The Committee will meet at 10.00 am in Lochaber House, Fort William.

1. **Sea Cage Fish Farming:** The Committee will consider a paper outlining the progress made by the Transport and Environment Committee in its inquiry on the subject.

2. **Integrated Rural Development:** The Committee will take evidence on its inquiry into integrated rural development from the following—
   
   Stuart Maclean (DSM Management)
   
   Alan Kirk (McTavish’s Kitchens)
   
   Aidan McEoin
   
   David Corrigan (Marine Harvest)
   
   Christine Metcalfe
   
   Hugh Allen (Mallaig & North-West Fishermen’s Association)
   
   David McLeod (Glen Gloy Estate)
   
   Jamie McIntyre (Sunart Oakwoods Project)
   
   Hughie Donaldson (Initiative at the Edge)
   
   Marie McLean
   
   Maggie Fyffe (Isle of Eigg Heritage Trust)
   
   Andrew Simpson (Lochaber Enterprise Forum)

3. **Integrated Rural Development:** The Committee will continue its inquiry into integrated rural development and take evidence from the following—

   Jackie Wright (Lochaber Enterprise)
   
   John Hutchison (Lochaber Area Manager, Highland Council).
Tracey Hawe
Acting Clerk to the Committee
The following papers are attached or are relevant to this meeting:

**Agenda item 1: Sea Cage Fish Farming**

An update on the Transport and the Environment Committee Inquiry into Aquaculture is attached.

**Agenda item 2: Integrated Rural Development**

A paper from the Committee adviser is attached (for members only).

Members should bring with them the *Nevis Strategy*, circulated on 28 March (Circular 8)

Submission from Mallaig & North West Fishermen’s Association is attached

Submission from Christine Metcalfe is attached

Submission from Mairi Maclean is attached

Submission from Initiative at the Edge (to follow)

Members may also wish to bring with them the full set of written evidence received for this inquiry.
RURAL DEVELOPMENT COMMITTEE

Update on the Transport & the Environment Committee Inquiry into Aquaculture

Background

At its meeting on 12 February 2002 the Rural Development Committee agreed to continue the appointment of John Farquhar Munro MSP as reporter to monitor the progress being made by the Transport & the Environment Committee on sea cage fish farming. The following report is designed to update members of the Rural Development Committee on the work of the Transport and Environment Committee.

Progress to date – Phase 1

In September 2001, the Committee agreed to pursue a ‘rolling’ inquiry into aquaculture, implementing a phased approach to evidence taking and reporting.

The aim of the Committee, during all phases of the inquiry is to ensure that work by the Executive and other relevant bodies in developing a strategy for a sustainable aquaculture industry is subject to public scrutiny and that the process of policy development and review is open, transparent and responsive to the views of relevant stakeholders.

The following remit was agreed for Phase 1 of the inquiry:

“..to…monitor and review on an ongoing basis the work of the Scottish Executive and other relevant bodies in relation to aquaculture, by scrutinising the review of the current regulatory framework and reviewing the development of a strategy for aquaculture. In doing so, the Committee agreed to review:

- The extent to which the proposed strategy for aquaculture addresses the concerns of relevant bodies and the extent to which it provides incentives to encourage best environmental practices;
- The extent to which the current research programme recognises and addresses the needs of relevant bodies;
- locational guidelines for sea cage fish farming;
- voluntary codes of practice and area management agreements;
- The proposed transfer of planning controls for fish farming to local authorities;
- The extent to which current regulatory systems can be harmonised and made more effective.”

The T & E Committee has now published a report on Phase 1 of the inquiry. A full summary of the recommendations of the Committee is attached for members’ information, however some of the key recommendations are:

- The Committee recommends that better research be undertaken into the assimilative capacity of the marine environment.
• Given that there is a lack of certainty in relation to assimilative capacity, the Committee recommends that a selective moratoria be put in place in order to limit development in areas that may be approaching their capacity. This selective moratoria should be implemented by way of the locational guidelines, which the Executive has announced that they are reviewing. Once these guidelines have been reviewed, they should enable development to occur in a sustainable manner. In the long term the Committee wishes to see full implementation of Integrated Coastal Zone Management.

