Cynulliad Cenedlaethol Cymru Pwyllgor yr Amgylchedd, Cynllunio a Chefn Gwlad

The National Assembly for Wales The Environment, Planning and Countryside Committee

Dydd Mercher, 11 Hydref 2006 Wednesday, 11 October 2006

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

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

Aelodau o'r Cynulliad yn bresennol: Glyn Davies (Cadeirydd), Lorraine Barrett, Mick Bates, Jocelyn Davies, Tamsin Dunwoody, Carwyn Jones (y Gweinidog dros yr Amgylchedd, Cynllunio a Chefn Gwlad), Elin Jones, Brynle Williams.

Swyddogion yn bresennol: Norma Barry, Is-adran Datblygu Bwyd a'r Farchnad, Llywodraeth Cynulliad Cymru; Dr Mike Dunn, Is-adran yr Amgylchedd—Cadwraeth a Rheoli, Llywodraeth Cynulliad Cymru; Dr Christianne Glossop, y Gangen Cludiant ac Adnabod Anifeiliaid, Llywodraeth Cynulliad Cymru; Gwyn O. Griffiths, Cynghorydd Cyfreithiol i'r Pwyllgor; Gareth Jones, Cyfarwyddwr Adran yr Amgylchedd, Cynllunio a Chefn Gwlad, Llywodraeth Cynulliad Cymru; Sion Aron Jones, Is-adran Datblygu Bwyd a'r Farchnad; Rory O'Sullivan, Pennaeth Is-adran Polisi Cefn Gwlad.

Eraill yn bresennol: Dave Clarke, Rheolwr Uned Strategaeth Cymru, Asiantaeth yr Amgylchedd Cymru; Chris Mills, Cyfarwyddwr, Asiantaeth yr Amgylchedd Cymru; Martijn Quinn, Aelod o'r Cabinet, Cyfarwyddiaeth Gyffredinol yr Amgylchedd, y Comisiwn Ewropeaidd, Brwsel; David Webster, Rheolwr Cyllid ac Adnoddau Dynol, Asiantaeth yr Amgylchedd Cymru.

Gwasanaeth Pwyllgor: Dr Kathryn Jenkins, Clerc; Dan Collier, Dirprwy Glerc.

Assembly Members in attendance: Glyn Davies (Chair), Lorraine Barrett, Mick Bates, Jocelyn Davies, Tamsin Dunwoody, Carwyn Jones (the Minister for Environment, Planning and Countryside), Elin Jones, Brynle Williams.

Officials in attendance: Norma Barry, Food and Market Development Division, Welsh Assembly Government; Dr Mike Dunn, Environment—Conservation and Management Division, Welsh Assembly Government; Dr Christianne Glossop, Animal Transport and ID Branch, Welsh Assembly Government; Gwyn O. Griffiths, Legal Adviser to the Committee; Gareth Jones, Director of Environment, Planning and Countryside Department, Welsh Assembly Government; Sion Aron Jones, Food and Market Development Division; Rory O'Sullivan, Head of Countryside Policy Division, Welsh Assembly Government.

Others in attendance: Dave Clarke, Strategy Unit Wales Manager, Environment Agency Wales; Chris Mills, Director, Environment Agency Wales; Martijn Quinn, Cabinet Member, Environment Directorate-General, European Commission, Brussels; David Webster, Finance and Human Resources Manager, Environment Agency Wales.

Committee Service: Dr Kathryn Jenkins, Clerk; Dan Collier, Deputy Clerk.

Dechreuodd y cyfarfod am 9.31 a.m. The meeting began at 9.31 a.m.

Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau Introduction, Apologies, Substitutions and Declarations of Interest

[1] Glyn Davies: Bore da, Aelodau; mae'n amser imi ddechrau'r cyfarfod.	Glyn Davies: Good morning, Members; it is time to start the meeting.
[2] This is a bilingual committee and translation equipment is available from the ushers for anyone from the public who might need it.	
[3] Glyn Davies: Croeso i'r Aelodau ac i'r cyhoedd. Rhaid imi eich atgoffa i ddiffodd eich ffonau symudol yn gyfan gwbl. Os bydd unrhyw fath o argyfwng, dilynwch gyfarwyddiadau'r tywyswyr.	Glyn Davies: I welcome Members and the public. I remind you to completely switch off your mobile telephones. If there is any kind of emergency, please follow the ushers' instructions.
[4] A oes unrhyw ymddiheuriadau? Gwelaf nad oes. Credaf fod pawb yma.	Are there any apologies? I see that there are not. I think that everyone is here.
[5] A oes unrhyw fuddiannau i'w datgan? Gwelaf fod Brynle a Mick yn datgan eu buddiannau arferol.	Are there any interests to declare? I see that Brynle and Mick are declaring their usual interests.
9.31 a.m.	
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[6] **Glyn Davies:** A oes unrhyw beth i'w godi ar y cofnodion? A ydych yn hapus i'w cymeradwyo? Gwelaf eich bod.

Cadarnhawyd cofnodion y cyfarfod blaenorol. The minutes of the previous meeting were ratified.

9.31 a.m.

Adroddiad ar Lafar gan y Gweinidog

approve them? I see that you are.

Glyn Davies: Are there any matters arising from the minutes? Are you happy to

Minister's Oral Update

[7] **Glyn Davies:** Minister, you will have to correct me if I am wrong, but I just wanted to remind Members of what I think is the status of the Minister's oral update report. I had a discussion with the Minister several months ago because we had a Minister's report every other meeting, and it seemed to me that important things sometimes happened in between, on which the Minister wanted to report. I think that the agreement that I have with the Minister is that, if that is the case, he will provide a report. Members can ask me if they think that there is something on which he should report, but if the Minister does not wish to report on it, then, as far as I am concerned, it is not an item that should be discussed in this particular slot.

[8] For this meeting, Elin Jones has asked me whether the Minister will report on Tir Mynydd. My understanding is that the Minister does not wish to report on Tir Mynydd at this meeting, but there will be a discussion on it in the budget debate at the next meeting. As far as I am concerned, that is not an item that we can discuss under today's report, otherwise I think that I would be reneging on the agreement that I made with the Minister.

[9] The Minister for Environment, Planning and Countryside (Carwyn Jones): I did not say that I would not discuss it, Chair.

[10] Glyn Davies: Okay, that is good. I can only say, Minister, that that is the understanding that I had.

[11] Carwyn Jones: I am perfectly willing to deal with that issue.

[12] Glyn Davies: Okay. In that case, Elin, I am perfectly happy for you to raise the issue that you wanted to raise.

[13] **Elin Jones:** Gwnaeth y Gweinidog ddatganiad yr wythnos diwethaf ynglyn ag arian ar gyfer Tir Mynydd. Hoffwn gael y cyfle i drafod y datganiad hwnnw gydag ef, ac mae gen i ddau gwestiwn penodol.

[14] O'r ffigurau a dderbyniais oddi wrth y gwasanaeth ymchwil ynglyn â chyllidebau Tir Mynydd a Tir Cymru, ymddengys bod digon o arian yn y gyllideb eleni i Dir Mynydd gael yr un faint o arian ac a gafodd llynedd. Fodd bynnag, mae datganiad y Gweinidog bellach wedi newid y gosodiad hwnnw. Byddai wedi bod yn llawer haws i ni graffu ar waith y Gweinidog pan wnaeth y cyhoeddiad i dorri cyllideb Tir Mynydd ym mis Mai pe bai wedi rhoi datganiad llawn ar y pryd ar sut y byddai hynny'n effeithio ar gyllideb Tir Cymru—a oedd wedi ei chytuno gan y Cynulliad—yn hytrach na rhoi ffigurau o ddydd i ddydd.

[15] Mae £2 filiwn yn mynd i ffermio sy'n sensitif i ddalgylch arbennig. Ar beth y caiff yr arian hwn ei wario yn y flwyddyn ariannol hon? Mae £5 miliwn o daliadau'r Trysorlys yn ymddangos yn y gyllideb ar gyfer Tir Cynnal. Yr oeddwn yn disgwyl hynny o ran Tir Cynnal, ond nid oeddwn yn disgwyl i arian y Cynulliad gyfrannu at y taliadau hynny gan y Trysorlys. Byddwn wedi disgwyl i'r taliadau hynny ddod o gyllideb y Trysorlys ond ar ben cyllideb y Cynulliad.

[16] Glyn Davies: A ydych am ddweud rhywbeth yn awr, Weinidog?

[17] Would you prefer for Mick and others to come in first?

[18] **Carwyn Jones:** I will deal with everything at the end.

Elin Jones: The Minister made a statement last week regarding Tir Mynydd funding. I wish to be given the opportunity to discuss that statement with him, and I have two specific questions.

From the figures that were provided by the research service regarding the Tir Mynydd and Tir Cymru budgets, it appears that there is adequate funding in the budget for Tir Mynydd to receive the same amount that it received last year. However, the Minister's statement has now changed that. It would have been easier for us to scrutinise the work of the Minister when he made the announcement to cut the Tir Mynydd budget in May, had he made a full statement at that time on how that would affect the Tir Cymru budget—which was agreed by the whole Assembly—rather than providing figures on a daily basis.

A total of $\pounds 2$ million is going to catchment-sensitive farming. On what will this money be spent in this financial year? In addition, $\pounds 5$ million of Treasury payments appear in the budget for Tir Cynnal. I expected that in terms of Tir Cynnal, but I did not expect the Assembly's funds to go towards those Exchequer payments. I would have expected them to come out of the Treasury's budget, but over and above the Assembly's budget.

Glyn Davies: Minister, do you want to say something now?

[19] **Mick Bates:** I have two points on this. I would like you to comment on and clarify your written statement last week, because there seems to be an attempt to hide the fact that $\pounds 12$ million has gone from the Tir Mynydd budget line. It is misleading to issue such unclear statements. Could you state, for the sake of everyone in the industry, whether you intend to cut $\pounds 12$ million from the Tir Mynydd budget? We need that clarity, because the written statement was unclear.

[20] Secondly, I am having great difficulty tracing the whereabouts of that $\pounds 12$ million in the proposed budget. Elin has referred to two issues: catchment-sensitive farming areas and a further $\pounds 5$ million possibly into the Tir Cynnal budget. If it is the case that that is where you have transferred the funds, it would still leave a further $\pounds 5$ million unaccounted for. I would like some clarity on where that $\pounds 12$ million is in your budget.

[21] Glyn Davies: Brynle, do you want to say something?

[22] Brynle Williams: No.

[23] Glyn Davies: Do you want to respond to any of those comments, Minister?

[24] **Carwyn Jones:** I will deal with Mick's point first. Yes, £12 million has gone. It is not in my budget and has not been transferred anywhere else; it has been spent elsewhere in the Assembly's budget line in accordance with the priorities of opposition parties, as I have always said. So, there is no question of hiding the fact that £12 million has gone; I have always said that £12 million has gone. It would be irrational if I were to turn around now and say that it was still there somewhere.

[25] **Glyn Davies:** Mick raised that point and it is accepted. We all know the current budget for this year. However, there is the issue of whether this can be funded in the budget. There is a lack of clarity on that. I have just read your report and there does not seem to be a straightforward position. It would be very helpful if you could tell us, straightforwardly, where we are on this.

[26] **Elin Jones:** Chair, you said that that point was accepted, but it is not accepted by me. I accept the Minister's statement that he is cutting £12 million from the budget, but I do not accept that the £12 million has gone elsewhere, outside his budget. The budget head for Tir Cymru remained the same as the budget that we agreed last November, which was £52 million, cut by £1.3 million from the draft budget. However, there has been no clarity on the whereabouts of the £12 million that he then cut from Tir Mynydd within the budget year. So, to say that it has just gone elsewhere is not acceptable.

[27] **Glyn Davies:** The point that I was trying to make is that the budget has clearly been cut this year, but where that money has gone is creating this air of confusion. It would help if you could clarify that.

[28] **Carwyn Jones:** I will ask Rory to come in, in a second. However, we have Tir Cynnal, which was not included in the budget last year, and we also have Tir Gofal, which has grown. Yes, the Tir Cymru budget line is the same, but we have seen growth in new areas as well as in other areas that we already had, which all add up to the same amount of money. However, it is not a question of switching money from Tir Mynydd to Tir Cynnal or, indeed, to Tir Gofal; those areas have grown.

[29] The budget is fixed, which means that the same amount of money is not available for Tir Mynydd. If you have a fixed budget and you know that there is growth in other areas of the budget, inevitably, one area will go back, because it will lose out. It has not been transferred within the budget, as I have said many times. It is a question of simple economics: if money is to be spent elsewhere in the Assembly's budget, it has to come from somewhere. It is as simple as that. There is a fixed pot of money, and so, if the priority is to spend money elsewhere, it has to be taken from somewhere else.

[30] **Glyn Davies:** This is a good discussion to have, because there is a lack of clarity—certainly in my mind, but perhaps that is my weakness. However, on the one hand, you seem to be saying that the money is transferred to another budget, which you have always said, and on the other, you say that the money is contained within the same budget and is being spent on other things within your budget. Those seem to be contradictory statements and positions, that is all.

9.40 a.m.

[31] **Carwyn Jones:** The figures that you see within that budget make up £52 million. If it is being suggested that the money has been transferred from Tir Mynydd to Tir Cynnal and Tir Gofal, that is not correct. These are areas where funding would have grown in any event; we know that. That is why the figures that Elin had first of all are wrong—and there is no getting away from that. They did not contain any money at all for Tir Cynnal or catchment-sensitive farming, which indicated that they were not accurate, which is quite true. I will ask Rory to come in to explain further.

[32] **Glyn Davies:** The issue has been raised, you have responded, and people can make whatever judgment they want from what they have heard. It has been done in public and people can comment. However, can you come in on this, Rory?

[33] **Mr O'Sullivan:** On Tir Cynnal and the Exchequer funding, the match funding received from the Treasury is within the Tir Cymru budget expenditure line. Tir Cynnal itself is funded by modulation and match funding. Therefore, the match funding element has to be shown against the Tir Cymru budget expenditure line. That is where the figure of £5 million comes from.

[34] **Glyn Davies:** Thank you, Rory, for clarifying the issue. [*Laughter*.] I do not want this to carry on for ages and to be knocked backwards and forwards, but does anyone else want further clarification?

[35] **Elin Jones:** The issue about the Exchequer payments and how they are perceived to be additional to the Assembly's budget and is additional to the Assembly's budget is questionable, because how can you show us that this £5 million is Treasury match funding, additional to the Tir Cymru budget? From my reading of the two budget breakdowns that I had before me—the previous one, and that now clarified by the Minister's statement—it seems to me that the Tir Cymru budget head has remained the same. However, within that there is a reallocation. Part of that reallocation is that Assembly funds that were previously down for Tir Mynydd are now down for Tir Cynnal Exchequer payments. There is no clarity about how this Tir Cynnal Exchequer payment is apparently additional to the agriculture budget of the Assembly.

[36] **Mr O'Sullivan:** As the Minister explained, the information provided to you was incorrect. That showed zero figures when there were also expenditure figures against a budget. Those figures were incorrect. The match funding is within the Tir Cymru BEL; modulation is outside the BEL. So, we had to show properly that, in terms of the budget for Tir Cynnal this year, £5 million allocated from the Assembly Government resource is actually the Treasury match funding element.

[37] Elin Jones: How can you show that to me? How has that match funding reached this budget in addition to the Assembly budget?

