



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

Y Pwyllgor Amgylchedd a Chynaliadwyedd **The Environment and Sustainability Committee**

Dydd Iau, 2 Gorffennaf 2015
Thursday, 2 July 2015

Cynnwys
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, a transcription of the simultaneous interpretation is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Mick Antoniw	Llafur Labour
Jeff Cuthbert	Llafur Labour
Russell George	Ceidwadwyr Cymreig Welsh Conservatives
Llyr Gruffydd	Plaid Cymru The Party of Wales
Janet Haworth	Ceidwadwyr Cymreig Welsh Conservatives
Alun Ffred Jones	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Julie Morgan	Llafur Labour
William Powell	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Jenny Rathbone	Llafur Labour
Joyce Watson	Llafur Labour

Eraill yn bresennol
Others in attendance

Matthew Bell	Prif Weithredwr, Y Pwyllgor Newid Hinsawdd Chief Executive, Committee on Climate Change
Robert Berry	Cymrawd Ymchwil, Sefydliad Ymchwil Cefn Gwlad a Chymunedau, Prifysgol Swydd Gaerloyw Research Fellow, Countryside and Community Research Institute, University of Gloucestershire
Martin Bishop	Rheolwr Cenedlaethol Cymru, Confor National Manager for Wales, Confor
Peter Davies	Cadeirydd, Comisiwn Newid Hinsawdd Cymru Chair, Climate Change Commission for Wales
Yr Athro/Professor Janet Dwyer	Cyfarwyddwr, Sefydliad Ymchwil Cefn Gwlad a Chymunedau, Prifysgol Swydd Gaerloyw Director, Countryside and Community Research Institute, University of Gloucestershire
Haf Elgar	Ymgyrchydd, Cyfeillion y Ddaear Cymru Campaigner, Friends of the Earth Cymru
Dr Nick Fenwick	Pennaeth Polisi, Undeb Amaethwyr Cymru Head of Policy, FUW
Ifer Gwyn	Pen Swyddog Polisi, Parc Cenedlaethol Eryri Principal Policy Officer, Snowdonia National Park

Rhianne Jones	Cynghorydd Polisi Cymru, CLA Cymru Policy Adviser Wales, CLA Cymru
Richard Leonard	Rheolwr Amgylchedd, Tata Steel Environment Manager, Tata Steel
Rachel Lewis-Davies	Cynghorwr ar yr Amgylchedd/Materion Gwledig, NFU Cymru Environment/Rural Affairs Adviser, NFU Cymru
Yr Athro/Professor Terry Marsden	Cyfarwyddwr, Sefydliad Ymchwil Mannau Cynaliadwy, Prifysgol Caerdydd Director, Sustainable Places Research Institute, Cardiff University
Jessica McQuade	Swyddog Polisi, WWF Cymru Policy Officer, WWF Cymru
Anne Meikle	Pennaeth, WWF Cymru Head, WWF Cymru
Peter Ogden	Cyfarwyddwr, Ymgyrch Diogelu Cymru Wledig Director, Campaign for the Protection of Rural Wales
Peter Quinn	Pennaeth yr Amgylchedd a Newid Hinsawdd, Tata Steel Head of Environment and Climate Change, Tata Steel
Neville Rookes	Swyddog Polisi Amgylcheddol, Cymdeithas Llywodraeth Leol Cymru Policy Officer—Environment, Welsh Local Government Association
Rachel Sharp	Prif Weithredwr, Ymddiriedolaethau Natur Cymru CEO, Wildlife Trusts Wales
Annie Smith	Rheolwr Datblygu Cynaliadwy, RSPB Cymru Sustainable Development Manager, RSPB Cymru

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

Alun Davidson	Clerc Clerk
Gwyn Griffiths	Uwch-gynghorydd Cyfreithiol Senior Legal Adviser
Lisa Salkeld	Cynghorydd Cyfreithiol Legal Adviser
Nia Seaton	Y Gwasanaeth Ymchwil Research Service
Adam Vaughan	Dirprwy Glerc Deputy Clerk

Dechreuodd y cyfarfod am 09:31.
The meeting began at 09:31.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introductions, Apologies and Substitutions

[1] **Alun Ffred Jones:** A gawn ni alw'r pwyllgor i drefn, a'ch croesawu chi i gyd yma? Rydych chi'n gwybod am y rheolau ynglŷn â'r larwm tân. Pawb i ddiffodd eu ffonau symudol. Mae'r Cynulliad yn gweithredu yn ddwyieithog, felly fe allwch siarad yn Gymraeg neu yn Saesneg. A oes

Alun Ffred Jones: Can we call the meeting to order, and welcome you all here? You know about the rules in terms of the fire alarm. Everyone to turn off their mobile phones. The Assembly operates bilingually, so you can speak in Welsh or English. Does anyone wish to declare any interests under

unrhyw un eisiau datgan buddiannau o dan Standing Order 2.6? No? There are no Reol Sefydlog 2.6? Na. Nid oes dim substitutions, and we're expecting Jenny dirprwyo, ac rydym yn disgwyl Jenny Rathbone later on. Rathbone yn nes ymlaen.

09:32

Bil yr Amgylchedd (Cymru)—Cyfnod 1: Sesiwn Dystiolaeth 4
Environment (Wales) Bill—Stage 1: Evidence Session 4

[2] **Alun Ffred Jones:** A gaf i groesawu **Alun Ffred Jones:** May I welcome our ein tystion? witnesses?

[3] A warm welcome. Thank you for attending this session on the Environment (Wales) Bill before us. A lot of ground is to be covered in a comparatively short period of time. So, this is your opportunity to have your say and to help us—to assist us—in our deliberations. We'll kick off, then.

[4] **Llyr Gruffydd,** wyt ti eisiau dechrau? **Llyr Gruffydd,** would you like to start?

[5] **Llyr Gruffydd:** Well, thank you. Good morning. I'd just like to start by asking for your views on the appropriateness of the definition of natural resources contained in section 2 of the Bill.

[6] **Alun Ffred Jones:** Who's kicking off? Janet.

[7] **Professor Dwyer:** I think it's an appropriate definition for natural resources. I think my feeling is more that there are wider issues that also need to be included within the purposes of Natural Resources Wales, because the powers that it inherited, effectively, from the bodies that it has replaced went wider than just natural resources, with a regard for cultural resources as well. That needs to be reflected, in my view, in the new legislation.

[8] **Alun Ffred Jones:** Anybody else?

[9] **Professor Marsden:** Yes. I'd just make the point that it covers various component parts, but the other point is that it's about the combination of these. There's a danger with this whole concept of ecosystems, services and natural resources to split things up. Of course, the whole point of sustainable management is the harmonious integration of these resources. So, as part of the natural resource, I'd like to see some mention of combination of resources in there, not just the actual components in a sense.

[10] **Llyr Gruffydd:** And what about the suggestion by some that there should be specific reference to landscape in that as well?

[11] **Professor Dwyer:** I think—

[12] **Alun Ffred Jones:** Don't touch the buttons.

[13] **Professor Dwyer:** Sorry.

[14] **Alun Ffred Jones:** You don't need to.

[15] **Professor Dwyer:** My view is that it's quite important that there should be a reference to landscape within the Bill because it's possible for natural resources to be

interpreted as not including landscape because landscape is both a natural and cultural resource. You could have natural resources without, explicitly, landscape. Over 10 years ago, we did work for the Countryside Council for Wales, looking at the relevance and the opportunities for Wales of the UK deciding to implement the European Landscape Convention, and, through that work, we became aware of how important and how much valued the landscape of Wales is by the people of Wales, and how much of a legacy of important work has been done in Wales in respect of landscape.

[16] **Professor Marsden:** Yes. I think that's right. I think one practical suggestion is under section 4 in the principles that it comes in, possibly, as a sixth dimension of subsection (g) there, which is to 'take account of the resilience of ecosystems, in particular the following aspects'. It could have a dimension there—the management of ecosystems within different landscapes—and then you could make some footnote reference to the European convention on landscapes, which would cover that in a sense. So, I think there is a danger that this could—. I understand the need to draft this in a fairly focused way, and that's what's happened, but I think it does need a reference to landscape, because landscape is one of the major ways, of course, in which these bundles of resources are managed.

[17] The other point to make is that it mentions 'consider the appropriate spatial scale', but it's not just about scale, it's actually about the combination of resources in places. I would prefer to see something on place-based management of ecosystem services, because it's this question of the integration of the management of land resources, not just the separate management of them, in that sense. So, there are two elements to this: one is landscape, as an amalgam of bundles of natural resource management, in a sense, and it's an important dimension.

[18] **Llyr Gruffydd:** Okay. Thank you for that. Just looking at the objective as well for sustainable management of natural resources—any views on that, or any amendments that you would like to see?

[19] **Professor Marsden:** I think that there's some definition later on, buried in the documentation on this, but I think there's a need to define ecosystems and, again, that relates to a definition that incorporates place as part of it, in a sense. Basically, it's about ecology at the end of the day, which is about the management of flora and fauna within any given space, so the definition of ecosystems is important to have upfront as a footnote to that objective.

[20] The other point I'd make is that I think it needs to be looked at in terms of the alignment with the—

[21] **Llyr Gruffydd:** Resilience goal?

[22] **Professor Marsden:** —future generations Act. And it seems to be that one of the purposes of this Bill is to define and focus the specific function around a resilient Wales, and that dimension.

[23] **Llyr Gruffydd:** Would you replace it, then, with that resilience goal?

[24] **Professor Marsden:** Yes, I don't see why not. I mean, why not use the same language rather than having wriggle room between these things? So, 'a resilient Wales', which is now on the statute book.

[25] **Llyr Gruffydd:** And some stakeholders have expressed concerns about not including biodiversity in that objective that's been proposed. Now, clearly, the resilience goal would incorporate that, but do you feel that's an omission, as the Bill stands?

[26] **Professor Dwyer:** I would think that's sensible. I had a question, actually, in reading about where resilience is referred to in this particular Bill, about whether we're taking a strong or a softer approach to the definition of resilience. So, does it mean maintaining functionality and structure or just functionality? Because I think that's critical, actually, in respect of the work that NRW would be required to undertake. My feeling is that a stronger definition is probably needed, because this is going to be the main agency with environmental responsibility in Wales.

[27] **Llyr Gruffydd:** So which should it be, then?

[28] **Professor Dwyer:** That would be functionality and structure.

[29] **Alun Ffred Jones:** Jeff, do you want to come in on this?

[30] **Jeff Cuthbert:** Yes. I think it's appropriate, because you raise the issue of the future generations Act, which, as you say, is on the statute book, and the question of the link, the co-ordination between this and the FG Act. For example, do you think there should be a clearer link between the state of natural resources report and the future trends report, which has to be produced under the FG Act? And, do you think they should be on the face of the Bill?

[31] **Professor Marsden:** Yes, I would argue that that would make a lot of sense to link it in. There is a real danger with a lot of this that there are going to be plans and reports going in all sorts of different directions, and they need to be sort of pulled together. Another example of this relates to designated landscape management plans that could deliver the area statements. But in terms of the overall state of the nation report, I think it should obviously lock in to and be porous to the future generations report. Otherwise, there's going to be duplication of all sorts of—

[32] **Professor Dwyer:** I think there is another important point there, which relates to what the state of natural resources report should contain, because, at the moment, there's very much a focus on looking at the current state. I think my colleague Rob wanted to talk about the need to look more broadly backwards and forwards in time in preparing that, yes?

[33] **Mr Berry:** Yes. I was going to raise this under data gaps. As well as concentrating on current data and the synthesis and analysis of current datasets, I think there's a need to look ahead to generating predictive data—I'm thinking in terms of climate change—in order to anticipate future ecosystems services management issues. I think that, as well as the collection, analysis and presentation of current data, there is a need to think about the generation of predictive data as well—future data.

[34] **Professor Dwyer:** It's because of the links with this as a resource for planning for the future. If you're only looking at the current situation, you haven't captured sufficient information to help you plan ahead. You need also to think forward, and to look backwards to look at past trends. So, I think a reference somewhere in the Bill to the need to be looking across the temporal dimension is important.

[35] **Professor Marsden:** It could be embedded in the principles more explicitly—it's spatial scale but also temporal dimensions.

[36] **Jeff Cuthbert:** Clearly, the Welsh Government will not want to have any contradiction or unnecessary duplication between the two Acts, as they will become. So, do you think—and I assume that you do—there's a need for more work to make sure that that joined-up thinking, that mapping across, is maybe even clearer?

[37] **Professor Dwyer:** I think I would agree with Terry that it would be helpful to have

some reference in this Bill to the need for harmonisation with the future generations Wales process.

[38] **Professor Marsden:** As I understand it, the future generations Act is the overarching framework in the national context, within which the environmental delivery is the responsibility of this Act and particularly of NRW with partners. So, in a sense, this does need to explicitly input into the future generations process all the way down the line. The public service boards, which are going to be the main vehicle for the wellbeing plans that are part of the future generations Act—NRW need to feed their information into that as well. So, yes, I think the connection with the future generations Act is critical. Otherwise, this could go off in a different direction. There's a lot of work to do—the implications of all this, around data not least, and monitoring and forecasting. The resource needs to be focused such that it's delivering for the environment but also for the natural resources management but also for future generations.

[39] **Jeff Cuthbert:** Thank you.

[40] **Alun Ffred Jones:** Our researchers have put together an indicative timeline of various reports that stem from the Act and this present Bill that runs to three pages. Perhaps you'd like to have a look at it to comment on it in the future some time.

[41] **Professor Dwyer:** That would be helpful.

[42] **Alun Ffred Jones:** Mick, are you—?

[43] **Mick Antoniw:** Yes. What you're saying brings me on to the point about section 9, because the report and the what-is-to-be-done part of it are quite fundamental to this legislation. What are your thoughts on it? There are two aspects: one is that it seems quite woolly in terms of its drafting—'we should' or 'we may, if we feel like it'; there's a bit of that in it, but, equally, there's how it fits within the future generations Act, which has very specific objectives. Again, the concern that emerges to me on this is that it doesn't quite explicitly fit in within the future generations Act, which has a very clear, sustainable framework.

09:45

[44] **Professor Dwyer:** If I could comment, in the Bill, we need to see clearly the difference between a state of natural resources report, which is a kind of exercise to see where we are and to think about where we might be going, and a policy that is actually setting out priorities, objectives and so forth. I think that, therefore, in thinking about how you approach the production of the national natural resources policy, it is, as you say, very important to have a very clear idea of what that will contain. I think that it's a good idea that has been suggested by some of the consultees that there would be an examination of risks and, I would say, challenges—rather than obstacles, because an obstacle suggests something absolute, whereas a challenge is a thing to be tackled or overcome—to natural resources management as well as opportunities and priorities. There should be a very clear attempt to set targets, I would say, within such a document, for achievement, which can be reported against, then, over time. I believe it's inappropriate to have words such as

[45] 'to take such steps as appear to them to be reasonably practicable',

[46] because it seems to me that that's a recipe for anything. I would want to see something firmer than that, which is that it's more to do with a duty to take that into account or something stronger.

[47] **Mick Antoniw:** On that particular point, I think you mentioned about this dealing with almost anything, but in actual fact the section actually says the

[48] ‘Ministers may include anything in the natural resources policy which they consider relevant to achieving’,

[49] et cetera. It’s very loose, isn’t it?

[50] **Professor Dwyer:** It is very loose, yes.

[51] **Professor Marsden:** It would seem to me it has to relate to the parameters of the principles of sustainable management of natural resources—section 4. So, it has to report on the delivery of all that, so you get some internal consistency into it, and take the wooliness out of it.

[52] The other concern I have about this—and it links particularly to the area statements, which would presumably feed in to this natural resource policy and the national report—is that it needs to be explicitly all-Wales, it seems to me, so that it isn’t a pick-and-mix approach. So, when we’re saying we’re having an approach that is natural resource management, we’re doing it as a national thing, not as an option. It’s not just necessary for the countryside; it’s actually for the whole of Wales. So, I think that’s an important issue: that these area statements need to be linked in to the public service board exercise, and the future generations Act, because there’s a tendency to duplication there.

[53] **Alun Ffred Jones:** You may have answered Mick’s other questions here, but Joyce, did you want to come in?

[54] **Joyce Watson:** Are you saying, then, Professor Marsden, that you don’t want to see an area statement, or you want to see a statement of all Wales? I wasn’t entirely sure.

[55] **Professor Marsden:** No, I think you need area statements, and I’m not sure you need to have fixed boundaries for what those area statements are. I think it could map on to what will be the new local authority areas. It could clearly map on to national park authorities, so that when national park authorities are producing their management plans, they become the area statements. So, there are ways of ensuring that you cover the whole of Wales with this, in these area statements, but I think it needs to be the whole of Wales, and it needs to be in partnership with other organisations that are in the process of delivering this.

[56] **Professor Dwyer:** I think that’s the point that I would believe is critical: that, if they’re going to be meaningful, they need to cover every area, but they also need to be closely integrated with the pre-existing plans of bodies that share similar goals, or breadth of goals, to Natural Resources Wales. So, the national parks’ opinion that their landscape plans, their management plans, should effectively be possible to represent or to act as area statements for those areas is sensible. We don’t want unnecessary duplication. But if you’ve only got them in those areas, and you haven’t got them in the areas in between, an ecosystems approach requires a holistic look at the territory. So, I think they need to cover all of Wales, and I think a time frame for their production should be included within the Bill to ensure that that process happens.

[57] **Joyce Watson:** If I can, alongside that, of course, somebody has to monitor and report on any impact in those area statements. So, do you think—and it has been suggested to us—that there might need to be a duty to require NRW to take on that function?

[58] **Joyce Watson continues:** to take on that function?

[59] **Professor Dwyer:** I think it's important that there is a duty to monitor and report. Something that I also think is really important in this whole process is transparency and accessibility, and the opportunity for public participation. Wales is, by virtue of being part of the UK, and also of its own volition, a signatory to the European Landscape Convention, which talks about the need to involve the public, to have public participation, in respect of landscape management and planning, and I think it should follow that through in this process and that these statements should be an opportunity for public participation.

[60] **Joyce Watson:** Okay; thank you.

[61] **Alun Ffred Jones:** Russell, do you—. Sorry, before you come in—Llyr.

[62] **Llyr Gruffydd:** I just wanted to pick up on that. What sort of governance arrangements would you like to see to drive the area statements and to deliver against them?

[63] **Professor Dwyer:** Again, it will have to vary, depending on which areas you're talking about. If you're talking about protected landscapes, which have their own governance arrangements already, those may be sufficient, because they already incorporate the need to work with farmers and landowners and other key actors and stakeholders in the process. I think it's in other areas that it may be that there'll be new governance arrangements that would need to be put together, ensuring the balanced representation of stakeholder interests.

[64] **Professor Marsden:** I agree with that. I think the 25 per cent of the land area that's protected and designated we can manage through that. In a sense, they're the leaders, in many respects, of that process, but it's the other 60 per cent or 70 per cent of the land that needs that—. It's not going to work, any of this, if it hasn't got this partnership approach, it seems to me. You're not going to deliver this through state action alone, by any means; we know that. You've got to have partnerships built up into this. So, how NRW manages that process, whether it creates partnerships to deliver the area statements, and so on, is a good question, I think, and then it needs to link up into both the scrutiny of the Assembly and the administration of Government as well, so that it's clear and transparent in that way. Otherwise, these concepts will just continue to be things that are seen sitting on the shelf and no-one will really understand what it means. So, it's got to lead to a change in practice, at the end of the day, and a thinking around it that's more holistic, and that takes a partnership approach.

[65] **Alun Ffred Jones:** Julie Morgan, on this point.

[66] **Julie Morgan:** I just want to pick up on what you just said there, that it should be clear and transparent. Do you think this is a basis for being clear and transparent?

[67] **Professor Marsden:** I think the danger is that it will become a technical exercise. This is always the danger with environmental things. It needs to be technical, and needs to be scientific, but it doesn't need to be a black box; it needs to be open. The question, then, becomes: how does it do that? Does it set up some set of partnerships around these areas to deliver it? So, there's a question of the internal governance of how NRW are going to manage this process and change practices—so, where they put that into place. Again, it does raise the question about: do they do it through public service boards or through that sort of process? But, all of this legislation, including the Well-being of Future Generations (Wales) Act 2015, is very much geared to changing the corporate behaviour of the public bodies, but, in doing that, it's going to have to take a partnership approach to it, otherwise it isn't going to deliver.

[68] **Professor Dwyer:** I think it's almost a feature of the times that there's a general recognition across the UK of the need to work more in partnership-based structures to achieve the appropriate governance for the long term of natural resources and cultural resources. I

think that governance arrangements and the accessibility of information are two sides—both important parts—of that process.

[69] **Mr Berry:** Just to echo that, when you're talking about technological approaches and spatial decision support systems, there's a real danger, as Terry said, that these things are viewed as black-box systems, exclusive, and only used by experts. I think in this it's going to be essential to include public participation at all levels—that includes data collection and analysis—to legitimise the decision making that comes out of these tools.

[70] **Alun Ffred Jones:** I'm very aware that there are Members who haven't had a chance. So, Russell, and then I'll come to Janet.

[71] **Russell George:** Thank you, Chair. The Bill gives NRW powers to enter into land-management agreements. I wonder if you have views on that. Also, as we're pressed for time, can I add another question as well? Section 22 of the Bill also provides that Welsh Ministers, if they receive an application from NRW, can suspend via regulation existing statutory requirements for up to six years. Do you have views on that as well?

