was talking about earlier. You either have to have a flexible quota system where they can get quota to land those fish or they have to be processed into fishmeal or whatever. Once you say that no fish can be discarded, you have to bring that fish. Of course, there is an argument that some fish will recover if you discard them, but we could have a whole debate, to be honest with you, about discard.

Dr Johnson: I am just wondering whether they are all used once they are landed or whether some of them end up getting discarded on land.

Erin Priddle: I used to work in DEFRA. Yes, there is this question about not wanting a landfill problem as a result of discards. That is true. I do not work on that, once it hits the land. For me, it is about reducing discarding in the first place and fishermen being able to target what they want to fish and select out what they do not want to, so gear innovation, avoidance mechanisms and really good quota management. That is something that really has not been done right within the EU, and this is a chance for the UK to look at quota-management tools that can work, that can reduce discarding and that enable fishermen to target the fish that they have quota for and want to catch, and not have the issue of landfill or finding markets for these other fish that they have to bring to shore.

Q149 **Dr Johnson:** At the moment it gets discarded onshore.

Chair: I want to move on, because we have about another 20 minutes for this panel. They are good answers, but can they be a bit shorter, please?

Dr Mackinson: When we move away from relative stability, the fish that we have access to in our waters will more closely reflect the fish that we catch in our waters. We will have

quota for things that we are presently discarding, so we would expect that the issue of discards in itself should be mitigated.

Chair: That is a good point.

Q150 David Simpson: This is quite a long question: how can the Government's plan for UK fisheries post-EU membership adequately account for changes to fish-migration patterns and rising sea levels as a result of climate change? The answers will be very simple, I assume.

Chair: The fish will migrate to colder waters or warm waters.

Dr Mackinson: I am not really sure about rising sea levels, but the main issue for fish is temperature changes. That pretty well governs where they go. Brexit, no Brexit, the EU—fish disrespect all that, and they always have. We have seen changes over millennia.

Q151 Chair: I think the fish are very worried about Brexit.

Dr Mackinson: They have changed all the time. We are going to get a shift, really, in the relative abundance of species in our waters. Things change, and fisheries and markets adapt to those things that we have available. We will then have the jurisdiction of setting quotas for the things that are in our waters, and they will change. There is a recent report by the International Council for the Exploration of the Sea that the effects of shifts in distribution of fish that have been observed over the last few decades have been mainly temperature-related. A few were related to the changes in the distribution of fishing activity.

Since 1985, eight species have shifted in their distribution relative to their management areas, and the main ones are hake and mackerel, so they are obvious stories. It has also been cod, herring, plaice, horse mackerel and so on. The herring one is quite an interesting one, because there have been changes in the pattern of distribution but not a directional shift in itself. Herring is an important stock for us, so deciphering how much of it is climate and how much of it is fishing is one thing, but the make-up is going to change. Fish will continue to shift distribution; it is something that we have to live with and adapt to.

Q152 Chair: There is an argument that the cod have moved north slightly, because of temperature, going towards colder waters rather than warmer waters. How will that affect our waters and our catch?

Erin Priddle: Cod are moving north as well. Steve identified some of those species but there are 18 in that report. The fact is that eight are moving out of their management zones. ICES operates under these triangles, so you are allocating against these rigid structures. We know that the CFP is based on relative stability, so you have a fixed share of quota allocation set in the late 1970s and introduced in the early 1980s, which is still stuck in time. You have fish moving up north, not just into UK waters but beyond Iceland.

Dr Appleby: It is dramatic.

Erin Priddle: The rate of change is fast, yet the management is rigid, and that creates a problem. Under the landing obligations, it will be brought to the fore where fishermen who did not have quota for fish that were previously discarded are, all of a sudden, going to say, “Yikes, I see you do have this mismatch between TAC allocation to these member state countries”—

Chair: Yes, and the fish.

Erin Priddle: The UK has an opportunity to set this right. The big thing here is about looking at those things that can account for climate change impacts: things like more effective quota transfer; built-in periodic review, so you can come to the table and say, “This is what we agreed—is that right?” maybe every five years; dispute-resolution mechanisms, which I touched on before; and looking at the scientific approaches and whether they are fit for purpose, given the way that fish are moving in and out of these management zones.

The key thing for Government will be having this adaptive management framework: how can Government adapt to these changes in the marine environment? Having a rigid management system will be something that needs to be evaluated as the Government prepare to draft their new fishery law.

Q153 **Chair:** If we got it right, we could make it a lot better.

Erin Priddle: Absolutely.

Dr Appleby: This is following on from Steven’s point. From a political but also a legal point of view, it is much easier to argue zonal attachment from a climate change and a sea change perspective than it is over the paper-title point, because that is a genuine problem. I imagine it is a problem at the other end that they have quota that they cannot use as well as stocks moving north. I prefer having a more neutral area to have a conversation, because it destresses the whole language around this. It is a very good point to take away from this.

Helen McLachlan: I was just going to mention building in resilience. Larger, healthier stocks are going to be more resilient in the face of some of these challenges, so that should be fast-tracked into our management.

Chair: Yes, it is building resilience into the management.

Q154 **Alan Brown:** If we move on to the environmental impact of fishing and align that with targeting of species, for shellfish in particular, bottom-gearred boats are used and it is said that that is harmful to the marine environment. There was a recent example of Loch Carron reef near Plockton on the west coast of Scotland, where it was dredged twice and now environmentalists say it will take decades to recover. Going forward, what options does the UK have for introducing limitations on such environmentally damaging equipment such as bottom-towed fishing gear?

Helen McLachlan: That was a pretty tragic case in Loch Carron with the flame shells. If you have ever seen pictures of flame shells, they are just these beautiful things. After being trawled through, they were no more. The Scottish Government acted pretty quickly to set that right and closed the area off. It comes back to managing fisheries within the wider marine environment, and taking care of those species and habitats that we know are there and need certain measures to manage and protect them. It is about spatially specific management as well, so some gears will be fine but others will not.

The JNCC has a grid of all the different fishing gear and the level of impact it will have on a particular type of habitat. Really, it is up to us to manage for that, having appropriate activities in the appropriate places and really properly spatially managing our marine environment, be it for fishing, renewable energy, dredging or aggregates. We are starting to make some progress on that. Particularly in Scotland, but also in England, we are making

steps there but it is about bringing that together. Who knows? Perhaps we should be looking at oceans legislation: rather than marine or fisheries, it should be about our seas.

Erin Priddle: We could even look to the IFCA legislation out to the six. They have the power to enact emergency measures where there is a significant sea feature that needs protection. If you came across a pink sea-fan or these precious things in Scotland, you could put some emergency legislation down right away to stop that activity and then assess the protection that is needed for that area.

Dr Appleby: I have done a fair amount of work on the west coast of Scotland. The issue is really that a decision has not been made but has happened. The whole area is an extensive prawn farm using bottom-towed fishing gear, with gear conflict on static-gear fishermen up there. We need to wean everybody off that, and back on to a whitefish fleet, but that is a big ask because the people you are asking are whole communities based around using that gear type and that way of doing things. Also, there is a fair amount of distrust. It is quite an antagonistic situation.

There is a big cultural movement that needs to happen to get people to say, coming back to my first point, I suppose, “What do we want?” It is probably better for communities if we have whitefish back and that is what people are going for, rather than langoustines creepy-crawling on the seabed. That needs forward-planning, long-term commitment and a cultural shift on the ground. There is a lot of work needed to do that, and that would happen naturally, but going in with a straight ban on these things is using too much stick. You need to have a carrot tucked away in their too somewhere.

Dr Mackinson: It all boils down to the objectives. The panellists have covered it pretty well. The UK has to set the need for food fisheries and resource utilisation in the context of conservation objectives. It is a matter of being clear about those objectives and setting out the management measures to achieve them.

Q155 **Alan Brown:** Helen, you said that the Scottish Government have already taken some action, and you touched on applying emergency measures. Clearly, the problem about emergency measures is that they are reactive rather than proactive. We talked about cultural change. How much of this is constrained by the EU at the moment or is it a bit of both, where there is an opportunity going forward but some things could be happening just now in terms of that management?

Dr Appleby: It is like the six-nautical-mile limit. The quota still applies and there is a ban on electric fishing, which is razor fishing. I have never quite understood why it is banned—it is a perfectly sensible technique—but it is banned. There are various EU measures that apply but, generally, Scotland has its own competence. It is devolved and you can sort it out.