[38] Mr O'Sullivan: Because it is included within the-

[39] Mr Jones: If I may come in here, Chair—

[40] Glyn Davies: You may. [Laughter.]

[41] **Mr Jones:** I will have a go. Treasury match funding was added to the total Assembly budget last year, to the baseline, and rolled forward into our baselines from then on. So, that money is not now identified separately within the budget; it is simply part of the Assembly's baseline. However, it was put in as an additional element from, I believe, 2004-05, which was the first year that we had that. So, it was subsequently put into our budgets for every year. It is not now identified separately; it is part of our overall allocation.

[42] **Glyn Davies:** I am going to spend a bit of time going through the transcripts, because it is a difficult issue. I find it difficult to understand exactly what has happened, but I think that reading the transcript might help.

[43] Jocelyn Davies: No, it will not.

[44] Glyn Davies: It might help me. Mick is next, but I want to move on now, so please be brief.

[45] **Mick Bates:** I accept that, but this is of immense interest. Previously, on my pursuance of this issue, we have had a note of clarification. When we read the transcript, I do not think that we will have the clarity that I asked for in my original question. If it is at all possible, I would ask that we have the figures clearly stated, to help us to understand the transcript. If a mistake was made previously, I would like to know who is responsible for it, because it has misled a great many people. The explanations that we have heard from three different people do not serve to clarify the position. Unless we see those figures clearly stated, so that we understand the source of the funding, whether it is from modulation, the Treasury, or the Minister's budget, we are not in a position to make a correct assessment of the Tir Cymru line at all. We need a restatement, which happened once before, on this funding issue. We also need a statement on who made the original mistake to mislead us all in the budget.

[46] Glyn Davies: Elin wants to make a small point. I want to move on after that.

[47] **Elin Jones:** I just want to say that it is not the desktop incorrectness that is really at the heart of this. The main problem is that we have not had a proper breakdown of the Tir Cymru budget line since the budget was announced. We have asked about this in this committee, and I have also asked about it in written questions. If we had had the Tir Cymru head broken down into the elements of Tir Cynnal, Tir Mynydd and Tir Gofal, that would have avoided some of the lack of clarity that we now see. However, I go back to the point that, in my interpretation of this budget—and I accept that the Minister's interpretation is different—£5 million of Tir Mynydd payments have now appeared as £5 million of Treasury match funding for Tir Cynnal. It was never anticipated that that would be the case. Given that the budget head of Tir Cymru had not changed in last November's budget, we did not expect any of this to happen, yet that is what we are seeing here now.

[48] Glyn Davies: I will allow the Minister to have the last word.

[49] **Carwyn Jones:** There is no question of money being transferred from Tir Mynydd to other schemes in the budget. However, I understand that Members want more clarity on that, and that will be provided. The figures that you have in front of you give you an idea of where the money is allocated. However, it is fair that Members should know exactly what that money is for, and where it comes from.

[50] Glyn Davies: That is where I would like to leave it.

[51] Carwyn Jones: That is part of the process, but that information can be provided anyway.

[52] **Glyn Davies:** We would be grateful for any help in understanding this issue exactly. As committee members, we do not fully understand what has gone on here, and we would like to. If you can help us to do that, we would be grateful.

[53] There was nothing else that you wanted to report on under item 3, was there, Minister?

[54] Carwyn Jones: There are three other matters to mention briefly.

[55] First, the Clean Neighbourhoods and Environment Act 2005 received Royal Assent last year, as many of you will know. Several measures have come into force, and another commencement Order is scheduled to be debated in Plenary on 17 October. Before the majority of measures come into force, I intend to issue guidance to assist local authorities and others to understand how the new powers relate to them, and how they should be used. A consultation document has been launched recently, containing this guidance in draft form, together with the draft regulations implementing provisions relating to fixed penalties and dog control orders.

[56] Secondly, as a result of a consequential at UK level, an additional $\pm 100,000$ a year has been added to the EPC main expenditure group budget to support eco-schools, which Members will be familiar with. It is an excellent scheme that teaches children habits that last for a lifetime, so that they will want to recycle and live sustainably, and will consider that to be part of their normal lives. We find that children then go back and teach their parents all about recycling. So, that money has been allocated.

[57] Thirdly, to co-ordinate a strategic approach to local environmental quality issues, I have established a local environment quality forum of key stakeholders to help to determine this. The first meeting of the group will be on 24 October.

[58] Those are the oral items, Chair.

[59] Glyn Davies: Does anyone wish to ask questions on those points, or are you content with accepting them as statements? It sounds as though we are content, Minister.

9.49 a.m.

Ymgynghori ar y Strategaeth Laeth Consultation on the Dairy Strategy

[60] Glyn Davies: Do you wish to add anything to this, Minister, before I open it up for comments, if there are any?

[61] **Carwyn Jones:** The situation is self-explanatory. It is clear that, in some sectors of the dairy industry, there remain problems; in others, things are far better. I noted in the organic dairy sector in particular that the price is now almost as high as it was when it was at its peak, so that is doing well. However, we need to move forward with the new strategic action plan, given the continuing problems with the prices that some producers are getting.

9.50 a.m.

[62] **Glyn Davies:** Reference is made to the fact that you will consult formally on an action plan—what is the timetable for this? I thought that this might have been done already.

[63] **Carwyn Jones:** The action plan was considered by the agri-food partnership through its dairy-sector group on 4 October. We are now looking at the group's comments, and the action plan will be issued for consultation, we think, in January, with responses requested within eight weeks.

[64] Glyn Davies: That is quite helpful; it clarifies what is going to happen. Does anybody want to ask any questions or make any comments on this report?

[65] **Brynle Williams:** I have a couple of points. I, too, appreciate that Government cannot intervene in the marketplace, but looking at page 2, there is a reference to having to 'comply with new environmental regulations'. Once again, we seem to be over-governed and overburdened with rules and regulations, yet we are told that we still have to compete in the free market. We are letting a lot of produce come in from outside that is produced well below our production costs, and we have no hand in—well, we do have a hand in the production costs, but we have no hand in legislation, and we should be looking at other practices, Minister, for allowing products in. I know that it is a world market, but the Welsh milk producer and, in turn, the UK milk producer, are operating against unfair competition.

[66] The second point is that you are, hopefully, aware of the distortion of the industry. As more and more go out, we will end up not being able to produce enough beef for the nation. Suckler cows are going off the tops and the dairy cows are going from the valleys, and we will grow short of calves in the store cattle trade. In the short term that will push the price up, which is good for the producer, but, in the long term, we will all be affected by this.

[67] **Mick Bates:** I have a brief point. I think that we are all concerned about the points that Brynle raised about the sustainability of the industry. However, as a general point, has there been a discussion as part of the strategy about how we get some kind of fairness into trading? There is an international Fairtrade mark, which promotes ethical trade, which we all support. However, it appears that, in Britain, we also need to look at fair trading. As part of the consultation process, when discussions take place with the retailers, the processors and the producers, can some agreement be struck to establish a fair-trade mark for British produce and, in particular, Welsh milk? We seem to be missing the benchmark that would allow transparent accounting to take place, as Waitrose and Marks and Spencer already propose for milk. If that was widespread throughout the industry, one would have that transparency in being able to scrutinise the whole of the integrated process, which would then allow us to make judgments as to where it is possible for Government to intervene—if it is marketing and processing that is needed, or more support to make the industry more effective and efficient.

[68] **Glyn Davies:** Before you answer, Minister, I will just throw in a question on a different point. Will the consultation document address the issues arising from the case of the European Union stepping in to that processing plant in Lancashire—is it Bowland Dairy? It is the first case that I have seen where the European Union has stepped in and closed down a place—it was a British processing plant, but it could easily have applied to Wales—because it did not consider the work of the Food Standards Agency or the British supervision processes to be acceptable. It simply stepped in and closed the place down, and it made a lot of comments about the standard of the processing industry in Britain. The implications of that could be widespread. Is that point addressed in any way as part of the consultation and subsequent strategy that you might come up with?

[69] **Carwyn Jones:** I do not think that we have anything to fear in terms of the standard of our processing sector. There have been financial issues in the past. In other European countries, Parmalat is the one that springs to mind, where there were significant issues of fraud within what was one of the biggest dairy companies in the whole of Europe. I do not believe that our processes or inspection procedures are deficient in any way and I think that the processing capacity that we have in Wales is of the highest order.

[70] In terms of production and fair trade, I welcome what Waitrose and Marks and Spencer are doing as that can only be of benefit to farmers. It is unclear what Government can do in terms of moving this matter forward. However, with regard to a level playing field, the environmental regulations will be Europe-wide—they are not designed purely for the UK—and all European farmers will have to comply with them.

[71] In terms of production costs, no matter what we do, we will never achieve the production costs of countries such as New Zealand. It is fortunate for us that the market for liquid milk is not a world market—New Zealanders produce milk with 6p a litre production costs, without subsidy, and we will never manage that. However, what we can do, which is an area that I am sure the action plan will look at, is to ensure that we concentrate on value-added products, because our farmers will never match the production costs of farmers elsewhere in the world. Knowing that, what we have to do is to compete in markets where there is a high price available for the products that we produce. As I have said before, many times, trying to compete with New Zealand or Argentina is daft. We will never compete with them in terms of price.

[72] On the other point that Brynle made about the shortage of calves and suckler cows, in every other industry, if there is excess demand for a product and the price goes up, the supply will increase to match that demand and I am sure that if farmers see a good or a very good price for calves or suckler cows, they will, in time, ramp up their production in order to satisfy the demand. It cannot be done overnight, but it can certainly be done in the space of a year or so.

[73] Elin Jones: Mae rhywbeth ynglyn â'r hyn y mae'r Gweinidog yn ei ddweud, a'r hyn sydd yn y papur, sy'n gwneud i mi deimlo ychydig yn anghyfforddus. Un o'r marchnadoedd mwyaf o fewn y diwydiant llaeth yw'r farchnad laeth swmpus. O ddehongli'r hyn y mae'r Gweinidog yn ei ddweud, mae fel pe bai'n disgwyl i'r farchnad honno gael ei chyflenwi gan Seland Newydd neu rywle arall ac i ffermwyr Cymru ganolbwyntio ar ychwanegu gwerth. Nid wyf yn dilorni ychwanegu gwerth-credaf ei fod yn bwysig ein bod yn ei hyrwyddo-ond credaf hefyd y dylem ni, fel gwlad, gynhyrchu ein llaeth ein hunain a gwneud datganiad cryf y disgwyliwn fod yn hunangynhaliol o ran llaeth am ei fod yn agwedd bwysig o ddeiet unrhyw berson bob diwrnod o'r wythnos. Mae dweud nad yw'r farchnad honno yn rhywbeth mae'r Gweinidog yn ei gweld fel blaenoriaeth ar gyfer diwydiant llaeth Cymru ychydig yn esgeulus ac yn ddilornus o'r agwedd bwysig honno o'r farchnad. Derbyniaf ei fod yn anodd i Lywodraeth ymyrryd a gwella prisiau ar gyfer ffermwyr ond mae'n bwysig gwneud datganiad yn rhoi ychydig mwy o gefnogaeth i'r egwyddor bod y farchnad honno yn bwysig yng Nghymru ac ein bod yn dymuno bod yn hunangynhaliol i raddau o ran llaeth.

[74] Yr wyf am ofyn cwestiwn ynglyn â'r rheoliadau. Fel dywedodd Brynle Williams, gobeithiaf y bydd y strategaeth laeth hon yn mynd i'r afael â chefnogi ffermwyr, a ffermwyr llaeth yn benodol, er mwyn iddynt ddiwallu rhai o'r gofynion mawr sy'n codi o ran y rheoliadau ar wastraff a llygredd ac yn y blaen, ac y rhoddir cefnogaeth i ffermwyr i'w galluogi i ddod i delerau â'r rheoliadau newydd. **Elin Jones:** There is something about what the Minister has said, and what is in the paper, that makes me feel a little uncomfortable. The bulk milk market is one of the biggest markets in the dairy industry. From my interpretation of what the Minister has said, it seems as if he expects that market to be supplied by New Zealand or elsewhere and for Welsh farmers to concentrate on value-added products. I am not deprecating added value—I think that it is important that we promote that—but I also think that we, as a country, should produce our own milk and make a strong statement that we expect to be self-sufficient in terms of milk because it is an important part of everyone's daily diet. For the Minister to say that that market is not something that he sees as a priority for the milk industry is a little careless and slightly disparaging of that important aspect of the market. I accept that it is difficult for Government to interfere and improve prices for farmers, but it is important for him to make a statement that is a little more supportive of the principle that that market is important in Wales and that we want to be largely self-sufficient in terms of milk.

I want to ask a question about the regulations. As Brynle Williams said, I hope that this dairy strategy will get to grips with supporting farmers, and dairy farmers especially, so that they can meet some of the major requirements that arise from the regulations on waste, pollution and so on, and that farmers will be supported so that they can come to terms with the new regulations.

[75] **Brynle Williams:** Yr wyf am fynd ymlaen â'r hyn ddywedodd Elin. Dywedodd y Gweinidog bod yn rhaid i ni ddelio â marchnad y byd ac yr wyf yn deall hynny, ond gwelaf annhegwch yn y ffaith ein bod yn dod â chaws i mewn o Dde Affrica am £900 y dunnell sydd wedi gyrru ein pris ni i lawr yn ofnadwy, ac yr ydym hefyd yn dod â soia a chig eidion i mewn o Dde America. Yr ydym yn sôn ar yr amgylchedd, sy'n rhan bwysig o waith y pwyllgor hwn, ac yr wyf yn deall bod yn rhaid i ni ddelio â phawb, ond yr wyf yn gweld annhegwch yn y ffaith ein bod yn cymryd nwyddau ac ati o dramor nad ydynt o'r un safon â'r rhai sydd gennym ni ym Mhrydain Fawr neu yng Nghymru. Fel yr ydych newydd ei ddweud, yr ydym eisiau cae gwastad i ddelio gyda hyn. Dyna'r unig beth mae'r diwydiant yn gofyn amdano, yn enwedig yn y sector llaeth.

10.00 a.m.

[76] **Carwyn Jones:** Yn gyntaf, dywedais ein bod yn lwcus, mewn ffordd, nad oes marchnad fyd-eang mewn llaeth. Pe bai marchnad o'r fath, ni fyddai gobaith gennym i gystadlu.

[77] Os ydych am gystadlu mewn sefyllfa lle'r ydych yn gweld llaeth fel rhyw fath o nwydd, bydd pwysau anferth ar gostau, gan mai dyna yw natur y farchnad. Mae'n anodd i rai ffermwyr, ond nid i bob un; mae rhai ffermwyr yng Nghymru yn gallu gwneud hyn ac yn gallu gwneud arian o laeth. Mae 80 y cant o laeth Cymru yn mynd i gynhyrchu caws yn hytrach nag i'r farchnad laeth. Mae'n rhaid inni bwysleisio, os ydym am i'r rhan fwyaf o ffermwyr sydd yn cynhyrchu llaeth yng Nghymru gael unrhyw fath o ddyfodol, fod rhaid canolbwyntio ar gynnyrch sydd â phris da yn y farchnad ac sydd o ansawdd da. Os ydym yn gwneud hynny, gallwn gystadlu gyda'r gwledydd sydd â chostau llawer is na'n rhai ni.