[72] **Professor Dwyer:** I would like to strongly support the notion of providing NRW with broader management agreement powers. It already has some powers to enter into management agreements, and they are a very valuable part of that process of providing positive mechanisms for sustainable management of land. I think I have more misgivings about this proposal to allow existing statutory requirements to be suspended. I think if such a thing were written into primary legislation it does potentially set a dangerous precedent—the idea that an agency can say, 'We'll put aside other statutory legislation and be allowed to do what we want for six years'. How is that going to be controlled and who's going to decide?

[73] **Russell George:** Do your colleagues have a different view, or so you share that view?

[74] **Professor Marsden:** No, I share that—I think it's a bit worrying. I don't quite understand where that's come from, really—it doesn't make sense to me that you could have that. Again, one thing that needs to be tied into this is what's going on in Welsh Government in terms of developing the national planning framework and all of this and where that fits together, because it seems, again, at the top end here we're going to have a national planning framework that is going to be the responsibility of the Ministers to deliver. It looks very top-down, and, again, it needs to be balanced with this partnership approach.

[75] **Professor Dwyer:** I think that the toolkit is a great one—broader management agreements, ability to experiment—which, from my own personal experience—. I used to work for the countryside commission 20-odd years ago, and their experimental powers were hugely important in innovating in countryside management and approaches to sustainability. And the use of the general binding rules as a last resort—we have a situation now where farmers may in some situations decide to opt out of claiming their basic farm payments. If they do, then they're no longer governed by the cross-compliance requirements for good environmental condition. It might be necessary in those sorts of cases to have to resort to general binding rules. So, I would see those three tools as being useful. I'm just a little worried about this suspension of statutory requirements; I think there must be other ways around this. Sometimes, it's to do with the way in which statutory requirements work at the local level. There can be approaches that have been taken to meeting obligations that might sometimes be done in a way which—how shall I say it? It's overly restrictive in enabling positive change for good reasons. So, I think it's about local interpretation—it's not about being able to avoid statutory legislation.

[76] **Alun Ffred Jones:** Janet, and then Bill. Time is really short.

[77] **Janet Haworth:** Thank you. There's already been to reference to woolly language, and I share that. I there's a lot about the purpose and the 'what', but not enough about the 'how'. I fully agree with you; I think that, where things have been achieved, particularly on the ground at local level, effectively it's through partnerships of one kind or another. I just wondered whether you thought public bodies should be required to report on the outcomes. It's back to the 'how', isn't it? If you've done the 'how', you'll have an outcome. So, it's whether they should be required to report on outcomes they have achieved for biodiversity, as well as their actions.

[78] **Professor Dwyer:** I think it's sensible for NRW to have to report on outcomes. I think it would be potentially a significant burden if you extended that duty to much smaller bodies dispersed across Wales, because actually tracking the outcome of activities designed to improve sustainability can be quite a long-term and quite an onerous process. I think it's appropriate that the national body with responsibility for all of Wales must look at outcomes, because that's part of it meeting its obligations, but I think to put that duty on every other Minister or other bodies might be going a step too far.

[79] **Janet Haworth:** And I just wanted to follow up on the comment about planning—you mentioned the future generations Bill, but you also mentioned in passing linkages with the planning Bill—because, having sat on planning committees for many years, I think it's quite possible for—

[80] **Alun Ffred Jones:** Never mind your history, Janet; get to the question.

[81] **Janet Haworth:**—planning committees to make decisions that could undermine the purposes of what we're talking about here.

10:00

[82] **Professor Marsden:** We've got an opportunity in Wales to put these things together and to think about planning in a much more integrated way. We've got statutory land use planning—we've got a planning Bill relating to that. We've got wellbeing plans now, and we've got area statements here and plans to do with the natural environment. So, the challenge is to put those things together in ways that mutually benefit—they deliver sustainable land management, but they deliver other things for Wales as well; they deliver on the wellbeing agenda. So, you know, maybe I'm being naive and optimistic, but there is a chance there of putting those things together, although there is a danger of them being separate exercises. Therefore, you need Welsh Government and the Assembly at the top end to ensure that those things are knitting together in Wales, otherwise—

[83] **Alun Ffred Jones:** Bill. I'm sorry; I've curtailed you, but—

[84] **William Powell:** Just to take us back to section 5 and the issue of NRW's purpose, I wonder if you could comment briefly on your views on the new purpose proposed for NRW, particularly as some stakeholders are concerned—and you may well share that concern—that the inclusion of the phrase 'seek to' should be removed so as to strengthen the duties placed upon NRW, and, finally, the removal of the term 'environment' in terms of NRW's general purpose, and any comments you have in that area, please.

[85] **Professor Dwyer:** If I could address the first issue first, I think the problem with removing 'seek to' is that, actually, NRW can't achieve its goals of sustainable management of natural resources on its own, and therefore I don't think it would be appropriate to remove 'seek to'. I would actually propose an alternative, which is to remove 'seek to achieve' and replace it with 'pursue'. I think that's a stronger obligation.

[86] **William Powell:** It's more emphatic.

[87] **Professor Dwyer:** Yes, it's more emphatic, but I think, if you just took out 'seek to', you'd be saying that the statutory purpose is to achieve sustainable management of national resources itself as an organisation. Well, you know, that requires an awful lot of other people, actually, to do a lot, which goes beyond what NRW can directly do itself. So, I would instead recommend 'pursue'.

[88] **Professor Marsden:** I don't disagree with that. My view was to put in 'achieve or progress' and 'progress or pursue'—I think that makes a lot of sense.

[89] Whether the word 'environment' needs to go in there as well, it's a good question. In many respects, it does, because I think, whilst we can argue that everything is related to everything else and integrate it into sustainable land management, this Bill is about the environment. It's about the natural environment end of it, in a sense, and the way that contributes to the broader people and landscape and everything else, but it is about the management of the environment. So, some way of getting the environment back in, given it's an environment Bill—and it's in the title of the organisation—would seem to me to be appropriate.

[90] **Alun Ffred Jones:** Do you wish to leave us with any last thoughts before we move on?

[91] **Professor Dwyer:** Just very briefly, I would very much endorse what committee members have said about the importance of partnership working. I think that should be emphasised in the way in which NRW carries out its duties. I think landscape is an essential thing that has been lost and it risks changing the remit of the organisation if it's not somewhere in the legislative wording. And I think, if you wanted to make the links better with the planning system, maybe to ensure that the national resources policy and the area statements become material considerations within the planning system would be useful.

[92] **Professor Marsden:** I'd just add, on the biodiversity, section 6, I think there is an argument for including 'restoration' in there, because we are declining. We're losing biodiversity, and I think it's important to see this as a restorative process. And a link to the convention. The target of the convention on biodiversity is an important link here. In fact, I think links with international conventions in terms of landscape and biodiversity need to be in this document, because we want Wales to be internationally progressive in this area.

[93] **Professor Dwyer:** Yes, and Wales has indeed been a leader in that respect in the past.

[94] **Alun Ffred Jones:** Mr Berry, do you—

[95] **Mr Berry:** I intended to say something on existing data gaps and how they may be filled. I've got quite a lot to say on this, but I don't know if—

[96] **Alun Ffred Jones:** I think, probably, you'll have to send it in.

[97] **Mr Berry:** If the committee would be interested in me providing a note—

[98] **Alun Ffred Jones:** I think we would, and that's an open invitation. If there's anything that you feel we haven't covered that you feel strongly about, please will you put it in writing?

[99] **Mr Berry:** Yes, I'll certainly provide that.

[100] **Professor Dwyer:** Thank you very much.

[101] **Alun Ffred Jones:** I'm very sorry that we've curtailed the morning session, but we're seeing a lot of people today. Can I thank you very much for coming in? We look forward to receiving further comments from you.

[102] **Professor Dwyer:** Diolch yn fawr iawn.

10:05

Bil yr Amgylchedd (Cymru)—Cyfnod 1: Sesiwn Dystiolaeth 5 Environment (Wales) Bill—Stage 1: Evidence Session 5

[103] **Alun Ffred Jones:** We'll move on to item 3.

[104] Rydym ni'n croesawu'r tystion o RSPB Cymru, Ymddiriedolaethau Natur Cymru, Wildlife Trusts Wales and the Cymru ag Ymgyrch Diogelu Cymru Wledig. We welcome the witnesses from RSPB Campaign for the Protection of Rural Wales.

[105] Who'd like to kick off on this one? We could leave it as it is, of course, but Llyr gets the—*[Interruption.]* Well, we're now on section 2.1 of the brief. We'll all have an opportunity, but we'll get Joyce Watson to kick off, then.

[106] Diolch yn fawr. A gaf i eich croesawu chi i gyd yma i'r pwyllgor? Rwy'n falch o groesawu y pedwar ohonoch chi. A gaf i ofyn i chi gyflwyno'ch hunain i ni a dweud pwy ydych chi'n ei gynrychioli? Wedyn, byddaf i'n gofyn i Joyce Watson ddechrau. Felly, pwy sydd am ddechrau? Thank you very much. Can I welcome you all here to the committee? I'm pleased to welcome the four of you. Could I just ask you to introduce yourselves to us and to tell us who you are here to represent? Then I'll ask Joyce Watson to start with the questions. So, who wants to start?

[107] **Ms Sharp:** I'm Rachel Sharp. I'm the CEO of Wildlife Trusts Wales, but I'm also here as part of the Wales environment link network.

[108] **Ms Meikle:** I'm Anne Meikle, the head of WWF Cymru and part of the WEL network.

[109] **Ms Smith:** I'm Annie Smith from RSPB Cymru, and chair of the WEL natural resources working group.

[110] **Mr Ogden:** And I'm Peter Ogden, the director of the Campaign for the Protection of Rural Wales.

[111] **Alun Ffred Jones:** Reit, diolch yn fawr iawn. Croeso i chi i gyd yma, ac rydym ni'n ddiolchgar iawn ichi am ddod atom ni. Joyce Watson sy'n mynd i ofyn y cwestiynau cyntaf. **Alun Ffred Jones:** Thank you very much. Welcome to you all here, and we're very grateful to you for coming here this morning. Joyce Watson's going to ask the first set of questions.

[112] **Joyce Watson:** Good morning. I read your paper. Thank you. I'd like you to outline why you believe that the definitions and objectives contained in sections 2 and 3 of the Bill need amending.

[113] **Ms Smith:** Okay, thank you, Joyce. I'll start on that one. The key concern that we

collectively have about sections 1 to 5, really, of the Bill, which set up definitions, principle, objectives and the general purpose of Natural Resources Wales, are that we don't feel that they adequately reflect the ecosystem approach. So, for example, the principles set out for sustainable natural resources management have a focus on ecosystem resilience, which feels like an appropriate and important focus, but our concern is it's at a very high level, and really creates a focus around ecosystem services and use of the natural environment at the expense of conservation and recovery of biodiversity, which are the building blocks of ecosystems, for example. So, critically, we'd suggest that the principles, in particular the bits that define the aspects of ecosystem resilience, need to pinpoint biodiversity as one of those aspects.

[114] **Joyce Watson:** Okay, so following on from what you've said—[*Interruption.*] We can't get everybody to answer the same questions, or we won't have enough time. So, following on with that, could you explain, then, why you believe that a reference to restoration is needed in section 3(2), and what additional obligations that might create?

[115] **Alun Ffred Jones:** Are you going to have a go at this, then?

[116] **Ms Smith:** Just to explain the point of promoting restoration, it is actually a word that occurs in the Natural Environment and Rural Communities Act 2006 as part of the definition of conservation, which is linked to sections 6 and 7 of this Bill, but it really reflects where we are, that we've arrived here because of historic losses to biodiversity, and this is an opportunity here to look at restoration as well. To deliver resilient ecosystems, we need to focus on what we've got left, protect them and enhance them, but also part of the ambition of this and the area statements et cetera should be restoration of habitats, which is something that's really missing from the approach at the moment.

[117] **Joyce Watson:** Anybody else?

[118] **Alun Ffred Jones:** Does anybody else want to respond?

[119] **Mr Ogden:** Can I go back to the definitions issue, because I think there is a key point, from my point of view? Clearly, the word 'landscape' doesn't appear in the definitions, and it certainly doesn't appear anywhere in the Bill. I think that that is a worry, because what the definitions do is provide a very mechanical, recipe-book approach to what natural resources are. If you think about the real world, things don't work in isolation, and they actually work in combination. What we have is a set of individual building blocks that actually create second-order natural resources: higher added-value natural resources. When hydrogen and oxygen react, you don't get hydro-oxygen, you get water, and when many of these things react, you get landscapes. For me, the critical thing that is missing in this Act is the fact that it's not recognising this unity of the combination of things and that natural resource management takes place in a human context. That human context is landscapes.

[120] Twenty-five per cent of Wales is designated as national parks, which are national resources of national importance, because of their landscapes. Fifty-four per cent of Wales is designated or is recognised as being of outstanding landscape importance. So, for me, there is a definitional problem. If you go with the definitions as they stand, then there is something missing. Therefore, from my point of view, the context of all of this has got to be captured within the other provisions of the Bill, and the Act. Therefore, the scope and the nature of where natural resources management takes place is critical to the way in which it succeeds. It cannot be successful—

[121] **Alun Ffred Jones:** I think you've made the point very well. Joyce, do you want to continue?

[122] **Joyce Watson:** Moving on from that, would you like, any of you, to provide an

example of the sort of principles to resolve conflicts—and you talked about a possible conflict there—between the priorities that section 4 should contain?

[123] **Ms Sharp:** I'll take this. Fundamentally, NRW will find itself in areas where there will be conflict, and there will have to be a prioritisation. What comes first? What is going to be the central priority of the organisation? Now, part of that issue lies within its new duty, which we'll go into in more detail later on, hopefully, in this session. So, at the moment, it's being asked to balance all things equally: the environment, society and the economy. Fundamentally, there is a thing called the precautionary principle where, because what you're trying to achieve is the sustainable management of natural resources, you've got to look at that as your overriding priority. So, we feel that the environment should be that overriding priority. In that way, you'd be compliant with the precautionary principle, and also the Sandford principle. There is precedent for this. The Scottish Environment Protection Agency actually have as part of their duty that they will look at all aspects of sustainable management—but there's a clause in there saying as long as it does not distract from its primary purpose of maintaining and enhancing the natural environment. Now, we believe that is severely lacking in this Bill as it stands.

[124] **Alun Ffred Jones:** Okay. William, did you want to come in on this?

[125] **William Powell:** Diolch, Gadeirydd. Would it be premature to move to the purpose, Chair, and section 5?

[126] **Alun Ffred Jones:** Have you finished Joyce? Okay.

[127] **Llyr Gruffydd:** Sorry, can I just pick that up? Professor Janet Dwyer made a point earlier about the need for functionality and the structure of ecosystems to be a stronger focus. I presume that you would concur wholeheartedly with that.

[128] **Ms Meikle:** Perhaps I could pick up, because I think the other thing that's missing from the way the principles are worded is a very important one of the principles. If you look in the explanatory memorandum, they're beautifully laid out, what the principles of ecosystem management are, but the key one that's missing is called integrity.

10:15

[129] That's one of the two key ones that's missing. Integrity means being able to manage, so that an ecosystem functions within its limits. We had this discussion about the Well-being of Future Generations (Wales) Act 2015, you will recall—about the lack of the words about environmental limits. They're in the FG Act now, but that principle is missing out of here. That integrity of ecosystems and their ability to function, I think, is exactly the point that she's making: there isn't enough in there about it. It's actually just been missed out altogether, along with the other one, which is about balancing the use and conservation of biodiversity within an ecosystem. At the moment, there's a lot of focus on the use, and less on the balance part of the way this is laid out, because of what's missing out of those principles, I think.

[130] **Llyr Gruffydd:** Would you go as far as to say, then, that there's a fundamental misunderstanding in the Bill around ecosystem resilience?

[131] **Ms Sharp:** I'm quite happy to lead on this one. Fundamentally, the idea was to set out to undertake an ecosystems-based approach, okay? So, that's a very holistic way of looking at it. Actually, what comes through as a narrative in this is the use of natural resources. It's trying to get ecosystem services. That is fundamentally completely different, and that we don't feel is going to be sustainable. Actually, what you're looking at is what you can derive out of it for people. Now, certainly, the natural world has a lot to offer to the

citizens of Wales, and we should be looking at how we can maximise that, but in a sustainable way. Remember that biodiversity is the building block: without it, you don't have any services. This is a mantra that I've been banging on about for years. You need to invest in your basic raw material, if you like, and you need to respect that. That is lacking throughout the whole narrative of the Bill.

[132] **Ms Smith:** Just to add to that, if that's all right, some of the narrative around this actually goes as far as to say worrying about species and what we need to do to protect and enhance populations and make them resilient might be contrary to our objectives in relation to ecosystem services. That, fundamentally, is not the ecosystem approach. That's an ecosystem services approach, which has a place within the framework but is not the whole framework. So, unless we're delivering that biodiversity conservation and looking after those building blocks for their intrinsic value and for our own self-interest, we're not delivering an ecosystem approach.

[133] **Mr Ogden:** Can I just add that the same applies from a landscape point of view? You've got to have a holistic approach to landscape change that encompasses ecosystem services. The cultural identity that our landscapes have got is based on a human history of change. We've got to safeguard what's important within that. So, it's back to this issue that you've got to manage the whole, and not just the outcomes of this.

[134] **Alun Ffred Jones:** We'll move to William Powell.

[135] **William Powell:** Thank you, Chair. If I could move us on to section 5, NRW's purpose, I wonder if you could clarify why you believe that the removal of the words 'seek to' from the purpose that's been proposed for NRW in section 5 is important. Also, we've just had a session previously when this question was aired, and Professor Dwyer suggested that maybe the inclusion of 'pursue', and Professor Marsden suggested 'progress' might be a useful alternative and a more emphatic way of encapsulating what we would seek to achieve.

[136] **Ms Meikle:** I think this is a general point, and, again, I feel a sense of déjà vu around the FG Act. We had many a discussion about the qualifying words on the duties in that Act, where there were lots of 'seek to' and whatnot, which were eventually removed because they were—. In some instances, it's a very important legal safeguard, to prevent public bodies being under an obligation to do something they simply cannot be responsible for, which is quite reasonable, but some of the time—and there are quite a few examples in here—those 'seek to' words are in there for no apparently good legal reason, I think. There are other examples of similar wording. For instance, there's something like, 'taking what you consider to be reasonable steps'. What's wrong with just 'take reasonable steps'? That's what's in the FG Act. There are several of those, and I think there's just a bit of a theme. Actually, you could strengthen and clarify a lot of the duties by removing some of those qualifiers in several places through the Bill.

[137] **Alun Ffred Jones:** Are you on this, Mick?

[138] **Mick Antoniw:** Yes. The words 'shall take all reasonable steps to' would be a preferable duty, rather than the way it's drafted at the moment.

[139] **Ms Meikle:** Yes, because 'reasonable' is taken legally to mean, I think as I understand it, that it's reasonable within the framework or the statutory functions of that body. It wouldn't be reasonable to expect them to do something that is outside their remit.

[140] **William Powell:** Is it your view that the Bill as currently drafted gives sufficient refocus on NRW's purpose on the resilient Wales goal of the Well-being of Future Generations (Wales) Act 2015?

[141] **Ms Smith:** I think our preceding discussions point to the fact that we're concerned that it doesn't do that in as much as the resilient Wales goal refers specifically to a bio-diverse natural environment. The objective in the Bill reframes that in terms of the resilience of ecosystems. While the Government argues that the resilience of ecosystems captures biodiversity because resilience depends on diversity, actually, we're concerned that it's not sufficiently explicit about that component. So, you could expect a focus on ecosystem resilience to mean a focus on broad habitat types that would deliver specific services, which could, if it's not an integral aspect of what's being called for, neglect the needs of specific features of those ecosystems, the species and the niches that they occupy. If we are going to have truly healthy functioning ecosystems, that needs to be part of the focus. There's evidence from elsewhere in the world. For example, in Australia, many of the states deploy natural resources management frameworks. They have not reversed biodiversity decline through a focus on natural resources. That still requires a specific focus and planning, et cetera, in order to make sure that it's integrated. We believe very strongly it can be integrated into the broader objectives, but it won't happen automatically, and I think that's a critical disagreement between us and the Government, really.

[142] **Ms Meikle:** If I also may, one of our other key concerns is that, in the Minister's answer in your previous session, he was suggesting that one of the purposes of changing the purpose was to ensure that NRW had to seek to achieve all of the goals in the FG Act. You don't need to do that. They're already subject to that Act, and there is no doubt about it, as every other public body is. You don't need to duplicate that requirement in here. What we think you're doing is undermining the focus of NRW's original role from the Environment Agency at least, and from CCW's role, about environmental protection and regulation. One of the key concerns I have is that there is, as the explanatory memorandum says, something like 200-odd pieces of legislation that give statutory functions to NRW, and most of those would be focused around goal 2 in the FG Act and some of goal 1, where the climate change and the resource management issues sit under the FG Act. So, the limits, climate change and resource management, are in goal 1, and goal 2 is about this. Now, there is no suggestion, as far as I can see, that anybody is suggesting changing any of the health legislation to force health boards to move their focus to all of those goals. They still have a primary expertise and function on delivering one of the goals, and we think that should remain the case here. But, it's clear that NRW is the independent expert advisory body as regards the delivery of the environmental component of those goals, not that they do not contribute to the others—of course, they must.