Q156 **Chair:** Can I take you up on that issue of the pulse fishing?

Dr Appleby: No, not pulse fishing, hand-dived razor fishing.

Q157 **Chair:** I wanted to ask you about the effect on North Sea sole and things like that. Will we be able to ban that type of fishing after Brexit, and should we? What is the panel’s view on that?

Erin Priddle: We could, but I do not have a position on whether we should ban pulse fishing.

Q158 Chair: There is an argument that pulse fishing kills a lot of North Sea sole.

Dr Appleby: It is very efficient because you use less power to do it, but I would quite like to know what happens to everything else. I imagine it all dies on the seabed, so the whole thing needs to be properly assessed before it is allowed. It is extraordinary that it was allowed.

Q159 Chair: Some of my constituents fish and they maintain that pulse fishing has a huge effect on killing off other species of fish in the sea.

Erin Priddle: The Government would need to do a proper assessment on that in consultation.

Q160 Chair: It has to be scientifically done, has it?

Erin Priddle: Yes, like everything.

Q161 Chair: I know the Fishing Minister is not very keen on it; that much I know.

Dr Appleby: In a way, we are in a really weird position with fishing. The way fishing is organised, we can do anything until it is banned. That is absolutely arsey-versey to the way you would normally go about things. With most things, you think about it. You have a little test and then you get some sort of consent for it. With fishing, you always end up with this new technique that is more horrendous. We are getting better but we have had a history of going for fishing techniques that are more horrendous than the last one.

Q162 Paul Flynn: Could I just cut across this air of manic optimism about Brexit that we hear on all sides, which is challenged this morning by the report that there is an excessive amount of whistling around the Berlaymont building in Brussels today, with the news of the amount that we are going to pay. If we look back on recent history, when the cod war took place, we lost the cod war to the military might of Iceland. When we are in contact with other nations whose net contribution of their fisheries is much bigger than we have in this country, can you really see us taking on Iceland, for instance? What is Iceland doing that we are not doing to protect its fisheries? Is there not going to be a period of—friction is not the word—conflict, for which we are not properly armed with public opinion, as they would be in Iceland and other countries that depend on fishing to a far greater extent than we do? Are there troubled waters ahead?

Dr Appleby: It is a political question.

Chair: I do not think we are likely to go to war over fish, are we? We can negotiate, Paul, with our neighbours, the way they fish as we leave the EU, surely. I do not think this is so terrible, really. I do not know what the panel thinks about this.

Mrs Murray: Maybe it would be a question for somebody who knows about fisheries protection.

Chair: Yes, we ought to get it from fisheries protection.

Dr Appleby: Yes, it is a good point. It is a resourcing issue. It is really difficult to see. Who would have thought somebody shooting Archduke Ferdinand would kick off the First World War? It is the butterfly effect on these things. You just absolutely do not know. You have to take a conservative approach in your language. I have been quite disappointed with the way

this has been covered, because there are expectations that people will struggle to meet. That is dangerous in our sense and it is dangerous in the way that is received abroad.

In terms of the way that we are going about this, the environmental-protection thing was announced in *The Daily Telegraph* behind a paywall. Is that the way we should be announcing proper democratic policies? We need to do things in a more professional way. We see the position papers coming out of the EU. They are all nicely drafted, and you can see all the references and you know where it is coming from. From a legal point of view, that makes my heart sink a little bit, when our approach seems a little bit random.

Chair: You speak as a lawyer again.

Helen McLachlan: We have moved on somewhat, hopefully, in terms of international relations since the Icelandic cod wars. We have spent the last 40 years talking, negotiating and working with our neighbours in mainland Europe for those shared stocks, and we will have to continue to do that. It will be best for sustainability if we come to the table with a willingness to negotiate and to work together, not just on the stock status but on the data that feeds into the system, which we currently do. We do not want to see a breakdown in relationships.

Q163 **Chair:** We will leave that there because I am conscious of time. I just have one last question for you and I will bring in the next panel. We have covered this a little bit: how is Government going to consult with the devolved Administrations on marine environmental protection? How do we negotiate with Scotland and Northern Ireland as we come out? Are we already doing that? In a way, on environmental policy, one would hope that you could have a fairly united policy. Is that the way to do it? Perhaps devolved Administrations may not be keen on having one imposed upon them, but how we agree that is the argument, I expect. You cannot really have different environmental policies, I would not have thought. How do you see that from WWF or wherever?

Erin Priddle: The country has to have strong, overarching environmental objectives that everybody is signed up to. How those are implemented might vary across the regions. The model of regionalisation and devolution is one that is well established both in Europe and in the UK, so certain management measures might be appropriate for Scottish fisheries and it will be different for Wales or for England, so there needs to be flexibility in the system for that. In terms of governance, everything needs to sit under one umbrella and then be nested underneath that, but definitely with broader, strong environmental objectives that are adhered to across the nations.

Q164 **Chair:** I suppose you all agree with that, do you?

Helen McLachlan: The UK and devolved Governments already have a vision for what they want to see in terms of healthy, resilient seas and the management thereof. It is something that there has to be more effort put into at the minute, in terms of inclusiveness and keeping the devolved Administrations in the discussions. Whatever happens, even that top-line stuff has to hit the table with the agreement having been discussed and having had that engagement.

Q165 **Chair:** Do you mean that we must not present from England a *fait accompli* and say, "This is the system"?

Helen McLachlan: Indeed.

Q166 **Chair:** It has to be negotiated with the devolved nations; that is what you are saying.

Helen McLachlan: Yes, because it will not get by if that is not the case.

Dr Appleby: “Hugely complicated” is the answer to that from the lawyer.

Chair: Thank you very much. You have presented us with some very good evidence this morning and it will all make part of our inquiry, so thank you very much for your time and for your very good answers.

Panel 2

Witnesses: **Griffin Carpenter**, Senior Researcher, New Economics Foundation, **Professor Richard Barnes**, University of Hull, **Aaron Brown**, Fishing for Leave, and **Jim Portus**, CEO, South West Fishermen's Producer Organisation., gave evidence.

Q167 **Chair:** Good morning, gentlemen. Thank you very much for attending our fishing inquiry. If you would like to introduce yourselves, we will then start evidence straightaway.

Aaron Brown: I am Aaron Brown, head of Fishing for Leave. We have a membership right across the country from Shetland to St Ives. You will remember us from the Thames flotilla. We were founded due to the disparity of views between the federations and their membership on the ground.

Griffith Carpenter: I am Griffin Carpenter, a senior researcher at the New Economics Foundation. I have been working on fishing quota and related issues for a number of years, and now, it looks like, researching Brexit for the whole horizon.

Jim Portus: Good morning. I am Jim Portus, the chief executive of a south-western fish-producer organisation, which is an organisation based in south Devon representing channel fishermen but also fishermen from Wales and Scotland in membership.

Professor Barnes: I am Richard Barnes, professor of law at the University of Hull, where I specialise in international law of the sea, marine resources and fisheries in particular.

Q168 **Dr Johnson:** We have been hearing in our inquiry that fish are a valuable British resource and that, once we have left the EU, we will have control over who fishes and how much. How do you think we should best manage and regulate fish stocks to make sure they are sustainable?

Jim Portus: I have been a fisheries manager for nearly 30 years now through a producer organisation, which is the method of management used in the United Kingdom for distributing the fisheries quotas among various producer organisations around the UK. The method used in the UK is unique, and therefore is not a manifestation of the common fisheries policy.

Q169 **Chair:** You are out to the six-mile limit now, are you?

Jim Portus: No, the producer organisations manage a share of the quotas, wherever those quotas are based. As for the ending of the common fisheries policy, that brings with it the end of relative stability, which gives us the opportunity as a nation to control exactly what happens within our EEZ, whether that be access to those fisheries or distribution of those fisheries to other member states of the EU 27, if we so wish. We must take that control and manage those resources very wisely. As was mentioned by witnesses earlier on, we cannot manage the fish themselves but we can manage the fisheries and how they are distributed, and we should do that. We have every opportunity to take back our share and have the zonal attachment that was talked about earlier on. Those resources are, essentially, in the UK EEZ and we have to look after them under the United Nations Convention on the Law of the Sea. We do not have to distribute them to other countries.

Q170 **Chair:** Do you see that share as quite a lot larger than it is at present?

Jim Portus: It should be but, of course, with us gaining opportunities, there are going to be some people who are very angry about losing those opportunities.