[78] Mae problem gyda dweud ein bod yn mewnforio gormod o gynnyrch. Pe baem yn dweud wrth wledydd nad ydym yn mynd i gymryd rhagor o'u cynnyrch, byddent yn dweud yr un peth wrthym ni. Yr ydym yn dibynnu'n fawr iawn ar y farchnad allforio yng Nghymru, yn enwedig gyda chig—mae'n rhaid i ni wneud hynny. Pe na allem allforio—a bu inni weld hyn yn ystod cyfnod clwy'r traed a'r genau—byddai'r farchnad a'r diwydiant yn cwympo. Ni fyddai dyfodol o gwbl i'r diwydiant. Felly, mae'n rhaid inni fod yn ofalus iawn wrth siarad am rwystro pethau rhag dod mewn, gan ein bod yn gwybod y byddai gwledydd eraill yn dweud, 'Wel, nid ydych yn cael allforio i ni'. I roi enghraifft ichi, bydd y cig cyntaf o Gymru yn mynd i Dubai ddiwedd y mis hwn. Mae honno'n farchnad addawol iawn i gig o Gymru, ond pe baem wedi dweud nad ydym ni am gymryd cig gan neb arall, ni fyddai'r farchnad wedi agor yno. Felly, mae'n rhaid inni fod yn ofalus. Mae masnachu ac allforio yn sylfaenol i ddyfodol ffermio Cymru, ond, fel y dywedais, yr ydym yn lwcus nad oes marchnad fyd-eang i laeth. Pe bai marchnad o'r fath, byddai'n anodd dros ben. Pe baem yn canolbwyntio yn **Brynle Williams:** I will expand on what Elin was saying. The Minister said that we have to deal with a world market, and I understand that, but I see it as being unfair that we import cheese from South Africa for £900 a tonne, which has really driven our price down, and we also import soya and beef from South America. We talk about the environment, which is an important part of this committee's work, and I understand that we must deal with everyone, but I see it as unfair that we are taking goods and so on from overseas that are not of the same standard as those that we produce in Great Britain or Wales. We want, as you have just said, a level playing field to deal with this. That is all that the industry is asking for, particularly in the dairy sector.

Carwyn Jones: First, I said that we were lucky, in a way, that there is no global market in the dairy sector. If there were, we would have no hope of competing.

If you want to compete in a situation where you consider milk to be some sort of commodity, there will be huge pressures on costs, because that is the nature of the market. It is difficult for some farmers, but not for all; some farmers in Wales can do this and can make money from milk. Eighty per cent of Welsh milk goes into the production of cheese rather than into the milk market. We must emphasise that, if we want the majority of farmers in the dairy sector in Wales to have any sort of future, we have to concentrate on produce that has a high market price and is of high quality. If we do that, we can compete with nations that have far lower costs than we have.

There is a problem with saying that we are importing too much produce. If we said to other countries that we are not going to take any more produce from them, they would say the same to us. We are very dependent on the export market in Wales, particularly with meat—we have to be. If we could not export—and we saw this during the foot and mouth disease outbreak—the market and the industry would collapse. There would be no future whatsoever for the industry. So, we have to be extremely careful as we discuss stopping things coming in, because we know that other countries would say, 'Well, you are not exporting to us.' To give you an example, the first meat from Wales will go to Dubai at the end of this month. That is an extremely promising market for meat from Wales, but if we had said that we did not want any meat from anyone else, that market would never have opened up. So, we have to be careful. Trading and exporting are fundamental to the future of farming in Wales but, as I said, we are lucky that there is not a global milk market. If there were such a market, it would be extremely difficult. If we were to concentrate too much on the dairy sector, it would be difficult for farmers in Wales to compete.

ormodol ar laeth, byddai'n anodd i ffermwyr Cymru gystadlu.

[79] **Glyn Davies:** The significant discussion that we might have might come after the consultation is over, but the timing of that looks as if it will be after this committee has come to an end—it will be March, as eight weeks after January takes us into March. This committee will probably come to an end before the Assembly election, and we do not know what the arrangements are for afterwards. However, I suppose that it will be sometime after the next election that we can have a sensible look at the response to the consultation. We do not know what is in the consultation yet, so this is a very preliminary stage to have a discussion. There is no doubt that the dairy industry is very important to agriculture, and Assembly Members may well want to return to this very early in the next Assembly. Is there anything that you want to add to that, Minister?

[80] Carwyn Jones: About what happens after the next Assembly? [Laughter.]

[81] Glyn Davies: No, that depends on a lot of things, does it not?

- [82] Carwyn Jones: It is in the hands of the people.
- [83] **Glyn Davies:** I think that I have said enough about that.

10.04 a.m.

Targedu a Monitro Tir Gofal Targeting and Monitoring of Tir Gofal

[84] Glyn Davies: This is the announcement that the Minister made at the Royal Welsh Show. Do you want to add anything to your report, Minister?

[85] Carwyn Jones: The committee asked for this paper, so this has been produced in response to that request.

[86] **Glyn Davies:** This report outlines what you said in your announcement about reopening the window and how they might be directed. Do Members have any comments on that?

[87] **Lorraine Barrett:** I have been talking to the Royal Society for the Protection of Birds, and it wants to me to make the point that it does not want to see Tir Gofal funding only targeted at designated sites. It makes the point that it is producing the key area map for a number of declining farmland bird populations, but that it can apply to any species. I am just making the point that it should be targeted where there are still enough numbers to enable them to increase—there is no point targeting the funding at areas where the species does not have a hope of being saved and developed. That does not apply to birds alone. I wondered whether I could have a bit of clarification on how the targeting and the monitoring of those sites will be done and taken forward across other species.

[88] **Glyn Davies:** I would like to add something to that, Minister, because that was an interesting point to me, not because I have spoken to the RSPB, but in terms of the general principle. You are targeting it at the statutory designated areas, and, in a sense, you are supporting the work of the Countryside Council for Wales, because it is its statutory duty to look after these areas, and there have been questions about whether that has been done as well as it should have been in the past. I am coming at this in the same way as Lorraine; it is also about the biodiversity agenda that we are looking at later today. That does not necessarily coincide with the biodiversity agenda, if the targeting is done just to reinforce your statutory responsibilities in terms of designated areas. The RSPB, and others that have accepted biodiversity as a huge area of development, think that targeting may not be needed at all—there is a question mark about it—or that the targeting is not necessarily going in the best direction for biodiversity. We will deal with that point first, because I think that it is very important.

[89] **Carwyn Jones:** In terms of targeting, from the paper, you will see that 10 additional points are being awarded for farmers whose land includes a site of special scientific interest or special areas of conservation. So, we have targeted the scheme in that sense. The next question might be, 'Why not restrict the scheme entirely to farmers who have SSSIs or SACs?'. However, that would be too restrictive. There are valuable areas of land that need to be supported that are outside of SSSIs or SACs, as there are areas of land that we would want to see brought back into beneficial use, if I can put it that way, for biodiversity gain through using schemes such as Tir Gofal and Tir Cynnal.

[90] The other thing of which we need to be aware is that, while it is important to target SSSIs and SACs, we should not necessarily think that that is the only way of dealing with biodiversity. One of the debates currently taking place here, and at a European level, is on what happens if, because of climate change, a species moves out of an SSSI and goes somewhere else. The concept of green highways has been suggested as a result of that. The whole ethos behind the protection of designated land has been on the basis that there is a particular species in situ that will always be there. A fresh challenge arises where a particular species moves to land that is not protected. That is an issue that we are considering at the moment in terms of how best to move forward on this. That is why it is important to have areas of land that are outside of SSSIs and SACs, where species can move in the future.

[91] So, in terms of targeting, we know at the moment that SSSIs and SACs are important in terms of biodiversity, but they are not exclusive in terms of their importance. We need areas of land in the future that may, in time, become SSSIs because a particular species has moved there. We know that species are moving because of climate change, and it is important that we have these areas of land available for those species if and when they move.

[92] **Glyn Davies:** I will ask the obvious follow-up question. At the moment, two thirds of the applications are for SSSIs and SACs, but what you are saying is that you are targeting the other third as well. Is it also your intention to target the money at areas that I thought were not going to be targeted, which may be on a first-come-first-served basis, and have a special biodiversity value?

10.10 a.m.

[93] **Carwyn Jones:** No. There is a difference between targeting somewhere and exclusively targeting somewhere, if I can put it that way. We want to target SSSIs and SACs. We have said that through the fact that there are 10 additional points, for example, for SSSIs and SACs, but we should not move to a situation, for example, where Tir Gofal is only available to farms where there are SSSIs and SACs. So, targeting is one thing; exclusivity is another thing.

[94] **Mick Bates:** I know that it has been raised, but it depends on data. I want to return to the issue of species moving from designated areas, because it raises a legal issue on which I would like the Minister to comment. Once that protected species is moved from the designated area, what is the legal process to mitigate for that movement? In other words, if the original designation is no longer robust, do you then redesignate the site where the species has gone to or extend the original? This then involves circumstances where mitigation may take place, but, in the movement of a species, the whole site may become used for something else. There are cases where people have used mitigation when the designation has been affected by economic developments, for example. What data are you currently collecting to understand that process, and what legal processes in Europe would be used against anyone who may wish to mitigate when a species moves?

[95] The second issue is about the monitoring. The Countryside Council for Wales has been monitoring and then I read that the Rural Inspectorate for Wales will undertake this. That is a body that I am not familiar with and I wonder what it is.

[96] Carwyn Jones: They are our field inspectors.

[97] Mick Bates: Is it a new body?

[98] Carwyn Jones: They are the field inspectors whom you will be familiar with, as a farmer.

[99] Mick Bates: It is just that they are called the rural inspectorate. They do not work for CCW then.

[100] Carwyn Jones: They tend not to check on animal numbers in the middle of Cardiff, so they are rural enough in that sense.

[101] You raised an important point about what we do about species movement. This is something that is only really in its infancy here and at European level. I was at the British-Irish Council meeting in the summer and I raised this point. It was clear that it was an entirely new idea to some of the delegates and that it had not really been thought of as a possibility for the future. CCW is looking at the possibility of green highways, as I mentioned earlier, which are areas of land where species can move if it is predicted that they will move in the future. It is possible to look at SSSIs and SACs and examine whether they should remain with that status in the future, and we know about the designation process for other areas of land. This is something that we have to face in the future and something that we are working towards at present. A robust system of de-designation will need to be in place as well as a system of designation of new sites in the future.

[102] I understand that it is not something that is happening on a great scale yet, but it may well do so in the next 20 or 30 years. The majority of SSSIs and SACs will maintain the features that made them SSSIs and SACs in the first place, but it is likely that there are some areas that will lose particular species to another area of land that may not be protected and will need to be designated in the future. It is an entirely new concept as far as biodiversity protection is concerned. The ethos of biodiversity protection in years gone by has always been the case that if you have a species and it is in situ, you protect the site; but climate change is now so obvious, and is having such a marked effect in such a short space of time, that we are preparing plans for dealing with species that move.

[103] **Glyn Davies:** In terms of the whole area of movement, anyone who takes an interest in bird life or butterflies realises that you get these significant movements. The ring-necked parakeet is probably the most extreme example in Britain at present, which is absolutely amazing. We could easily try to protect areas for the song thrush. Who knows what happens. It is an area of change, and our discussion with Martijn Quinn later on might be useful in that regard. Elin, you wanted to come in?

[104] **Elin Jones:** Mae gennyf gwestiwn ar yr amserlen. Pryd yr ydych yn rhagweld y bydd y 300 cytundeb cyntaf wedi eu llofnodi? A fydd o fewn y flwyddyn ariannol hon neu'r flwyddyn ariannol nesaf?

Elin Jones: I have a question on the timetable. When do you anticipate that the first 300 agreements will have been signed? Will it be in this financial year or the next?

[105] Mr Dunn: Sorry, my headset was not working.

[106] Jocelyn Davies: The question was about whether the agreements will be signed this year or next year.

[107] **Mr Dunn:** Right. We would expect around 300 agreements a year to be signed, so we would expect all of the agreements under this application window to be in place by the time that the revised suite of agri-environment schemes is introduced at the beginning of 2009.

[108] Elin Jones: So, when do you expect the first agreements to be signed? You are not expecting any of those 300 agreements in this financial year?

[109] **Mr Dunn:** It is reasonably unlikely that any would be signed by the end of March, but there are still some residual agreements from the previous application round, which the Countryside Council for Wales has been working on.

[110] Glyn Davies: When will you complete signing up the existing waiting list? It is in the report somewhere, but I cannot remember.

[111] **Mr Dunn:** I would have thought that the whole of the previous application round will be signed up by the end of this financial year. There are always one or two that are complex agreements to bring to a conclusion, but that would be the aim.

[112] **Glyn Davies:** So, we are talking about next year. To clarify things in my mind, I would like to ask about targeting. Other Members have probably also had approaches from people objecting to the whole principle of targeting. It should be first come, first served. I have gleaned from this discussion today that, in fact, all of the money will be targeted. Some of it will be targeted and some of it will be exclusively targeted, but it will all be targeted at biodiversity benefit.

[113] Carwyn Jones: That is what Tir Gofal is, but it is not exclusively for farms with SSSIs and special areas of conservation.

[114] Glyn Davies: Yes, I accept that, but it is exclusively targeted, and the rest is targeted for biodiversity benefit.

[115] Carwyn Jones: The whole scheme is designed to do that.

[116] **Glyn Davies:** I see. So, there is no difference there; there is no difference between the targeting that is being introduced now and what the whole scheme is targeting. So, in fact, for any farmer who qualifies under the scheme, it will be on a first come, first served basis for the 33 per cent.

[117] Carwyn Jones: Yes.

[118] Glyn Davies: Okay, so that clarifies that.

[119] Carwyn Jones: The ring-necked parakeet is not here as a result of global warming, by the way. There are parrots in New Zealand that also live in Alpine areas.

[120] **Glyn Davies:** Yes, but lest you think that I was pursuing something unjustifiably, you did make quite a play of how moving out of SSSIs and current protected areas was something that you were going to focus on with the rest of the money, which suggested to me that there was going to be some specific targeting within the other third. That is where I was coming from, and that, I think, would cause a lot of concern, which is why I wanted to pursue it.

[121] **Carwyn Jones:** I can clarify that. The issue of green highways—mobile SSSIs might be a way of describing it—is a matter for the future. It is not easy to predict at the moment what the flow of species will be, so the targeting is designed to target existing SSSIs and SACs, and no more. I only introduced the issue of the future movement of species because I know that there are some who would argue that Tir Gofal should only go to farms with SSSIs and SACs. I made the point that, especially with regard to species movement in the future, we need areas of land that can accommodate them, which is why we cannot exclusively target SSSIs and SACs.

[122] **Glyn Davies:** Okay. I see that there are no further comments. Our next item is on subordinate legislation, but I will leave that for the moment, because Gwyn is not here. As you know, I have asked Gwyn to comment before we look at regulations on the prospects for us in dealing with them. Therefore, we will swap the next two items around, because I would rather have our legal advice here before we discuss the Sheep and Goat (Records, Identification and Movement) (Amendment) (Wales) Order 2006. As a general principle when we look at regulations, I think that we should be told what scope we have to amend and change things on the basis of the legislation and Gwyn could not get here for now because he was at another committee. So, I want to swap those items around.

10.20 a.m.