[143] **Ms Smith:** They do that using their tools that are geared around the management and protection and regulation et cetera of the environment. So, that's what they can do and, in that way, they can contribute to the broader suite of goals.

[144] **Ms Sharpe:** It is also essential that you have to remember the practicality of this. In the future, NRW staff will refer back to this duty and will say, 'Right, what's my priority here?' If NRW's not the environmental champion, then who is going to be?

[145] **William Powell:** In the light of the last three comments, I think I probably know the answer to the question that I have. My final question is whether you share the concerns of many other stakeholders—and indeed Professor Marsden only this morning—at the removal of the term 'environment' from the establishment Order of NRW and why that is the case.

[146] **Alun Ffred Jones:** A 'yes' or a 'no' will do.

[147] **Mr Ogden:** Yes.

[148] **Ms Sharp:** Yes.

[149] **Ms Smith:** Yes.

[150] **Ms Meikle:** Yes.

[151] **William Powell:** Okay. Thought so. Thank you. Diolch.

[152] **Alun Ffred Jones:** Janet, are you indicating?

[153] **Janet Haworth:** Yes.

[154] **Alun Ffred Jones:** Where are you taking us, Janet? [*Laughter.*]

[155] **Janet Haworth:** Where would you like to go, Chair? [*Laughter.*]

[156] **Alun Ffred Jones:** We can discuss that afterwards.

[157] **Janet Haworth:** We could go to Heathrow's extra runway, if you like. No. I just wanted to ask you again about the fundamental purposes of this Act. By the fact that the concept of landscape is missing, we are missing that fundamental connection. Landscapes are affected by people, but people also affect landscapes. That discussion of long-term and short-term impacts of events within the landscape is not getting the full coverage, I think, it needs in this Act. I just wondered what you thought about that. Is that a nice place to go, Chairman? [*Laughter.*]

[158] **Alun Ffred Jones:** Yes.

[159] **Mr Ogden:** It's a beautiful place to go for me. [*Laughter.*]

[160] **Alun Ffred Jones:** You can have another go at this Peter, but not at length.

[161] **Mr Ogden:** Limited, okay. I start off by referring to 'The Wales We Want' discussion that took place as the national conversation and the comment in there:

[162] 'The value of landscape to society needs to be better appreciated due to the benefits it brings to achieving better health outcomes, wellbeing, a sense of place-making, encouraging tourism, whilst also alleviated flooding.'

[163] Now, that captures it for me. Landscapes are about creating the sense of place that people want to live their lives. The environment around us is the sense of place that people want. Now, biodiversity is a very, very important element of that, and I think if you jettison the cultural dimensions of language, history and all of the associations that we have with the place where we live, then we're losing something. Natural resource management should further that sense of place and enhance it and not be rejected or, let's say, dismissed as not part of it. So, as a simple answer, they're very important—landscapes and seascapes. It's not just landscapes; seascapes—the marine areas—are very important too.

[164] **Alun Ffred Jones:** Anne.

[165] **Ms Meikle:** I was just going to say that it brings me back to one of the things I have a slight concern about. Rachel and Annie have sat on the reference group that has worked on the development of a lot of this legislation, but what concerns me about the lack of the landscape in here is the one example that seems to be very obvious to us of where some of the existing legislation may or may not be being contradicted to this purpose. At the moment, there is a sort of catch-all clause in there that says that this purpose applies except if it's

contradictory to any other statutory function, which is obviously necessary because it doesn't appear—I've never seen a table that actually does some analysis that says, 'Well, here are all the duties and functions of NRW as laid out by these various pieces of legislation and we've worked out where there are gaps or where there are contradictions to the ecosystems approach and to this new way forward and we have a plan in place to address any such inconsistencies, either by amending the original legislation or by dealing with it in here'. It seems to have sort of come on top, without a lot of analysis of any potential gaps or inconsistencies. That worries me slightly. That one's obvious to us. There may be plenty of others buried in there that we don't know about.

[166] **Janet Haworth:** Chair, I think that's something our lawyers perhaps ought to look at.

[167] **Alun Ffred Jones:** Well, the point has been taken and is noted and—

[168] **Janet Haworth:** But I'd just like to say that there is precedent in law, is there not, for certain statutes trumping others? I'm thinking of health and safety. You can do this, but if it contradicts a health and safety requirement, then the health and safety will trump it. So, maybe there is something we need to explore here around this contradiction between statutes. We go on making statute, but I think that's an important point.

[169] **Alun Ffred Jones:** Well, anyway, no doubt we'll be advised on this, and the comment has been noted. Russell, can I move to you?

[170] **Russell George:** Thank you, Chair. Peter, in your evidence, you suggest that existing designated landscape management plans could be enhanced to take on the role envisaged for area statements. That's part of your written evidence. I just want to understand why you believe existing protected landscape management plans should be used.

10:30

[171] **Mr Ogden:** I think, firstly, there is a very clear difficulty in understanding what the relationship is between things like area statements, wellbeing plans and local development plans. On the face of this Bill, it is not at all clear a) what the status of an area statement is, and b) how it relates to all the other planning documents and policy statements. With regard to the area statements and management plans, we've already got management plans for national parks and areas of outstanding natural beauty, which cover 25 per cent of Wales. It's not beyond the realms of impossibility that, with a bit of further refinement across those geographic areas, those could be elevated, not just to, you know, area statements but to actual wellbeing plans for those areas. So, what I'm saying is that I think that there is a fundamental difficulty at the moment in this Bill in understanding how existing plans that we've got for protected areas or beyond them are actually going to integrate with these new area statements. The logic for me is that if you've got a defined area where there's a system operating you make that the area that is applicable to an area statement.

[172] **Russell George:** Do you think NRW will require additional resources to implement area statements?

[173] **Mr Ogden:** Well, again, we come back to the discussion you had last week as to what is the actual content of an area statement. Clearly, there were big differences between NRW and the Minister as to what those plans should contain. Were they action plans or were they just broad statements of intent and evidence? So, yes, clearly there could be implications, but I guess it's all part of the process of delivering natural resource management in those areas. That's taking place already; it's not as if we're starting from a blank sheet of paper. There is a lot of good work going on in Pembrokeshire, Brecon Beacons and Snowdonia on area approaches to natural resource management.

[174] **Ms Sharp:** That's a point, and, actually, throughout this whole Bill it's not clear where the transparency is. It's also not clear where the partnership working can come in because, at the moment, it's a very closed system and we're concerned, in the context of both, that it's not clear and transparent. Also, how are they going to foster these relationships to work in partnerships? A lot of our organisations are already working on an area basis and already have quite large-scale projects under way. There's none of that in this context, as we see here, because they can't deliver on their own. So, no, they won't have enough resources to do it. But it's also unclear how that relates to any of the other documents mentioned in the Bill—you know, how is the natural resource policy going to drive that change and how will the SoNaRR report back into the performance what we want to achieve in the areas? So, all of that is unclear.

[175] **Russell George:** Yes. So, what should change? How do you overcome that?

[176] **Ms Sharp:** Well, I'd actually look for things like statutory biodiversity targets, so, that would create a driver. So, you would have a real focus of what you want to be achieving. To see through the Bill to look at delivery, you have to look at what you want to achieve, who is responsible and what the consequence will be, because, otherwise, this could end up in a lot of process and not seeing any real change in delivery on the ground. So, those area statements have to have a purpose behind them, and they have to be plans. They can't just be further statements. We've got enough statements. We've got enough grand words about the things that we would like to achieve. We now need to see action.

[177] **Mr Ogden:** It is interesting that if you compare the planning Bill and what it says in the planning Bill about national development frameworks and the strategic plans, in the NDF there are four pages of very complex subsections explaining how it should take place, what the provisions are and what the consultation should be. Strategic plans have got five complete pages of the Bill about the same processes. In this Bill we've got, I think, two clauses. So, there is a huge disparity between the way in which the process and the outcomes of these plans are considered in this Bill compared to the planning Bill, which doesn't seem to be logical in our view.

[178] **Ms Smith:** I think that's absolutely critical, in that there is a hint of a structure here that could really deliver. You talk about high-level objectives, and obviously, for us, biodiversity targets is one of those in delivering biodiversity's recovery. You've got a high-level national policy that can set milestones, and an area-based approach that can disaggregate those and look at how to deliver them on an area basis, who to work with, et cetera. There is a real possibility here, but the Bill is so light in terms of any detail and, actually, any robustness about what these products are going to do. How are they going to make anything happen? How is national natural resources policy going to influence the national development framework, for example? How are it and the area-based approach going to influence local development plans? All we've got is a connection to the local wellbeing plan via the WFG Act, and who knows whether that instrument is going to be sufficiently detailed to actually secure outcomes through those other plans it should influence that reflect the objectives of national policy? It just feels so weak—

[179] **Russell George:** Is Anne shaking her head in disagreement or—

[180] **Ms Meikle:** No, no. I'm just astonished at it. Sorry.

[181] **Ms Sharp:** I mean, at the moment, the only clause is that they need to report. Well, you know, we can all report whatever activity. That's not going to stimulate the scale of change that we need to see to stop the continued loss of biodiversity, and that's the bottom line for my organisation: this Bill needs to achieve that, because we have failed time and time

again to achieve this.

[182] **Llyr Gruffydd:** What sanction is there if an area statement or these targets are not met? Well, there aren't any targets, but—.

[183] **Ms Sharp:** There's nothing specific in the Bill, but I think that, when the Minister was questioned on this, he said that you could always have judicial review. Now, we take issue with that, because who is going to take that judicial review? Unfortunately, at the moment, it's organisations like mine. We are a charity. Our charitable purpose is not to police legislation. We cannot afford to continuously take judicial review. We do not want to be put in that position. And, actually, one of the things I said to the civil servants was that a true test of this is that we stop having to take judicial review and public inquiries about decisions we feel are not correct.

[184] **Ms Smith:** In any case, if everything is about process—as, even in relation to the biodiversity duty, the duty to report is about what's been done in order to achieve the duty. The reason we're keen on a biodiversity target that tracks, indexed linked to species, is that we need some focus on outcomes. We need to know if this is actually delivering the recovery that we need to see in biodiversity in the context of international obligations and in the context of long-term functioning ecosystems. So, outcomes rather than process is the key message, I think.

[185] **Llyr Gruffydd:** Would you say that the suite of legislation around this is pretty comprehensive—it's just that it's not being implemented and delivered effectively?

[186] **Ms Smith:** In developing the position we're at, where we feel we'd want to see a statutory target for biodiversity in the Bill, we've looked at what's missing in the suite of tools available for nature conservation, and we feel it's a fairly comprehensive suite of tools. This Bill could really add to it because it could give the impetus for restoring at a large scale and it could give a mechanism for actors coming together on an area basis to deliver. So, what we really feel is needed is a driver: something that's going to give a focus in terms of the public and the Assembly, that's going to force Government to take leadership and ownership and report on what is a critical aspect of what, ultimately, apparently, is trying to be achieved. So, yes, I think—. I've forgotten even what the original question was, Llyr. I'm really sorry.

[187] **Llyr Gruffydd:** That's all right. Lastly from me, do you know of any examples of Governments that might have adopted statutory targets around biodiversity?

[188] **Ms Smith:** I don't, but a good model for what we're calling for is the climate change target and the way that's set out in the Bill, with a long-term target delivered through milestones and budgets and reports. I don't. Rachel, I don't know if you'd say more about that.

[189] **Ms Sharp:** I don't, but we can be groundbreaking in Wales and, actually, as this committee knows, we missed our 2010 biodiversity target; we are going to miss our 2020 biodiversity target, so something has to change. Those have all been on voluntary targets. This committee, when we missed the 2010 target, one of its recommendations from its inquiry—No. 1 was to set targets and to review them on an annual basis. That has not happened, so we do feel that now is the time to have statutory biodiversity targets, because it will create the driver that we need. We have seen the dramatic decline of biodiversity in that timeframe. Also, it's a bit ironic that, on the same Bill, on the climate change target, the Minister says:

[190] 'Including statutory targets will allow us to better evaluate progress...and confirm achievable targets to work towards'.

[191] This gets back to my question: what is it you're trying to achieve? For us, if you're trying to achieve biodiversity targets, that sets a big milestone for you. Then: who is responsible? Well, we're all going to be responsible, but NRW has to be that biodiversity champion. Then the thing that's also lacking is: well, what's the consequence? Because it cannot be judicial review.

[192] **Alun Ffred Jones:** Joyce, did you want to come in on this?

[193] **Joyce Watson:** It's not actually on this, but I want to ask about links between—. We've all talked about the environment, the land-based environment. I want to know whether any of you've got any comments to make about the link between the land and the sea, and whether those links should be made clearer, if made at all, within this Bill.

[194] **Ms Smith:** I think that's a very important point and something that is very unclear. We don't even know, for example, whether the area-based approach will cover marine areas. There's nothing that says it won't, but then, therefore, how does it interface one way or the other—whether it's land-based or covers both—how does it interface with national marine planning and marine policy?

[195] **Alun Ffred Jones:** Do you think that there should be some reference there? Is that your view or not?

[196] **Ms Smith:** I think it needs clarity. I don't know that it needs more provisions in the Bill specifically, but I think it points to one of the big areas of unclarity. The area-based approach is Natural Resources Wales's responsibility. Natural Resources Wales's responsibilities are much fewer in the sea than they are in the land. Then, equally, Natural Resources Wales's responsibilities in relation to the land are smaller than the responsibilities of the Welsh Government, which is setting the national policy. So, you know, given that the area-based approach is the only sort of direct tool in the Bill for implementing the national policy, there's a gap there as well, because NRW can't affect the breadth of the Government functions. Where we find difficulty is where they seem to want to try, because the purpose isn't pinned down to their role as, you know, environmental providers and regulator.

[197] **Alun Ffred Jones:** I am conscious that time is running out. Julie, did you want to—.

[198] **Julie Morgan:** Well, I was going to ask about the marine environment.

[199] **Joyce Watson:** Oh, sorry.

[200] **Julie Morgan:** So, just to ask about the experimental powers, could you explain why you're in favour of using general binding rules, and can you clarify what additional consultation requirements you'd like to see in relation to experimental powers?

[201] **Ms Sharp:** You take the experimental powers.

[202] **Ms Smith:** So, in relation to experimental powers, we're very concerned actually. We absolutely support the provision of experimental powers that CCW used to have to be applied across the whole suite of NRW's functions in order for the organisation to be able to innovate and find creative solutions for delivering the ecosystem approach, but what we are concerned about—and I think it's fair to say our concern has grown since originally submitting evidence—is the powers included to suspend primary legislation in order to develop those experiments. There's no evidence to back that up. There's at least an extraordinarily poorly-thought-out case study provided in the statement of policy intent about how they may be used, and, at worst, actually, one that just shows alarming intent. Because one of the suggestions

about how this power could be used is to suspend the biodiversity duty in relation to forestry, which is absolutely ludicrous if we're actually talking about trying to be more sustainable and to take an ecosystem approach. So, our position is that there are certainly no safeguards that we can see in terms of how that might be used at the moment. But we genuinely are very sceptical that there's a genuine need or a justification for that power to be included at all. So, that's what I wanted to say about experimental schemes.

[203] **Ms Sharp:** We'd all concur with that. We have severe grave concerns, because it's also—it's how do you challenge that. If you disagreed with the removal of that power—it can be up to six years—how could we challenge that, and where's the transparency behind that process as well? On general binding rules, we actually looked in the White Paper at general binding rules, and we're generally supportive of them. We did ask questions of Welsh Government officials just before the draft Bill was issued to ask if they were still to be included. They've been omitted. We would like to see them brought back in, but we do have a couple of caveats around that. The general binding rules only work if you don't have a voluntary scheme. There has to be enforcement. That enforcement will have to come through NRW and it will have to be resourced. Now, where they have done that in Scotland, they have an 80 per cent compliance rate. That means you can spend your limited resource on trying to get the other 20 per cent to play by the rules. So, we would welcome those coming back in, with those caveats.

10:45

[204] **Alun Ffred Jones:** Okay. Do you have any last-minute thoughts before you leave us on the Bill and how it should be improved—without going back over any of the evidence that you've already provided? So, any last thoughts, very briefly?

[205] **Ms Sharp:** The last thought from me is around statutory biodiversity targets. If you don't have those in, you do not have the driver. We've suggested two targets: one is that you use a national biodiversity indicator to increase biodiversity by 15 per cent by 2050, and also that you need to get the Welsh designated sites into good environmental condition by 2026 and, in the process, that they will be in favourable conservation status in 2050, because we recognise that there are time lags in the system that you need to overcome. Without that driver—. This is a huge opportunity to actually have that in place, and without it you will not hit your biodiversity target.

[206] **Alun Ffred Jones:** Anybody else?

[207] **Ms Meikle:** Just two tiny things: first of all, I don't want to leave here with the impression of anything except it's really strong support for the ecosystem approach. I go back to, if you want to deliver, it's absolute crucial to delivering sustainable development. You cannot deliver the duty under the FG Act to carry out sustainable development unless you actually properly do an ecosystem approach. So, we are not in any way trying to prevent that happening. We just believe that there are many important aspects of the ecosystem approach that aren't effectively addressed in here.

[208] I think the second thing that I would really like to clarify goes back to the link to the FG Act. Obviously, section 6 of this, the biodiversity duty, applies to public bodies who are not captured by the FG Act, which is good, and that's fine; but it also leaves, for me, a muddle, because, when it lists who are the public authorities under section 6, it says something like 'public bodies such as'. Now, for example, I can't tell from that whether even NRW is captured by that biodiversity duty. There is no list, like there is in the FG Act, of exactly who is covered by this Act and who is not, and I just think it leaves a bit of confusion. Does section 6 apply to NRW? Who exactly are the bodies that sit under there? The list that is in here applies to the area statements and who is subject to them, so I think there is an issue to

be clarified.

[209] **Alun Ffred Jones:** You have made your point very strongly, I think. Mr Ogden? Okay. Are you happy to—

[210] **Ms Sharp:** Can I say one last thing? The other consistent thing throughout the whole Bill is that it's not clear where you can challenge, where there's transparency. We would recommend that you build something like that in, and maybe to have some sort of special scientific panel to assist NRW and the Minister. We would like to develop that argument as we go through, because, at the moment, it's not transparent who will hold this whole process to account.

[211] **Alun Ffred Jones:** Iawn. Wel, **Alun Ffred Jones:** Okay. Well, thank you diolch yn fawr i chi am ddod i mewn y bore very much for coming in this morning and yma ac am rannu'ch dystiolaeth efo ni. sharing your evidence with us.

[212] We'll take a break now. We'll be back at 10.55-ish.

*Gohiriwyd y cyfarfod rhwng 10:48 ac 11:04.
The meeting adjourned between 10:48 and 11:04.*

Bil yr Amgylchedd (Cymru)—Cyfnod 1: Sesiwn Dystiolaeth 6 Environment (Wales) Bill—Stage 1: Evidence Session 6

[213] **Alun Ffred Jones:** Bore da. A gaf i **Alun Ffred Jones:** Good morning. May I eich croesawu chi i'r sesiwn yma ar Fil yr welcome you to this session on the Amgylchedd (Cymru)? Mi fyddwn ni'n holi Environment (Wales) Bill? We will be asking nifer o gwestiynau, wrth gwrs, i gael eich various questions to have your opinions and barn a'ch sylwadau chi ar y Bil. Ond, a gaf your comments on the legislation. Can I ask ofyn i chi yn gyntaf gyflwyno'ch hunain a you to start by introducing yourselves and phwy rydych chi'n ei gynrychioli? and stating who you represent?

[214] **Mr Gwyn:** Ifer Gwyn, pen swyddog **Mr Gwyn:** Ifer Gwyn, principal policy efo Awdurdod Parc Cenedlaethol Eryri, ac yn officer, the Snowdonia National Park cynrychioli'r teulu o barciau cenedlaethol Authority, and I represent the family of yma heddiw. national parks here today.

[215] **Mr Rookes:** I'm Neville Rookes, from the Welsh Local Government Association, where I'm the policy officer for environment.

[216] **Alun Ffred Jones:** Diolch yn fawr; **Alun Ffred Jones:** Thank you very much; grêt. Russell. great. Russell.

[217] **Russell George:** Good morning. Thank you, Chair. Thank you, both, for your evidence. Both of you have stated in your evidence that you believe there should be greater integration between the FG Act and the Environment (Wales) Bill. I wanted to ask if you could clarify what amendments you would like to see made to the objective in section 3(2) to make sure that it aligns with the goals in the Well-being of Future Generations (Wales) Act 2015.

[218] **Mr Rookes:** Can I start? It seems very much that the environment Bill has been produced very much with a focus on the environment and resilience particularly, whereas each public body under the future generations Act has to contribute to all of the seven goals. It certainly wasn't clear in the legislation, or the proposed legislation within this Bill, that

there was a need to contribute to all of those seven goals. I think that the future generations Act needs to be more clearly reflected in terms of the environment Bill. I appreciate that, from a legislative point of view, you're not going to be looking to repeat exactly what is in the future generations Act in the environment Bill, but there needs to be commonality of language. So, the language that is used within the future generations Act needs to be reflected in the environment Bill itself.