Q171 **Mrs Murray:** Are you referring to the surplus going to other countries as opposed to a clear share-out now?

Jim Portus: Absolutely, yes.

Q172 **Mrs Murray:** Article 62 mentions that any surplus can go to other countries. Is that correct?

Jim Portus: Yes, and we will be the arbiters of what is a surplus. When we change the system from one of relative stability to the new British fisheries policy, we will have some very angry fishermen in other countries.

Aaron Brown: I would like to come in on that and say that we have a huge opportunity here going forward. However, our organisation has been very strident that, if we keep doing the same thing that has failed us for 30 years, we will continue to have failure. The management system that we have in Britain, as Jim says, is unique to a degree, although we have the equivalent of a de facto ITQ system like Iceland, in many ways. The entitlement to quota has been put out to monetary value on a tradeable commodity. The POs have done the best of a bad job in the situation that the industry has been shovelled into. However, we very much believe that we have to look at what can be rather than try to keep what is for political convenience or vested interests.

One thing I would like to hit first, which seems to be something that is underlying a lot of chat that has seeped into both Parliament and the industry, is that zonal attachment is the answer to all the problems; it is not. Fishing for Leave has modelled the catches out of the European Commission's STECF database on catches. It shows, yes, Britain gains a lot of fish but not in some of the stocks where it is needed. The North Sea is a good example, where the majority of what the UK regains is pelagic species. It comes down to whitefish, where there is a huge problem with discards going on just now: about 40% of the fish caught is discarded.

In terms of what Britain already has an allocation, you cannot really get more. We have a predominance of cod; we could get a bit more haddock. We will not get much more monkfish. There is a huge predominance of monks coming from the west coast into the North Sea. There is not the quota to get back. This idea that, somehow, we are going to have this magic pot of fish, as some of the previous panellists suggested, and that that will

somehow allow us to match up with the distribution of fish on the ground, is erroneous in the extreme and does not marry up with the practical reality. Putting all our eggs in that basket is not going to solve the problem.

Also, if we get all of this fish back, how is it allocated? Erin referred to better quota management. Within the sector, the system for managing quota just now in Britain, aside from how the under-10s have had a pretty raw deal, is pretty dynamic and fluid. There are a lot of swaps going back and forward, but that is one of the big hobblers of the industry, with slipper skippers and quota rentals. How we allocate that quota is key.

Q173 Chair: A lot of these issues will be dealt with, so stick with the particular point, please.

Aaron Brown: We believe that we have to go to a new management system. We advocate effort control because that will allow a no-discard fishery. It removes the cause of discards, which is the quota. It will avoid the race to fish that have just now, where boats are putting in increasing catches and discarding to find what they can keep. This is the key: it does not rely on zonal attachment. If we do not get one ounce more of fish back under the politics of Brexit, the fleet can survive. If we continue with the management we have just now, choke species will bankrupt most of the fleet and that will be the end, Brexit or not.

Q174 Chair: Let us leave it there. We have other questions to drill down on.

Griffith Carpenter: I think about fisheries as a series of decisions: how large is the pie and how is it distributed? In terms of how large the pie is post Brexit, we discussed earlier MSY and MEY. I suspect we will keep it pretty similar to MSY for reasons mentioned in terms of simplicity. Also, we are not there yet. We need to get to MSY by 2020, and then we can discuss whether we lower mortality even further than that.

Q175 Dr Johnson: We will be in full control of how big this pie is.

Griffith Carpenter: No, this would be set at the stock level, so we will still need to agree on that with EU counterparts in the same way that, when we are setting the size of the mackerel pie—it sound delicious—it is decided with Iceland, Norway and other actors. The size of the pie is determined at that level. It is allocated to different countries, which is relative stability. The UK is advocating a position of zonal attachment. We will probably discuss that later. What I think Jim was trying to get at with the POs is that, after that, it is totally national competence. It is up to each country to decide how they allocate quota or other fishing opportunities to the fleet. We could have made changes before and we did not modify the system much, but anyways we are having these conversations now, so let us try to take advantage of that.

The key areas of reform are around the issue of the under-10-metre sector. They have very low profitability right now. They are at risk yet they form most of the fishing communities around the country, so we need a system that works for them. As Erin was getting at with the ITQs, we have had accidental privatisation of the system. We allocated quota in the first instance to those who were fishing and then we kept it that way for decades. Now there is this concern that there is a legitimate expectation, if you are a fisher, to continue to get that amount of quota, so we need to clarify the legal situation. There is a consensus view, I believe, that fish are a national asset and a public resource, and should be managed that way, so we should act like it.

Lastly, we allocate quota right now based on historic share within the country to each individual fisher through their system of FQAs—the fixed quota allocations—but there is more that we want to incentivise than just “How were you fishing before?” We want to reward certain practices. We do not do that right now, but we could. You could have a quota reserve and the Government could say, “We will allocate quota to reward best practices”.

Q176 Chair: We are taking a long time on our first question, but it is a big question.

Professor Barnes: I will keep it very brief. The fundamental principle is that we have to manage our stocks on a sustainable ecological basis. In Griffin’s terms, we have to make the pie as large as possible. If it shrinks, we all lose out. If it increases, there is something for everybody to benefit from. Beyond that, the more difficult question is how you allocate the shares of that. The challenge for government going forward is to decide whether it pushes a more efficient industry, which preferences a larger sector, the commercial sector, or it goes for a more socially distributive approach, which may benefit the smaller under-10 fleets. There are pros and cons to each of them that we can explore later on, but that is the more difficult challenge.

Q177 Chair: There could be a combination of both, I suppose.

Professor Barnes: It could certainly be a combination of both. We have to define the core principles with which we govern fisheries. This echoes the point that fisheries are a national resource or a public resource. This does not necessarily mean state ownership, but it means clearly setting out how those resources are going to be used to benefit the country. A bit of work could be done articulating those principles.

I echo some of the points that have been made. It needs to have strong stakeholder engagement. That is across the industry, not just from one particular sector or another but across the sectors. That means bringing in things like the recreational fishers, the under-10s, and giving them support for proper representation. There are starters there.

Jim Portus: As the Chairman may know, I had something to do with a legal case where the FQA system was challenged. The possession of FQAs as an asset was established in that court case.

Chair: You had better not use abbreviations too much please, Jim.

Jim Portus: It is the fixed quota allocation unit system. We established that system in the South Western FPO in 1996. We persuaded other producer organisations and the Ministry of Fisheries at the time that it was a good idea to fix the track record, rather than have a rolling track record reference period for the fisheries. That system has stood the industry in good stead now for 20 years.

We have had stability within the UK. We have been able to invest in our tonnage. The Scottish fleet has more than 70% of the fish in its waters and more than 85% of the FQAs are attached to its licences. There is a real incentive in the fishing industry to maintain the system of quotas based on tonnage, rather than changing over to a system based on days at sea.

Aaron Brown: Could I quickly interject here?

Chair: I know you want to bring in a hybrid system, but in a minute we will drill

down a bit more on that. I am conscious we are on question number one and we have been for 15 minutes.

Sheryll Murray: Chair, I might be able to bring in that under my question.

Q178 Chair: Yes, bring it in under your question. My next question is linked. How should shared stocks be managed once the UK leaves the EU? Naturally, we go into EU waters and they come into ours. I know there is a huge discrepancy. I think they take £600 million-worth from our waters, and we take £100 million-worth from theirs, so there is a big discrepancy. We still have to manage that, do we not? How do you see that happening?

Aaron Brown: There is no reason you cannot do that as we do currently, although we will take up our place. That is one thing that has to be in the Fisheries Bill: that we will absolutely, categorically take up our place on the North East Atlantic Fisheries Commission on Brexit date, and the CFP will end. We might come on to this later, but we believe we cannot continue with the CFP past exit day. We will lose the clean slate of Article 50 and bring in continuity of rights if we go into some sort of transition period.

We will be able to work with our international neighbours still, and we will do so through a TAC system. It is that zonal attachment of rebalancing the shares in favour of the United Kingdom. Those are rightfully ours under international law, under UNCLOS. It is the duty of the EU to readjust its catching and shares to take account of the loss of the UK's resource from the common EU pot. The obligation is with them. It comes down to the political willpower, here in this building, to stand up for one of our strategic national interests.

We could agree TACs. After that, we have developed a system that works for TACs, coming on to effort. How we do it domestically is up to us afterwards.

Q179 Chair: You are saying quite categorically that this is something we have to do straight away.