Adroddiad Blynyddol Llywodraeth Cynulliad Cymru ar Gyfle Cyfartal Welsh Assembly Government Annual Report on Equality of Opportunity

[123] **Glyn Davies:** Gareth, do you want to say something on this, or does the Minister, or indeed our equality champion, Lorraine Barrett, want to say something? Are you our equality champion, Lorraine?

[124] Lorraine Barrett: I do not know about that.

[125] Glyn Davies: I think so. We have the report here. Is it a statutory requirement to consider this issue?

[126] Dr Jenkins: It is not a statutory requirement, but the Committee on Equality of Opportunity has requested that we consider it.

[127] **Glyn Davies:** That is right. We have been asked by the Committee on Equality of Opportunity to look at this. Does anyone want to comment? I will ask the Minister to speak first, then our equality champion, if she so wishes, and then anyone else.

[128] **Carwyn Jones:** This has been done for some time now. An equality of opportunity plan has been put forward. It has been brought to this committee so that we can consider it before it goes to the Committee on Equality of Opportunity.

[129] **Lorraine Barrett:** On the Committee on Equality of Opportunity, we felt that every committee had a responsibility to ensure that they were addressing these issues and not just ticking the boxes. Some of us have been in local government over the years and you would often see at the end of an officer's report that there were no equality issues to be addressed. It is so easy to say that without thinking.

[130] It would be interesting for this committee, out of all the subject committees, to think about how equality issues cut across the areas for which we are responsible. When I looked through this report, I wondered how equality issues would impact on any of these areas. What jumped out at me was the British Sign Language Futures scheme and issues such as access to the countryside. We get the message on the Committee on Equality of Opportunity that deaf people, in particular, are a hard-to-reach group. We encourage them to come to the Assembly to attend Plenary debates, but it is quite intimidating for them to take that first step in terms of how they get to the Assembly and arrange for a BSL interpreter, who is provided by the Assembly, to be available. So, there are just basic issues, such as whether there are deaf people who use BSL who would like to attend one of our committee meetings. How do we reach those people?

[131] On access to the countryside, we know for a fact that black minority ethnic groups are low down the list when it comes to groups who access the countryside. Projects have been targeted at those groups and they are outlined in the paper, but we need to keep our eye on the ball and ensure that we reach all the groups that we can in every aspect of the committee's and the Minister's portfolio.

[132] Those were just two issues that I wanted to highlight. It is for all of us, when we are dealing with every part of this committee's responsibility, to think, 'Hang on, what is the equality issue here? Are there people who might be missing out on this aspect of our work?'. This is designed to keep equalities at the forefront of our minds to ensure that everyone has equal access to the issues discussed here.

[133] Mick Bates: Lorraine has given a good explanation of why it is so important for this item to be on our agenda so that we can improve access for all people.

[134] I accept that it is a cross-cutting issue and I would like to delve into the equality issue and how people in rural Wales suffer often immeasurable deprivation. The index of multiple deprivation, for example, does not bring home many of the reasons for poverty in rural areas. Following on from that, what rural proofing has taken place to ensure that people in rural Wales get equal treatment? Multiple deprivation is one issue, and the current suggestion by the Minister to remove £12 million from the Tir Mynydd budget will reduce the income to rural Wales. What monitoring or scoping is undertaken to understand the impact of these policies on people in rural Wales?

[135] The other issue is that the Wales Rural Observatory was established to try to bring equality of opportunity through better data and, therefore, information, on how we formulate policies in the Assembly. It appears that very little work has been done to improve the status of the observatory and to fund the issues surrounding rural poverty in a big way.

[136] Jocelyn Davies: Glyn, can I ask a question?

[137] Glyn Davies: Do you want to come back on that specific point, Lorraine?

[138] Lorraine Barrett: No, not on that.

[139] Glyn Davies: Okay.

[140] **Jocelyn Davies:** I thought that this was about equality of access to the portfolio, and not necessarily to this committee's proceedings. I take Lorraine's point, but there is a much wider issue here about people with disabilities having access to everything that is in the portfolio and not just being able to come to the Assembly to hear what we have to say. This is a much broader and a more difficult thing to take into consideration. Even though I accept Lorraine's point, I think that if we concentrate on that, we will miss the more important point.

[141] **Glyn Davies:** I think that you are right, Jocelyn. I was going to ask a couple of points, depending on what other Members wanted to ask. There are a million things that you could pick on. For example, I was going to ask about an incident regarding the NatWest bank seeking planning application in Machynlleth—at least I think it was Machynlleth. It was a planning issue, which is in our brief. It was refused because of its impact on the width of the pavement, which, to anyone else, would have seemed ridiculous. It meant that the bank was forced to operate illegally in terms of access for disabled people. It seems that we have a planning system that is so obsessed with the minutiae of minor distances that it is putting the principle of access for disabled people at a lower level than that of meeting some other objectives. That is the sort of equality issue that we should be looking at. I raise that as a small example. It has probably been replicated 100 times in other planning applications around Wales. This would probably have been a listed building.

[142] **Brynle Williams:** We have exactly the same problem in Ruthin, where access to a council building has been denied for over three years, because it comes under the planning restrictions. It should be resolved. It is denying disabled people access to a major facility.

[143] **Glyn Davies:** I referred to a specific incident that raised the issue in my mind, and Brynle raised another incident. We will set those aside. However, it is important that we look at planning policies and ensure that they take into account equality issues as well as the aesthetic issues or the requirements of the highway authorities.

[144] **Lorraine Barrett:** I would like to make one point, and perhaps the Minister can mop this up. The point that I did not make relates to disabled people, particularly in terms of access to the countryside. Work has been done with black and minority ethnic people who have not been accessing the countryside. However, for disabled people, particularly with regard to stiles, gates and so on, that is a huge issue within this particular portfolio. The point that Jocelyn made is right, but one element that I thought of as I was speaking was that perhaps all committees should give some thought to who is or is not accessing the deliberations of our committees. It is an element, but it is not specifically what this is about. I wanted to raise the issue of disabled people, because I feel that, among all of the equality strands, disability is the poor relation. I have also said this in the Committee on Equality of Opportunity. Other equality strands, such as gender, race, and sexuality, seem to get a higher profile than the disability equality strand. That is where we can make a difference here, particularly in terms of access and planning issues.

10.30 a.m.

[145] You mentioned the prime example, namely that most banks were set up in wonderful, inaccessible Victorian buildings—there is one in Penarth. Disability groups point out that the banks should not be in such buildings; if they cannot make themselves accessible to everyone, they should move the banks and find other buildings that can be adapted. I understand the feelings of people who are in a wheelchair, who ask, 'Why can you get into the bank and I cannot?'. That cannot be right. However, that is a huge planning issue, and I am not sure whether it is a matter for the Minister. We could look at the rights and wrongs of that. Should we be saying, 'If you cannot comply with the Disability Discrimination Act 2005, then you should look for another building where you can conduct your business, and make it accessible to everyone.'? Those are difficult issues, which we could discuss.

[146] **Glyn Davies:** That is perfectly reasonable. Planning is one of this committee's functions, and it is part of the Minister's portfolio—he has responsibility for planning. That point has been made by you, Lorraine, Brynle and me, and it is a perfectly fair point. Do you wish to comment on this, Minister, or are we just making comments that you can take note of?

[147] Carwyn Jones: I will make two comments.

[148] First, access statements are being prepared, which form part of planning guidance. It will mean that there will be a requirement for applicants to produce statements showing how they will ensure access to buildings. We are on the verge of producing that.

[149] On rural poverty, let us look at the figures. At present, the average farmer in Wales gets £3,583 a year from Tir Mynydd, if they are in a severely disadvantaged area; if they are in a disadvantaged area, it is just over £1,000 a year. In 2008, it drops to £2,864 for those in severely disadvantaged areas—a drop of about £700 a year—and for those in the disadvantaged areas, it drops from £1,308 to £1,027, which is a drop of about £250 a year. They are hardly startling figures as far as Tir Mynydd is concerned, and they do not represent a substantial loss of income for the average farmer.

[150] I am also disturbed by the suggestion that rural poverty is only linked to farming. You must remember that Tir Mynydd only goes to livestock farmers—it does not go to dairy farmers, or to any other type of farmer. The vast majority of people who live in rural Wales are not farmers. If I were living in a rural area of Wales, and it was suggested that Tir Mynydd will somehow have an effect on rural poverty, and I was not a farmer, I would be quite upset about that.

[151] **Brynle Williams:** It is unfair to take those figures out of context. I believe that the average farm income now stands at £14,100, inclusive of whatever payments they are. I wanted to clarify that.

[152] Carwyn Jones: To put it into more context, that is about three times higher than the average income of a lowland farmer, who does not get Tir Mynydd payments.

[153] **Glyn Davies:** We are just making comments, that is all. Are there any other questions? I see that there are none. I have a question. As another example of the position of people with disabilities, do our grant mechanisms—Tir Mynydd and Tir Cynnal—have a requirement that, in any agreement, all the paths on a farm, and so on, must have access for disabled people? Is that part of the agreement and the discussions in preparing Tir Mynydd and Tir Cynnal agreements?

[154] **Carwyn Jones:** Yes. I will ensure that, when the final guidance on access statements is produced, the committee will have a copy of it. I am trying to recall whether the committee has already seen the proposed guidance.

[155] Glyn Davies: We may have.

[156] Carwyn Jones: I believe that it has.

[157] **Glyn Davies:** Yes, but I cannot recall whether or not I have seen it, and I cannot recall whether it would have any reference in it to access for disabled people. Is that part of the consideration of a Tir Mynydd agreement? I quote it as an example of how this cross-cutting issue would apply to this committee; one would have expected it to be part of the consideration of such schemes.

[158] Carwyn Jones: I believe that we are at cross purposes here—I am talking about access to buildings, not access to the countryside.

[159] Glyn Davies: I was extending this into the Tir Mynydd position, which covers access to paths and open countryside. Is that what it is?

[160] **Mr G. Jones:** Tir Gofal and Tir Cynnal include provisions that require access to be allowed. The Countryside and Rights of Way Act 2000 includes provisions with regard to placing duties on local authorities to make access to disabled groups a priority within the entire access to the countryside provision.

[161] **Glyn Davies:** Yes, but that does not answer the question. I know that access arrangements are contained in the Tir Gofal agreement. All that I was asking was whether any consideration is given to or allowance is made for the disabled, when looking at the access arrangements as well, and whether that forms part of your consideration of a Tir Gofal application.

[162] Mr G. Jones: No, it is a more general point about the provisions of the Countryside and Rights of Way Act 2000.

[163] **Glyn Davies:** I asked the question to demonstrate how it applies to portfolios right across the board. People do ask about that, as Lorraine said. It is just a question that occurred to me. I have not thought through whether it should be included, given the cost implications and so on, but it is another way that we could consider introducing equality issues into the Minister's portfolio. Are there any other questions?

[164] **Jocelyn Davies:** We can scrutinise the Minister on that on a regular and ongoing basis, as and when equality issues come up on the agenda. It is a question that we can put to him rather than periodically having a report and finding that we are scrapping around for questions to ask him. That does not really get to the heart of it. It could be on how many toilets are available if you travel around, or that kind of thing. We should scrutinise the Minister on an ongoing basis rather than just on a report such as this.

[165] Glyn Davies: You are right; the responsibility is on us to choose the right issues.

[166] Jocelyn Davies: We should make sure that our questions include equality issues.

[167] Glyn Davies: That is a fair point. Is there anything else? I see that there is not.

10.37 a.m.

Is-ddeddfwriaeth: Gorchymyn Defaid a Geifr (Cofnodion, Adnabod a Symud) (Diwygio) (Cymru) 2006—Parhad Subordinate Legislation: The Sheep and Goat (Records, Identification and Movement) (Amendment) (Wales) Order 2006—Continued

[168] **Glyn Davies:** We return to the issue of sheep and goats. We left this item because we are trying to develop the principle of you telling us the scope for us to do anything. There is no point in our discussing something if we cannot do anything about it. I ask you to make a comment about this item of subordinate legislation before I open it up to committee members.

[169] Mr Griffiths: Yr wyf yn hapus i wneud hynny. Mae'r pwerau a ddefnyddir i wneud y Gorchymyn hwn yn rhai domestig sydd wedi eu cynnwys yn Neddf Iechyd Anifeiliaid 1981. Maent yn bwerau eang dros ben. Er enghraifft, yn adran 1 (a), mae sôn am:

'for the purpose of in any manner preventing the spreading of disease'.

[170] Felly, maent yn bwerau eang iawn. Fodd bynnag, diben y Gorchymyn hwn yw cydymffurfio â chytundeb sydd wedi ei wneud rhwng adrannau amaeth y Deyrnas Gyfunol a Chomisiwn Ewrop, i alluogi gweithredu'r ddeddfwriaeth yn y maes hwn mewn ffordd mwy hyblyg na'r bwriad yn y rheoliad cyffredinol yn y maes. Mae hynny wedi'i ymgorffori ym mhenderfyniad y comisiwn, dyddiedig 13 Medi. Gan fod cytundeb ffurfiol rhwng y Deyrnas Gyfunol a'r comisiwn yn y maes hwn, byddai'n anodd i'r pwyllgor hwn neu'r Cynulliad wneud rhywbeth gwahanol heb danseilio'r cytundeb hwnnw, gan orfodi'r Deyrnas Gyfunol i weithredu'r rheoliad yn llawn, sy'n llai hyblyg.

[171] **Glyn Davies:** A oes unrhyw gwestiynau neu sylwadau?

Mr Griffiths: I am happy to do that. The powers that are used to make this Order are domestic powers, and are included in the Animal Health Act 1981. They are very far-reaching powers. For example, section 1(a) says:

Therefore, they are very far-reaching powers. However, the aim of this Order is to comply with an agreement made between the agricultural departments of the United Kingdom and the European Commission, enabling the implementation of legislation in this area in a way that will be more flexible than is intended in the general regulation in this area. That is incorporated in the decision of the commission, dated 13 September. As there is a formal agreement between the United Kingdom and the commission in this area, it would be difficult for this committee or the Assembly to do anything differently without undermining that agreement, thereby forcing the United Kingdom to implement the regulation in full, which is less flexible.

Glyn Davies: Are there any questions or comments?

[172] **Mick Bates:** I accept what we have just heard about the legislation. I have just three comments about the issue that it raises about double tagging. I am concerned about the welfare aspect of this. With the movement of animals and the use of an S tag—when a tag is lost—I have noticed from our own farming and in market places that there are issues surrounding the welfare of the animal as an increasing number of tags is put in its ear. We know that losses vary according to the type of tag, and we sometimes receive information about the effectiveness of individual tags. However, they are lost and replaced, and I am concerned about this issue. It does not seem to appear in the regulatory appraisal at all and I wonder why it is not there. It is a serious issue that, in a sense, leads us to what I know is the Minister's aim: to have an electronic tagging system, which could overcome all the welfare issues currently encountered. It may be that he has some news that would mean that double tagging, with the loss of tags requiring retagging and causing more damage to an animal's ears, can be removed.

10.40 a.m.

[173] The other issue is costs. I know that the Minister made light of the concept of a business losing £500, and that there is a broader rural community out there, and I accept those points. However, businesses are important, and the regulatory appraisal clearly shows that there will be a financial impact on small businesses. Minister, there is continued pressure on businesses and, ultimately, you cannot make loss after loss or you will go out of business—as we know from experience with the dairy industry, which is losing three businesses per week. Could that side of it be brought home a little more, so that small businesses—which most farms are—could receive a derogation, under legislation, to assist them, to make sure that their costs are not so burdensome as to put them out of business?