[219] **Mr Gwyn:** Rwy'n cytuno efo sylwadau Neville yn y fan yna. Eto, byddai'n dda gweld mwy o gydbwysio rhwng y ddwy ddogfen, yn sicr. Efallai, mewn papur tebyg, mae'n anodd iawn, fel roedd Neville yn ei ddweud, i ail-ddweud yr un derminoleg, efallai, ond efallai y gallai fod rhywbeth ar ffurf atodiad neu rywbeth felly, er mwyn medru sicrhau bod yna gyfeirio dros y ddwy ddogfen, felly, ac efallai hyd yn oed dogfennau eraill, i sicrhau bod y rhai sy'n gorfod cyflawni'r Bil, pan fydd yn Ddeddf, yn medru gwneud hynny'n syth.

Mr Gwyn: I agree with the comments made by Neville there. Again, it would be good to see more balance between the two documents, certainly. Perhaps, in such a paper, it's very difficult, as Neville said, to restate the same terminology, perhaps, but perhaps in some kind of annex, you could ensure that there are cross-references between the two documents, and perhaps even other documents, to ensure that those who have to deliver the Bill, when it becomes an Act, can do that immediately.

[220] **Alun Ffred Jones:** A fydddech yn cytuno bod pwrpas penodol i'r Bil yma, sydd â chanolbwynt sy'n wahanol i Ddeddf cenedlaethau'r dyfodol, sydd yn ddogfen sydd llawer iawn ehangach ei chwmpawd, felly?

Alun Ffred Jones: Would you agree, then, that there is a specific purpose to this Bill, which has a different focus to the future generations Act, which is a document that has a much broader scope?

[221] **Mr Gwyn:** Ydy, wrth gwrs. Rwy'n derbyn hynny'n llwyr, ond, efallai mewn atodiad, byddai'n ddefnyddiol gweld lle mae'r Bil yma yn ffitio i mewn yn Neddf cenedlaethau'r dyfodol, jest o ran eglurder i'r sawl sy'n cyflawni Bil yr amgylchedd, yn symud tua'r dyfodol.

Mr Gwyn: Yes, of course. I accept that entirely, but perhaps in an annex, it would be useful to see where this Bill fits in within the future generations Act, just in terms of clarity for those who have to deliver the environment Bill in the future.

[222] **Alun Ffred Jones:** Russell.

[223] **Russell George:** Thank you, Chair. Also, perhaps, a question to Mr Gwyn: you also say that you believe a precautionary principle is needed in section 4. I wonder if you could just talk to that point.

[224] **Mr Gwyn:** Ie, mae hynny'n adlewyrchu pwrpasau statudol parciau cenedlaethol, lle mae'r pwysau mwyaf yn cael eu rhoi i warchod adnoddau naturiol, felly. Mae hynny'n dod o'n pwrpasau statudol ni, fel maen nhw ar hyn o bryd, ac yn adlewyrchu egwyddor Sandford, sy'n cael ei defnyddio pan fyddwn ni fel awdurdodau yn cymryd penderfyniadau.

Mr Gwyn: Yes, that reflects the statutory purposes of national parks, where the greatest emphasis is put on protecting natural resources. That comes from our statutory purposes, as they are now, and reflects the Sandford principle, which is used when we as authorities take decisions.

[225] **Russell George:** Thank you, Chair; that's fine.

[226] **Alun Ffred Jones:** Ocê. Llyr.

Alun Ffred Jones: Okay. Llyr.

[227] **Llyr Gruffydd:** A gaf i ofyn a oes gennych chi gonsŷrn ynglŷn â'r ffaith nad yw'r gair 'bioamrywiaeth' yn ymddangos yn yr amcan? Yn amlwg, mae'n elfen o'r nod yn Neddf Llesiant cenedlaethau'r dyfodol, ond nid yw hynny'n cael ei adlewyrchu yn fan hyn.

Llyr Gruffydd: Can I ask whether you are concerned about the fact that the word 'biodiversity' isn't in the objective? Obviously, it is part of the aim of the wellbeing of future generations Act, but that isn't reflected in this Bill.

[228] **Mr Gwyn:** Mi fyddai cael y gair yna i mewn yn ddefnyddiol iawn. Hefyd, mae angen cofio, efallai, nad yw bioamrywiaeth ynddo'i hun yn fesur cyflawn o gyflwr neu iechyd ecosystem, ac efallai fod angen adlewyrchu'r ochr ehangach hefyd, felly—er enghraifft, cyflwr priddoedd, gallu mawndiroedd i storio carbon. Felly, efallai, edrych yn ehangach.

Mr Gwyn: Having that word included would be very useful. Also, we have to remember, perhaps, that biodiversity isn't a full measure of the state or the health of an ecosystem, and maybe we need to reflect the broader aspect of that—for example, soil condition, the ability of peatlands to store carbon. So, perhaps, looking more broadly.

[229] **Alun Ffred Jones:** Iawn. Jeff Cuthbert.

Alun Ffred Jones: Okay. Jeff Cuthbert.

[230] **Jeff Cuthbert:** Thank you, Chair. Already, we've referred to the need for clear linkages between this Bill and the Well-being of Future Generations (Wales) Act 2015, and, indeed, no doubt, the Planning (Wales) Bill that's also coming through, more or less at the same time. So, do you think that there needs to be further work done on this particular Bill, the environment Bill, to make sure that it does map consistently with the FG Act? Can you see omissions at the moment that might cause confusion or unnecessary duplication in the way that this Bill is currently drafted? Linked to this, in terms of the national natural resources policy, and linking there to the future trends report, which has to be produced under the FG Act, do you think that minimum requirements should be set out on the face of the Bill?

[231] **Mr Rookes:** Yes.

[232] **Alun Ffred Jones:** Can you elaborate? [*Laughter.*]

[233] **Mr Rookes:** I'll stop at that point. No; I think that there needs to be that acknowledgement. At the very beginning, it was suggested that the Well-being of Future Generations (Wales) Act, the Environment (Wales) Bill and the Planning (Wales) Bill should be three complementary pieces of legislation. That hasn't come through now with this proposed Bill in the format that it is. It doesn't show any sort of linkages, so I think it is necessary to have those standards and that basic level of acknowledgement and connection between those three Bills.

[234] **Mr Gwyn:** Again, to reiterate, maybe in the form of an appendix, because it's difficult to reflect something like that in a Bill such as this, because, as the Chair said, the focus of this Bill is relatively narrow. So, again, maybe in an appendix, there would be an opportunity to map across the different pieces of legislation that this strikes upon.

[235] **Jeff Cuthbert:** On that point, then, I'm quite sure—

[236] **Alun Ffred Jones:** Can I just stop you there, Jeff? Did you want to come in on that point?

[237] **Mick Antoniw:** Just on that point, do you not think that the explanatory

memorandum makes that sufficiently clear?

[238] **Mr Gwyn:** Another point that I was going to come to, really, is that there's quite a lot of information in the memorandum that's very useful and could well be brought out and placed in the actual document itself, because I think there are some misconceptions, if somebody reads the Bill, on the face of it, that are kind of answered in the memorandum. But, having those in the Bill at the outset would make things easier in terms of deliverability for the organisations that will be working to the Bill itself.

[239] **Mr Rookes:** I think that, on the face of the Bill, there needs to be some acknowledgement. Yes, within the explanatory memorandum there is detail and information, but to make it easier to read and easier to apply, I think it needs to be on the face of the Bill.

[240] **Jeff Cuthbert:** Finally, I appreciate, obviously, that there's a need for clarity, and I'm quite sure that the Welsh Government would not want to allow contradictions between any of the three—well, the one Act and the two Bills. Do you feel that there's any danger at the moment of there actually being a contradiction, not just a perception of a lack of clarity, but the danger of any contradictions within this Bill and the FG Act, which is an all-embracing Act?

[241] **Mr Rookes:** I think there's a contradiction in respect of the Minister's role in relation to the area statements, in that I seem to recall that the wording—and forgive me if it's not exactly right—is that if, in their opinion, the Minister considers that it's reasonably practicable to implement the area statement, they can direct any other public body to take the necessary action associated with that area statement. If that is a strategic approach and an operational approach, the Well-being of Future Generations (Wales) Act suggests—not just suggests, but states—that, in taking a decision, you need to consider the social, economic, environmental and cultural wellbeing associated with that decision. Now, if the Minister is just considering the area statement, and that is all the environment Bill suggests he has to take note of, then he or she is actually imposing the purely environmental aspect onto another public body without them considering the nature of the social, economic and cultural aspects, too.

11:15

[242] **Mr Gwyn:** That's something that we also raised in our submission. We offered a possible avenue, as a solution, in that national park authority has already produced national park management plans, which are statutory documents that do seek to balance the socioeconomic with the environmental capacity, or natural resource capacity as well. So, we're eager, as things progress and possibly in guidance, to try and utilise national park management plans.

[243] **Alun Ffred Jones:** Janet.

[244] **Janet Haworth:** Thank you, Chairman. I wanted to ask whether you support the view that the national natural resources policy should set out risks and obstacles, as well as priorities and opportunities.

[245] **Mr Gwyn:** Yes, I think that would be welcome in there, really, so that we as organisations that assist in delivering or working to the Bill are aware of those obstacles and issues at the outset. As an organisation that also looks at the socioeconomic aspects as well, there may be opportunities there to work around those issues and hurdles that we can design in, if you like, to programmes right at the outset. So, I think that would be a welcome addition.

[246] **Janet Haworth:** I wondered whether you had a view on how the national natural resources policy should be implemented, as in parts of Wales no area statements have been developed. You've made the very helpful point that the management plans that you already have in place can contribute to that process, but, at the moment, it's not being considered that, right across Wales, we will have area statements, and it has been expressed that that is a weakness in the holistic approach to this work.

[247] **Mr Rookes:** Can I come in on that point? The Bill suggests that the Natural Resources Wales determine what area the area statements should cover, so surely it is Natural Resources Wales' responsibility to ensure that, throughout the whole of Wales, no area is missed for natural resources national policy.

[248] **Alun Ffred Jones:** But the Minister did suggest that perhaps there would be areas not covered by the area plans. He didn't suggest that every part of Wales would be, though NRW did think that every part of Wales should be covered, so I'm not quite sure—there may be a disconnect here.

[249] **Mr Rookes:** If it's a national natural resources policy, it should cover the nation.

[250] **Alun Ffred Jones:** The policy? Yes, yes.

[251] **Janet Haworth:** Yes, Chairman, there is a view that is obviously being adopted by some cityscapes—the concept of greening cities and taking opportunities to look at these matters in relation to urban environments as well. So, if we went right across Wales with area statements, then we could incorporate contributions from urban environments as well.

[252] **Mr Gwyn:** I think that would also reflect the role that rural areas have in delivering ecosystem services for urban areas in terms of water quality, flood risk management and so on—and tourism and recreation opportunities, as well.

[253] **Janet Haworth:** Right, thank you. Thank you, Chairman.

[254] **Llyr Gruffydd:** I bigo i fyny ar hynny, os caf i, rŷch chi'n cynrychioli awdurdodau cynllunio, wrth gwrs. Pa ddylanwad ddylai'r datganiadau ardal yma ei gael ar y drefn gynllunio—ac rwy'n dod nôl at y berthynas rhwng cynlluniau datblygu lleol a'r cynlluniau datblygu strategol arfaethedig? A ddylen nhw fod yn ystyriaeth berthnasol? Pa fath o statws ydych chi'n rhagweld y dylen nhw ei gael?

Llyr Gruffydd: To pick up on that, if I may, you represent planning authorities, of course. What influence should these area statements have on the planning regime—and I come back to the relationship between local development plans and the proposed strategic development plans? Should they be a material consideration? What kind of status do you anticipate that they should have?

[255] **Mr Gwyn:** Yn sicr, dylen nhw fod yn rhywbeth sy'n cael ei ystyried mewn unrhyw gais cynllunio, buasai rhywun yn ddisgwyl. Beth sydd efallai'n anodd i'w ddarogan ar hyn o bryd ydy pa mor lleol fydd y datganiadau ardal yma yn mynd, a dyna rywbeth arall y buaswn i'n ei godi hefyd, sef sicrhau bod yna fewnbwn lleol iawn i ddatblygiad y datganiadau yma a bod yna ymgynghori helaeth efo partneriaid lleol. Ond, yn sicr, buaswn i'n eu gweld nhw'n rhan o'r clytwaith yna, felly. Mae'n dod nôl

Mr Gwyn: Certainly, they should be considered in any planning application, one would expect. What's perhaps difficult to anticipate at the moment is how local these area statements will be, and that's something else that I would also raise, namely ensuring that there is that very local input into the development of these statements and that there is extensive consultation with local partners. But, certainly, I would see them as being part of that patchwork, as it were. It comes back again to the point that we need to

i'r pwynt eto fod angen edrych ar draws yr ystod o ddeddfau sydd allan ar hyn o bryd, a chael rhyw fath o *master plan* yn rhywle sy'n gosod y fframwaith allan er mwyn sicrhau ein bod ni, fel awdurdod lleol, yn medru gweithio i gyflawni amcanion y Ddeddf.

look across the range of legislation that is out there at the moment, and have some kind of master plan somewhere, which sets out the framework to ensure that we, as a local authority, can work to deliver the objectives of the Act.

[256] **Joyce Watson:** I want to ask you, because there seems to be some contradiction in belief between organisations that the NRW are responsible and that a new structure might be needed, and the view that national parks and maybe the Welsh Local Government Association or local government can fulfil that function. I'd like your views on that.

[257] **Mr Gwyn:** Obviously, I think, on NRW, the Bill itself establishes a new framework for them to be working to and delivering, and I think it's our role as local authorities to work with them to try and deliver those aspects. Obviously, as national park authorities, we have two statutory purposes and one legal duty, so we work to those in coming about the decisions that we make and take, but obviously, we consult with NRW regularly on those aspects. I think the Bill doesn't change that in any way, but it would be useful, as I say, to get a framework in place just to map out the order of precedence, if you like, for the different pieces of legislation and Bills that we work to.

[258] **Joyce Watson:** The one thing that you've both said you'd like to see is some clarity on the relationship of planning policy and legislation that includes marine planning. Do you want to make any comment further about that? Bear in mind here that I live in Pembrokeshire and Pembrokeshire is Pembrokeshire Coast National Park, so it's really in those terms.

[259] **Alun Ffred Jones:** You have the sea, don't you, in Pembrokeshire?

[260] **Joyce Watson:** Sorry?

[261] **Alun Ffred Jones:** You have a sea in Pembrokeshire.

[262] **Joyce Watson:** I have a sea all the way from my constituency all the way along.

[263] **Mr Gwyn:** As national park authorities, we only have powers up to the mean high water mark. However, in looking towards the ecosystem services approach, what happens on the land obviously impacts upon the immediate environment in the sea. So, obviously, we'd work to the principles of maintaining or improving marine habitats by ensuring that those on land assist in delivering that aim.

[264] **Joyce Watson:** Do you think there's a weakness—

[265] **Mr Rookes:** Sorry, can I just come in at that point? My colleague mentioned the fact of linking legislation and the different Acts that are out there, already in being, which need to be joined up. So, you've got the water framework directive, for example, which is looking at water quality higher up the catchment, and the impact that that can have upon bathing water quality and the impact that that can have upon marine and marine life and strategy. All those things need to be connected. You cannot just see marine as an entity that starts at the high water mark and goes one way; it is impacted upon by other activities, other legislation, planning and whatever it might be.

[266] **Joyce Watson:** Do you think then—? Is this what you're saying: that it's not clear enough in the Bill at the moment the connection between the two?

[267] **Mr Rookes:** I would suggest so, yes. Picking up the earlier point, or how you started

the question asking is it the responsibility of national parks or local government, rather than NRW, with those things, again, it's about the joined-up approach. The fact is that NRW cannot work in isolation to be totally responsible; they need to collaborate, they need to integrate with local authorities, they need to integrate and collaborate with national parks in the preparation and the delivery of these area statements or policies.

[268] **Joyce Watson:** Do you agree, then, with NRW that you might need a new governance structure to achieve that?

[269] **Mr Rookes:** I'm looking at the link within the Well-being of Future Generations (Wales) Act 2015. There is already a framework there that says that you have to collaborate, that you have to integrate. It doesn't necessarily need a new governance arrangement, because you've got that piece of legislation there, which is directing people to work together.

[270] **Mr Gwyn:** Likewise, with national park management plans, it's a duty that we consult not just with NRW, but with farming unions, residents, and businesses about the content of a national park management plan. In Snowdonia, we're in the process of establishing a local forum to ensure that we do try and balance the socioeconomic, cultural and environmental aspects together. I think that level of consultation isn't just important in developing policy, but it's also important in delivering policy as well, because you get that local buy-in. People understand what you're trying to do, why you're trying to do it, and, hopefully, then get engaged in the delivery.

[271] **Alun Ffred Jones:** Very briefly, on this?

[272] **Llyr Gruffydd:** Just picking up on this point specifically, the focus, of course, of the future generations Bill is on public sector, and the delivery of this is much, much wider. You talked about consultation, but I was thinking, in terms of the area statements and delivering on the ground, are we talking about creating something else to drive that through, or is there anything already? There may be in certain areas, certain parts of Wales, but I'm just thinking, in other parts, if we want area statements to cover the whole of Wales, well, who's going to drive it in those localities?

[273] **Mr Rookes:** I don't think it's clear from this—

[274] **Llyr Gruffydd:** No, it's not. Okay.

[275] **Alun Ffred Jones:** William, do you want to come in?

[276] **William Powell:** Diolch, Gadeirydd. In fact, that kind of links to the question that I had, which is, following Ifer's earlier comments, whether you think there's a particular role that the Welsh national parks could have in potentially sharing the experience that's been built up over many years, in terms of consulting upon and delivering on management plans. I've got experience of my own from the years when I sat on the Brecon Beacons National Park, and took part in those processes. Do you think there's a mentoring role there that, either through the public service boards, or possibly through the Welsh national parks' membership of the WLGA could actually, if properly resourced, assist in this process?

[277] **Mr Gwyn:** Very much so, very much so. We'd welcome those discussions as a family of national park authorities. I think there's definitely a mentoring role that we could adopt in looking at governance, and delivering the contents of the Bill, certainly. As I say, we'd welcome that wholeheartedly, yes.

[278] **William Powell:** And could that also extend to the AONBs in relation to this, because obviously there's a shortfall there in terms of—

[279] **Mr Gwyn:** Maybe it's something that can be looked upon in the review of designated landscapes, which is in part 2, which I think is an opportune moment, really, to look ahead, certainly in that sense, yes.

[280] **William Powell:** Okay, thank you.

[281] **Alun Ffred Jones:** Julie Morgan.

[282] **Julie Morgan:** Thank you. I was going to ask you about the new duty on biodiversity. I think you've welcomed this with some caveats, but do you think it's likely to lead to additional action by public bodies?

[283] **Mr Gwyn:** Well, for ourselves, as a national park authority, I think it's grist to our mill—it's the kind of thing that we do day to day. I think, as I previously said, maybe biodiversity is one very important key indicator of an ecosystem's health, but there are other aspects that possibly could be considered, as I say, in terms of carbon sequestration, the quality of soils, and so on. So, there are other things that could be brought in to play here, to ensure this holistic management of ecosystems, and that we're not just overly focusing on one thing—although I think biodiversity is the key indicator of the health of an ecosystem.

[284] **Julie Morgan:** Right. Do you have anything to add to that?

[285] **Mr Rookes:** No. I quite agree with everything that Ifer has said.

[286] **Julie Morgan:** Right. The RSPB told us that they didn't think this would have any increased effect, really, to add to what the previous Natural Environment and Rural Communities Act 2006 duty had done, but why do you think the previous NERC duty hasn't led to any significant action?

[287] **Mr Gwyn:** I'm not sure why that's come about, really—whether it's the carrot and stick approach, and there hasn't been enough drive in that sense. I think, certainly in national parks, as I say, it's something we do, and it's something we monitor and evaluate very, very closely, but I couldn't answer for areas outside national parks.

[288] **Julie Morgan:** Right, yes. What about the calls from the environmental organisations that there should be statutory targets on biodiversity?

[289] **Mr Gwyn:** I think, if you want to see real change, then probably that's a direction to go down, but it's probably quite difficult to evaluate those indicators. It's certainly an avenue that's worth considering, yes.

11:30

[290] **Mr Rookes:** I think one of the issues associated with that, though, if you have specific targets for specific species, is that that in itself can cause an imbalance, because if you're actually focusing on a specific target for that, to an extent, at the neglect of others, then, it creates that imbalance of the whole biodiversity and the whole ecosystem that is there. So, it's by playing and introducing—I wasn't using that flippantly—but by introducing measures to improve one particular species can have an adverse impact upon other species, which would then become the target. So, it's that knock-on effect.

[291] **Julie Morgan:** So, you don't support statutory targets.

[292] **Mr Rookes:** I think they need to be introduced—if there are statutory targets, serious

consideration needs to be given as to the whole impact of an individual target.

[293] **Mr Gwyn:** As I say, it comes back to the question of, ‘How do you measure the improvement of an ecosystem?’ Is biodiversity the only indicator that you’d be looking at or would there be other things that also need to be measured as well?

[294] **Alun Ffred Jones:** Llyr.