Aaron Brown: Yes, absolutely. Article 50 and Article 70 of the Vienna convention confer the United Kingdom a clean slate on exit day. If we go into a transition deal we have effectively re-acceded to the same terms and conditions, as Messieurs Barnier and Juncker have said. If we get some sort of exit deal, there will have to be a withdrawal treaty. There will need to be something to legally ratify the arrangement. That therefore brings you under continuity of rights under Article 30 of the Vienna convention. The EU can then turn round and say, "You left one policy and you have mirrored it". Therefore, as Article 30 of the Vienna convention says, if you take an old treaty and a new treaty, if they are pretty similar, one binds on to the other. That is something we need to avoid at all costs.

Q180 Chair: That is a very fundamental view. What is the view of the rest of the panel? Are you all fundamentalists or what are you?

Professor Barnes: With respect to Aaron, I probably disagree on a couple of points there. The general agreement is that, once we come out of the common fisheries policy, we will be bound by international law and UNCLOS. That is unequivocal, so we can go through the obligations under UNCLOS.

A point of distinction is that whatever transitional agreement we were to enter into with Europe would be limited to the terms and conditions of that. It would not have any perpetuating effect beyond the terms of that. That is a really important point to make. It is important because, if we cannot put in place a domestic regime to manage our fisheries at the point of exit, or to cover a transitional period, we will have nothing to govern the conduct of people at sea. That will be a tragedy in and of itself. We need to have some form of transitional arrangement.

Q181 **Chair:** What about the point made by Aaron that, if you are not careful, these transitional arrangements will be carried over into law in the future? Do you disagree with that point?

Professor Barnes: Yes, quite. It depends on what you set out in your agreement. It may create some political pressure or expectations, but that is quite different from a legal position. The point I want to come back to is that a large element of our current fisheries governance system in the UK is predicated on the common fisheries policy. Even the producer organisations are governed under regulations. The continued operation of even the component parts of what we do at the moment needs to be based on something similar to what we have under European law.

Jim Portus: In relation to the waters of other countries, we have to make that distinction between the nought-to-12-mile access arrangements under the London convention and the 12-to-200 or median line access under UNCLOS. That 12-to-median line access will continue, both in our own waters and in the waters of other countries. We will have the right to go into those waters to exploit the resources that are available, under the International Council for the Exploration of the Sea. They will be determining the size of the TAC. We will not be exceeding the total TAC between us.

Q182 **Chair:** No, but the argument is that we will have a greater amount of that TAC.

Jim Portus: That is what we are entitled to do, because the common fisheries policy itself will fall, and the relative stability shares will fall. However, the TAC will still be determined by ICES. Under our terms of agreement with UNCLOS, we have already said that we will fish within sustainable limits.

Griffin Carpenter: Jim is not quite right there, in that ICES provides advice on what the TAC should be. It is then a political decision about what that level should be. We have criticised the EU for years for not following that advice, although it is getting better. The problem is that there is a framework outside of this, which, as I mentioned with the mackerel pie, we do with Norway and Iceland. We do this for blue whiting and herring. This is outside of the CFP, where you agree the TAC.

The problem is that those decisions are made in a much worse way than under the CFP. If we look at ICES advice compared to the TAC that was set, it is much higher for those stocks that are shared. There is a simple reason for this, which is that, under the CFP, Ministers meet to set the TAC for sole and plaice and they cannot leave the room until a decision is made. When you deal with Norway or Iceland, anyone can leave the table at any point, walk away and set their own TAC. Those are called unilateral TACS.

The problem is when they do not add up. ICES might say in its scientific advice, "You can catch 1 million tonnes of mackerel". Then the UK says, "We will have 800 of that". Then

Norway says, “We will have 300”, and Iceland says 500. It does not add up any more and everybody has set their own TAC. This is why we are going to see overfishing post-Brexit. We are saying we should get a certain percentage based on zonal attachment, and the EU is saying they should get a certain percentage based on historical share. If you do not come to an agreement there, you get overfishing.

Aaron Brown: It is the EU’s duty to readjust to us taking back what is rightfully ours. On the point made at the end there, it depends what the legal underpinning of that transition is. As everybody is starting to realise, it must be remembered that the EU is a political entity, not a soft, cuddly project or club. It is going to look after its interests. The idea that the EU is going to go, “Fine, we will have a nice little fisheries agreement that you can walk away from casually after a few months, nine months, or a bridge, or whatever”, does not stack up. The EU is going to try to fight its corner to nail our feet to the floor as much as possible. One can understand that. Parliamentarians have to be careful.

Chair: There is no doubt that fishing will be highly political in the end. It will be a political agreement. The interesting point that Griffin made is if we are not at all careful everybody will try to catch more fish. I think we all know historically that our fishermen got a very poor deal when going into the EU, so there is a need to put that right, but it is also about making sure then there is no overfishing in the process. It will be highly political. There are no two ways about that.

Sandy Martin: Paul would have agreed.

Chair: Yes, exactly. He would have been able to talk all about the cod wars again, but we will try to avoid those for the time being.

Q183 Sheryll Murray: I want to talk again about alternative stock managements. Could you be brief? I know we have a lot of questions to go through. Do you think there is any merit in the current MSY, maximum sustainable yield, method of stock management being reformed in some way? For instance, if you have a discard ban, would you perhaps reform or temporarily move away from the MSY system for a choke species? That would enable vessels to plan their fishing, and the discard ban would be introduced in a much more realistic way.

Chair: Just explain what a choke species is please.

Sheryll Murray: Jim and Aaron would probably do it a lot better than me. A choke species is where in a mixed fishery, when lots of different species of fish swim into the trawl, you might not have quota for one of those species.

Chair: You are catching a lot of fish that you did not want to catch.

Sheryll Murray: You are catching fish that you do not have quota for at the moment, so you cannot land them. In the current regulations, I think it is a 10% amount that you can, compared to your whole catch. Unfortunately, if you go above that 10% you do not have any option but not to go to sea.

Jim Portus: It is a very meaty question. First of all, we have only just started to establish what MSY is for many of the stocks.

Q184 Chair: Is that maximum sustainable yield?

Jim Portus: Maximum sustainable yield, yes. Many member states have reduced the resources available to their scientific communities, so the collection of data has been slipping away. Many of our stocks are still described as data poor, and we are unable to establish what the MSY is.

Q185 **Chair:** We need more data and science.

Jim Portus: We need more data and science. If fisheries managers of the future are to make intelligent decisions, they need that intelligence fed to them from bodies like Cefas and indeed through ICES. Establishing the MSY for all these stocks is important. More than 60% of fish caught by the members of my organisation are not even on quota, so they are not limited by the common fisheries policy. They are regulated by other systems. I am talking about things like the scallops, crabs and lobsters, many of which are managed inshore by the IFCA: the inshore fisheries and conservation authorities. They are not on TAC and quota. We do not know what their MSY is, again because we do not collect the data for the stocks that are not the subject of the TAC.

Q186 **Chair:** Asking a simplistic question, how do you know they are not overfished?

Jim Portus: You do not. That is one of the risks of having an effort-limitation system compared to a tonnage quota system. You are trying to nail a cuttlefish to the wall. It is a very difficult thing to wrestle with, much more difficult than a tonnage-based system of MSY. MSY should be established for all stocks, whether they be on TAC or not. If we put more resources into our scientific community and enable the data capture from the industry, we would have a much better handle on what MSY is for so many other stocks.

Q187 **Sheryll Murray:** Would that be easier to do, and could we tailor our MSYs more to UK waters, once we leave the EU?

Jim Portus: Partially, yes, provided our Government give more resources to our scientific bodies. The international council is not a manifestation of the EU, so we will continue to be a part of that body, and we continue to feed into it. As Aaron mentioned earlier on, we will also take a seat at the table of the North East Atlantic Fisheries Commission, so all that scientific advice will be made available to us. Having a chair at NEAFC, which we have not had before, will enable us to influence decision-making. Certainly, we intend to be decision-making inside our own EEZ.

Q188 **Sheryll Murray:** Could you give me a very quick comment on whether we should be moving more towards the Australian system of maximum economic yield?

Jim Portus: It is far too early to suggest that. We are barely away from crawling, insofar as MSY is concerned, before talking about moving to an MEY.

Chair: We are still toddling, are we?

Aaron Brown: This, aside from all the other things you will hope to ask today, is the key crux of how successful we are with the fishery Brexit.