[174] Finally, with regard to stakeholders, I notice that the livestock auctioneers were not part of the stakeholder group. Livestock auctions are the front line of where tags can be lost through the movement of animals, and so the role of trading standards is very clear. During this consultation, could livestock auctioneers be approached to appraise the difficulties that arise when tags are lost, and when animals are moved prior to export?

[175] **Carwyn Jones:** The difficulty with that is that we already have a derogation for electronic ID, which would cause great problems if it were introduced now. So, we are not going to get another derogation on top of that. Frankly, it is either double tagging or electronic ID at this stage.

[176] On electronic ID, it is a matter of when rather than if. However, I do not expect it to be introduced until the beginning of 2008 at the very earliest. Many technical issues have to be resolved with regard to electronic tagging.

[177] Sheep farming is very much a minority interest in the European community, particularly sheep meat production. There are relatively few producers in relatively few countries that do it, compared with dairy producers, for example. So, it is important that we make sure—and we are at pains to do so—that the voice of sheep meat producers is heard loud and clear.

[178] Secondly, the UK and Ireland are almost unique in the fact that we have sheep produced for meat that can wander over the hills. In most countries, particularly in northern Europe, sheep are kept enclosed, which was why we found that, during the outbreak of foot and mouth disease, the Netherlands were well able to proceed with a vaccination programme, because all their sheep were already enclosed, whereas, in Wales, they roam over some distance—and that is partly how we market our sheep meat, of course. We have made clear to the European Commission that both of those factors make it particularly difficult for us, other parts of the UK and, indeed, the Republic of Ireland. We also made the point that it is absolutely essential that, if electronic tagging were to proceed, there needs to be a technical way of doing it. Sheep will need to be rounded up periodically off the hills, and all tagged at the same time. The farmer cannot just wander around the field, tag sheep and inspect those tags daily. However, it is a question of either double tagging or electronic tagging, so we already have the derogation.

[179] Mick Bates: There was also the welfare issue, Chair.

[180] Glyn Davies: Mick raised the point about livestock auctioneers as part of the consultation group. Is that a reasonable point to make?

[181] **Carwyn Jones:** It is a reasonable point, but not a huge amount can be done in view of the European regulations. Clearly, I think that everyone would expect animals going through a livestock mart to be handled properly in any event.

[182] Glyn Davies: Are there any other queries?

[183] Mick Bates: If I may return to the welfare issue with the continued use of tagging, lost tags requiring replacement tags and so on, I may have missed it, but nowhere is the welfare of animals taken into account when implementing this regulation.

[184] **Dr Glossop:** Like you, I am very aware of the welfare issues of multiple tags in sheep's ears. Some farmers in Ceredigion took great pains recently to show me a lot of sheep with holes in their ears, so we are very aware of that issue—that was after they shut the door of the lambing shed, containing 15 farmers and me.

[185] Glyn Davies: You survived.

[186] **Dr Glossop:** It depends on how you look at it. [*Laughter*.] That is why it is really important that, first of all, we maintain our derogation and that is why this legislation is crucial: we have to do this or we will lose the derogation on double tagging. This will buy us the time that we need to move forward with the technology on electronic identification. You are absolutely right about the welfare issues, and this derogation gives us a short period of time in which to protect sheep welfare in that respect. As we advance, EID has to be the way forward. We all know that there are issues with that technology right now, so we need to buy as much time as we can to get that bit right. We are talking to the industry about EID and you will know that there are projects under way so that we can find the very best system. The Minister is absolutely right in saying that the farming systems here are different from those found in Europe, where they do not see a problem with the EID systems that are available now. We are aware of all that.

[187] **Mick Bates:** Chair, may I ask one further question on the welfare issue, which I am deeply concerned about? Dr Glossop, what would your advice be to someone who has purchased a sheep that has lost its tag, has been re-tagged and has an infected ear, but, even after it has been treated, has obvious damage to its ear? When it is presented for sale, what would be the position in terms of welfare if this animal had a badly damaged ear as a result of the number of tags that it had to have placed in it?

[188] Dr Glossop: If an animal has a damaged and infected ear, it should not be presented for sale.

[189] Mick Bates: No, I said that it had been treated and then presented for sale.

[190] **Dr Glossop:** So, you are saying that it is better now, but it has a deformed ear. The sheep needs to be identified, so I think that that farmer would have to seek advice from the State Veterinary Service on exactly how to do that.

[191] Mick Bates: What advice would be given?

[192] **Dr Glossop:** It would depend on the nature of the damage to the ear; there are a lot of permutations.

[193] Glyn Davies: That question was too detailed, Mick.

[194] Mick Bates: So, you will not give us any guidelines at all?

[195] **Dr Glossop:** All that I can say is that the legislation requires sheep to be identified, and the point of sale is a very important time for identification. I think that it is difficult to imagine a situation in which both ears would be equally damaged so that it was impossible to put a tag in. You would have to look at each case on its merits, and I do not think that I can give a general answer to that.

[196] Mick Bates: I accept that.

[197] **Glyn Davies:** You make a perfectly fair point, Mick, and anyone who is in the industry knows that these sorts of things happen, but it is a pretty detailed point and you would have to have a discussion about the individual animal with the local office.

[198] Elin Jones: I think that he is just trying to save on his veterinary bills. [Laughter.]

[199] Glyn Davies: He could well be. Are there any other questions?

[200] **Jocelyn Davies:** This is just a general point, following on from the last item. We have the compliance point, which is always attached to legislation, and it says that the proposed legislation will have due regard to equality of opportunity and sustainable development. Could that be changed so that, as Lorraine said, instead of just ticking the box, the Minister says how that will happen? Every piece of legislation should say how it has due regard to equality of opportunity and how it is compatible with the sustainable development scheme, just to give us more information.

[201] **Glyn Davies:** It is an interesting point as to whether that could apply to all committees. This is almost a point for Lorraine and the Committee on Equality of Opportunity.

[202] Jocelyn Davies: Having just a list of compliance requirements does not give you all that much information.

[203] Glyn Davies: What you are really asking is whether that ought to be part of the regulatory appraisal process.

[204] Jocelyn Davies: No, it is to do with the memorandum of understanding.

[205] Glyn Davies: Is it?

[206] Jocelyn Davies: You have been the Chair of the Legislation Committee, so I know that you understand that. There is not always a regulatory appraisal. It is a simple matter, and I am sure that the Minister would not mind doing that.

[207] Glyn Davies: Minister, do you wish to respond on that? I am not sure that he does, judging by the look on his face.

[208] **Carwyn Jones:** I need to consider the point and see how much of a burden it would be. It may be, for example, that this sort of thing should be dealt with across the board in all portfolios, not just in this one, and be examined by all committees in future to see what view they take on it. I understand the point, but I would not want to be in a position whereby we were compliant in terms of equality of opportunity and others were not.

[209] **Jocelyn Davies:** We would be crusaders explaining a claim that you have already made.

[210] Carwyn Jones: It has to be a consistent approach across the board for all committees, does it not?

[211] **Glyn Davies:** I am on your side, Minister. We could write to the Committee on Equality of Opportunity and make the point that we think that this could be done with all statutory regulations, and then every committee can be a crusader.

[212] Lorraine Barrett: Equality for sheep and goats.

[213] Glyn Davies: Yes. I see that there is nothing else on this; I think that we are content with the legislation as it stands. We will break now.

Gohiriwyd y cyfarfod rhwng 10.50 a.m. ac 11.17 a.m. The meeting adjourned between 10.50 a.m. and 11.17 a.m.

Dogfen Bioamrywiaeth yr UE EU Biodiversity Document

[214] **Glyn Davies:** I welcome Martijn Quinn. I am looking forward to continuing the conversation that we had with you, Martijn, when we visited Brussels about three weeks ago. Lorraine Barrett, a committee member, was with me on that occasion. You will remember Lorraine—she is sitting at the end of the table. I will say a word to start, because we have a lot of members of the public here. I would just like to say something about this session in general to outline the position. As a result of our visit to Brussels, we took the view that we were not engaging sufficiently with what is happening in the European Commission, and we thought that it would be a very sensible procedure for us to hold sessions directly by video link with Brussels. So, this is a very innovative step for us to take—it is probably the first time that a committee has done that, and it is probably the first time that a senior official of a cabinet has participated in a National Assembly for Wales committee. So, you are treading new ground. I would like you to introduce the paper, 'Halting the Loss of Biodiversity by 2010—and Beyond: Sustaining ecosystem services for human well-being', which is a communication from the European Union. I ask you to explain the status of that and what it does to start, and then I will invite committee members to ask any follow-up questions. So, I will hand over to you.

[215] **Mr Quinn:** Thank you. I do not know whether the phrase is 'trend-setter' or 'guinea pig' in terms of this video link, but we are conscious in the commission generally of the need to strengthen links with national and regional parliaments, so it is an excellent initiative. In the context of communication, one of the key conclusions is that we must explain ideas more effectively, and not just publish a paper in Brussels and expect this to be transmitted automatically to the whole of the EU. So, again, thank you for the initiative. By way of introduction, Wales has been one of the regions that has been most proactively following this up, and I have had very good contacts with you and the Welsh Assembly Government office here in Brussels, as well as with the National Assembly for Wales office. So, this is not just playing to the galleries—it is true that Wales has taken a proactive lead.

[216] I will follow your suggestion and give an introduction to this policy document. It is called a 'communication' in European language-speak, but it is really an overall policy document. It is non-legislative and non-binding but, in this case, it sets out the European Commission's proposed approach to meeting our 2010 target for stopping the loss of biodiversity.

11.20 a.m.

[217] It is currently being discussed by member states in the European Council. The Finnish presidency of the council will be drawing conclusions before the end of this year, which will set the member states' position. Hopefully, the level of ambition that we set ourselves here is followed up by the member states. So, that is some of the procedural background.

[218] In terms of substance, this is not a new initiative looking at biodiversity, but is very much setting the state of play for where we are. I will go into some background on that. The starting point for us is very much the science of the situation. If you look at the science—and this comes out in the document—you will see that, frankly, the situation is very worrying. Although the levels of biodiversity are relatively low in Europe, compared to the Amazon, for example, or other regions of the world, we can see of what we have here that 42 per cent of mammals, 43 per cent of birds, and over 50 per cent of freshwater fish are on the endangered species list; they are under some threat of extinction. We can also see that in marine fisheries; it is very clear that there is overfishing. If we look at land use across Europe, we see that there is increased urban sprawl and unsustainable land use. All this comes from the European Environment Agency's report from last year, so we have a very good factual basis on which to understand the problems that we are facing.

[219] I will briefly add that, globally, the situation is considerably worse. There is richer biodiversity, but the problems are even greater. Also, something new that comes across in this report is the idea of biodiversity goods and services such as water purification, regulating the climate, and the raw materials that we get from nature. A major study—the bible, as it were, of diversity—carried out by the UN last year, the millennium assessment, found that two-thirds of these services are in decline. So, the starting point was identifying the problem.

[220] Looking at biodiversity is not a new issue for the commission or the EU. We have our environmental action plans. The current one, which we are half-way through, is the sixth environmental action plan. Of the four main priority headings, one is 'protecting biodiversity'. The others are 'climate', 'the use of natural resources', and 'environmental health considerations'.

[221] I work for Commissioner Dimas, the commissioner for the environment. He has said several times that climate change and this huge loss of biodiversity are the two most pressing global challenges that we currently face. So, it is not a new issue; it is a high priority. This communication is important because it is our way of trying to set out how we will meet the political priority that has been set by the EU. So, this is how we get from recognising the problem to, hopefully, addressing it.

[222] A target was set as early as 2001 to halt the loss of biodiversity inside the EU by 2010. We are getting close to that date. Maybe there will be some questions about the 2010 date, but this document sets out our approach for working towards that target.

[223] This was two years in preparation, which sounds like a long time, but we consulted every stakeholder group possible. The result is a document that was adopted without any contradictory voices from the college of commissioners. So, when it was presented to the commissioners, it was adopted without anyone saying, 'No, there is some difficulty here'. Therefore, it is a very consensual document. On the reception that it had from the public when it was published, again it was widely welcomed by environmental non-governmental organisations and by experts in the field. We feel that we have a good document, we want to get good conclusions from the member states on it, and then the real challenge is implementation.

[224] I will conclude by pointing out a few of the key features that are contained here. First, the document sets out quite clearly and explicitly why biodiversity protection is important. There is the intrinsic value of nature, which is something that we all appreciate, but it also takes the arguments made in the millennium assessment, the United Nations document compiled by over 1,000 scientists. That document looks at the economic goods and services that nature provides, and presents the argument that, for sustainable, long-term economic development, we also need to protect our natural resources.

[225] Another particular innovation is that we have an action plan; we have the communication, and the policy document, which serves as a political introduction to the rather more technical action plan, in which we have tried to make the actions as specific and as measurable as possible. We have also addressed actions to member states, and not just to what the EU institutions themselves can do. We have tried to address actions to other actors within the European Union. There are also some new measures in the action plan. We propose to look more thoroughly at the question of invasive alien species, and we will try to look more comprehensively at the relationship between international trade and biodiversity loss. We also want to extend the earmarking of development assistance to biodiversity projects in third countries.

[226] I will finish by saying that the main message from the communication is that, for the large part, we have the legislative and policy framework in place. There are areas where fine tuning is needed, but, for the large part, we have that in place. The key challenge starting from now is to ensure the implementation of what we have in place. Most importantly, we have the so-called nature directives—the birds and habitats directives—which set up a protected status for about 18 per cent of European territory. Implementation of those pieces of legislation will be fundamental to achieving our objectives. There is also the implementation of this communication and its action plan. We have quite stringent reporting mechanisms—the first report is due next year, and then every couple of years after that. There will be a report to member states and to the European Parliament. So, we are trying to lock ourselves into a framework whereby we have to report and we are under political pressure to deliver on the actions contained there. I do not want to go on too long, because I would like to leave some time for some questions.

[227] **Glyn Davies:** That is ideal, Martijn. I will ask you a general question to start with, and then we will move on to other Members. It is clear that Commissioner Dimas thinks that this is a huge issue; in fact, he is on record as saying that he thinks that it is a bigger issue than the impact of climate change, which is a big statement. You are right to say that what we are now interested in is its implementation. You have a target of halting the loss of biodiversity by 2010, which seems like an incredibly huge target to me. Do you think that you can achieve that without any new legislation? Is the framework that you have in place sufficient to be moving in the general direction of that target, if not to achieve it?

[228] **Mr Quinn:** First, I will clarify what the Commissioner said. He said that the two are of equal importance. The point about climate change is that it is somewhat the poster boy of environmental issues, whereas biodiversity is maybe not as well known or appreciated, although it is of equal importance. The point that he has also made many times is that the two are crucially interlinked. Biodiversity loss and the loss of forests increases climate change, and, importantly, climate change is a great accelerator of biodiversity loss. So, that is a clarification.

11.30 a.m.

[229] In reply to your question on whether we have the framework in place, I think that we do. Certainly, outside the EU, we represent a very small part of global biodiversity, and it is difficult to influence what is going on there, so there are a different set of questions for the global picture. However, inside the EU, with perhaps the exception of a fully rounded strategy on the invasive alien species, I think that we do have a legislative framework. As I said, the nature directives cover around 18 per cent of EU territory under a protected regime. To put that in context, when the new member states designate their sites, that will include a land area greater than any country inside the EU. So, you could say that the Natura 2000 network that we have established is larger than any member state. That is a big achievement, but we must ensure that these very sensitive ecosystems are properly managed, which I think will be the main challenges for the next years.