[295] **Llyr Gruffydd:** How, then, do you measure the resilience of an ecosystem? Because it’s just as difficult, I’d imagine, and you’d probably face the same issue if you’re focusing on certain species—and that’s a risk in terms of biodiversity—then, you’re focusing on certain elements of the ecosystem, and that carries a similar risk, I’d imagine.

[296] **Mr Rookes:** But the whole ecosystem is a balance. That needs to be taken into consideration. It’s not a matter of—

[297] **Alun Ffred Jones:** So, if we don’t measure anything, how do we know anything is happening?

[298] **Mr Rookes:** Or do you measure something because you can measure it, or because you need to measure it? And, sometimes the things that you need to measure can’t be measured.

[299] **Alun Ffred Jones:** Oh, that’s—[*Inaudible.*] [*Laughter.*] You sound like Donald Rumsfeld. [*Laughter.*] Julie Morgan again.

[300] **Julie Morgan:** Just a final question, what about the additional resources? Do you believe the public bodies will need additional resources to deliver this duty?

[301] **Mr Rookes:** Yes.

[302] **Julie Morgan:** Any other comments?

[303] **Mr Rookes:** I think we are in times of tightening budgets and resources are diminishing both in terms of the finance and in terms of the physical resources available to implement and to deliver the level of public services and other services that public bodies have to provide—they’re required to do so. And, in that respect, there needs to be a balance of—. I said, ‘Yes, we do need additional resources—we do need those additional resources in order to deliver the holistic approach to giving everything due consideration.’ But, at the moment, additional duties would be introduced at the expense of other duties.

[304] **Alun Ffred Jones:** Russell.

[305] **Russell George:** That was my question, really. If additional resources aren’t forthcoming, then it’s about priorities. So, where else could there—? Where is there slack, if you like, or where else would be perhaps a lesser priority, to put resources in the areas that need it?

[306] **Mr Rookes:** If we are involving the communities in the whole democratic process, there will be an indication as to where the local population and the communities actually place those priorities. And that will inform how local authorities then deliver those services based upon what the requirements are—both statutory requirements, and in terms of those requirements needed, or thought to be needed by the communities themselves. So, in answering your question—I don’t know whether I’ve actually answered the question for you—but I think it illustrates the complexity that is involved. I cannot honestly say that, now,

‘Yes, you should come back on education’ or ‘Yes, you should come back on health’, without seeing the whole picture.

[307] **Russell George:** It wasn’t wide; it was within the section or department, if you like, not the—. I’m not asking you to do the job of a politician. That wasn’t—. I understand.

[308] **Alun Ffred Jones:** Janet, did you want to come in on the Bill?

[309] **Janet Haworth:** I just think it’s very interesting that we’ve got these two organisations here today, because the family of national parks, as you called them, has a proud history of protecting and enhancing our landscapes. We’ve heard this morning the comment that the whole concept of landscape is missing from this Bill, and I wondered what your view was there. But also I’m very interested in the duties that the national parks have performed over the years in relation to planning decisions, because there have also been the comments made to us about conflicts that may occur between planning decisions at a local level and the requirements of this Bill—

[310] **Alun Ffred Jones:** We’re not discussing planning issues in this Bill, so we’ll take the first question.

[311] **Janet Haworth:** I just wondered what your joint view was, as you’re an organisation that works that model and you represent an organisation that doesn’t, really. So, I just wondered what the synergy could be—

[312] **Alun Ffred Jones:** With reference to this Bill.

[313] **Janet Haworth:** With reference to the Bill, which hasn’t addressed the link with planning.

[314] **Mr Gwyn:** I suppose it comes back to the Sandford principle, the precautionary principle. That’s what we work to as national park authorities in terms of the precedence that we give to our statutory purposes. But obviously, in any discussion, whether it’s planning or not, there’s also the legal duty to look after the social and health wellbeing of our communities. That is also brought into play in any decision that we make. I think that’s where national park management plans are key drivers, in that they do look for those win-win-win situations when we do take and make decisions that impact upon the national park.

[315] **Alun Ffred Jones:** Neville Rookes.

[316] **Mr Rookes:** I wouldn’t necessarily say that it’s not a principle that we in local authorities abide by and you identified that the national parks do. There are possibly more considerations that a local authority needs to take when considering a planning application, and not just focus on one particular area. Again, the social, the economic, as well as the environmental elements have to be taken into consideration in each individual case. In some instances, a precedent has been set, but in other instances it’s completely new.

[317] **Mr Gwyn:** In terms of national parks, the scale of development that we’re looking at, by and large, is really quite small, for local needs, with obvious exceptions. But as I say, the scale of development in terms of planning is relatively small. Where I see the decision-making process that we undertake in creating that balance—. For example, when we’ve looked at managing uplands in Snowdonia national park—and I know the Brecon Beacons have done something similar—where we’re looking to increase the carbon storage possibilities in our peatlands, we’ve worked with not just local charities and also local farmers to provide them with the skills and training to undertake that kind of work.

[318] **Alun Ffred Jones:** Cwestiwn olaf: mae'r Bil yma yn golygu bod nifer o gynlluniau yn cael eu cynhyrchu gan wahanol bobl. Mae Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015 yn golygu bod cynlluniau yn cael eu paratoi, ac wedyn mae'r Ddeddf Cynllunio (Cymru) 2015 hefyd yn golygu bod cynlluniau ardal, rhanbarthol a chenedlaethol. A ydych chi'n credu bod y cyswllt rhwng y cynlluniau hynny i gyd yn eglur i chi ar ôl darllen y Bil yma?

Alun Ffred Jones: A final question: this Bill means that there are many plans being produced by different people. The Well-being of Future Generations (Wales) Act 2015 means that there are plans being produced, and then the Planning (Wales) Act 2015 also means that there are local, regional and national plans. Do you believe that the link between all those plans is clear to you after reading this Bill?

[319] **Mr Gwyn:** Yng nghorff y Bil, rwy'n meddwl y buasai'n gallu bod yn fwy eglur, fel roeddwn i'n dweud, drwy gymryd rhai o'r pethau sydd yn y memorandwm sy'n rhoi'r cig ar yr asgwrn, fel petai. Felly, rwy'n meddwl bod y stff yn y cefndir yna, ond efallai fod angen iddo gael ei gyfieithu draw i'r Bil ei hun. Hefyd, fel y dywedais, mae yna gynlluniau a phrosesau allan yna sy'n medru cynnig eu hunain fel glasbrint ar gyfer cyflawni rhai o'r pethau sydd o fewn y Bil.

Mr Gwyn: In the body of the Bill, I think it could be clearer, as I said before, by taking some things from the memorandum that put the meat on the bones, so to speak. So, I think that the stuff in the background needs to be transferred over to the Bill itself. Also, as I said, there are plans and processes out there that could offer themselves as a blueprint for delivering some of the things that are within the Bill.

[320] **Alun Ffred Jones:** Diolch yn fawr. Mr Rookes.

Alun Ffred Jones: Thank you. Mr Rookes.

[321] **Mr Rookes:** I don't think it's clear within the Bill how there is that connection between the various plans. A recent piece of legislation, the Social Services and Well-being (Wales) Act 2014, also has requirements that can have an impact from a social perspective. So, it certainly is not clear from this Bill how the timeline or the interrelationship between all of those Acts, plans and Bills actually fit together.

[322] **Alun Ffred Jones:** Ocê. Wel, diolch yn fawr i chi'ch dau am ddod i mewn ac am rannu'ch tystiolaeth gyda ni y bore yma. Diolch yn fawr iawn. Os bydd unrhyw beth ychwanegol rydych chi eisiau ei gyflwyno, anfonwch eich tystiolaeth i mewn. Diolch yn fawr iawn.

Alun Ffred Jones: Okay. Well, thank you to both of you for coming in and sharing your evidence this morning. Thank you very much. If there's anything else you want to present, please send your evidence on to us. Thank you very much.

[323] Fe symudwn ni ymlaen, felly, i'r eitem nesaf. Mi fyddwn ni'n croesawu rheolwyr tir; pedwar tyst.

We'll move on now to the next item. We'll be welcoming land managers; four witnesses.

11:41

Bil yr Amgylchedd (Cymru)—Cyfnod 1: Sesiwn Dystiolaeth 7 Environment (Wales) Bill—Stage 1: Evidence Session 7

[324] **Alun Ffred Jones:** A gaf i eich croesawu chi atom ni bore yma—y pedwar ohonoch chi? A gaf i ofyn i chi, yn gyntaf, gyflwyno eich hunain i ni a dweud pwy yr

Alun Ffred Jones: May I welcome you this morning—the four of you? May I ask you, first of all, to introduce yourselves to us and say who you represent? We will start with

ydych yn ei gynrychioli? Fe ddechrewn ni Rachel.
gyda Rachel.

[325] **Ms Lewis-Davies:** Rachel Lewis-Davies, NFU Cymru.

[326] **Alun Ffred Jones:** Diolch yn fawr. **Alun Ffred Jones:** Thank you very much.

[327] **Dr Fenwick:** Nick Fenwick, **Dr Fenwick:** Nick Fenwick, head of policy, pennaeth polisi Undeb Amaethwyr Cymru. **Farmers Union of Wales.**

[328] **Alun Ffred Jones:** Diolch yn fawr. **Alun Ffred Jones:** Thank you very much.

[329] **Ms Jones:** Rhian Jones, policy adviser with CLA Wales.

[330] **Mr Bishop:** Martin Bishop, Confederation of Forest Industries.

[331] **Alun Ffred Jones:** Thank you. Thank you for coming in. We'll kick off straight away with questions from Jeff Cuthbert.

[332] **Jeff Cuthbert:** Thank you very much indeed. In the written evidence given to us, you do express concerns about what you describe as potential tensions and overlaps between this Bill and the Well-being of Future Generations (Wales) Act 2015. Would you like to say a bit more about what you think those tensions are, the difficulties that they could create, in terms of clarity and avoiding contradictions and unnecessary overlaps—duplication—and what you think might need to change to remove that?

[333] **Alun Ffred Jones:** A nice easy question to start with. [*Laughter.*]

[334] **Dr Fenwick:** I'll start. I think you only have to read the Bills, or the Acts, to realise the complexity of what we're dealing with and the vast array of different interpretations that we can all put on it; I'm sure no two people would interpret it in the same way. I'll admit: it's very difficult for me to pick out specific areas, although I think if we'd had that question yesterday, it would've been no problem at all to say, 'This area overlaps with this, or there's ambiguity about how it interacts with this section.' I would hope that you would all appreciate that simply by reading these two very lengthy pieces of legislation. They are incredibly complex and open to interpretation.

[335] **Alun Ffred Jones:** Before you—. Does anybody else want to add to that?

[336] **Ms Lewis-Davies:** I would come in there. At the high level, it's not clear at all how all of the Bill, the wellbeing of future generations Act, and all of these things mesh together, or how they mesh together with the existing framework in which we operate, but at the land-management level, it's easy to see.

11:45

[337] We're going to see, I think, increasing demands placed on the land and increasing uses—so, renewable energy, forestry, food production, delivery of other environmental goods, water quality, water resources and carbon sequestration; there are all these things and, at a site level, then, it could be, in the future, that these will be competing demands, and, from the Bill, it's not at all clear how those demands will be resolved, how those tensions can be resolved. I think, in terms of the revised general purpose of NRW, it seems to have de-emphasised the socioeconomic aspects, compared to where it currently stands, so you can sort of foresee a situation where the environment aspect takes precedence, or it's not clear which aspect will take precedence.

[338] **Ms Jones:** I'd just like to add to that. We've got similar concerns that the Well-being of Future Generations (Wales) Act 2015 is bringing a very new approach and new language and new ways of working that all public bodies are going to have to adopt, and there's a lot of confusion out there about how that's going to be introduced. I suppose the environment Bill, as it stands, isn't clear on how that's going to interact with what they're already expected to do, and how much it is going to be shifting the emphasis over towards the environment. I just think maybe there's work to be done on what we're already trying to deliver with the future generations Act, before we start muddying the waters with a lot of what they're trying to achieve with the environment Bill.

[339] **Mr Bishop:** I think the practicalities of it, in particular to area statements—. The future generations Act is obviously going to be looking at specific areas, local authority areas, or public body areas. These area statements, we don't actually know what area they will be looking at as yet. So, they could be crossing over into several different areas.

[340] **Alun Ffred Jones:** Okay. Mick wants to come in on this.

[341] **Mick Antoniw:** Aren't we missing the point that what the future generations Act merely does is to create the framework? So, all the other duties and so on, as they're carried out, are within that framework, so, when you are implementing a particular action or area plan, or whatever, you have the framework around you of what the factors are. Is it more complex than that, though?

[342] **Ms Lewis-Davies:** Is not the environment Bill yet another framework, though? I guess what we're trying to say is: how do both of those frameworks engage with one another? That's what I'm really not clear about. I can see how this is going to operate in isolation, but it's not operating in isolation and we're not starting with a blank page. So, it's how it fits in with everything else that's already in operation. That's what I'm not—. I think there is a lot of ambiguity there, and, at the end of the day, we're member organisations; we go back and try to explain these concepts to people—actual farmers on the ground—and still I don't think we have a satisfactory explanation of how it's going to operate and how it's going to impact on their businesses, ultimately.

[343] **Dr Fenwick:** In all fairness, as well, I think this committee has highlighted the complexity—. I think I'm right in remembering that this committee has highlighted the complexity of the future generations Act. I don't think a great deal was changed by the time it actually became an Act and I think, for a lay person, it would take them a whole day, probably, just to try and begin to understand what that's about.

[344] We all regularly attend meetings and we were at a meeting yesterday to do with Natura 2000 areas—these are designated areas—and we have sites of special scientific interest areas. So, we have this whole framework that already exists, so this is yet another layer of frameworks within another framework; it is incredibly complex, and complex things tend to cost money and I think that's one major concern.

[345] **Ms Jones:** Picking up from that, I think that is what's unclear. If you take area statements, the considerations you have to have for that, how does that cross boundaries? What boundaries are we imposing on these things? What considerations would you have to have? And then there are all the statutory obligations with things like designations—reports that have to be done, considerations you have to have—you know, where is the finance for all this coming from? What gets precedence? Are area statements more important than the water framework directive reporting we've got to do for the EU? Which comes first? How are we going to fund all these different elements and how does it integrate? I don't think we've adequately addressed that. This all feels a bit premature.

[346] **Ms Lewis-Davies:** Also, it's organisational capacity, as well, isn't it? It's not just about having resources—well, resources, clearly, are a consideration—but the capacity of the organisation, of NRW in particular, to deliver this, isn't it? Because, these plans in isolation, they deliver you nothing. Ultimately, I think anybody with an interest in the environment wants to see action on the ground. Plans deliver you nothing.

[347] **Ms Jones:** Picking up on what Nick said, we were at a meeting yesterday talking about the LIFE fund for delivering on Natura 2000 sites, and the work they're doing there actually sounds like area statements because they're trying to come up with plans for those areas of how to get them into a good environmental status. That's a small subsection of NRW that's travelling along this journey over here, while the large-scale legislation is moving kind of concurrently but at a slightly different angle from what they're already doing. Well, if they can't figure that out within NRW, how are you then going to bring that approach and engage with the private landowner on that level?

[348] **Alun Ffred Jones:** I'll come back to you, Jeff. Llyr wants to come in.

[349] **Llyr Gruffydd:** That's a very good point, actually. Thank you for that. We've talked about complexities and, you know, the overlapping, and nobody's mentioned the planning Bill yet, which is another feature, I think. I was just interested in hearing whether you get a sense or a feel of how the national natural resources policy and the area statements will interplay with planning, especially on a local level. Is there any—

[350] **Ms Lewis-Davies:** No sense at all at the moment.

[351] **Llyr Gruffydd:** Oh right. Is there any sense at all? No?

[352] **Dr Fenwick:** That's one of the problems, in that you're trying to understand all these dimensions that are coming together at the same time, when you've got pre-existing frameworks as well. It is very, very worrying, even though I hope we would all agree that some of these aspirations are admirable, and we all would agree with them, but the worry is that, when it comes to implementation, they will be so complex and costly, they will simply be a toolbox for Nimbyism on some of the stuff that Welsh Government and us as farming organisations have agreed to do, which is to modernise the industry, to address things like climate change and efficiency. And yet there will be a toolbox here for people to stop that happening and therefore work against Government policy.

[353] **Alun Ffred Jones:** I'll come back to you now, Jeff. Martin.

[354] **Mr Bishop:** To me, it's about priorities. If the national natural resources policy comes out and puts some priorities on this, then we could start to implement and interpret. There's a huge amount of talk about you balancing things. You balance this one against that one—you know, this outcome against that outcome. Ultimately, to balance something you need to put a weighting on it, in order to get a balance. So, unless we have some guidance about which we think are the important policies and the important parts of all this, then how are we supposed implement it?

[355] **Alun Ffred Jones:** Jeff, do you want to come back?

[356] **Jeff Cuthbert:** Yes. You're all raising, undoubtedly, important practical issues, but let me perhaps invite you—. You did say, Nick, that if you'd had more notice of the question you could have undoubtedly provided examples of potential tensions and overlaps, although that is apparently what you as organisations have said. So, perhaps you might like to send us in those when you've had a chance to think about it. But is it, in reality, the issue of clarity

that's important here rather than being able to say, 'Yes, this contradicts that. We're not quite sure which one would have priority'? Is it more in that direction than fundamental problems?

[357] **Ms Jones:** I think transparency is a big problem. Natural Resources Wales now, for 18 months, have been trialling, for example, the area statements approach. We've had no feedback or consultation or reports of how that's gone. It's been a very closed exercise. There has been very little or, to our knowledge, no private landowner engagement in that exercise. In the explanatory memorandum, it does indicate that area statements are going to take at least, potentially, 10 years to implement properly. Well, if you've already had 18 months—we haven't had a chance to scrutinise how that's gone or to feed back on how the process has gone, and it could, potentially, then take 10 years. It just seems as if we're legislating before we fully understand what we're legislating about with this.

[358] **Llyr Gruffydd:** So, are you saying that the pilots and demonstrations that are being run aren't being run on a collaborative basis? Because that, clearly, in the legislation, or proposed legislation, is one of the key principles.

[359] **Ms Lewis-Davies:** I think the pilots have been interesting in that, having asked whether a blueprint has then been developed as an outcome of that pilot work so we've got a firmer understanding of what we mean by area statements, that information has not been forthcoming. I think, in terms of outcomes, I would like to understand the impact and the outcomes that have been delivered as a result of those pilot projects before we lurch into a pan-Wales uptake of the approach, because it's not clear.

[360] **Mr Bishop:** The collaboration has been in those pilot areas. Yes, there has been collaboration within those pilot areas, but outside that, no, we haven't heard a huge amount of it. I've actually invited NRW and Welsh Government to come and tell us how these are going to impact on our industry. NRW, to their credit, have given us—

[361] **Llyr Gruffydd:** And maybe the time isn't right. Maybe they don't feel the time is right to do that yet. Maybe they're still—

[362] **Mr Bishop:** They're quite happy to come to talk to us about and tell us what the concepts will be. I have to say that Welsh Government have ignored us so far on it.

[363] **Alun Ffred Jones:** I'm eager to move on. Are you on this?

[364] **Russell George:** On area statements.

[365] **Alun Ffred Jones:** We'll come to that in a minute. Janet Haworth, did you—

[366] **Janet Haworth:** Yes. Thank you, chairman. I wanted to ask you about the state of natural resources report and the national natural resources policy. Do you think it should identify obstacles and risks as well as priorities and opportunities?

[367] **Mr Bishop:** Yes, I think it should identify obstacles and risks, and the implications of those risks as well. From my end, I've asked that it includes the volume of a commercial resource as well as a natural resource, which is the same thing. If we haven't got that we've got to get it from somewhere else, and that's going to come from abroad—from Russia, from Baltic states, or somewhere else that doesn't manage their forestry to the same level that we manage it to—as well as the increased carbon footprint of bringing that stuff half way around the world to us. If we don't, if we lose the resource, there's the risk that we will have to increase—or should we put the carbon content of that onto the Welsh carbon emissions?

[368] **Janet Haworth:** So, with more informed consultation, that sort of information would

be brought forward, wouldn't it?

[369] **Dr Fenwick:** And all those arguments in terms of forestry extend to agriculture, of course, and any other commodity, in that you have to look at the evidence and gather it, and look at the evidence not just at a local level but look at the global evidence of what the impact of what is being proposed would have—whether it's at a local level, economically and environmentally, and at a global level.

[370] **Janet Haworth:** Now, Rhianne, you mentioned that you felt we were legislating without fully knowing what we were legislating for, and earlier this morning we also had the view expressed that there are data gaps—information gaps. I'm interested in your point about, you know, what we might achieve with regard to climate change. But if we don't take account of how this fits into the context of what's going on globally—. I just wondered about your view around that sort of area.

[371] **Mr Bishop:** Again, in my sort of industry, if you like, it does. We have all of this. The UK Forestry Standard is an internationally agreed standard that does take into account climate change and that sort of stuff. The 'Woodlands for Wales' strategy: that's linked to that. There's a huge amount of this sort of legislation that we already abide by, and it's all national regulation. The 'Woodlands for Wales' strategy doesn't make any reference to areas. It actually specifically talks about the Welsh forest as an entity, as a resource, and that's put in a global context by those documents. So, yes, there's a huge amount of information on that already that we abide by.