Q189 **Sheryll Murray:** Could you give us your opinion on maximum sustainable yield?

Aaron Brown: It depends how you do it. I am glad you mentioned shoaled species, because this is critical. The biggest problem with our fisheries just now is that we are trying to manage on an individual species basis in a mixed fishery. That is the crux of the problem.

Therefore, what happens is that, because we have a quota system, fishermen can only land what they are allowed to under the quota, not what they catch. That means that data is useless for stock assessment, so you have a paucity of data. Bad data leads to bad science. Bad science leads to bad quota, and we have been stuck in this downward spiral. MSY is misguided.

Q190 Sheryll Murray: My original question was whether you think there is any merit in reforming the current MSY, and how you would reform it.

Aaron Brown: Yes. It needs to be done as a maximum ecological yield. You would need to treat a sea area, an ecology, as a whole. To try to go out there and arbitrarily put human targets on top of a fluid, dynamic marine environment is impossible, and it has been proved for years.

Choke species are the best example of that. As Sheryll mentioned, the problem comes when you exhaust your lowest quota, which is again coming back to zonal attachment not helping. With North Sea hake there is a massive abundance, but no quota because it was not there. In the Irish Sea, the Ulster fleet will die overnight with a discard ban. All these different things are not helped by zonal attachment.

When you hit the buffers of your lowest quota, that is it. You will get a true representation up to that lowest species, but then the fleet is killed. This is where effort control is the system to go to, and it is refined effort control that we advocate as the key thing. It is not blunt days at sea.

Chair: We are coming on to that.

Q191 Sheryll Murray: Can we stick to my question? I know colleagues have other questions to ask. Do you think that we could perhaps gear the MSY system more adequately to UK waters? What do you think about the Australian system?

Aaron Brown: The only way you can gear the system better—to take an ecology-wide approach, not try to cherry pick and micromanage—is to put in a management system such as we advocate that allows you to get the accurate data. The green groups themselves, Jim, everybody, aside from vested interests in quota, do not want to move to that system. We all agree that you have to have the best possible data and manage sustainably on best science. We do not have that just now.

Q192 Sheryll Murray: Do you think we could tailor the MSY system more appropriately to UK waters? Do you agree that we possibly could or not?

Aaron Brown: Yes. It needs reform to work with our reality on the ground better. God forbid we copy anything in Australia. I was on holiday there before the referendum and its fleet has been decimated. New Zealand still has big discard problems. There are big court cases going on in Wellington over the head of it. They have been fiddled and in another place enforced, which means nothing. We saw that at Fishmongers' Hall. No one has found a way to properly stop discarding, which puts more effort in, so we cannot go to an Australian system.

Professor Barnes: Under international law, we are legally obliged to use the MSY. If we are using something completely different to our neighbouring states over shared stocks, we would run into the problems highlighted earlier on about incompatible measures. The

mechanisms to take into account dependent or other species are there, but we do not have the science or the capacity to do that as well as we would like to do. That is where the investment is required. We do not throw the baby out with the bathwater.

In terms of the maximum economic yield, I agree with Jim. Fisheries is an incredibly complex problem and, if we introduce this model into it, it makes it even more complex. We need to walk before we can run. That said, there are potential avenues to explore with this because, if it sets catch levels at lower than the FMSY, it has the potential to generate benefits for the fishing community.

Griffin Carpenter: I do not think it makes sense to try to gear MSY to UK waters. It makes sense to try to reformat MSY to take into account mixed fisheries. This is happening across the EU. We are making progress on this. Everyone is in agreement. Jim is right to say that the science and data collection is where the effort should be put at this point. That is where we need to make progress. On MEY, I agree with Jim again that we should get to MSY first, because MEY is supposedly the lower bound.

Q193 **Chair:** What is MEY?

Griffin Carpenter: Maximum economic yield.

Sheryll Murray: Maximum economic yield.

Griffin Carpenter: The interesting thing about MSY is in the CFP there is the timetable to get there by 2020. This is tricky with the transition periods that we are dealing with. Before we get into maximum economic yield, let us sort out that transition period and how we are going to get to MSY.

Q194 **David Simpson:** Would you be in favour of replacing the quota system with a days-at-sea system or any other effort-based system?

Chair: I am going to let Aaron come in on this one. He may have a view on that.

Aaron Brown: I had squeaks coming out. I was hoping you would ask. I must say to start with there has been a lot of bad press put about days at sea, to protect vested interests in the quota system, which have been substantial. Our system is not blunt days at sea. Blunt days at sea alone does not work, because economic greed takes over and you will get a race to fish for high-value stocks.

At the same time, it must be recognised that substantial investment has been put in the FQA system, fixed quota allocation stocks and shares system, and that has got to be retained. You cannot just turn round to people and say, "That was a bad system you played in, and we are going to pull millions of pounds of investment out of you".

We have developed a hybrid system, as Mr Parish alluded to earlier. Griffin has heard about this before. It bases the whole system on TACs and FQAs, and it works forward with a secondary control under your limit of time called a flexible catch composition. What that says is, "Traditionally you maybe caught 20% monks under a quota system. We recognise that you cannot hit specific targets with discards, but we know that you cannot just go out because you will target that valuable fish".

If you go above that target you lose time, and it is an equivalent value of time to the value of the fish. If you get a nice haul of cod that is worth £5,000, and you have been catching at a

rate of £5,000 a day, you lose a day. You do not need to discard, because you have money in the bank. Why would you throw money away to go and spend another day at sea, with more fuel and more expense? At the same time, you have no incentive to go off and go tonto.

Q195 Sheryll Murray: What about smaller vessels that are not migratory?

Aaron Brown: That is one thing we have suggested to DEFRA not to do, because we do not like the under-10 categorisation. This is an adversarial system that has developed in the CFP. If you are a vessel that catches, say, below one tonne of fish a day, 500 kilos, obviously the difference of 10% or a few percent here or there is very little. You say, “If you stay below 500 kilos, a tonne a day, you have very low impact. You are just under days. If you want to start playing with bigger capacity, bigger catches, that is that”.

Coming quickly on to MSY, the one thing this system does is to allow all catches to be landed. Then we have the accurate data to properly get towards what these gentlemen want to see, which is accurate science and knowing what we are playing with. Just now, coming on to Australia, we are setting these targets and then trying to bludgeon the fleet into adhering to them. It does not work, because you have either discards or a ban of choke species. We have to move to a defined system.

Q196 David Simpson: Jim, can I ask you finally, because time is moving on?

Jim Portus: Unsurprisingly, I am not in favour of an effort system. It has been shown to lead to very short fishing seasons and a race to fish, and indeed ultimately to dangerous practices while fishermen are very limited in the time that is available to them. On an effort limitation system, in order to stick within sustainability limits you have to fish to the lowest common denominator. That is the reason why I favour a continuation of a tonnage-based quota system.

Griffin Carpenter: These guys are right. Effort-based systems in general are on their way out around the world. It is interesting to have this debate now, while at the same time in the Mediterranean, which is still under effort-based management, we are trying as hard as possible to get quotas in there. We have them for two species and we are phasing them in for more. I know Aaron is chomping at the bit to say his system is not strictly effort-based control.

Q197 Chair: It is not a blunt instrument.

Griffin Carpenter: Exactly, but the point is that it is about managing inputs in a system around outputs. You are managing the amount of days at sea. We do not actually care how many days at sea people are spending. We care about the mortality. Measuring the input to address the output is very difficult, and in fisheries you have a lot of unintended consequences. If you try to manage one thing, you do not know what the result will be. That is the danger of this system and why effort-based systems in general have failed around the world.

Q198 Chair: It is how quickly we could act on an effort-based system as well.

Professor Barnes: I echo the points. Legally, there is nothing to stop us doing it. It is whether or not it achieves the objectives we want from fisheries management. We have agreed it is quite a blunt tool. One of the challenges is it is not particularly adaptive, because it consolidates practices and behaviours. In the Faroes, where they are using it, they find it

very difficult to change behaviours. We agree that, as fish stocks and socioeconomic conditions change, we need something that can change quickly with them. It is important to have that flexibility built in.

David Simpson: It is good to see agreement on it.

Q199 **Chair:** This next question is not at all controversial. What level of access should non-UK vessels be allowed after the UK leaves the EU?

Professor Barnes: As a quick point, we need to clarify what we mean by non-UK vessels. Any vessel that is flagged outside the UK would be treated as not having access to our quotas. However, we have a large number of vessels that are currently foreign owned, operated and capitalised, but registered in the UK. The question is whether or not these vessels would then continue to have access. That is quite an important question, because they comprise quite a large sector of some of the commercial fleet.