• The Committee recommends that planning powers for fish farming should be transferred from the Crown Estate to the Local Authorities on an urgent basis. This is necessary in order to provide a suitable statutory framework for the management of aquaculture, and will ensure that decisions regarding leases take place in the communities affected by the proposals. The Committee also proposes that an NPPG be developed, (replacing existing locational guidelines once powers are transferred) to guide developments, along with development plans at a local level.

• The Committee endorses the Executive proposal that SEPA be empowered to regulate the process of fish farming. The necessary changes to the SEPA remit will be made as part of the Water Environment and Water Services Bill, which the Committee will shortly scrutinise.

• The Committee agrees with Executive proposals to apply Best Available Techniques (BAT) requirements to fish farming. The Committee also believes that farms who can demonstrate consistent compliance with these requirements should be rewarded. When it comes to the imposition of these BAT requirements, the Committee believes that these should be underpinned by legislation on a consistent nationwide basis.

Phase 2

The T & E Committee has agreed a remit for Phase 2 of the inquiry, and issued a call for written evidence on the basis of this remit which is to:

“…monitor and review on an ongoing basis the work of the Scottish Executive and other relevant bodies in relation to aquaculture reviewing the development of a strategy for aquaculture. In doing so, the Committee intends to review:

• what the respective roles of the Executive and the aquaculture industry should be in taking forward the future of aquaculture in Scotland;
• how the aquaculture industry can increase its competitiveness in the international marketplace; and
• how the industry can best achieve environmental sustainability in the future.”

The Committee heard oral evidence on these matters on 20 March 2002 from the Salmonid Forum (wild fisheries groups), Scottish Environment Link, Scottish Natural Heritage, and Co-operative Retail.
On 25 March the Committee met in Oban and heard evidence from Scottish Quality Salmon, the British Marine Finfish Association, Aquascot Ltd, the Association of Scottish Shellfish Growers, Highlands and Islands Enterprise, the SeaFish Industry Authority, Prof Randolph Richards (Aquaculture Institute), Dr Kenny Black (Dunstaffnage Marine Lab), and Dr Richard Shelton. The Committee also visited shellfish and finfish farms in the area.

The Committee intends to take further evidence from retailers, and the Minister, in May, with a view to publishing a report on Phase 2 before the summer recess.

Research Co-ordination

The Executive has recently announced the award of a £25,000 contract to researchers at the Scottish Association of Marine Sciences (SAMS), based near Oban. SAMS will provide independent scientific opinion to the Transport & Environment Committee on the subject of finfish aquaculture and its environmental impact. This project is being undertaken as a joint venture between the Committee and Executive, and is due to report at the end of April 2002.

The researchers will report to the Committee on the current state of scientific knowledge. They will also examine current and projected research on aquaculture and inform the Committee on areas where gaps in knowledge potentially exist.

It is intended that this work will feed into the rolling inquiry into aquaculture that the Transport & Environment Committee is currently undertaking. It will also help inform the aquaculture strategy currently being prepared by the Executive. The Executive intends to publish the strategy for aquaculture in the summer, and the Rural Development Committee has previously indicated an interest in taking evidence from the Minister once the strategy is available.

Summary

The Committee is recommended to:-

a) note the progress made by the Transport and Environment Committee in relation to its inquiry, and the arrangements for research.

John Farquhar Munro MSP
April 2002
Transport and the Environment Committee –
Phase 1 Report on Aquaculture

The Committee's principal conclusions and recommendations are as follows-

· the capacity of the environment to accommodate aquaculture;

The Committee considers that there is an urgent need for better research into the assimilative capacity of marine coastal waters. It is the Committee’s view that this research should focus on the determining scientific factors, including nutrients and therapeutants. The Committee particularly welcomes the proposed inclusion of sea lice in the determination of assimilative capacity. (paragraph 28)

· whether moratoriums should be established for further aquaculture developments until such time as the capacity of the environment to accommodate aquaculture has been established;

The Committee considers that the introduction of a blanket moratorium on further aquaculture developments would not be beneficial to the industry or to the environment. However, the Committee believes that there are locations in which further development should not take place. The Committee therefore recommends that a more selective form of moratorium should be implemented through the application of revised locational guidelines in a more precautionary manner. (paragraph 34)

The Committee further recommends that the Executive urgently examines the location of existing farms and identifies those farms that are inappropriately sited. Negotiations should be established with those farms, with a view to identifying mechanisms that will enable these farms to be moved to more appropriate sites on an urgent basis. (paragraph 34)

· the role which locational guidelines should have in the current planning regime;