[372] **Janet Haworth:** Rachel, are you wanting to come in?

[373] **Ms Lewis-Davies:** Yes, on the point of the reporting, we would reiterate the need for a sound evidence base, and also a need for an element of pragmatism here in the policy. It has to be realistic in what can be economically and practically achieved on the ground, doesn't it? So, we need to be pragmatic, I think, in how that policy is developed. I would also emphasise the need for collaboration and engagement. You will deliver far more in the longer term if you set out by working in partnership with those people who own and manage the land of Wales. Ultimately, this is where the action will have to take place. I don't think that that aspect is being emphasised enough within the Bill, from my interpretation of it. I'll just go back to Jeff's question earlier in terms of what we're seeking on this. It's clarity of purpose, I think, that's perhaps lacking—clarity of purpose and how it fits into everything else. I don't think that's been satisfactorily considered within the Bill and the explanatory memorandum.

[374] **Alun Ffred Jones:** I want to move on because of time. Joyce Watson, perhaps you could go on to area plans. Russell, if you want to—.

[375] **Joyce Watson:** Yes, we've heard quite a bit about area statements, and your views, I think, are well understood, but, for the record, I'm going to ask this question: it's whether you believe that there should be a statutory requirement for area statements, and whether that should encompass the whole of Wales or part of Wales, or whether you think we should scrap the whole idea.

12:00

[376] **Mr Bishop:** [*Inaudible.*]—area statements, as forestry operates at a national level. We have a national forestry standard, so should forestry operate at a local standard? No, I don't think it should. I think it would be extremely complicated. If you start having different priorities for the forest in different areas, whether they are single, small areas within Wales or whether it covers a lot of Wales, my forest managers manage forests across the whole entity. They could end up having different management plans in different areas because of different

priorities. And the cost of that, I think, would be huge.

[377] **Joyce Watson:** So your answer is?

[378] **Mr Bishop:** I don't think we should have area statements, not in regard to forestry. I think we're well covered under other sectors. The UK forestry standard and Woodlands for Wales all say we should be consulting with all of our neighbours anyway.

[379] **Alun Ffred Jones:** Nick.

[380] **Dr Fenwick:** I would agree entirely with that, in that we are simply adding another layer of areas, another map, if you like, on top of those that already exist in terms of EU legislation and domestic legislation. Every time you get another layer, you get more costs for those who reside in those areas, more restrictions, more complexity, more diversity between what local authorities and businesses have to deal with, and it's questionable whether you would achieve anything by having yet another layer.

[381] **Ms Lewis-Davies:** Can I come in there? Also, I think what's not clear is the approach by which it's going to be used. Is there going to be a lot of freedom for each area statement to go and develop it as they want? Clearly, there would be inconsistencies in the approach then, or variations, and that will impact, obviously, further down the line, when it turns into the stage of action. So, is there going to be a process by which the implementation and development of area statements are going to be monitored, benchmarked against each other? We hear a lot about benchmarking in our industry. Are we going to benchmark the performance of these area statements, and is the amount of engagement that they've had with the various sectors and stakeholders going to be evaluated? So, I think there is an awful lot of questions there that we don't have the answers to at the moment.

[382] **Alun Ffred Jones:** Mae Llyr eisiau **Alun Ffred Jones:** Llyr wants to come in. dod mewn.

[383] **Llyr Gruffydd:** Specifically on this, it's all very negative, and I understand why, and I concur with some of it, but if there was a possibility that the area statements became a positive way of actually streamlining a lot of existing duties and regulations, and burdens as people might call them, do you feel then that it might be a more positive approach?

[384] **Dr Fenwick:** If there was clarity and assurance regarding that, and a guarantee, effectively, of course we wouldn't agree with such a statement. The worry is that history has taught us that more legislation means more layers of bureaucracy, more costs for individuals, more costs for local government and, indeed, national government, and more costs for NRW, I have no doubt.

[385] **Llyr Gruffydd:** So, that's the challenge, and that's the litmus test as well.

[386] **Alun Ffred Jones:** I have a number of people who want to come in, on this point, presumably. Mick.

[387] **Mick Antoniw:** Briefly, just to understand what your evidence is, is it really that, because you don't know what might be contained within them, and what might be the priorities, that's the uncertainty that causes you problems, rather than the process that's proposed itself?

[388] **Dr Fenwick:** No, I think there's an inevitability in terms of the way it's currently drafted that this will cause the problems that we've referred to. I think that's inevitable, and I think the costs associated with this have been hugely underestimated at a time when there is

significant economic pressure on Welsh businesses, Welsh rural businesses, and, as you know, local authorities in particular, where we're seeing schools being shut, teachers losing their jobs, and services being scaled back. I would suggest that this may well accelerate that, or certainly would increase that pressure on local authorities.

[389] **Ms Lewis-Davies:** Also, I think that, within what we can see within the Bill, I don't think they've managed, or that there is sufficient reference made to, setting people off on these tracks to prepare area statements and managing those inconsistencies. So, I'd like to have seen how the variation in—. In the absence of clear guidance on how this will be done, then there's a potential there for NRW in preparing area statements, to adopt a different approach in different areas, and with different outcomes and different impacts on businesses, at the end of the day. So, I don't think that's been sufficiently addressed within the Bill or the explanation.

[390] **Mr Bishop:** I think consistency is what we're asking for. We're not saying that the process is going to be a bad one, but if they're implemented and the priorities behind each one of them are different, then you have huge inconsistency. If the national resources policy gives some priorities to these area statements, then that would give us a little bit of clarity, but—

[391] **Mick Antoniw:** That was the point I was—

[392] **Mr Bishop:** But, will it?

[393] **Alun Ffred Jones:** Russell, did you want to come in on this point?

[394] **Russell George:** Yes. What provisions do you think there should be in the Bill to ensure that there is co-ordination between the various things being produced? What provisions do you think can be brought forward for that?

[395] **Ms Lewis-Davies:** I think it needs to set a far clearer blueprint of how those area statements are going to be developed and implemented—a far clearer blueprint, so that we're all clear. That blueprint starts with engagement with the industry; it really does. The ambitions of these area statements need to be developed in partnership.

[396] **Russell George:** Yes, but what should the provisions—. Can you come up with suggestions of what the provision should be?

[397] **Ms Lewis-Davies:** Well, I think a process by which area statements can be developed. So, are they going to be developed in isolation—just NRW officials locked in a room—or is there going to be a process of engagement? How wide does that process go? How will landowners feel that they've been able to engage with it, and then how will that area statement face outwards? So, in terms of environmental action on the ground as farmers, most of the action that we deliver is that we deliver a baseline under cross-compliance and we participate in Glastir. Well, Glastir comes from Welsh Government and from Cardiff, so how, then, is that area statement going to interact with the key delivery—

[398] **Alun Ffred Jones:** I think you've made the point. Joyce, do you want to come back on this?

[399] **Russell George:** Does Nick want to comment on my question, Chair?

[400] **Ms Jones:** I just want to add something. With the area statements, I think the idea of it fits very nicely with the holistic view of natural resources management that we all agree we need to be moving towards, it's just, again, there's a lot of preparatory work in terms of assessing what we've already got and what we should already be delivering, and we need to

clear up those links and what's going on at that level before we start pursuing another layer of statements or reporting. So, it's not so much what we need to have in this Bill; it almost doesn't need to be in this Bill because we have so much talking to do before we get to putting it in legislation. There's a lot to be cleared up before we have it in the Bill.

[401] **Russell George:** Can I ask as well: do you think NRW has got the capacity to deliver area statements?

[402] **Ms Lewis-Davies:** I think NRW is still very much in its infancy; it's very much early days. I think I'd like to see them delivering their existing duties and establishing themselves as an organisation prior to taking on what is a huge, huge piece of legislation.

[403] **Alun Ffred Jones:** Joyce.

[404] **Joyce Watson:** Anyway, the legislation is coming, it's on the statute book—*[Interruption.]* Well, it's in train to go in that direction. But, you've expressed your views and all the things you would like to see in place should an area statement be part of that legislation. If we were to assume that it might be, I want to know whether you believe that there should be a time frame put in place for the production and the review of area statements, if it is the case that they are written into it and the legislation becomes real.

[405] **Dr Fenwick:** I would hope that that wouldn't happen prematurely. Coming back to Russell George's question, I think that one of the things that is a well-established method of finding problems and addressing problems is to run lengthy pilots so that you can properly assess the impact, rather than simply pushing through legislation without really knowing what the full impact could be. So, I would advocate that, rather than legislation that introduces something in the near future that we don't really know the implications of.

[406] **Joyce Watson:** Okay, so we've got pilots, and you'd like to see them run their course before we move—.

[407] **Dr Fenwick:** Yes, and ones that encompass the full extent of the legislation, not simply that there are pilot areas. We need to pilot areas that actually do exactly what this Bill suggests will be done in such areas, to see what the real impact will be, because at the moment they're simply maps, effectively.

[408] **Alun Ffred Jones:** Mick, did you want to come in on this?

[409] **Mick Antoniw:** Isn't that precisely what sections 10(2) and 10(3) actually state in terms of area statements having to set out priorities and they'll have to set out what the task and what the obstacles are? Because, it seems to me that it's not so much the concept itself, but real concerns about whether it's going to properly engage with all those who are going to be affected in the actual ultimate production of those.

[410] **Dr Fenwick:** Section 10 says NRW 'must prepare and publish statements' and, no doubt, coming back to Joyce Watson's point, you're talking about that within a time frame. Presumably, there will have to be some time frame there and, therefore, that's not a suggestion that they should be looked into—that is an absolute edict to say, 'They will be established'. That's my interpretation, and that's why I would suggest a pilot that properly assesses whether that edict is appropriate in the early stages should be undertaken.

[411] **Alun Ffred Jones:** Julie Morgan, take another issue, then.

[412] **Julie Morgan:** On biodiversity, I think you expressed some uncertainty about whether the duty will produce much benefit. So, could you tell us why you think that?

[413] **Mr Bishop:** Biodiversity's an interesting topic in itself. There's a huge amount—. I think it depends on what you're trying to produce; if you're producing a non-productive woodland, then you want to have greater biodiversity. If you're actually interested in producing a crop, you really want to narrow the biodiversity because the genetics of the crop give us the end qualities of the timber. So, if we're trying to produce as much as possible into an end product, we actually want a narrower genetic base. So, it depends which of those we're at. The benefits of commercial forestry would be in water management, soil and air pollution, producing a crop and connectivity to the other areas of woodland. The areas of non-productive woodland would be higher on biodiversity, and less on some of the others. Every woodland would do a little bit of something different, so biodiversity really is dependent on the type of wood and the type of forest that we want to create, and we need both—we need everything. That's the issue—how much land we have available to create all of these different concepts.

[414] **Ms Jones:** I think our main issue with the biodiversity side of things is that biodiversity is quite a narrow, prescriptive target-based system of achieving natural resources management. And it's usually very prescriptive—you're trying to achieve a specific species target, and that narrows what you're trying to achieve so much that you don't have regard for what's going on more widely in that landscape. And that's almost where you lose it, because you're focusing so much energy on achieving that one thing that you're not having regard for what impacts it has elsewhere on that landscape.

[415] **Alun Ffred Jones:** Can you give us an example of such activity?

[416] **Ms Jones:** The most obvious one we've always come up with is what's happened with Glastir and the grazing and stocking densities that come out of Glastir. It's a very prescriptive target of what should be achieved, yet it doesn't have regard for specific circumstances in certain areas, so you end up with areas that are significantly under-grazed and areas that are significantly over-grazed. There's no subtlety to it because it's a very specific, prescriptive target that's actually detrimental; you're ending up with environmental degradation from that. It hasn't worked; you can't be so prescriptive and targeted about things.

[417] **Dr Fenwick:** You have to really have an evidence-based approach, and that evidence has to be absolutely sound. There's a great concern, and there's plenty of evidence as well, that some of the prescriptions, be they through Glastir or other schemes, have been based upon preconceptions—and in some cases, prejudices, I would suggest—which have actually accelerated degradation. In particular, the preconception that all agriculture is bad, which fails to recognise the fact that the landscape and the biodiversity have been created by agriculture, because we've been here for so long, and failure to recognise that the very blunt instrument that Rhian has referred to has caused huge, huge damage, and you've seen evidence of that earlier this year where huge, huge fires down in the Valleys on areas that have been under-grazed caused massive environmental damage. Wales is riddled with such examples.

12:15

[418] **Julie Morgan:** So, I take it you wouldn't agree with the calls of the environmental groups for targets.

[419] **Mr Bishop:** I think we have to target an environment and a habitat; you can't target an individual species, because of the costs of actually monitoring that. So, yes, we can all create a certain habitat, look at the habitat, and, if you can create that habitat, then everything else, hopefully, will follow into that. It doesn't necessarily follow it will, but you can't monitor every single individual type of species in every single habitat.

[420] **Alun Ffred Jones:** Rachel?

[421] **Ms Lewis-Davies:** I was just going to add that, yes, it's fine to have the wish to introduce targets, but we haven't even got an accurate baseline from which to measure progress, and I think there's an awful lot of work to be done yet on an established and accurate evidence base. I think we need to be realistic about the evidence that's out there.

[422] **Alun Ffred Jones:** Jenny, do you want to come in on this, and then William?

[423] **Jenny Rathbone:** We've been measuring these sorts of things for quite some time, and that was some of the evidence that was produced for our legislation on the future generations Act. Clearly, what we need to do needs to be evidence based, but we can't be blaming the damage caused by fires in Valleys on undergrazing. I think there was a match involved and some children or somebody, so—

[424] **Dr Fenwick:** And undergrazing.

[425] **Jenny Rathbone:** I think that we have to—. I'm still struggling to understand why you don't think that this is a useful approach given all our obligations under the future generations Act. We clearly have to manage our biodiversity. We clearly have to understand unforeseen consequences, perverse consequences et cetera. How would you go about it, if not in this way, in terms of—

[426] **Alun Ffred Jones:** That's too general a question. We're looking at the legislation.

[427] **Jenny Rathbone:** Oh, sorry. Okay, but I don't quite understand why you don't think that this legislation needs to include such biodiversity targets, because we have obligations.

[428] **Ms Lewis-Davies:** But you're assuming that there's nothing there already, and there is already. That's the point I would just make in quick response to that.

[429] **Mr Bishop:** Imagine a situation where you create an environment for a particular species; you're still reliant on that species moving into that area. What you do is create those environments next door to, or in the vicinity of, existing areas, and then, really, you have to hope that those creatures, or whatever you're looking to do, will move into the area. If you set a target and actually they haven't moved in there, you've failed the target; whereas if you look at the over—

[430] **Alun Ffred Jones:** I think this issue of targets is a very complex area, and we acknowledge that. We see where you're coming from, but I need to move on to the last section. William Powell, please.

[431] **William Powell:** Diolch, Gadeirydd. Before embarking on my questions, I think, probably for the record, I should say that I'm a partner in a farm, which is in Glastir Advanced and also has a management agreement on a site of special scientific interest with NRW. Nevertheless, my questions are of a general nature and application. Looking at the impacts on land owners and managers of some of the provisions of the Bill, what safeguards would you like to see in place to accompany the provisions for land management agreements?

[432] **Ms Lewis-Davies:** First of all, it is vital that those are voluntary. They have to be developed in a partnership approach, and they must always be voluntary. In terms of registration of management agreements with the Land Registry, it is vital that, once those agreements come to an end, those management agreements effectively are taken off the registration with the Land Registry. That is vital. Again, the impact on farm businesses of

those proposals if those agreements are not removed is very, very significant in terms of land values. That's our concern there, so I don't think that comes through adequately in the Bill as it currently stands.

[433] **Dr Fenwick:** Yes. There's ambiguity about that, and we have to go back to that principle, which has been long established, whereby you cannot and should not dictate to other people rules that severely undermine their income, undermine their assets, or reduce the value of their businesses. That is a principle that we should be proud of having established and we should perpetuate in any legislation. The real worry here—and it's certainly not clear to me—is whether this will be forced on people and the degree of compensation that those people will be awarded.

[434] **Alun Ffred Jones:** You're assuming that all this legislation is somehow going to damage the work of agriculture.

[435] **Ms Jones:** I think one of the key things with the management agreements is that they would have very beneficial impacts in places where you're trying to achieve something on a voluntary basis and everyone wants to come together. The main concern we have with the management agreements is, where you register them with the Land Registry, they essentially become a restrictive covenant. Then, if policy drivers or impacts like climate change or budgetary restraints change, there's the potential that an individual landowner might be obligated to maintain something that is no longer beneficial, or our understanding of the issue has moved, but you're stuck into—. It could be enshrined in perpetuity. There needs to be more of a restriction on what it's for.

[436] **Ms Lewis-Davies:** Of course, we are broadening the purpose for which these land management agreements are going to be established. So, whereas previously, we've seen them on designated sites like SSSIs, and things like that, we're now saying, well, we could use, potentially, land management agreements as a useful tool for flood management—and no doubt they could be. However, those safeguards need to be in place to protect farmers, I think.

[437] **Dr Fenwick:** Yes. I think it's very easy for people to think, well, why would any farmer object to this, but if you take specific examples, such as a management agreement that is forced on someone, which requires them to block up ditches, well, there are instantly problems there. They go down to levels such as animal health, where you get huge problems with flu, for example, because of a wetter environment in which parasites breed. Of course, a lot of people wouldn't understand that, but the farmer has a massive additional cost through additional losses of animals, reduced production. So, you do have to weigh up the possible adverse impacts.

[438] **Alun Ffred Jones:** William.

[439] **William Powell:** Diolch, Gadeirydd. So, in that case, would it be fair to say that you would like to see built into the Bill a schedule of compensation on how NRW would approach that matter?

[440] **Ms Lewis-Davies:** I think it needs to be much clearer. They need to be voluntary. The compensation, definitely, but also, crucially, the registration with the Land Registry should only be for the duration of that contract. It's a contract.

[441] **William Powell:** And there's a sunset clause then, or whatever, to bring it to an end.

[442] **Ms Lewis-Davies:** Yes, absolutely. There has to be. Because the potential risk to those businesses in terms of the devaluation and the impact on the value of that land, I don't think that's been fully understood, and I think—

[443] **William Powell:** Okay. So that needs further work, you'd say.

[444] **Ms Lewis-Davies:** Yes.

[445] **Dr Fenwick:** Yes, absolutely.

[446] **William Powell:** Could you speak to the point of general binding rules, and why you oppose them as vigorously as you clearly do?

[447] **Ms Lewis-Davies:** In my experience, again, it's another layer of regulation, and I would highlight that farmers are already regulated by a vast range of directives, and cross-compliance, and so on. So, it's understanding the need for more regulation, which, inevitably, costs. I've looked to—and I think I've referred to it previously—the Scottish example, where they do exist, and these exist in parallel to a very, very good advisory extension service for Scottish farmers. So, I think when we're pressing for general binding rules, we're not actually doing what we need to do, which is work with farmers on the ground—or NRW needs to work with farmers on the ground. That is the field force that is lacking, and it has deteriorated in quality since Environment Agency.

[448] **Alun Ffred Jones:** Have you finished, William?

[449] **William Powell:** Just a final point, with regard to whether you feel it would be beneficial to have a requirement on NRW for a cost-benefit analysis in terms of some of these experimental schemes. Do you think that should be a specific requirement? I sense that's your view, but could you clarify?

[450] **Mr Bishop:** Specifically, we would need to extend that cost-benefit analysis to the private sector, not just NRW. Potentially, they could be adding cost to other people's businesses.

[451] **William Powell:** Yes, which could be critical.

[452] **Mr Bishop:** Yes.

[453] **Alun Ffred Jones:** Okay.

[454] Diolch yn fawr iawn i'r pedwar ohonoch chi am ddod i mewn atom ni. Rydym ni'n ddiolchgar iawn am eich tystiolaeth, ac fe fydd o'n rhan o'n hadroddiad ni, wrth gwrs, i'r Gweinidog ar y Bil yma. Felly, diolch yn fawr iawn i'r pedwar ohonoch chi unwaith eto. Thank you very much to the four of you for coming in to us. We're very grateful for your evidence, and it will form a part of our report, of course, to the Minister on this Bill. So, thank you very much to the four of you, once again.

[455] Right, committee, we're breaking up now—for a brief period of time, unfortunately.

*Gohiriwyd y cyfarfod rhwng 12:24 a 13:03.
The meeting adjourned between 12:24 and 13:03.*

Bil yr Amgylchedd (Cymru)—Cyfnod 1: Sesiwn Dystiolaeth 8 Environment (Wales) Bill—Stage 1: Evidence Session 8

[456] **Alun Ffred Jones:** Ailddechreuwn y pwyllgor â'r sesiwn yma gyda chwmmi Tata. **Alun Ffred Jones:** We'll restart the committee with the session with Tata Steel.

Mae dau gynrychiolydd—Richard Leonard a Peter Quinn. Byddan nhw'n dod i mewn ac wedyn bydd Jeff Cuthbert yn dechrau'r holi. There are two representatives—Richard Leonard and Peter Quinn. They'll come in and Jeff Cuthbert will then start the questions.

[457] I hope that this afternoon's session will be finished by 2.45 p.m..

[458] **Jeff Cuthbert:** So, what you're saying is I should talk very quickly. [*Laughter.*]

[459] **Alun Ffred Jones:** No, no. [*Laughter.*]

[460] We welcome you to the committee, both of you. Good afternoon. Just for the record, if you would like to introduce yourselves and give your position within the company, then we'll kick off.