If we are going to change access to our waters, we need to consider the rules on ship registration. One of the challenges here is that there are existing rights under domestic law for these vessels to maintain their ship registrations for periods of five years, potentially. Do they continue and have access to our quotas, or do we stop them at the point of Brexit, and in which case face a legal challenge for that? There are difficult points to discuss there about legitimate expectations—

Q200 **Chair:** What are their historic rights? Do they still apply to non-UK vessels after we leave the CFP?

Professor Barnes: We can be very brief about this. Within the territorial sea, and in particular the six-to-12-mile band, there have been historic rights, but those will come to an end once we leave the common fisheries policy. They will not survive. There may be the argument to be made that certain rights under the European Fisheries Convention of 1964 will then re-emerge. Those arguments are incredibly weak, because for the last several decades all access rights have been done under the CFP. We can withdraw from the European Fisheries Convention anyway. That is a simple thing to do. Those rights within the territorial sea would come to an end. There are no historic fishing rights within the exclusive economic zone at all. I can embellish on that, if you would like.

Jim Portus: Sticking to the strict definition that you posed about non-UK vessels, I have to agree entirely with the professor that in the six-to-12-mile zone we intend to end those access rights, or wrongs, that have been granted since 1964. Withdrawing from that is something that the UK Government have already agreed to do.

Q201 **Chair:** Will all boats be treated the same if they are non-British boats? I do not say the Japanese come here to fish, thank God, because they will probably take far too much, but will all vessels be treated the same? They will all be non-British boats. What about any particular rights that they may or may not have had in the past?

Jim Portus: That is the interesting question. I have no doubt that lawyers are going to get rich on this, because there will be countries that will claim historic rights. They will have to go to court to establish them, or to re-establish them. Essentially, it will be up to the United Kingdom to invite people into our waters under our terms and conditions, whether that is under the technical regulations. The amounts of fish that they are entitled to take from our waters would be the subject of negotiations. All those negotiations have to take place once

we have left the common fisheries policy and the European Union. That is something down the road, but we have to start our relationship with fishermen from other countries with a clean slate. That is what our organisation would intend to see happen.

Griffin Carpenter: I suspect we will see a lot of access post-Brexit, not because of the legal situation but because of the economic one. Currently, the UK fleet gets 5,000 tonnes of sand eel quota. If we have some sort of zonal attachment share, that is going up to 200,000. It is not something that we fish at the moment. We do not have a market for it. You have never seen sand eel on the menu, but the Danes love the stuff. They turn it into pig feed. It seems like there are mutually beneficial outcomes if the Danes continue to get the sand eel and we can get something like haddock from their waters. Under zonal attachment, we would have a smaller share of haddock.

I suspect pure economics alone will mean that there will be a lot more interaction in European waters, also because you can get higher prices in different markets. We quite like landing fish into French and Spanish markets already and get a higher price at the port.

Aaron Brown: I would agree with the professor. It is good to hear that Jim is the same. We have said it, and I said it at the start: we have to start with that clean slate, and that is provided by law. There are no historic access rights there. There can be challenges, but I do not think they have any basis to mount those on.

How we decide access after is up to us. There are two things I would like to see legislated for. One is that anybody who is allowed to fish in our waters or given resources can only be given the surplus, so that fishing is not used where we are taking stuff that we could use ourselves and give it away for a trade off in some other area. That is important. It is important that any vessels that are allowed in are under our terms and management, and land into UK ports. That is both for compliance, because it is notorious that people are going back to France and Spain and getting away with murder, and also to incur some economic benefit.

To touch on Griffin's point on sand eels, that is something our organisation believes should be banned categorically. Britain should take her share of sand eels and sit on it, because you cannot go and wipe out the basis of the food chain in the central North Sea and expect healthy stocks. To do it for pig feed or fertiliser, or burn it in power stations, is criminal on a huge scale. As Griffin says, we do not have a market for it here. We do not have a need for it here. Our need for it is to leave it in the sea to feed fish. That is one thing that needs to be banned.

Chair: That is a very interesting point. I am going to let Sheryll in now on the quota hopping, because in a way it is all linked to what we are talking about.

Q202 Sheryll Murray: We have been talking about non-UK vessels, but there are some vessels on the British fishing register that are owned by non-UK citizens. The EU has agreed obligations like the economic link for these vessels, but do you think that we could take any action against them post-Brexit? I will go to Jim first, because I know that he has done an awful lot of work on this in the past.

Jim Portus: Yes, indeed, going back to the early 1990s, when the Factortame case was lost by the UK Government. That established that it was perfectly legal, and it was protected by the highest court of Europe, the European Court of Justice, to remain on the UK register. That not only established the right for those Spanish vessels at the time, but also led to an

avalanche of Dutch ownership of British vessels in the North Sea in particular. My organisation would wish to see a real, genuine economic link between a vessel flying a flag, the Red Ensign of the United Kingdom, and the country. There should be real landings into and real establishment within the United Kingdom.

Q203 Chair: When you say real landing, do you want all the fish that they catch landed in the UK? How do you see that?

Jim Portus: I know the Scots at the moment are contemplating insisting on 50%. Some Scottish businesses are very concerned about that, because they land on to the continent but they bring the money back to Scotland. There are factories in Scotland that are receiving commodities that are landed on the continent and then trucked all the way back to Scotland.

As far as quota hopping is concerned, we will be able to do something about it, because the European Court of Justice is a manifestation of the EU that we are departing from. We do not have to maintain the judgment of that European court once we have left the European Union. I sincerely hope that those judgments, particularly the Factortame judgment, are set aside and that we revisit the Merchant Shipping Act 1988. Then we can re-establish genuine links between those who own the vessels and the country whose flag they fly.

Aaron Brown: Jim and I could argue all day over effort control and quotas, but this is an area we stridently agree on. The quota hopping, flag ships, whatever you want to call it, is a monstrous problem. When you look down at the amount of FQA units they have, they account for 75% of the quota holdings in England. When you take it that the EU is going off with 60% under relative stability, then its companies are registered in Britain and making off with another three-quarters of what we get, it means the indigenous British fisherman is down to about 10%. You can see why coastal communities have died in many respects from that alone.

There needs to be a tightening of the economic link, both in crewing and landing. Jim referred to real landings. Just now at Lochinver about 14,000 tonnes of fish comes ashore, straight into the back of a lorry and straight down to Dover. The UK incurs the economic benefit of a cup of tea at Little Chef on the way down the road, and that is about it. That is something that has to be stopped as well. We would say it has to be landed and sold at first point of sale in the UK.

As Jim touches on, that then cuts in where some of our fleet, especially the pelagic sector, wants to go to Norway. Some of the whitefish boats go to Denmark and shellfish into France. It is the traditional British thing of short-term minor gain, ignoring the longer-term picture that, if we can build up our own markets and processing, it is far more advantageous to Britain to onward sell that fish, processed, at full retail value in plastic packets than it is to allow it to go off in bulk.

Chair: Be careful how much plastic you have.

Aaron Brown: However we package it. The other thing is the flag ships are a big bone of contention for the industry. Jim's PO left the NFFO over the head of it. The NFFO is now 75% flagship when you look down the merchant shipping list quota holdings and the FQA register. There is a huge interest there entrenched now. What the Government need to say is, "Fair play, you are here. Either become bona fide British, help us rebuild our industry, move your factories to places like Lowestoft, the south coast, bring your boats, crew with local

men, or do not take the opportunity and pack your bags”. That is a fair option. It is what New Zealand did as well.

Q204 Sandy Martin: That leads very neatly into the question I have here. What you are saying and what I think we could all agree is that we do not want any of this activity going on. Any fish that is caught in UK waters needs to be landed in the UK. If it is being landed in the UK, do we think that we should also be enforcing landing charges for fish caught in UK waters by non-UK vessels?

Aaron Brown: We could do. I do not see why not. You could if you really wanted to.

Q205 Sandy Martin: You do not think that would undermine the—

Aaron Brown: You could use it as a lever to push them out, if you wanted to.

Q206 Chair: The counter on this is that you have to have a lever to get the market as well. You want to catch all the fish, which is quite right, but a lot of this fish you will then want to trade back into Europe in some shape or form. We have to try to make sure we get both working. Otherwise it is no good to catch a load of fish that you cannot then market, is it not? I am playing devil’s advocate here. That also has to be answered.