The Committee welcomes the Executive's intention to review the locational guidelines and considers that the guidelines should be widened and strengthened in their approach and made more streamlined, and transparent. (paragraph 42)

The Committee considers that the implementation of appropriately revised locational guidelines, together with the development of the forthcoming strategic framework for aquaculture, will assist in providing clear guidelines for all those associated with the industry. This is essential if sufficient guidance is to be given to participants in the current interim planning regime. (paragraph 43)

· the proposed transfer of planning powers from the Crown Estate Commissioners to Local Authorities;

The Committee strongly recommends that, in the interests of the aquaculture industry, the regulators and the environment, there should be an urgent transfer of planning powers for fish farm developments from the Crown Estate to local authorities. The Committee therefore urges the Executive to reconsider the potential
for the inclusion of the transfer of these powers within the Water Environment and Water Services Bill. At the very least, the Committee urges the Executive to ensure that the scope of the Bill is not so narrowly constructed as to prevent amendments on this subject at Stage 2 of the process. (paragraph 54)

· the proposal that SEPA should regulate the process of fish farming rather than just the end of process discharge;

The Committee endorses the proposal to designate SEPA as a "competent authority" in respect of the EIA regulations. The Committee further recommends that the EIA for aquaculture should be standardised and made more rigorous by requiring mandatory screening and scoping, consideration of the cumulative and wider environmental impacts of aquaculture and in respect of the information required by SEPA for decisions concerning environmental consents. (paragraph 61)

The Committee strongly endorses the intention of the Executive to regulate the process of fish farming, rather than merely the discharges. The Committee also welcomes the proposed ability of the regulator to impose licence conditions or comprehensive general binding rules on a nation wide basis, thereby ensuring consistency between operators. (paragraph 67)

The Committee strongly recommends that in order for the proposed regime to be successful, there should be more robust monitoring and auditing of planning conditions and water use licences. The Committee has not received sufficient evidence on the question of resources to make an informed judgement as to what further resources SEPA may require, and would welcome more detailed information from SEPA before it considers whether to endorse any bid for additional funding. (paragraph 71)

· the role of Area Management Agreements and Area Management Groups;

On balance, the Committee supports the retention of AMGs and AMAs, although it is recommended that the Executive should take all available steps to allow AMAs to take on a broader role with a wider membership. The Committee strongly recommends that the workings of AMAs should be transparent, regardless of claims of commercial confidentiality, and that this should be achieved through a public register of information. Furthermore, the Committee considers that AMAs should receive statutory underpinning with compulsory membership for all operators. (paragraph 78)

· the management of the sea lice burden;

The Committee believes that there is a valid argument for a joined up approach to the control of sea lice, with a requirement on SEPA to manage sea lice as well as assess the impact of sea lice treatment methods. However, there is an equally valid argument for the separation of the sea lice and chemical management regimes, due to the conflict of interest that this creates for the regulator. On balance, the majority of the Committee favours the separation of the two regimes. It recommends that the management of sea lice numbers should be incorporated within the Diseases of Fish Act, and that this should be the responsibility of Fisheries Research Services (FRS).
The regulation of therapeutants used in the treatment of sea lice should remain within water pollution legislation and be the responsibility of SEPA. (paragraph 82)

The Committee acknowledges that the current scientific evidence regarding the benefits of imposing maximum sea lice burdens is still unclear. However, the Committee believes that rather than simply providing a requirement for monitoring of lice numbers by the regulatory authority, the Diseases of Fish Act should be amended to empower regulators to impose maximum sea lice burdens, thereby controlling levels of infectious larvae within sea lochs. By adopting this approach, the Act would allow for the introduction of maximum sea lice burdens if and when research into epidemiological modelling demonstrates that the establishment of critical burdens would be possible and beneficial. (paragraph 88)

- the role of synchronised management regimes.

The Committee views synchronised production, fallowing and disease treatment as crucial management tools in the context of sea lice control and the control of other environmental impacts, and recommends that the Executive and other Regulators make all efforts to encourage synchronised management. The Committee also welcomes the Executive proposal that SEPA should be empowered to grant consents for the use of sea lice treatments in whole sea loch systems. (paragraph 90)

The Committee recommends that a requirement for the use of synchronised management procedures should be incorporated into the regulatory framework and applied either through the water use licences or general binding rules described above. (paragraph 91)