[461] **Mr Leonard:** My name's Richard Leonard. I'm the environment manager for Tata Steel Strip Products UK. So, I cover Port Talbot and Llanwern works.

[462] **Mr Quinn:** Good afternoon, everybody. My name's Peter Quinn. I'm the head of environment and climate change policy and strategy for Tata Steel in Europe.

[463] **Alun Ffred Jones:** Thank you very much. Right, Jeff, would you like to start?

[464] **Jeff Cuthbert:** Yes, thank you very much. Good afternoon. I'd like to start on the issue of emission targets, if I may. Clearly, both for the Environment (Wales) Bill, which is in the consideration stage, and indeed the Well-being of Future Generations (Wales) Act 2015, which is on the statutory book—which admittedly doesn't apply directly to the private sector, nevertheless it tries to set the standard for what we're looking for within Wales—many organisations have called for a greater reduction than 80 per cent in the emissions target by 2050. Would Tata Steel support calls for a greater reduction, or do you feel that that could have a negative effect on your work?

[465] **Mr Quinn:** Well, I think that the key point to make with regard to the steel industry is that there is a limit to how much carbon dioxide can be reduced when we make a tonne of steel. We've worked with our peers within the European steel industry, EUROFER, on a detailed piece of modelling and a report, which is the roadmap for 2050. And that indicates that with known technologies, even those that are not yet commercially uptaken, the likelihood is that compared with 2010 levels of emissions, the steel sector is unlikely to be able to achieve more than a 10 to 15 per cent reduction. And that's really because of the intrinsic nature of the process; to reduce iron ore, you have to add carbon, and that produces carbon dioxide. So, 80 per cent is a target that is not achievable for the steel sector without some breakthrough technology, which doesn't yet exist, and almost certainly in combination with carbon capture and storage or utilisation. So, yes, it's something that is a big concern for the steel sector. The issue of whether an 80 per cent target for the whole of society is achievable is another matter. One of the key points that we always make is that steel is part of helping society to decarbonise through its product design, and we certainly think that we can reduce more carbon dioxide emissions through the products we supply and the services we supply than we emit from our processes, and we believe that steel is therefore a key part of attaining that kind of sustainable future.

[466] **Jeff Cuthbert:** If I may, Chair—I'm an engineer by background; I understand the issues that you raise and the practicalities, and clearly we want steel production in Wales. Can you just talk maybe a little bit about the research and development that may be under way to look for improved technologies? Because, 2050 is quite a way off; technology advances at a very rapid pace, as we know. You mentioned known and anticipated technologies—is Tata

Steel perhaps working in collaboration with the higher education sector here in Wales to develop more sophisticated systems that could assist, maybe not reaching 80 per cent, but assist in a further reduction?

[467] **Mr Quinn:** We are heavily engaged in looking for breakthrough technology, because we understand it's not good enough, as a steel sector, to say, 'There's nothing we can do. We can't make a contribution.' That would be to bury our head in the sand and say, 'We don't want to be part of the solution', because I think the steel sector's embraced the need to achieve a reduction that curbs the amount of temperature increase in the world. We have a five-point approach—a five-limbed strategy in terms of being part of the solution to climate change. One of them is about reducing our emissions using existing technologies and optimising within known best practice. One of them is about engaging our workforce to effect some kind of behavioural change, so everyone has a stake in doing this. One is to work with the global steel sector to try to move the whole global steel sector along, including those in some of the countries that are not committed to carbon constraint. One of the elements is to ensure that our product design in our services we provide helps society to reduce carbon dioxide emissions.

[468] But, coming back to the point, the fifth limb is to actually achieve—it's to invest in breakthrough technology development. The main platform for that has been something called the ULCOS consortium—it's an acronym, ULCOS, which stands for ultra-low carbon dioxide steel making. It's a consortium with, at its peak, about 50 partners. It's been through a few phases; it's now in a kind of demonstration-scale plant phase. Tata Steel has been involved in lots of different work streams. The technologies that have been looked at have been a technology called top gas recycling blast furnaces; we've looked at carbon capture and storage; we've even looked at electrolysis, which is used in primary aluminium production. But the one technology I would say Tata Steel has most associated itself with is a technology called Hisarna, which is a direct smelting process. So, we invested €5 million in a demonstration plant or a large pilot-scale plant at our Dutch plant in Ijmuiden, and we announced early this week that we've secured some European Commission funding through the Horizon 2020 framework—€7.5 million to provide about a third of a €25 million bill for running a six-month campaign on our pilot plant next year.

[469] Hisarna is something that, in itself, can cut out two major steps in making steel. It can cut out the sintering process and the coke-making process, by putting coal and iron ore straight into the same reactor. By doing that, we can achieve a 20 per cent reduction—if it works. And the point of the six-month trial, which will run during 2016, on our plant in the Netherlands, is that it's aimed at looking at whether—. The technology itself has been proven, but the six-month trial will be about demonstrating whether it can operate on a continuous basis, because it's only been run for two weeks at a time so far.

[470] **Alun Ffred Jones:** I appreciate this is very interesting, but I need to focus back on our—

[471] **Mr Quinn:** Sorry.

[472] **Jeff Cuthbert:** Would you be able to send us some information on the process?

[473] **Mr Quinn:** We absolutely can, yes.

[474] **Alun Ffred Jones:** Llyr.

[475] **Llyr Gruffydd:** Thank you, Chair. Good afternoon. I'm just interested to know, in terms of Tata's position, whether you agree that we need to maintain global warming within 2 degrees.

[476] **Mr Quinn:** I think it's fair to say that Tata Steel hasn't taken a public view on whether it needs to keep within 2 degrees. Yes, it's one for policy makers; it's one for scientists, primarily. What Tata Steel has said—it's neither said it's for it or against it—is that it recognises and understands that climate change is a real phenomenon, caused by human actions, and that the steel sector and Tata Steel in particular need to be part of the solution.

[477] **Llyr Gruffydd:** Okay. Thank you for that.

[478] **Mr Leonard:** Can I just add to what Peter said? One of the things we look at with carbon dioxide reduction is putting the actual reductions in context. The steel industry as a whole, since the 1970s, has reduced its carbon dioxide emissions by 50 per cent. As you gradually or progressively produce, so it becomes more difficult. One of the biggest investments we had in Port Talbot, which is the best example, was the steel-making gas recovery project, which saves between 250,000 and 290,000 tonnes of carbon dioxide a year. But that project cost us £60 million. So, you can see the amount we have to invest simply to reduce carbon dioxide, and that reduction—the 250,000 to 290,000 tonnes—is actually a small percentage of the European steel industry's emissions. As you progressively reduce the carbon dioxide emissions, so the investment becomes higher.

[479] **Llyr Gruffydd:** Okay. Looking more specifically at the Bill and the proposed legislation, there's no provision, as far as I can see, for reviewing targets as we go along. Obviously, there's a desire among some stakeholders to have clear milestones and a progression in terms of how we achieve the 80 per cent between now and 2050, but I'm just wondering whether you feel there should be provision in the Bill—that that should be more explicit, first of all and, secondly, that there should be provision in the Bill where, actually, Government could up the ask in terms of that target if the evidence suggests that that's required.

[480] **Mr Quinn:** Your question, as such, is on evidence, and I think our key point is that the Bill should set a target that is achievable based upon the evidence. It should be achievable in a way that doesn't force the steel sector to not exist in Wales. At the moment, the evidence, which I've talked about and is contained in the EUROFER road map report, which is publicly available, suggests that, with normal technology, we can't achieve anything like 80 per cent—

[481] **Llyr Gruffydd:** 'We' being?

[482] **Mr Quinn:** The steel sector.

[483] **Llyr Gruffydd:** Yes, sure.

13:15

[484] **Mr Quinn:** I should say—it's an important point—that there are two primary modes of steel making. One is to re-melt scrap, which we tend to do in electric arc furnaces, and Tata Steel operates electric arc furnaces in the north of England. But the primary route is to use raw materials like iron ore, coal and limestone, which is what we do in Port Talbot, for example. One of them is much more carbon dioxide intensive than the other. Unfortunately, the world demand for steel is about 1.5 billion tonnes and there are only about 500 million tonnes of scrap available or arising in the world. So, the global steel demand can only be met—. A third of it can be met by re-melting scrap. I just want it to be clear that electric arc furnace technology is a lower carbon dioxide technology, but it's not a solution for the world, if the world continues to demand 1.5 billion tonnes of steel.

[485] **Llyr Gruffydd:** But in terms of establishing a route map, if you like, in terms of

lowering our emissions, and you mentioned the fact that there no doubt will be other emerging technologies in years to come, you'd be comfortable with legislation allowing for that to happen.

[486] **Mr Quinn:** I'm struggling a little bit to understand what the thrust of the question is. Our principal concern—

[487] **Llyr Gruffydd:** Well, that you can revise the targets up or down, you know, between now and whenever.

[488] **Mr Quinn:** Well, I think that our principal concern is that the targets are set and are achievable.

[489] **Llyr Gruffydd:** But targets may become more achievable as technology advances.

[490] **Mr Quinn:** Yes, we're currently talking about a target of 80 per cent, which is absolutely not achievable. So—

[491] **Llyr Gruffydd:** And within the current technology that we have?

[492] **Mr Quinn:** Yes, but we've been making steel for well over a century, and technology hasn't made those kinds of leaps forward that would suggest that by 2050 we'd be making it in a fundamentally different way.

[493] **Alun Ffred Jones:** Mick Antoniw.

[494] **Mick Antoniw:** In some of these points, you're basically saying that any legislation should only require to achieve what is achievable within the steel industry to enable it to survive. Anything that goes beyond that becomes pointless because either two things happen: the steel industry ceases to exist or it just continually breaks legislation.

[495] **Mr Quinn:** Absolutely. That's exactly the articulation of what we're saying. We believe in steel, because both Richard and I have worked in the steel industry for a combined 50 years. We believe in steel. We genuinely believe it's part of a sustainable future because we need it. I could list what we use steel in. We use it in wind turbines, we use it in tidal schemes, we use it in nuclear, we use it in transmission of electricity in an efficient way, we use it in operating theatres, and we use it to link people together, with bridges, roads, rail. So, we believe it's absolutely vital, and we're developing steel products, which enable society to reduce its carbon dioxide emissions. But the fact is that the world does need steel. If we introduce a punitive regime in Wales, in the UK or in Europe, the world will still want steel. It will just be made somewhere else. That, really, is the—

[496] **Mick Antoniw:** I absolutely understand.

[497] **Alun Ffred Jones:** Joyce Watson.

[498] **Joyce Watson:** On that point, do you think that within any proposals there should be some form of offset between what you're producing and how it's going to be used in another setting, such as wind turbines—let's just take that as an example? Do you think that there should be some offsetting and rebalancing of what you're producing it for, and what it might be used for in terms of reducing carbon?

[499] **Mr Quinn:** I think it's an interesting proposal. I think, technically—. I mean, yes, it would be a good thing because we could demonstrate and get credit for, in a legal framework, the benefit that we provide. I think, in practical terms, it would be very difficult to achieve. I

think there are different ways of approaching this. One is the breakthrough technology route, which we're committed to, and we should remain committed to, and we will. One of them is—. And hopefully that means we can deliver a proportionate contribution to the Welsh Government target. Another one is an offsetting route. Another one is to say, 'Well, steel is an essential industry. It's really important for Wales, it's really important for society, it's really important for a sustainable future, therefore we're not going to get rid of steel, and we'll ensure that it's a proportion of—'. The contribution it has to make to the overall Welsh reduction is based upon what is achievable. These are different mechanisms.

[500] **Alun Ffred Jones:** Bill.

[501] **William Powell:** Diolch, Gadeirydd. Moving to the issue of reporting on progress against targets, what is your view as to the current provision within the Bill that Welsh Ministers should only have to report once in every five years? Do you feel that that's sufficiently often, or would it be better to have something on an annual or biennial basis?

[502] **Mr Quinn:** I think that the debate that was had around the formation of the UK Climate Change Act 2008, where a five-year reporting frequency was defined, took account of the fact that there are lots of perturbations in the economy, which have a massive impact on carbon dioxide emissions. We had a huge financial crisis back in 2007 into 2008, and steel production in Europe is still about 28 per cent lower than it was pre-crisis. If you look at the steel production, and therefore the carbon dioxide emissions, from steel in 2008, they were way down, but we shouldn't all pat ourselves on the back and say, 'Well, that's great, because we've reduced 50 per cent of our carbon dioxide emissions'. We've reduced our carbon dioxide emissions, but we've also lost thousands of jobs and livelihoods. So, I think five years is measured, because it helps to even out some of those perturbations.

[503] **William Powell:** And, in terms of adaptation, Chair, if one may continue, the Climate Change Commission for Wales suggests in its written evidence to us—and we're going to hear from them shortly—that the provisions on climate change should be strengthened in Part 2 of this Bill. What is your view in terms of a requirement for Welsh Ministers to publish an overall climate change adaptation strategy?

[504] **Mr Quinn:** I think it's fair to say, again, that Tata Steel hasn't taken a view on this, nor has it expressed a view in its written response to the consultation. But, of course, I think what we can do is speak as individuals and say that adaptation, unfortunately, is something that we do need to attend to, because there's a body of scientific thought that says that the adverse effects of climate change are already upon us, and therefore it seems appropriate that there should be a co-ordinated and coherent approach to adaptation across society.

[505] **Mr Leonard:** It's certainly part of what we already do. Port Talbot, as you know, is right by the sea, so when we're looking at things like planning or anything to do with legislation or storage of hazardous goods or anything like that, then we certainly have to look at the potential effects of climate change adaptation.

[506] **Mr Quinn:** Yes. And, just to build on that, NRW will include climate change adaptation as one of its priority areas within its permitting strategy for most sectors, certainly the steel sector. So, it's not just something that we're doing; it's something that NRW is expecting all big business to do.

[507] **William Powell:** So, that actually creates a greater sense of certainty and is helpful to a concern like your own in terms of future planning.

[508] **Mr Quinn:** I would say so. I go back to the fact that we've not formed a view, but yes.

[509] **William Powell:** Okay, thank you.

[510] **Alun Ffred Jones:** Do you have a view on how Welsh carbon dioxide emissions should be calculated?

[511] **Mr Quinn:** No. Well, I could express lots of views about it. There are a couple of things that are complicated. One of them is the emissions associated with power generation, where power is used by the Welsh economy and some of it is generated in Wales and some of it is generated elsewhere in Europe, in actual fact. It's a technical one. There are a couple of other things that are perhaps part of the answer to that question, which are: what should be included and what should be excluded? One aspect of the Bill is the inclusion of shipping and aviation. We'd be concerned about that. To the best of my understanding, shipping and aviation are not included in the UK climate change target—80 per cent by 2050—and it seems quite likely that that would lead to offshoring of logistics, so we'd end up with people using non-economic and non-efficient routes perhaps, because one assumes that any policy instruments that were put in place to ensure an 80 per cent target is reached by 2050, if they were applied to shipping and aviation, but weren't applied outside of Wales, might lead to logistics coming in through non-affected areas like some of the English ports and airports. So, that would be a concern, because, of course, we do rely heavily on bulk shipping for our raw materials but also our products. But, no, in terms of the overall calculation methodology, we would take a view when a clear methodology was presented as a proposal, but, as long as it was achievable and reasonable, we'd have no objection to it.

[512] **Mr Leonard:** Because we're part of the emissions trading scheme, our own emissions are calculated to the nearest tonne and then verified by a third party every year.

[513] **Alun Ffred Jones:** And you are happy with that methodology?

[514] **Mr Leonard:** That's the legislation; that's what we adhere to. Yes, we're happy with the method by which it's calculated. It's an expensive system; we reckon the EU ETS cost Port Talbot—or the emissions from Port Talbot cost Tata Steel—€8 million last year, and that figure is going to climb substantially as we get towards 2020 and the carbon price, as it's predicted to increase.

[515] **Alun Ffred Jones:** Mick.

[516] **Mick Antoniw:** How does Tata Port Talbot, then, compare with other European steel plants? Are they like-for-like?

[517] **Mr Leonard:** Because we've all reduced from where we were in the 1970s and got down to more or less the same—. There are certain points—

[518] **Mick Antoniw:** Proportionately rather than—.

[519] **Mr Leonard:** Proportionately, it's on a par; there are some plants that are better, there are some plants that are worse. We're still behind the Koreans, but on a par maybe with Europe.

[520] **Mr Quinn:** One thing: because it's really important that we know where we stand relative to our competitors, because we need to benchmark, we need to know what is achievable, then you wouldn't forgive us for saying we can't do any more if, objectively, we could do more. For that reason, we, I think it would be fair to say, took something of a leadership position within the World Steel Association back in the mid-2000s to develop a common methodology for accounting for carbon dioxide emissions from steelworks. So, we

have what we now call a worldsteel methodology for collecting direct carbon dioxide emissions, indirect carbon dioxide emissions—well, there are three scopes, one of which includes the emissions associated with transportation of people and emissions associated with mining the resources that we use as raw materials. And we report every year to worldsteel, and worldsteel then produces an anonymised listing of carbon dioxide emissions. So, we don't know who everyone else is on the line, but we can broadly say where we are and Port Talbot is closer to the optimal end than the other end. The one thing is, despite the fact that worldsteel has developed a standard methodology that all of its members have signed up to, nevertheless, as you know, it's very difficult sometimes to compare one site with another because those sites that make high-end products—and Port Talbot certainly does make a high-end product—will inevitably have to invest more energy per tonne of product, and therefore more carbon dioxide emissions, than one that is making a very basic commodity product. And those kind of considerations aren't taken into account in the methodology.

[521] **Alun Ffred Jones:** To sum up your position as I understand it, therefore, you acknowledge that climate change is a threat and you acknowledge—I'm not putting words in your mouth now—that it is a threat to mankind, that human activity obviously contributes to that, and you acknowledge that you have a part to play in reducing carbon dioxide emissions, but you are almost a special case because the world needs steel and therefore any legislation should take that into account. Is that your position?

[522] **Mr Quinn:** I think that's a fair representation of our position. We don't want to say that we're a special case and therefore we don't need to do anything; what we're saying is that—. I probably speak for all sectors of industry in saying that the contribution that they need to make to any national target has got to be based on what is achievable. I think we've got a decision to make. If we believe it's important to have a steel industry in Wales, in the UK, and in Europe, we can't afford to simply set punitive and unachievable targets that will cause that steel production to be taken out and put in—. One thing we have seen is that it's not an empty threat to say that steel production does shift around globally. More new steel capacity has been installed in China since I started working for the steel industry than the entire steel-make in the year that I started. That gives you a feel for how dynamic this industry is. So, our 5 million tonnes for Port Talbot out of 1.5 billion tonnes worldwide, it's almost a drop in the ocean in terms of the global ability to supply that steel. So, yes, what we want is something that is achievable.

13:30

[523] The other thing I think it's important to say is that the limits that are imposed upon us, which, currently, those limits are really—. There are two main policy instruments that we are bound by that have a big impact on our carbon dioxide emissions currently for Port Talbot. One of them is the climate change agreement that we've entered into with the UK Government, wherein we've committed to an energy reduction in return for relief on the climate change levy. But by far the most impactful measure is the European Union emissions trading system. Now, we're already in a situation where we're in deficit. That means that, every year, our emissions are higher than the free allocation that we get from the UK Government. Because there's an incremental linear reduction factor in place, the allocation we get for 2016 will be lower than what we get this year; for 2017, even lower, all the way through to 2020. The deficit by 2020 is going to be horrific, and it's going to cost us tens of millions of pounds by 2020.

[524] But that's not the only problem we've got, because the other problem we've got is that we're paying, currently, this year, for our Welsh sites, something in the order of £30 million on the electricity that we buy from the grid, which directly pertains or directly can be attributed to the pass-through of environmental taxes. That's the renewables obligation, feed-in tariffs, carbon price support and the indirect impact of EU ETS that is borne by the power

sector and passed through in the costs to their customers. To put that into context, £30 million for our sites in Wales would have financed six months of the campaign of the HIsarna breakthrough technology at Ijmuiden. We could have built a HIsarna demonstration unit in Port Talbot for that money and run it for six months. One of the key points is that, if we are to achieve breakthrough technologies, if we are to achieve a substantial contribution, we need to ensure that we're not bleeding money in the form of taxes and carbon prices, because we absolutely can't reduce our emissions in line with the caps that we're bound by. And, of course, all of this is just money that doesn't go into innovation, doesn't go into research. It almost becomes a self-fulfilling prophecy.

[525] So, the argument is really quite a simple one. We should have targets that are achievable. They can be challenging, but achievable, and they should be based on science, in the same way as we base climate change policy on science; we don't base it on speculation and, 'Maybe we should do this because, maybe, if we don't there will be a problem'. I think we all agree that there'll be a problem if we don't do what we're doing.

[526] **Alun Ffred Jones:** Okay. Well, I'm sure you've been able to express some of these views in another committee, as I understand it, recently. Does anybody want to—. Very briefly then, Jenny.

[527] **Jenny Rathbone:** I just wanted to pick up on your point about not including shipping and aviation. Is it not the case that, if we don't include shipping and aviation, that's an incentive for a steel producer in China paying tuppence-ha'penny to their workers to then ship the steel over here rather than us having locally produced steel and therefore being less damaging to the environment?