Jim Portus: I am very keen to see that that banana skin is avoided. We have to maintain good trading relationships as far as selling the products are concerned. It is quite right: the Europeans sell £1 billion-worth into the United Kingdom, and it is roughly the same that we are selling into the EU. We have to ensure that that is done as seamlessly as possible. Funnily enough, you were talking to earlier witnesses about electric pulse beaming. There was a blockade on Monday of this week by French fishermen who are campaigning against electric pulse fishing. They can very quickly bring our trade to a halt. A mention was made about lorry parks with products being held up at the borders.

Chair: Especially with fish, because it is such a perishable product.

Jim Portus: We need to ensure that our trade is as free as possible, because it is perishable. In south Devon, we have a vibrant live export of crabs from Plymouth and Poole across the channel to France and Spain. We want to ensure that trade continues, otherwise these crabs are going to be dying in transit.

Aaron Brown: It would be an interesting thing to bring the professor in here to seek his opinion. Jim mentioned the Factortame case. In clause 1 or clause 2 of the withdrawal Bill it says we will also adopt all findings of the ECJ. That is something for MPs to watch as well.

Q207 Chair: I do not want to make it too wide. I do not know if the professor wants to come in on a general point.

Aaron Brown: Factortame is a previous one.

Professor Barnes: There is general agreement here that the UK is a sovereign state. It is entitled to grant nationality to vessels as it sees fit, and every state does that. The restriction of being a member of the European Union was that it had to be subject to the fundamental freedoms, and that limited our capacity to do that. That is important, and it ties in to Mr Chairman’s point and Jim’s point here that we cannot detach this issue of registration and

access to quotas from questions about access to the markets that we need. We do not want to be too driven and rigorous about this, because it will have unforeseen implications.

Coming back to my other point, a number of these EU-capitalised vessels on our register have invested heavily in these vessels and their activities. They will fight to retain the rights that they currently enjoy. We have to be aware that they have a legitimate expectation. If we have held out that they are entitled to be registered and have access to quotas, and suddenly change that without any strong justification, we open ourselves up to legal challenge.

Q208 Sheryll Murray: Can I come back to you, professor? You have mentioned about connecting access to quotas and it has to go along with access to markets. Surely you can look at it in a completely different way. You can compare access to markets on a like for like basis. We import French wine and cheese, and export our fish to them. Would it not be better, rather than a trade-off between quotas and access to markets, to treat them on a like for like basis? You are treating the markets in the same way as you might be treating the fishing opportunities, not linking them both. That was done in the past. Aaron alluded to it. Surely a much more sensible way would be treating them on an individual basis.

Professor Barnes: It is quite a complex thing to achieve there. Any question of access to markets is a matter of political negotiation. That depends upon what particular weight is attached to particular sectors of the economy and the particular needs of the economy. I agree these things have to be looked at in the round.

Griffin Carpenter: There might be a little bit of a misunderstanding here about the Factortame case and the nationality requirement. Specifically, what that case is about is saying whether a British national could own quota and the Spanish could not. We already have an economic link, and we can argue about whether it is appropriate and what should be done to reform.

Specifically, the case that we can revisit through the ECJ is about nationality ownership, which I think is slightly inappropriate. Maybe it is a personal thing. I would not be able to fish our quota. Also, it seems like a very low bar. The distinction about whether you are living in Hackney or Vienna to own quota does not get at what we are trying to do here, which is foster coastal communities. If we are deciding how we can make sure there is a public benefit, we need to go beyond where the person lives or what their nationality is and say, “What ports does that occur at?”

Q209 Chair: I suppose the argument is exactly where the fish is landed and processed, because we do not look into which country and ownership of individual companies. It is a fascinating one, is it not? We go completely differently on fish. It is an interesting argument.

Professor Barnes: I have a small point. It should not be forgotten this cuts both ways though. If we have EU-capitalised vessels registered in the UK and they enjoy quota here, once we come out they are still UK-registered vessels. Interestingly, they then potentially no longer have rights to access the quota within European waters. There are quid pro quos. This is important in the context of the Falkland Islands.

Q210 Chair: There are so many unforeseen consequences.

Aaron Brown: Touching the markets there, it is a good point that Mrs Murray makes. People look at this slightly back to front on a lot of occasions where we go, “We export a lot. That is the lever the Europeans have. If we do not let them fish our waters, they will close their markets”. That beguiles their weakness. The fact that they buy a lot of our fish means they need it. If they lose that 60% they are catching in our waters, they are going to need it even more. Jim is right; the French will kick off, but there are only so many weeks and so many lorries you can burn at Calais before the novelty of it wears off and it becomes ridiculous.

The cod wars are a good example. Did we stop bringing in Icelandic or Norwegian arctic cod because we could not fish those waters anymore? No, we did not. Grimsby and Hull pivoted towards bringing in shipments that the Norwegians and Icelanders were catching. I cannot see it being that much different.

Quickly again on the issue of flag ships, the professor is right to a certain extent. In Falkland and other areas, we should be looking, yet again, in our overseas territories, not just home waters, to do more for the UK. I would disagree with Griffin on whether it matters if someone is in Vienna. If you want our coastal communities to benefit, your resources cannot benefit a Viennese coastal community. It has to be ours.

Q211 **Dr Johnson:** My question was about the small boats, the under-10s. We have talked about fishing communities. How do we ensure that they are supported? We know that 61% of the fishing quotas in England are now held by three companies. I am confused by some of the information that has come out about it. On the one hand, a former Minister says it is the Minister’s responsibility entirely to allocate more UK quota to small UK vessels over large, but equally I think I have heard you say that FQAs are owned as property. I do not understand how you square that circle.

Jim Portus: The interesting thing about the under-10-metre fleet of more than 3,000 vessels is that there are fewer than 200 of them that rely on quota for their income. The remainder are essentially inshore boats catching crabs, lobsters and other non-quota fish. They have done so remarkably well over the years. Their need for the quota species is very limited indeed. There was a very major study done 10 years ago about the inshore sector, particularly the under-10-metre sector. I would remind the Committee that the under-10-metre limit is entirely a British manifestation as well. It is not an EU CFP limit imposed by Brussels. It is entirely for our Minister. If he so wished, he could remove that limit tomorrow. He could change that limit. He could shift it. Indeed, we started off, in 1983, with a 40-foot limit. It went down in stages. The reason why we have so many flag ships is because of snow drifting up against these—

Q212 **Chair:** I take it that is 33 feet, 10 metres. Is it?

Jim Portus: Exactly, but it used to be 10 metres overall, and it became 10 metres registered. Some changes have been made by Ministers over time. When the FQAs were established, back in the 1990s, it was the decision of the Government of the day that there would be a pool of FQAs for the under-10s unattached to any of their licences. That remains the case today. They have access to quota based on the same historic track record reference period as was applicable to the over-10-metre sector at the time.

I cannot deny, and nobody would deny, that the collection of data from the under-10 fleet was lamentable. It was a requirement for the over-10-metre vessels to fill in logbooks, but the under-10-metre vessels did not have to fill in logbooks. They did not even have to submit

landing declarations until just 10 years ago. That was the first time that the new laws came in, what we call the registration of buyers and sellers, and that is when all vessels had to declare their landings. Suddenly, the ministry realised that more of that quota was being landed by these fewer than 200 vessels than they had understood it to be.

That is why the clamour has been, “Give us more quota”. That is why the Minister made a decision in 2012 to take quota away from some of the English producer organisations. As I mentioned earlier on, 85% of all FQAs are held on Scottish-registered vessels. Those FQAs were not targeted for the redistribution, only the English ones. That redistribution has happened, so the under-10-metre fleet has more quotas available now.

The other thing that our English Minister has done—and I am very specific there to call him the English Minister under this devolution settlement—is to top slice what we call the uplift for the discards under the landing obligation. The first 100 tonnes plus 10% of the rest of the uplift from the discard landing obligation goes to the English under-10-metre fleet on 1 January. There is a debate about that. There is consultation for 2018 about whether that should change marginally or not. The under-10-metre sector has a considerably greater opportunity today than it had 10 years ago.

Q213 Dr Johnson: Presumably Brexit offers opportunity for any additional size of cake to be distributed towards the smaller or newer vessels.

Jim Portus: The thing about Brexit is that it is entirely up to the Minister to decide how to distribute quotas in the future, if he should stick to quotas or if he should go over to effort-based.