[230] Glyn Davies: Thank you. Tamsin Dunwoody wants to ask you a question.

[231] Tamsin Dunwoody: Do you want me to introduce myself?

[232] Glyn Davies: No. You are a member of the committee; we do not need to go further than that.

[233] Tamsin Dunwoody: Thank you for your opening remarks, in which you acknowledged that Wales has been leading on this issue.

[234] **Glyn Davies:** Sorry, can I interrupt you? This is the first time we have done this, so we are learning a few things. I want to bring all the committee members in, but I do not think that the camera angle takes in Tamsin's seat. I take it that you cannot see anyone apart from me.

[235] Mr Quinn: No.

[236] Glyn Davies: Therefore, I will ask Tamsin to take my seat to ask her question.

[237] Jocelyn Davies: He can hear us.

[238] Glyn Davies: I do not care; I want him to be able to see us.

[239] **Tamsin Dunwoody:** Thank you, Martijn, for acknowledging the work that Wales has already carried out on this issue. I am sure that you will be aware that we work closely with our local biodiversity action groups to deliver on this issue, so we were pleased to see your paper, given that we have carried out a significant amount of work in that field.

[240] My question relates specifically to the coexistence of development and biodiversity and to the future development of those. Clearly, it is a question of the coexistence of biodiversity on the ground and the need to develop economically—to have that living-in-harmony role and how to take that into the future. We picked up, in an earlier discussion today, on how you adapt your plans to be flexible enough to acknowledge that biodiversity will change in the future and that we, therefore, need to look to the EU and to directives to be sufficiently adaptable to allow us to build that flexibility in.

[241] **Mr Quinn:** It is difficult to answer that concisely, but I will try. One of the key features of this paper is that it tries to move away from the, shall we say, slightly older idea of a trade-off between nature protection and economic development. It is important that we understand much of our economic activity, particularly in developing countries, but also in developed countries. For example, I come from Scotland and our tourism is based on our nature as we have a large agricultural industry. Several studies have shown that hundreds of thousands of jobs in Scotland depend on its healthy and good quality environment. So, a key point that we are trying to make with this, on the environmental benefits and services, is that there is a strong economic argument, if you take in the big picture, for protecting our natural resources.

[242] Another element of the legislative framework that we have in place is the Natura 2000 network of protected areas. That explicitly has flexibility built into it. There is a misapprehension in some countries that, as soon as you designate an area to be covered by this European network, suddenly all economic activity has to stop. That is absolutely not the case. Farming, hunting and fishing can all continue as long as they are done in a sustainable manner and even larger economic projects can continue as long as there is compensate accordingly to ensure that the ecological value is protected.

[243] This idea that it is either a question of economic development or environmental protection is slightly misleading, at least in the context of the European situation. There is a difference when you go outside of Europe—when you speak to developing countries that have the richest biodiversity, then it is easy to find agreement with environment Ministers, but very difficult to find agreement with economic Ministers and Prime Ministers, although there are signs that that is changing. There are some countries, for example, Costa Rica, where the No. 1 sector in the whole economy is eco-tourism. Not every country can be like Costa Rica, but if the largest section of your economy is eco-tourism then, surely, other countries can learn from that and at least have an understanding that investing in their environment is in their own interest.

[244] As an aside, if we look at the next 10 to 20 years, probably the greatest environmental disasters in the third world—desertification, loss of crop lands and so on—will be very closely linked to not protecting biodiversity, watershed and so on. So, there is an economic link. The challenge is to make the argument that your own self-interest depends on medium to long-term investment in your own nature.

[245] **Tamsin Dunwoody:** There are examples in Wales that, were you to visit, I would be delighted to show you, where we have combined the two very successfully, because it is that living-in-harmony role and development for the future. I will hand over to Mick Bates.

[246] **Mick Bates:** First, I think that the document is excellent and I applaud the leadership that the EU has given in many fields. Internationally, Europe has a good reputation for leading the biodiversity agenda. I will talk specifically about policy area 3, on biodiversity and climate change, and about how the EU will support this process. Are you satisfied that there is sufficient monitoring so that you have the data to understand what happens as climate change impacts more and more on biodiversity? The second issue is one of support through the programmes, whether it is a research programme, framework stuff or the life programme or, in our case, substantially through the rural development plan. Although there is support and you have an ambitious target, do you feel that sanctions ought to be brought against Governments that do not protect the designations or, in fact, meet your targets in the action plan relating to biodiversity and climate change?

[247] **Mr Quinn:** First, thank you for your introductory remarks. I think that it is a good example, if you look at the opinion polling data, of where people recognise that nature crosses borders. You cannot legislate in little blocks. You have to understand that there is an ecosystem approach if you are serious about protecting nature. So, all of the opinion polls that we carry out here say that the European public identify the environment as one of the areas where they can see the most value added. So, thank you for your introductory comments.

[248] As I said earlier, climate change will have a huge impact on biodiversity. Ranges of species will move. We can also see that diseases, for example, are moving. Only a few months ago, bluetongue, a disease in livestock, was found in the Netherlands, where it had never been found before. So, these changes are happening.

[249] On your first question, we have data and we are working with the European Environment Agency to develop comprehensive indicators on the biodiversity situation so that we can accurately monitor the situation of Europe's biodiversity. There is no point setting a 2010 target if you cannot monitor what is going on. It is an incredibly difficult job. You are talking about the landmass of a whole continent with different species and many different habitats. Sixteen indicators were identified, politically, back in 2003. We are working with the environment agency—which I spoke to this morning—which will have a first assessment of these indicators in 2007 and, in a step-by-step process, it will make them operational. So, it intends to produce an ecosystem assessment for Europe by 2010. That is an equivalent of what the United Nations did on a global scale. That will cover issues like the impact of climate change on biodiversity.

11.40 a.m.

[250] Your second question was about sanctions and implementation. First, this communication is a policy document. It sets out a policy approach, and the most powerful argument that we have is arguments. If member states back this politically—we have approaching work—that will be a big step forward. The 2010 target is a political target set by the heads of state—the prime ministers and presidents of different countries. It is no more than a political objective, so there is no sanction other than the sanction of public opinion if this is not met. However, where we have legislation in place, such as, typically, the legislation that I mentioned—on the Natura 2000 network—and if sites are not designated, or if they are not adequately managed, or if highly protected species, which we also have, are not being protected, then we can and do take legislative redress. I do not believe that there have been many cases involving Wales, but we have had major cases in other countries. Only two weeks ago, we finally closed a case that had been open for years with Germany for the non-designation of sites. With France, for the same reason, at the end of last year, we were implementing large fines for the non-designation of sites, and, again, the case was closed. Therefore, we have some legal tools, where we have legislation in place, and we are prepared to use them.

[251] Glyn Davies: I introduce Brynle Williams, who is also a member of the committee.

[252] Brynle Williams: Good morning, Mr Quinn; it is a pleasure to meet you. I hope to meet you in the flesh some day.

[253] Are some areas of the EU more badly affected by biodiversity, and how does the UK compare with those? There is another problem in Wales, and probably in your native Scotland, in that, if we are not careful, we will see land abandonment in the upland areas. We must ensure that labour communities, and everything else, are held in these upland areas. As you are aware, we have a burning issue in Wales with Tir Mynydd. I will not go further than that, but Tir Mynydd is significant in keeping communities on the uplands, which is all part and parcel of biodiversity.

[254] **Mr Quinn:** To answer the second part of your question first, there is sometimes a misconception that protecting biodiversity means protecting virgin landscapes and untouched forest. That may be true in the Amazon, but it is not true in Europe. We have had thousands of years of economic activity and farming throughout Europe. I believe that only between 1 and 3 per cent of European territory is unaltered by human activity.

[255] As you say, much of our biodiversity depends on maintaining these activities, because it is a living landscape; they are abandoned for whatever reason, then, suddenly, the pasture-land is no longer grazed, or whatever, and the conditions for the biodiversity that is adapted to this living landscape suddenly change, which can have negative impacts. Therefore, a return to a state of nature is not necessarily good for protecting biodiversity, and we must be aware of it in the designation and management of sites. That is absolutely clear.

[256] Your first question was about whether there are good or bad examples. It is difficult to answer that, because Europe is so diverse. Countries such as the eastern European ones—the new member states—where economic development is relatively limited compared with that in western Europe, have a rich biodiversity. There is some debate in the UK about the implications of Romania and Bulgaria joining the European Union in January. However, these countries have fantastic nature—they have species and wonderful countryside that do not exist anywhere else in Europe. Therefore, they have nature, but they also have problems, in that they do not have many resources to invest in protecting it.

[257] Other areas, such as the Netherlands, which has a hugely dense population, have little biodiversity left, but they have strong political support. The member state that has the strongest support for protecting biodiversity is, slightly ironically, Holland, perhaps because it has so little of it left. Even in the UK, you can see differences between the developed south-east of England, and Scotland and Wales, which have a different situation, so I am afraid that I cannot answer your question. There are issues that are specific to each region, and we have to try to be sensitive to them in developing our policies.

[258] Glyn Davies: The next to ask a question is Lorraine Barrett, who met with you when we were on our visit three weeks ago.

[259] **Lorraine Barrett:** Hello again, Martijn. I was going to ask about the sharing of good practice across the EU, but you sort of covered that in answer to the last question. However, can you say a little more about the sharing of good practice? What about non-EU countries? Obviously, the EU can do what it can within its boundaries, but is there work that is being done internationally, because, unless the whole world works together, we will not do it?

[260] **Mr Quinn:** The sharing of good practice is essential. There are many examples of where we encourage the sharing of good practice between member states, because good or best practice becoming common practice is the easiest way of having the most effective results for the lowest costs. To give an environmental example, rather than a biodiversity example, a study carried out last year by the European Environment Agency found that in the best-performing country, which, again, was Holland, the costs of meeting our water legislation were half, per capita per unit, what they were in the worst-performing country. So, for half the cost, it was able to deliver the same environmental protection, because it had an innovative policy mix, and it used taxes and so on. The basic point is that if you can find a way of disseminating existing best practice, then you have a much better environment and a much lower cost for protecting it. We have some funds that promote this—the EU has a life fund, but that is in the process of being changed and is still under discussion, so a new generation of the life fund will come out in the coming years. However, this is clearly necessary and something that we support and which regions and countries can also take the initiative in promoting. There is—[*Inaudible.*]—ongoing.

[261] Your second question was about the global effort, and it is true that there is a limit to what can be done—we are not going to invade Brazil because we do not like what it is doing in its rainforests, although some would argue otherwise. However, we can do some things. First, in our approach to nature protection we have a legal approach that is science based and allows flexibility, which is probably as advanced, if not more so, than any other in the world. So, if we can demonstrate that our system of legal protection works effectively and allows economic development to go hand in hand with nature protection, we are setting an example for the rest of the world. If you look at air pollution or car emission standards, countries such as China are adopting our standards, because they can see that they work; they are taking something off the shelf rather than reinventing the wheel. That is one way. In the introduction, I mentioned the communication talks on earmarking EU funding for biodiversity projects. That is another way that we can do it.

[262] There is also some legislation that we have in place, such as the convention on international trade in endangered species of wild fauna and flora legislation, which prevents the import of goods deriving from endangered species. We are also developing what is called, in EU jargon, the forest law enforcement, governance and trade legislation, which basically relates to the import of timber and forest materials. We are working in close partnership with the forest-producing countries to try to find an arrangement to ensure that only legally produced forest materials are imported into the EU. This is another piece of work that is in evolution, but I am pleased to say that two weeks ago, Commissioner Dimas, my boss, had a meeting with a Malaysian minister and we concluded the first political agreement to take this forward with Malaysia. Of course, it depends on the countries themselves. It depends on them understanding the argument that it is in their economic interest to protect their natural resources, but there are a number of steps that we are taking, which I have just outlined.

11.50 a.m.

[263] **Glyn Davies:** We are probably coming to the end of the time that we have allowed for this session. It is clear from Lorraine's and Brynle's questions that we are interested in best practice elsewhere in Europe and whether there are good examples that we can learn from. I suspect that we may well be in touch with your office to try to find out where these places are, so that we can expand our knowledge.

[264] I thank you for helping us to develop our interest in what is a hugely important issue—and I certainly agree with the assessment of Commissioner Dimas on the importance of this issue—and for being a guinea pig and helping us to develop the modern democracy and working practices that we want to have here in Wales. On the latter point, it is a very innovative thing that has worked very well, and I am sure that we will want to do a lot more of it. Perhaps we will meet you again under similar circumstances sometime in the future. Thank you very much for both of those things, and I leave you with the thought that we will be in touch about developing good practice in Europe.

[265] **Mr Quinn:** Thank you very much. The initiative is an excellent one, and I look forward to more of my colleagues making use of this technology and entering into dialogue with national and regional parliamentarians and the public, because, sometimes, the commission and the EU suffer from a bad reputation, and probably the best way to dispel the myths is by talking to people.

[266] Glyn Davies: Thank you very much.

[267] Let us carry on with the meeting. On that issue, I am pleased that we did that, and I think it worked very well. There are a couple of lessons that I can see straight away. One is that we need to consider the translation side of things because that only worked because nobody spoke Welsh today. We need to tackle that. Secondly, we have learnt a bit about the seating arrangements and the camera angles, which I had not appreciated before, because it would have been better if we had been seated differently, obviously. Those are two lessons, but if we had not done it, we would not have known about them.

[268] I felt that the session worked very well, and I felt very comfortable. I almost felt as though he was here at the meeting.

[269] Tamsin Dunwoody: I agree that that is an extremely useful tool, particularly given the distances involved. It is very helpful and I try to do it a lot in my other roles.

[270] As a side issue, by looking at an EU paper, it became apparent to me that perhaps the amount of work that people do on a local level in Wales, such as the work of the biodiversity action groups, is not really brought to people's attention, and that we have not brought committee up to standard on that level of our own knowledge and activity. In some ways, perhaps in future, if we are looking at an EU issue, it would be nice to have a pre-EU paper so that we are brought up to speed with what is happening here in Wales and what we are already achieving. That would then inform debate at EU level.

[271] **Glyn Davies:** That is a point that will be well made when we scrutinise the Minister, some time before Christmas. That is an important part that the Government paper that comes to us can include.

[272] **Tamsin Dunwoody:** I do not see it as scrutiny; I see it as a level of information and knowledge that committee members would be interested in because it is such a crucial subject area. That is not necessarily a matter of scrutinising the Minister or the Government's role, but is simply knowledge about what we in Wales have already achieved and what our existing organisations and groups are doing.

[273] **Glyn Davies:** The only point that I was making is that we intend to scrutinise the Minister on this issue, and that is certainly a point that we will all be aware of. What you say is absolutely right. Does anybody else want to say anything?

[274] Mick Bates: I think that it was a good piece of committee work and I would like to point out that it helps in terms of climate change, because, by not getting Martijn to come here, we have saved a lot of carbon. Given that we are the Environment, Planning and Countryside Committee, and sustainable development is part of our remit, we can be proud of that. More of it, please.

[275] Glyn Davies: My view is that we should do this regularly when we are in Cardiff.

[276] **Brynle Williams:** I just want to reiterate what Mick and the rest have said. We need to use this far more. The facility is there, ladies and gentlemen; let us make use of it.

[277] Mick Bates: We could have more PowerPoint presentations used in debates.

[278] Glyn Davies: I will not be tempted to respond on what happens in the Chamber, as I think that that is an entirely different matter.

11.56 a.m.

Craffu ar y CCNC—Asiantaeth yr Amgylchedd Cymru ASPB Scrutiny—Environment Agency Wales

[279] **Glyn Davies:** We will now move on to the last item on the agenda, the scrutiny of Environment Agency Wales, which is an important issue. The last time that you were with us, Chris, we had a very truncated discussion, for various reasons, while I tried to keep it brief, but we have 35 minutes today, which is a good bit better. I will let you introduce your side. Are you going to make a presentation to start with? If you make the introduction and the presentation, I will then open it up to questions.

[280] **Mr Mills:** Thank you very much. I introduce Dr David Clarke to you, our strategy unit manager and the key person dealing with policy on behalf of Environment Agency Wales, and Dave Webster, the finance manager, who, obviously, covers financial matters.

[281] I hope that you have received the document that we provided, in which we reported on our performance during 2005-06, broadly against the headings that were set out in the remit letter produced for us by the Welsh Assembly Government. This is the document that really sets out our priorities for each year. In addition, the agency has its own corporate strategy and plan, with a rigorous performance management system, which monitors Environment Agency Wales's achievements against some 225 performance indicators.

[282] In terms of performance against those indicators, last year, we performed among the best of any operational unit in the Environment Agency, achieving over 95 per cent compliance with those targets. The agency's financial performance is audited by the National Audit Office and it concluded that our key financial controls were operating effectively, and highlighted no significant control weaknesses.

[283] At the end of our report, we describe our approach to delivery. I do not want to go into it in detail, but I just really want to make the point that we have tried to align the way in which we operate with the Welsh Assembly Government's 'Making the Connections' initiative. Therefore, we talk about putting citizens at the centre, value for money, effective partnerships, and, lastly, engaging our workforce.

[284] The bulk of my presentation is really about looking at the activities, the outcomes and the future challenges of the work that we do. I would like to do that by looking at our different roles, rather than by going through the report on a functional basis. I will start by looking at our role as a regulator and enforcer, I will then move on to how the agency operates in doing things on the ground and then I will finish by talking about our role of providing advice and being a champion of the environment.

[285] As a regulator and enforcer, we continue to implement the integrated pollution prevention and control permit system that covers discharges to air, land and water. Up to this point in time, a total of 182 PPC permits are now in place, and we have something like 100 more to do. We also completed our first year of administering the new EU emissions-trading scheme. We continue to regulate some 520 waste sites, using a method called OPRA, or the operator and pollution risk appraisal, whereby inspections are guided by environmental risk and operator performance. That is a big task with some 3,424 inspections carried out during the year. Likewise, we regulated more than 10,000 discharges to the water environment and monitored more than 4,700 km of rivers and canals as well as bathing waters.

12.00 p.m.

[286] In terms of water resources, we started to modernise the abstraction licensing system, and some 2,500 small, low-risk abstractions have been taken out of the licensing system. We continue to regulate inland fisheries, ensuring that rod and line fishermen are licensed, that commercial fisheries operate legally and that illegal fishing is prevented.

[287] For the agricultural sector, we started to implement the cross-compliance regime in partnership with Rural Inspectorate Wales. We made 105 prosecutions across Wales; the total fines awarded were over \pounds 400,000 and the total costs were \pounds 122,000.

[288] There has been a lot of activity but, in terms of outcome for the environment, water quality continues to improve and 95 per cent of our rivers are classified as being of either very good or good quality. We recorded the best ever year for bathing-water quality, with all 80 Welsh bathing waters meeting EU mandatory standards. Air quality is also improving. For example, releases of dioxins fell by three quarters and there was a 14 per cent reduction in sulphur dioxide. In the report, I highlight the success that we have had, along with the local authority, in improving levels of particulate matter—PM10—in Port Talbot.

[289] Against a background of declining stocks of salmon across southern Europe since the 1970s, the status of our salmonid stocks is variable. In the south Wales Valleys rivers, we now have salmon and sea trout where they were once extinct and, in rivers such as the Usk, salmon are doing relatively well. However, in other rivers such as the Wye and the Dee, salmon stocks are at a low level compared with historic records. Generally, the sea trout stocks remain relatively stable, with the 2005 rod catch above the five-year mean.

[290] However, there are still some very key challenges in terms of enforcement. I highlight particularly the challenge of reducing carbon dioxide emissions in Wales. After year 1 of the emission-trading scheme, emissions exceeded the total allocation by 1.1 million tonnes of carbon dioxide, which could cost Welsh operators up to £20 million. We now have much more accurate data on the relative contribution from different sites and they show that relatively few major industrial sites are producing a very high proportion of total carbon dioxide emissions. That is a challenge for all of us because, working with government and operators, we need to ensure that these sites are able to invest in the infrastructure and carry out the measures necessary to reduce these emissions.

[291] In terms of water pollution, while we continue to address point-source discharges, the key challenge is to tackle diffuse pollution from agricultural and other sources. Clearly, that is far more difficult than dealing with point-source pollution, and it will be one of the major challenges in meeting the higher standards that will be introduced by the water framework directive.

[292] As I highlighted at a previous evidence-giving session of this committee, there is some concern about the state of our marine environment and we have indicated that we need to have a marine spatial planning system to manage these pressures.

[293] While regulation is a key part of our work, probably over half of our resources are spent on direct work that we undertake to protect and improve the environment—our work as an operator. Last year, we introduced one of the most advanced flood-warning systems in the world: Floodline Warnings Direct. It is a multimedia system that is able to get messages to people by e-mail, text and voice messaging, and 15,000 new customers have signed up for the system, which is a 28 per cent increase. It is backed up by continued investment in monitoring and forecasting and, since 2004, we have spent some £1.4 million on improving our flood forecasting capability.

[294] We protected an additional 1,150 homes from the risk of flooding last year, and we are looking for multiple benefits from our flood defence schemes. I mentioned in the report that we have managed to increase 30ha of additional habitat for biodiversity through our flood-risk management work. We also look for opportunities to bring in recreational opportunities, in terms of access and things like cycle ways.

[295] We worked with developers to bring 58ha of land affected by contamination back into beneficial use. I am sure that you are all only too aware that such land, once remediated, brings in considerable investment.

[296] We have completed work on the three-year Objective 1 Fishing Wales project, which has been a tremendous success. It brings benefits not only to the economy—we estimate an extra £50 million a year in tourism—but also to the environment, with 397km of improved habitat. It also brings benefits to people, given the provision of an extra 492 jobs, safeguarding existing jobs, and introducing 10,000 new people to the sport of angling.

[297] We have worked with the Welsh Assembly Government, the Rural Inspectorate for Wales and farmers to improve land-management practices to protect the environment, through the development of agri-environment schemes and catchment-sensitive farm pilot schemes.

[298] We have worked with local communities through the Pride in our Community and Environmental Crimewatch projects to tackle fly-tipping. Within the report, I highlight a case study of the Fairyland estate in Neath Port Talbot.

[299] The outcome of all that for flood risk management is, we believe, that more people are aware and can be warned and protected. Investment in Welsh fisheries and its promotion is greater than ever before. We have made a start in tackling the problems of agricultural land use very much in partnership with others, and also contaminated land. We have developed a successful model to tackle environmental crime by involving the local community.

[300] However, needless to say, as with our role as a regulator, there are still quite a few challenges. As I said at the hearing a few weeks ago, with the predicted impact of climate change, we will need continued and increased investment in flood risk management. Regardless of climate change, a further 5,000 properties will need to be protected by 2010 if we are to manage existing flood risks. Despite the fact that Floodline Warnings Direct has made such a good advance, we need to continue to extend to over 75 per cent of the at-risk population. The statistic at the moment is that we are reaching just fewer than 50 per cent. Even if you reach that population and they are warned, there is another hurdle to be cleared in getting people to prepare for flooding in advance of it happening.

[301] In addition, as much as a further 24,000ha of contaminated land might need to be cleaned up. This is a massive task and it will take many years to tackle this industrial legacy. Fly-tipping continues to be a major, costly problem to local authorities and the Environment Agency. While the number of fly-tipping incidents reported has remained constant in recent years at about 4,000 incidents a month, it may increase when inert waste can no longer be landfilled in Wales in the near future.

[302] I would also like to cover our last, but very vital, role, which requires us to advise and inform others. In many instances, we can achieve our objectives only if we are capable of influencing others' plans, strategies and behaviours. As adviser and champion of the environment, we ran a successful flood-awareness campaign last autumn, which we do every autumn, as you may be aware, and we will be starting another shortly. In terms of innovation, we negotiated a contract with S4C to highlight the risks of flooding on its weather forecasts. So, if you watch that channel's forecasts, you will see a campaign in the near future to make people aware of the risks of flooding and what they can do to prepare for it.

[303] We gave expert flood advice to local authorities on nearly 3,000 planning applications. We also continue to work with the Welsh Assembly Government and local authorities to develop a better understanding and application of technical advice note 15. We continue to provide data, information and tools to help the Welsh Assembly Government and local authorities to develop their waste strategies and new facilities, and to divert waste away from landfill. We continue to work with small and medium-sized enterprises to help them to green their business, by providing them with advice through the website's net regulations, and encouraging them to adopt environmental management systems and to reduce the production of hazardous waste through the hazardous waste scheme. We responded, as most organisations do these days, to a plethora of national, regional and local consultations, including 36 consultations issued by the Welsh Assembly Government.

12.10 p.m.

[304] Last but not least, we were pleased to play an active role in the development of the Welsh Assembly Government's environment strategy. We seconded a member of our staff to the project team. We hosted the project team at our office in Cardiff, and this is already forming an important part of our work.

[305] In terms of outcomes, TAN 15 has undoubtedly reduced development in those areas of the flood plain that are most at risk. The quality of waste data is improving and our staff not only collate the information for Wales but on behalf of the UK for the EC waste statistics.

[306] While two-thirds of Welsh small and medium-sized enterprises have taken some environmental action, they could do much more to use resources efficiently, whether that is energy, water or materials. The strong message that we give is that it can save them money in the process.

[307] This leads me to my concluding remarks on three extremely important challenges facing all of us. The first is to play our role to increase public acceptance of waste management facilities to provide the new infrastructure that is necessary to replace landfill before that runs out in seven to eight years' time. We need to work to ensure that developers and local authorities understand and accept the need to avoid creating new risks to people and the economy within the flood plain. Last, but not least, working with the Welsh Assembly Government and a whole range of other partners, we need to continue to raise public awareness about climate change and to influence the policies and behaviours of government, industry, business, agriculture and the public, to reduce carbon dioxide emissions and to adapt to the impacts of climate change, which, we believe, are already happening.

[308] Glyn Davies: Thank you very much. That was a very comprehensive presentation of what the Environment Agency does and how well you are doing it.

[309] **Elin Jones:** Thank you for the presentation. I would ask about the issue of TAN 15 and limiting development. In your paper, you have noted that of the planning applications where you had submitted a view on TAN 15, 30 per cent were subsequently approved by the local planning authorities, against your advice. I was wondering whether you have a view on that. More generally, how do you interpret your role in the implementation of TAN 15?

[310] A further question on TAN 15 is that there seems to be a contradiction with unitary development plans or local development plans that have allocated land for development purposes in advance of TAN 15. There is a contradiction within the planning process that is not clear, certainly for applicants. Following on from that, the maps that have been issued with TAN 15 are causing a lot of issues for local communities. Are you in a position to say whether those maps are set in stone or whether they are based upon historical data, which might well be changing or could be changed in some way by greater local knowledge of the circumstances that are involved?

[311] **Mr Mills:** In terms of decisions against our advice, when we object to an application on the basis of flood risk, we accept the fact that our role is to provide flood risk advice, particularly on flood risk consequence. That is a factor that local authorities have to take into account in determining the decision. Given the seriousness of building in the flood plain and the consequences—in the worst case, putting human life at risk—we have to take that responsibility extremely seriously. At the same time, we accept that, in the planning process, the decision maker is the local authority and it has to make that final decision. So, in a nutshell, that is our role and our reaction to decisions against our advice.

[312] You then talked about unitary development plans and how they might have set the agenda before the implementation of TAN 15. That is an issue. In England, there will be some guidance and revised guidance in relation to building on the flood plain. One piece of advice that we will pass on is that it might have been helpful to have had a cut-off point for the introduction of TAN 15, which would have allowed things that had already gone into the pipeline to be dealt with separately. We have found that certain developments that were already being proposed, and on which some work had been done, were then caught up with TAN 15, which changed the situation. That has made matters slightly more complicated and, in retrospect, perhaps, that issue might have been dealt with differently. However, we are where we are.

[313] I will now hand over to my resident expert on TAN 15—we will be giving more detailed evidence about TAN 15 in a future meeting in November, I think. Dave, will you say a few words about the maps in particular, and on anything else that you wish to add?

[314] Glyn Davies: I do not want to spend too long on the TAN 15 issue, simply because we will have a specific item dealing with all the consequences of it.

[315] **Mr Clarke:** Okay. First, to add to the point on plans, the local authority plans, and the former unitary development plans and so on, were out in advance of TAN 15. TAN 15 clearly stated that the new guidance overrode those plans, so it was explicit on that subject. Subsequently, the local authority plan rationalisation work that is going forward with the development of new local development plans will supersede that, as will the spatial planning work. That is an issue that will be resolved as the process rolls forward. I am sure that it was recognised as a difficulty in terms of implementation.

[316] The maps are not set in stone. The development advice maps that the Assembly issued with TAN 15 are, effectively, physical documents. The Assembly, as I understand it, is looking to update those documents, probably in the next year or so. Alongside that, the agency regularly updates the extreme flood outline, which is the part that we originally contributed to those maps, and the maps also contain information from other sources. Where better information is available, our advice to local authorities is based on that information, not on what was in the original maps. So if information comes forward from the developer, or we have better information, we will use that information in our advice. As Chris has clearly said, our role is to advise the local authorities, but the decision is theirs and that is reflected in the number of decisions that you referred to where local authorities have overridden our view.

[317] **Mick Bates:** Thank you for the report. I note with great interest your internal policy of offsetting your carbon footprint—you planted some 3,000 trees last year, so congratulations on that. On procurement, I think that you mentioned that you purchased some $\pounds 26$ million-worth of goods. What percentage of that was procured in Wales, or was Welsh produce or products? I may have missed that in your report, but would it be possible to inform me of that at some stage?

[318] I have a few strategic issues that I want to raise. On page 8, you mention the national audit report on waste. One of its recommendations was that in order to get rid of landfill sites and to reach our targets in Wales, we needed 500 additional waste management sites. What progress has been made towards achieving that?

[319] Secondly, on page 9, you talk about water extraction and the licensing process. I welcome the changes that allow small extractions to take place without the full licensing process. However, as part of this work, have you undertaken any research to look at the impact on other water supplies when major water extraction takes place?

[320] The other issue is on the marine strategy, which has been part of your evidence on the Marine Bill. I would like to confirm that you recommended that a jurisdiction would be 12 miles. Can you explain or give us some guidance on what would be the best distance, under the Marine Bill, for us to have jurisdiction over.

12.20 p.m.