Q214 Chair: The cake should be bigger, should it not?

Jim Portus: It should be a bigger cake.

Aaron Brown: What Jim has suggested is earnest in the extreme. The idea that there are only 200 under-10s left that depend on quotas is probably true, but the reason there are only 200 left is because everybody else has been squeezed out. You have had this huge fleet displacement as quotas were screwed down to nothing, not just in the under-10s, might I add, but in the over 10s in the sector. We have had fleet consolidation, as happens in any ITQ system. The bigger companies, which can keep their head above the water a bit better, manage to keep pouring more money back in to buying up more entitlement, and you suck it away from smaller family businesses or from the under-10s.

There was one thing that you said there at the end I would like to cover. You ask what happens with what comes back. Whether we are managing what we get as a pie as effort control for demersal fisheries—pelagic fisheries will obviously stay in quota, because that works there; you are dealing with single species—we fundamentally believe there must be a resources amnesty. For those who have an allocation already, keep it. All the extra that comes into the UK port, the Government should keep in a Government pool to administer out across the fleet pro rata.

The under-10 thing is a construct of the Government and is a bit of a divide and rule thing. That is why we say that going to an effort control system will give everybody an equal amount of time, but their track record will be preserved in these catch compositions.

To finish, the biggest problem with this whole system, all of it that we have talked about, alluded to earlier with Australia, is this series of bureaucratic targets, spreadsheets and all the rest, which are misconstruing people into different fisheries. For the under-10s, that is probably one of the most pertinent examples where we are seeing this lack of fleet displacement. This system just does not allow the fleet to work with mother nature in a holistic fashion.

We cannot say relative stability is a bad thing on an EU basis, and then say that we are going to be keeping the FQAs that were based in 1994 and 1996 as a snapshot in time, because people fiddled them on a massive scale. This is the truth. There are people on the west coast of Scotland with huge haddock track records that never caught a haddock. They knew what was coming and they logged.

Chair: There is a lot in that, but we will leave it there.

Griffin Carpenter: I agree with a lot of what Aaron said. There is a problem here with the under-10s. They are not doing remarkably well. They have low profit margins, while in lots of the large scale fleet segments we are up to 30% profit margins, doing extremely well. We need to somehow shift this balance so that we still have a diverse fleet. From what I understand of the Government's objectives, we still want to have small scale fleets around the country.

The legal question around quota is extremely confusing and it was a great question. We still do not know the answer to this, because the court case that Jim referred to was specifically about unused quota. If the POs were holding quota and only using 80%, the Government said, "We are going to take that top bit and give it to the under-10s". We still have not resolved the question about whether you can take the other 80%.

This is important for Brexit, because FQAs, the fixed quota allocations, are not a tonnage. They are a percentage. They are units, which turn into a percentage. Let us say we double some sort of quota, monkfish or something, post Brexit. That will go to the people who have the FQAs. There needs to be an explicit decision here, saying that we are going to change the system entirely so that more boats can benefit from any quota gains from Brexit, and not just the current FQA-holders.

Q215 **Sheryll Murray:** I think that court case said that it was legitimate for the British Minister to take any excess fish, above and beyond, and redistribute it. Surely there would be an argument to say that any extra fish that we got back post Brexit could be treated in the same way.

Griffin Carpenter: No, not really, because the quotas go up and down over time. For hake, for example, the quota is twice as much today as it was three years ago. This is essentially the Brexit scenario. The overall size of the quota, the size of the pie, goes up and down, but those percentages stay the same. We are going to get an increased share of the TAC, but it still goes to the FQA-holders. It would not be extra quota in that sense.

Sheryll Murray: I do not think it does. I would be really interested to hear what the Minister says about that, because I do not think it does.

Q216 **Chair:** It is very much a political decision in some ways. I do not want to open the debate again. I want one last question on slipper skippers, please. Should we or should we not have slipper skippers? That is a tongue-twister, is it not?

Professor Barnes: I do not think we should have slipper skippers, but there are some benefits to having flexibility in the way in which quota is leased and used. If vessels are not able to be actively used because they are being refurbished, we need something in place there. It is not uncommon for people who own property to lease it out, and there are benefits from that, but there have to be very strict conditions on how it is used and how the quotas are transferred or leased. This comes back to the question about the public benefit and public good we are serving here. It should be to sustain and support the fishing industry, and not to generate profits that are coming out and are not for the benefit of the industry as a whole.

Q217 **Chair:** Jim, how many slipper skippers have we in the south-west?

Jim Portus: We have holdings of FQA units, fixed quota allocation units, and some of them are held by producer organisations on what we call dummy licences where there is no vessel involved. In order for that quota to be used, the fish has to be transferred to an active fisherman in order for it to be caught. Every piece of quota, whether it is on a fixed quota allocation dummy licence or an active licence, ultimately has to be converted into fish, to be converted into money. There may be a rent involved in that.

Essentially, it was a previous Fisheries Minister, Elliot Morley, from another time and another Government complexion, who enabled purchasing of quotas. That was in order for him to pay less for decommissioning of fishing vessels. He enabled the fishing vessel owners to keep their quotas, in order to get a discounted price for decommissioning.

Chair: Yes, so then scrapping the boat would not cost so much.

Q218 **Sheryll Murray:** They had to pay income tax.

Jim Portus: Yes, indeed. They paid income tax on the money they got in decommissioning. Those fishermen, once they had sold their vessel for scrap, to the Government effectively, were allowed to hold the quota in order to either transfer it to another boat in their ownership or another person.

Chair: There was still an income coming in.

Jim Portus: That was when these dummy licences were established. That is the root of it.

Q219 **Chair:** We could change that if we wanted to in the future.

Jim Portus: Yes, indeed.

Q220 **Chair:** Naturally, that would be very much a political decision.

Griffin Carpenter: I would shift the focus a little bit. The problem with slipper skippers is that we have someone who is no longer an active fisher but they hold quota, so they are leasing it out and making a profit from a public resource. That was a big problem after decommissioning, because we had people who held quotas but no longer had vessels. In my understanding, it is not a large problem today.

I would point to the leasing market that has happened. You still have fishers who are active, but they make most of their money off quota leasing. This is where the focus should be. That market has developed, and it is supposed to add flexibility to the system so you can try to make your quotas match what you are actually catching. Because there is now money involved, for a number of fishers, it reduces the flexibility in the system, because now quota

has this value associated with it. If you cannot pay the value, it is no longer a system suited to you. I would shift the focus a bit and say, “For sure, let us look at slipper skippers, but let us look at the leasing market and alternative ways to get quota”.

Q221 Chair: We need flexibility. It is how we get that flexibility.

Aaron Brown: I am chuffed this is come up, because it has been a dark underbelly of the industry that has often been under swept. It has been a pleasure to speak to you today, because you have not often heard from active fishermen that have to make the numbers add up. You have heard from plenty of people with opinions ashore, but not many folk on the sea.

Slipper skippers are a massive problem. The Seafish Economic Survey showed that, taking the North Sea whitefish fleet as an example, it accounts for about 14% of your gross. That does not seem too bad, but when you boil that through to the money that would have otherwise been profit to the crew in the boats, it accounts for 60%. That is a problem. We have a system of quotas where we are discarding, putting in more effort and time at sea, so you are spending more time, more fuel and more expense. The crew do not like that either. Then you have to pay somebody else for the privilege of going to sea up to the tune of 60%. That is bleeding wages out to attract young men, and it is also bleeding out money that should be for reinvestment.

Erin Priddle is very keen on quota swapping and all the rest of it, like it is some new idea. We have been doing that for 10 years. It has killed the industry because, as Griffin says, this extra money that is being siphoned out all the time to pay for the privilege to go to sea is killing flexibility and swaps rather than encouraging it. Rental prices are through the roof on a lot of species. When you bring in the landing obligation where you have to land everything, that is going to make it astronomic. People are going to have to pay a loss on some quotas, if they can source it at all, to keep fishing for other stuff.

That system has to stop, because it is economically hobbling to the industry. That is where a lot of the intransigence of the slipper skippers who run the federation to move to anything else comes from, because some people are making a lot of money out of it. It is something the Government have to tackle head on.

Chair: That is a good point there. Thank you very much, gentlemen. We are now into Prime Minister’s questions, so I thank Sandy and Sheryll for remaining here, because we are quorate. It was good evidence, thank you. We have had a good inquiry this morning, with two very good panels. Thank you very much for coming and joining us.