[321] **Mr Mills:** On additional waste management sites, progress has been extremely limited—I am just looking to Dave to confirm that. As I said in my presentation, a significant message has to be that time is not on our side. The agency does not have the responsibility to produce those sites; it is up to local authority and government to do so. I talked about how much time we have left in terms of the void space, which is between six and eight years—it is not a precise figure. So, we need to make rapid progress. The agency's role in that is to help in any way that it can, particularly in terms of providing data and advice on the best sort of facilities given the particular waste streams. However, our concern would be more generally for the environment. We need to issue a strong message that we need to make much faster progress in coming up with those sites.

[322] I also talked about the public reaction to waste management sites. We all know that this is a highly contentious issue. Another issue that we mentioned in the report is that we have worked with local authorities on the best way to handle some of these contentious issues, to inform the public in the best possible way, and in terms of early engagement and so on.

[323] On the marine question, on whether or not the jurisdiction should go out to 12 miles, I am trying to rack my brains as to what is currently proposed in the Bill. Can you remember, Dave?

[324] Mr Clarke: I have not seen the latest version of the Bill; our understanding is that it has probably been delayed.

[325] Mr Mills: It has been delayed, but I am just trying to remember what has been proposed in the consultation document.

[326] Mick Bates: Could you get back to us on that, because there are four different areas—coastal and littoral and so on? The other issue was about extraction, and the impact on private suppliers of major extractors.

[327] **Mr Mills:** The answer relates to catchment abstraction management strategies, which we are now producing for all the main areas. That is a holistic way of trying to assess the total amount of water that is being taken out of the system and what the impact of that will be. So, we are trying to manage matters in this holistic way. However, the sorts of abstraction licenses that we are deregulating are minor ones. We have to be careful with that, because lots of little abstractions add up, but we will ensure that they are not significant in the overall scheme of things. Do you want to add to that, Dave?

[328] **Mr Clarke:** You have picked out the main point. Clearly, whenever a major abstraction is given consent, we have to have regard to environmental impacts, including issues such as the habitats directive, designations and so on. For existing abstraction, we are going through a review of consents against habitats directive requirements, so we are looking at existing major abstractions as part of an ongoing process. So, essentially, through those processes, issues in respect of any impacts on other abstractors or, indeed, the ground water and local environment, should be taken into account. The accounts process that Chris referred to is the mechanism by which we do that strategically.

[329] **Lorraine Barrett:** I want to link the air quality section with the greener business world section. I am thinking about ways of preventing people from travelling every morning for miles and miles, as they do, clogging up roads through villages, city centres, and towns such as Penarth. Apart from congestion charging, an issue that has been recently raised with me has been teleworking, particularly teleworking centres, where you can hot-desk. However, it takes businesses to engage with that and change their mindset, as well as encouraging people to work one or two days in these centres, if working from home is not an option. Is that the sort of thing that you, as the Environment Agency, could or should be talking to government and business about, in order to cut down on congestion, thereby improving air quality and helping businesses to become more green. It is looking at something other than the renewable energy issues; it is a slightly different tack.

[330] Glyn Davies: I will bring in Tamsin.

[331] Tamsin Dunwoody: Can Chris answer Lorraine first, as I have a different issue?

[332] Glyn Davies: Okay. I just want to make sure that I can get us all in if we can, but we only have around six or seven minutes left.

[333] **Mr Mills:** It is not something that we are directly responsible for. However, we will take on board anything that would help to reduce carbon dioxide emissions—and transport is currently responsible for something like 14 per cent of the total carbon dioxide emissions in Wales, but it is an area where it is increasing, not decreasing. One thing that we are doing is practising what we preach. So, our organisation has mileage targets and we are trying to reduce our mileage. Obviously, we have to do our jobs, but there are many ways in which we can reduce that. We do a great deal of videoconferencing and teleconferencing, which is particularly important given that our area of jurisdiction covers from north Wales to south Wales. So, from our point of view, talking about our carbon footprint is our focus, because the Environment Agency's biggest contribution to carbon dioxide emissions through its activities relates to the use of vehicles. We have just started a trial of biodiesel for our vehicles. We will also be doing other things to try to reduce the emissions. However, I will certainly take that on board and we can see if we can introduce that into our advice.

[334] **Tamsin Dunwoody:** Speaking as the Assembly Member for Preseli Pembrokeshire, I am particularly interested in a number of areas. I will not go into flood defences now—I will do so in December. There are two points to be made on that. First, we are always hearing that the answer to every flood problem is capital investment, but I disagree with that. Secondly, we need to be careful about the number of applications that are turned down. It may be that there needs to be a level of desegregation of what is applicable and what should not necessarily be pushed.

[335] However, my real points centre on the PPC. I am now speaking about the area with, possibly, the greatest growth in industry sitting in juxtaposition with the marine environment and spectacular land and environment. It is your enforcement role that interests me, because the impact of that on industry is, or could be, significant. Where is the expertise drawn from, given the complexity of some of those areas of enforcement in which you are involved on PPCs and how that fits within the industry, particularly in my field? You also said that you have done 182 PPCs and that you have 100 more to do. How long will it take you to do those and is industry allowed to operate in the meantime while those are outstanding? Do you not see that, potentially, from the wording of this document and from some of the things that you have said here today, you are automatically in a conflicting role with not only local authorities but with industry by setting yourselves up as a 'champion of the environment'? I have issues with that.

[336] Mr Mills: Does your first question about complexity relate to whether we have the staff qualified to regulate that?

[337] **Tamsin Dunwoody:** I am interested to know where you draw your expertise from, because presumably you cannot employ that number of people with that number of degrees in chemistry and physics. You must draw in expertise from somewhere.

[338] **Mr Mills:** Many of the staff who regulate industry came from Her Majesty's Inspectorate of Pollution when the Environment Agency was set up. It was one of the bodies that came into the Environment Agency. Many of those had been recruited from industry. So, we have a number of people who have worked in these industries. Over time, that is going down, to some extent, but we still have a large number of staff who regulate these sites, who have direct experience of working within those industries. So, I would suggest that we do have that expertise.

[339] In terms of how long the PPC process will take, it will come to an end at the end of next year. So, there is about another year to go on that one.

[340] On champions of the environment—

12.30 p.m.

[341] Tamsin Dunwoody: May I take you back on that one? Pending the outcome of the PPC process, is operating allowable?

[342] Mr Mills: Yes.

[343] Can you clarify your point about champions of the environment?

[344] **Tamsin Dunwoody:** My point is that, by the wording of the presentation of your evidence, as well as your presentation, you automatically set yourself up for an enormously conflicting situation with industry and local authority, by selling yourself as 'the champion of the environment', as if it is a separate thing. Our previous subject can be drawn into the discussion too; it is a living, breathing, growing environment, alongside our economy and our industry, and we must develop on that basis. By setting yourself up as 'the champion of the environment', by the wording in this, you appear to be in conflict with industry and development.

[345] **Mr Mills:** I will take that away and think about it. However, we believe that caring for the environment, and good environmental practice, does not conflict with industry—it should not, certainly. There are many benefits for industry to demonstrate good environmental practice, in terms of the cost savings that they can make, the reputation that they have with the people that they are producing goods and services for, and so on. Therefore, maybe we should not set ourselves up as being exclusive champions of the environment, but, nevertheless, we are proud to be one of the champions of the environment.

[346] **Jocelyn Davies:** The public tells me that it does not perceive this 'champion of the environment' as being your top priority. You know this—I have raised it with you outside the committee. There is a conflict between claiming to be 'the champion of the environment' and your regulatory role—there is no doubt about that. A House of Commons report, which scrutinised the Environment Agency, said that stakeholders perceived that to be a conflict. Therefore, I am rather surprised that you cannot see that there is a perception of it, even if you do not accept that it is right.

[347] You also say in your report that you put citizens at the centre, and you mention what you have done. However, I see nothing here to say that you are reaching out to the communities that I represent—some of which are very poor and deprived. Your communication with poor people, who often live close to those bad-neighbour industries, is important. They are the ones who tell me that they do not believe that you are the champions of the environment. Therefore, it seems that you are not pleasing anyone by claiming that badge.

[348] On environmental crimes, which you mentioned in your presentation—these are the breaches of licences and polluters, and so on, or criminals, I suppose; if they are environmental crimes, we call them criminals—there are £400,000 fines, but I believe that you said that you also had costs of £122,000. Why are you not getting costs awarded? Why are you not able to convince the courts that you should have your costs awarded? That is odd; perhaps you would like to expand on that.

[349] You also said that you were improving habitat. How are you measuring that?

[350] I could go on, Glyn, but I am probably running out of time; we have not really had enough time to spend on this scrutiny session.

[351] Glyn Davies: I will bring Brynle in as well. You make a fair point, Jocelyn.

[352] **Brynle Williams:** Following on Jocelyn's point on the champions of the environment, I am afraid that, like Jocelyn, I do not believe that that is quite so. I have spoken to you before about one of these issues, which was inland fishing. It was sad to hear you say that salmon is not increasing in the River Dee. I have given you evidence as to why, but nothing seems to be done.

[353] I am conscious of time, so I will be brief. On the protection of SSSIs, I live near some open common land and, only recently, the Minister has had a report on the fact that that land does not seem to be high up on the priority for tipping, pollution, and so on. These are all acts of vandalism that we should be looking at, and the Environment Agency should be seriously looking at that. It may not be high among your priorities. I, for one, am an ardent supporter of the EA—believe it or not—but I want to see you use your teeth. That is very important. I will speak to you about it afterwards, because I am conscious of the time.

[354] **Glyn Davies:** Before you come in, Chris, it is obvious that this item could have lasted a few hours, because there are so many issues to discuss. I will talk to the clerk, because there are a number of issues that we could be considering as separate agenda items. We will talk about what might come forward, as I said. We have not touched on contributions to the emissions trading scheme, the second scheme and a lot of issues. We will have a discussion about what might be individual, separate items. However, respond to the points that have been made and that will be the last contribution to the debate.

[355] Mr Mills: David will talk about the fines.

[356] **Mr Webster:** First, on fines, the Environment Agency does not retain them; they go back to the Treasury. So, we have no ability to retain the fines that are awarded in court. [*Interruption*.] In terms of costs, we have had an education programme with magistrates courts, where we have talked to magistrates about the nature of our prosecutions and the costs involved. We have tried to educate them so that, when they award costs, we get a high percentage. The award is at the discretion of the courts and is in relation to individual cases. We are trying as hard as we can to get our costs up, but, because it is at the magistrates' discretion, there is little that we can do in that circumstance, other than education and training.

[357] Tamsin Dunwoody: The principle is for you to— [Inaudible.]

[358] Mr Webster: Exactly.

[359] Glyn Davies: Can you deal with all of the issues raised, and that will be the last contribution to this debate?

[360] Mr Mills: I will ask Dave to talk about protecting the habitat.

[361] **Mr Clarke:** In relation to Brynle's point, first, in terms of habitats, we undertake a range of improvement projects, often in partnership with the Countryside Council for Wales and other organisations. We are, in many cases, leaders for individual species in biodiversity action plans, which are cross-agency plans. In other cases, we contribute through direct activity in terms of things like rubbish management and our regulatory activity. In respect of the specific point that you made about tipping, and fly-tipping in particular, we share roles in respect of enforcement with local authorities on that. It is important to be clear about what our respective roles are. We have a memorandum of understanding in place with the Welsh Local Government Association and local authorities, whereby we undertake the role of response where there are substantial issues, such as drummed waste—we have agreed to deal with that specific item. But, the vast majority of fly-tipping response is in the local authority domain. So, we only have a limited role in terms of the current division of responsibilities in that area.

[362] Finally, as a general point, I am not aware of the specific case that you are referring to. If you put that information to us in substantive detail, that would be helpful.

[363] **Mr Mills:** To come back to Jocelyn on her point about deprived communities, we had a conversation not so long ago about that, and I provided you with information about a particular issue. It is high up on our agenda. In terms of community strategies, we cannot get involved with all community strategies and all aspects of them. We have prioritised those to get involved with deprived communities—that is our way of prioritising in terms of community strategy—so the will is certainly there. I take what I think was your point about communicating that to the people concerned, and there is almost certainly, as there always is with communication, more that we could do. It is certainly a priority for us and we are not neglecting it.

[364] **Jocelyn Davies:** However, if you dub yourself 'champion of the environment', there are certain expectations immediately and you have a conflict with other stakeholders. So, you are in a no-win situation, because you will not meet anybody's expectations, and you have got yourself into a situation of conflict with other people. That is the point.

12.40 p.m.

[365] **Glyn Davies:** I will bring this to a close with a couple of points. The first point is that I will ask the clerk to e-mail Members to suggest specific issues from today's meeting that might come forward as agenda items for the future, because so many issues came out of today's discussion, and we cannot fit them all into our next meeting in Colwyn Bay, as that is already too full. It may be that, in the meeting after that, we can fit in as an agenda item any specific part of what we have not covered today as fully as we would have liked. Tamsin, do you have a point to make, because I want to close this meeting?

[366] **Tamsin Dunwoody:** I was going to bring this up under any other business, but, frankly, scrutinising ASPBs, non-governmental organisations, or whatever you want to call them, using a format such as that which we have used today, is unsatisfactory for us as committee members, because we do not have the time. There are things, such as the budget, that we have not seen, and, in part, carbon dioxide emissions have not been touched. You will recall, Chair, when you accompanied me to a rapporteur scrutiny session, that we spent some three hours with the organisation, and that was a full, detailed and, for them, painful experience. However, that is our duty as Members, and I think that we need to reassess how much we are trying to fit into the agenda.

[367] **Glyn Davies:** I can only respond by saying that I react to what happens in committee; I have heard this debate, and one way of dealing with it is to ask for specific agenda items. There are a couple of points to which I would respond, the first being that we are, to some extent, controlled in what we can do by the Assembly timetable. The second point is that, in my experience, when we organise these meetings, it is not always easy to get all the Assembly Members to attend the full scrutiny sessions that we are talking about. People just do not have a timetable that allows it. I take your point, and we can discuss this matter—and I will discuss it with you separately as well—because we want to scrutinise properly. You can only set aside time as we have done—it clearly is not enough as we like to deal with specific issues that arise from the discussions. You will be e-mailed and invited to suggest what those might be. However, it is not easy to do this, simply because of the time issues.

[368] **Tamsin Dunwoody:** I acknowledge the time constraints, which is why, in the committee's previous manifestation, it was the committee that appointed three rapporteurs, and people were in agreement on taking on the subject areas, and they then went about that work and reported back to committee. It was a more appropriate use of people and very limited time.

[369] **Glyn Davies:** One of the obvious questions that I would have asked the clerk after this meeting is, 'Is there a better way of dealing with this?'. I just feel that this meeting should end now—it should have ended 10 minutes ago, as people have other meetings to attend. That is what I will do, and, in doing so, I thank you for coming here and helping us, Chris.

[370] **Mr Mills:** May I crave your indulgence? We have tried to put a great deal of effort into putting together our report and so on, and we are more than happy to share this information with you. Ours is a vast remit, and to try to cover that in 45 minutes is incredibly difficult, if not impossible. There may be some better way by which we can share with you in more detail certain bits of what we do—the bits that you are particularly interested in—and we would be more than happy to do that. Whether we would need to do it in a committee meeting or at our offices remains to be seen, but we would be happy to accommodate you.

[371] Glyn Davies: Taking that on board, I really am ending this meeting. Thank you for coming and helping us.

Daeth y cyfarfod i ben am 12.43 p.m. The meeting ended at 12.43 p.m.