[528] **Mr Quinn:** I think it's a complex picture, but we have to bear in mind that we have a deep sea wharf at Port Talbot, where we ship huge vessels—175,000 tonnes, maybe more than that—that come from Australia, South America, Africa, and shipping is a big part of our business. It's a crucial part. So, we would suffer as a result of including those emissions.

[529] **Jenny Rathbone:** Except that I know one of your problems is cheap steel coming in that doesn't meet the standards required by the EU. So, if we don't capture the emissions that they're generating by the activity in some other country, aren't we then making life worse for you?

[530] **Mr Quinn:** It's absolutely right that, certainly for parts of the steel sector in Europe, and in the UK, Chinese imports have been a huge, huge—and growing—problem. I think that the best way to solve that isn't to account for shipping emissions in our climate change targeting, but rather to recognise that, when we bring in products from overseas, they have a carbon penalty—they were made in a process and carbon dioxide was emitted from them. Lots of different policy instruments have been discussed as a possible remedy for that. On the very specific points of Chinese imports, particularly of products—constructional steels, I should say—the fact that they don't meet specifications is fundamentally a problem, and, actually, the way to solve that isn't by accounting for shipping emissions.

[531] **Jenny Rathbone:** No, I agree with that.

[532] **Alun Ffred Jones:** Okay. Any other questions? Janet.

[533] **Janet Haworth:** Yes, just quickly. Climate change forms a part of this Act. Do you think there's more to be said in the Act about the context in which Wales finds itself? We are a small, but beautiful country, in a world that faces many threats—not just climate change; some of those threats are probably more dramatic—and I just wonder whether we need to get Wales's contribution to this problem more in the context of the global setting. I think it's very

important that what we say in the Act we want to achieve is based on science, it does take account of that very innovative suggestion, I think, of penalising the importers, and it's proportionate and it can be achieved.

[534] **Mr Quinn:** We agree, absolutely. What we do should be proportionate, should be achievable. Being ambitious is good—ambitious, but achievable. We want to be a part of that. I think we've talked a little bit about products, and it really is an important point. Possibly, if I could just quickly mention a couple of examples. Down at Trostre, in Llanelli, we make steel packaging. We've lightweighted it by more than 30 per cent over the last 10 or 20 years, so you get more functionality for a tonne of steel. At Port Talbot, we make advanced high-strength steels, which make cars lighter, so they emit less carbon dioxide in their use phase. At Orb, in Newport, we make electrical steels, which are really advanced steels, which reduce transmission losses when we move electricity around the grid. These are all the kinds of things that we can do to make a contribution. In Shotton, north Wales, Deeside, we make a colour-coated product, which we give a 30-year lifetime guarantee on. So, it's durable. That's one of the benefits of steel: we can make things that are durable, so you don't have to keep replacing them. So, again, society gets the same level of functionality, but for less consumption.

[535] One of the big things we say internally is, like all manufacturers, we try to reduce the yield losses through our process—this is how much steel we cut off through the process. That's a much more efficient way of reducing carbon dioxide emissions than to spend £60 million on a BOS gas recovery system at the steel plants at Port Talbot.

[536] **Janet Haworth:** But at the moment, these things you're suggesting don't find their place in an offsetting mechanism.

[537] **Mr Quinn:** They don't, and one thing we've not talked about today—and we're out of time, I'm sure—is the circular economy. This is one of the big areas of emerging European policy, and it's one of the big thrusts, where we as a steel sector say, 'Hey, look, we fit perfectly with the aspiration for a circular economy'. We make something that is 100 per cent recyclable. Not many people can say that. We do recycle most of it: we recycled 300,000 tonnes, last year, of steel at Port Talbot. We produced, at Port Talbot last year, 1 million tonnes of blast-furnace slag, which is then used as cement. Why is that important? Because it means we don't need to make 1 million tonnes of cement, which means we don't need to emit 1 million tonnes of carbon dioxide from making that cement, and we don't need to dig up—

[538] **Janet Haworth:** But you're not getting any credit for that.

[539] **Mr Quinn:** You get no credit for it. And we don't need to dig up 1 million tonnes of limestone, or however many tonnes of limestone, from, usually, beautiful parts of the countryside. So, we do make a big contribution. With landfill last year, even though we made 4.5 million tonnes of steel at Port Talbot—and, to make that, we had a net movement of materials of, let's say, 7 million or 8 million tonnes—we landfilled 20 million tonnes, and that's a 50 per cent reduction since 2010. So, in terms of resource efficiency, we're making our steel more efficiently, we're hardly putting anything into landfill—in historical terms, relative to our historical performance—and we're making by-products that are saving resources, natural resources. We make 300,000 tonnes of what we call steel slag, which goes into roads, which means we don't have to dig up 300,000 tonnes of aggregates from the ground, which is a really important thing. One of the things we'd like to understand is how any new policy framework in Wales will help us to expand these kinds of markets to ensure that we do get secondary materials into societal applications in a way that displaces the more carbon dioxide-intensive materials. How do we ensure that product design requires recycled material to be used?

[540] **Alun Ffred Jones:** Well, you've opened a whole new field of discussion there, and we don't have time, unfortunately, but we are very grateful to you for coming in today, and also for explaining a great deal about the processes, which, obviously, will feed into our deliberations as we look at this legislation and advise. So, do you want to finish with any last thoughts?

[541] **Mr Leonard:** Yes, I'd just like to make one last point. Tata Steel has got a long history of working with Welsh Government, collaborating with them. We clearly want to continue that, so we'd like to extend an invitation to this committee: if you'd like to come to Port Talbot and see our operations, and see what we're doing and meet the people who manage it, we're happy to arrange that.

[542] **Alun Ffred Jones:** Thank you very much for the invitation. We'll try and find a suitable time, and I'm sure we'd be more than happy to accept your invitation. Thank you very much indeed. Diolch yn fawr.

[543] **Mr Leonard:** Excellent.

[544] **Mr Quinn:** Many thanks for hearing us.

13:43

Bil yr Amgylchedd (Cymru)—Cyfnod 1: Sesiwn Dystiolaeth 9 Environment (Wales) Bill—Stage 1: Evidence Session 9

[545] **Alun Ffred Jones:** A gaf i eich croesawu chi, y ddau ohonoch chi, atom ni? Diolch yn fawr am ddod atom ni heddiw i'r sesiwn yma, lle rydym ni'n casglu tystiolaeth fel rhan o'n proses ni o edrych ar Fil yr Amgylchedd (Cymru). Felly, a wnewch chi jest gyflwyno eich hunain i ni er mwyn y record, a dweud pwy yr ydych chi'n ei gynrychioli?

Alun Ffred Jones: Could I welcome you, both of you, here with us? Thank you very much for coming here today to this session, where we're gathering evidence as part of our process of scrutinising the Environment (Wales) Bill. So, could you just introduce yourselves to us for the record and tell us who you are here to represent?

[546] **Mr Davies:** Sorry, I've missed the introduction. Sorry, Chair.

[547] **Alun Ffred Jones:** That's all right. Just introduce yourselves and state your position.

[548] **Mr Davies:** Okay, well, since I just started—Peter Davies, chair of the climate change commission and Commissioner for Sustainable Futures.

[549] **Mr Bell:** I'm Matthew Bell. I'm the chief executive of the Committee on Climate Change.

[550] **Alun Ffred Jones:** Thank you very much, and welcome here, in case you missed that bit as well. So, Julie Morgan will kick off.

[551] **Julie Morgan:** Thank you very much and good afternoon. Do you think the 80 per cent target by 2050 is sufficient?

[552] **Mr Bell:** So, the target that's been set at a UK level in the Climate Change Act 2008 is a target of at least an 80 per cent reduction in greenhouse gas emissions by 2050. There are provisions in the Climate Change Act to review that.

13:45

[553] If the Secretary of State requests the committee to review that provision, then it would have to be reviewed on the basis of changes in the science or in international developments or something fundamental like that. So far, there's been no request to review them, so we haven't done any work to review whether they are sufficient, but, clearly, one of the upcoming events at the end of the year are the international negotiations in Paris. We'll see what global framework comes out of Paris. Depending on what comes out, that might be one type of thing that would be in consideration around those targets, but, so far, we haven't looked at any evidence for reviewing the 2050 target.

[554] **Julie Morgan:** Right. Thank you. Peter?

[555] **Mr Davies:** I think the committee did receive a report from Kevin Anderson and the Tyndall Centre for Climate Change Research, which we commissioned as the climate change commission and which the commission received at its last meeting. Kevin very clearly sets out in that report the issues around budgeting and the level of budget that we would have left to spend in Wales in terms of carbon emissions against, as likely as not, targets of meeting the 2 degrees C target. I think the commission has consistently been told by Kevin and the Tyndall centre, who are members of the commission, that the scale of the challenge and the urgency of the challenge are not necessarily reflected in the targets that we have. I know the Act, or the Bill, rather, talks about targets of at least 80 per cent, and it may well need to be reviewed on the basis of that evidence.

[556] **Julie Morgan:** Right. So, putting in 'at least'—you don't think that's sufficient?

[557] **Mr Davies:** I think it aligns to the UK Climate Change Act 2008, which I think is important, and I think that needs to be assessed against that position. There is an argument that, across the UK—. I think there is a sort of sense that we need to have a sense of common objective across the UK, and aligning it at this point with that, I think, is probably the right thing to do, but we do need to recognise that it is 'at least', and the evidence is piling up that we may need to address it more significantly. Certainly, the budget evidence highlights that from the Tyndall centre.

[558] **Julie Morgan:** So, do you think an interim emissions target for 2020 should be included on the face of the Bill?

[559] **Mr Davies:** Not necessarily on the face of the Bill. I think there is an issue in respect of urgency of delivery on this in this next phase. Obviously, the timescale of budget setting means that we're going to be through the next few years before that budget-setting process actually begins to take a grip. So, I think it's important that we have clear targets in terms of the immediate frame for the next five years of the Assembly Government, from next May. That needs to be clearly required, but I wouldn't argue that the interim target should be on the face of the Bill necessarily.

[560] **Julie Morgan:** Right. Do you think there may be a need for more than one interim target?

[561] **Mr Bell:** I think that what's important is to understand some of the principles that we should be looking at in terms of determining what sets of targets or indeed what sets of budgets we should be looking at. The way it's worked, clearly, at a UK level and, indeed, in Scotland and elsewhere as well—and indeed in other countries—is that you want to set targets such that both Government and industry and households can have a reasonable chance of making decisions that will allow them to bring themselves in line with those targets.

Consistently, that means that you set targets some way off in the future, given that some decisions, particularly if we're talking about infrastructure, or the power sector, or big industry, are decisions that (a) may be made infrequently—you might make them once every 15 or 20 years—and (b) take a long time to feed in once they are made. It takes a long time to build these things and for them to come up and be operational. So, you want to set targets and, indeed, set budgets far enough off into the future that people can make those decisions knowing what it is that is being aimed to be achieved. That's the kind of principle that should be involved in judging when it's sensible to have interim targets or budgets or carbon budgets.

[562] **Julie Morgan:** Thank you.

[563] **Alun Ffred Jones:** Do you think the legislation as it stands will make any significant contribution to the reduction of carbon dioxide emissions?

[564] **Mr Davies:** Well, as a climate change commission, we've been calling for some time for a stronger framework for the emission reduction targets in Wales. We were delighted when this was introduced into this legislation because, I think, at one point we felt that the Government wasn't going to introduce this in the legislation. So, we were very pleased about that. We are also pleased about the fact that it builds in more accountability and reporting across Government because our experience has been that there's been a lack of governance—I suppose is the right word—in terms of how the climate change delivery has been managed across Government, and a lack of, if you like, direct responsibilities and accountabilities across departments and, indeed, across the rest of the public service. For me, one of the questions that we need to be clear about is the degree to which this legislation relates to the indicators and milestones that we'll be putting in place under the Well-being of Future Generations (Wales) Act 2015. I think we need to be very clear that this is now requiring in legislation, through this particular piece of legislation, those milestones and indicators to incorporate carbon emission reduction targets and budgets. So, I think it will make a difference because I think it strengthens the accountability for delivery within Government and puts a much clearer frame and responsibility on Government for achieving those targets.

[565] **Llyr Gruffydd:** You touched on carbon budgets earlier, and the fact that we'll be two years in by the time we have an established carbon budget. What would the consequences of that be?

[566] **Mr Bell:** As we suggested in our original submission, and as I was just articulating in terms of the principles, the carbon budgets work because all of the components—Government, industry and households—have time to adjust their behaviour and their investment decisions in anticipation of a future carbon budget. So, the fact that the current legislation proposes that the first carbon budget, in a sense, comes into being half way through the first carbon budget period, is in some ways an unavoidable consequence—you have to start somewhere and it takes time to actually create the carbon budgets. I think the practical implications are that that first budget is more of a baseline. It will end up being more of a statement of, 'This is the level of emissions that currently exist in Wales', because there's no time to change them at that point in time, and it is useful to have a baseline, but I guess everybody should be clear that, in that sense, that budget is unlikely, if it's going to be sort of reasonably achievable in a cost-effective manner, to set a huge ambition beyond that baseline level of emissions that exists at that point, around 2018. That's then a baseline against which the second, third and so on carbon budgets can then be set in order to set ambitions against which people can then react and trust.

[567] **Llyr Gruffydd:** Okay.

[568] **Mr Davies:** Obviously, I would agree with that in terms of setting out a long-term

sort of framework for budgeting. But, coming back to my point about the implications of the Well-being of Future Generations (Wales) Act, you know, I would expect an incoming Government having to set milestones against that Act, which would incorporate climate change, carbon emission and adaptation milestones right from the start of their term of office. So, in that sense, we need to ensure that urgency is built into that five-year term of office as well as setting in place the longer term frame for the budgeting process.

[569] **Llyr Gruffydd:** Okay. We've had evidence that suggests that there should be, within the Bill or on the face of the Bill, a list of parameters that Welsh Ministers should take into account when setting carbon budgets. I don't know whether you have any view on the merits or not of that.

[570] **Mr Bell:** Well, at a UK level, the Climate Change Act 2008 provides a list of factors that the committee has to balance in trying to give its advice to Ministers and Ministers can consider. These are factors such as fuel poverty, the competitiveness of industry, the fiscal position of the Government and what it can afford to do, what the consequences of the recommendations are, international developments, the science of climate change, and what it says is necessary. That does provide a very useful discipline for the committee in terms of trying to make sure that it balances this range of factors, and that the budgets that it's advising on are budgets that explicitly also consider the consequences for households and for businesses. Now, that's for the committee. Whether Ministers who clearly are accountable anyway to the electorate need a separate sort of articulation of what they should take into account, I think, is a slightly different matter and not necessarily one for me to comment on, but the committee certainly finds it valuable to have that statutory guidance in its consideration.

[571] **Llyr Gruffydd:** Finally, what are your thoughts about the provision to allow Welsh Ministers to bank any surplus in carbon budgets and carry it forward?

[572] **Mr Bell:** Again, that provision is completely consistent with the UK legislation, so it's articulated in exactly the same way. In practice, I guess, what we have seen since, in the seven years or so that the UK legislation has been in operation, is that, when the only opportunity arose to bank outperformance in a previous budget period and use that to reduce, in a sense, the level of effort that was required in the future period, the committee recommended that that should not take place because it was felt that the outperformance was not due to any concrete action that the Government had taken, but was due, in emissions terms, to a fortuitous set of events— maybe in other terms, not—and, therefore, the decision was made not to carry anything forward.

[573] But there's a lot to be said for having flexibilities. One of the foremost concerns, clearly, in achieving the carbon budgets is to achieve them in a cost-effective way that takes account of the fact that from year to year, there are various variations and vagaries in the way the economy is working. And, having some flexibilities within that, as long as they are used in the appropriate way and as long as it's clear that, in a sense, the objective and the spirit of what we're trying to do is to achieve a set of effort, systematically, year on year, and that the flexibilities are not used to meet some sort of accounting requirement that goes against the spirit of what we're trying to achieve, then I think it's sensible to have flexibility.

[574] **Alun Ffred Jones:** William Powell.

[575] **William Powell:** Diolch, Gadeirydd. I'd like to move on to the issue of the role of the advisory body. As you may be aware, the majority of stakeholders who have expressed a view support the use of the UK Committee on Climate Change as an interim advisory body, until the expertise and resources have been assembled to take it forward here in Wales. What are your views on the relationship—if, indeed, you're able to express this particular point—

between the advisory body, as provided for in the Bill, and the future generations commissioner, because I think that role is going to be absolutely crucial?

[576] **Mr Davies:** Well, if I start on that—and I'm sure you probably expect me to say this—I would be really concerned about any undermining of the role of what we're establishing as the future generations commissioner. There is responsibility set out in the Well-being of Future Generations (Wales) Act on that commissioner specifically related to climate change, and I think he or she would have to have responsibility for providing the advice into Government and for setting up the appropriate arrangements in order to provide that advice, because, obviously, you do need that technical advice in terms of the climate change process and budgets.

[577] From our experience, as a climate change commission over the period, the relationship with the UK committee has been really important. You've heard already, I think, from Matthew's contributions that our ability to draw on their expertise, which is not only in advising UK Government, but also Scottish Government and Northern Ireland, and also having a picture of what best practice is happening around the world, I would argue is something we need to maintain and build on rather than create a separate structure here in terms of our own advisory process, in terms of that technical advice.

[578] I do think that the role of the commission has been important in terms of broader stakeholder engagement and input and broader ownership of the targets and the process, which I think is a critical part of this. We play less of a role, I think, understandably, because we don't have that expertise or capacity in a secretariat to provide the sort of detail of the technical advice that's needed, which I think is a different function. But I do think that function needs to be embedded within the role of the future generations commissioner, who should have a role in ensuring that advice is provided appropriately. My recommendation is that it should continue to be provided through the UK committee, but there are obviously alternatives to that.

[579] **William Powell:** Is that in the long term or in the interim?

[580] **Mr Davies:** My view is in the long term. Obviously, it would need to be reviewed under different circumstances, but, certainly, the experience has been that it's important to build that relationship and we've benefited a lot from the expertise and the investment that goes into the committee in terms of the work in Wales, and I recommend that that be continued.

14:00

[581] **William Powell:** And to what extent do you agree with the views that stakeholders have expressed—and this includes the Welsh Local Government Association—that the advisory body, as you have just stated your particular preference is for the committee to go forward, should be broadly independent of Welsh Government's influence?

[582] **Mr Davies:** I think that's very important. I think it's important to distinguish between different levels of advice, if you see what I mean. There's the technical advice, which the committee are very strong on providing, and then there's the sort of broader advice, which I think the commission, over the years, has been good at providing, which is around how best we deliver the outcomes that we're looking for and whether there are failures in delivery. You best get that from the involvement of stakeholders, who are on the front line in making it happen.

[583] **William Powell:** Okay. I think my next question is probably principally to Matthew, and that is: to what extent the climate change committee has been involved in assisting Welsh

Government in terms of the architecture of the Bill as we have it before us at the moment?

[584] **Mr Bell:** We've certainly had occasional interactions with the Welsh Government and the Minister's office in terms of the development of the Bill, but nothing very detailed. If we're asked our advice, then we provide our advice. There are technical issues about how budgets are set that we can provide advice on.

[585] **William Powell:** To what extent do you recognise whatever input you did have in what's before us today?

[586] **Mr Bell:** What we recognise in what's before us is a very, in a sense, close shadowing of the UK-level legislation, and, to the extent that we think that's appropriate and that that seems fine, we've noted a couple of points in our submission, and we've discussed some of them today where we think there are issues worth considering.

[587] **William Powell:** And the final point from me for the moment, and that is whether you've provided the Welsh Government with some indicative costings as to what would be involved in the ongoing provision of an advisory service as envisaged in the Bill?

[588] **Mr Bell:** We have not yet, but we could clearly do so.

[589] **William Powell:** Okay. It needs to be looked into fairly soon.

[590] **Mr Bell:** Yes.

[591] **William Powell:** Okay. Thank you.

[592] **Alun Ffred Jones:** Do you have a view as to how Welsh emissions should be counted? Is there a preferable method? You do have a view, Mr Davies.

[593] **Mr Davies:** I'll leave Matthew to start, then I have a view, yes.

[594] **Mr Bell:** As you're probably aware, there are several different ways to count the emissions. At the highest level, there is a choice between whether you count emissions on what's called the production basis or a consumption basis. So, are the emissions based on the amount of emissions being released through producing all the goods and services that we need, or based on the goods and services that people are actually consuming? Then, within each of those, there are then choices about how you account for them. Globally, at a UN level, and that's filtered down to UK level—and certainly to Scotland with their own Act—the decision has been made to count emissions primarily on a production basis. There are a number of sensible reasons for that, not least that it most directly reflects the levers that governments have within their control, because consumption emissions, for example, take into account the fact that products produced overseas but consumed here have certain emissions within them. It's very difficult for governments to control production activity and things that are happening overseas. There are a number of reasons why production emissions might be a sensible place to start. I'm clearly conscious that, in a Welsh context, there's perhaps more of a divergence between production and consumption emissions than in other parts of the UK. So, it's an important discussion.

[595] For consistency, we would tend to think that production emissions are sensible, but there are many ways to report consumption emissions alongside those. We have certainly done work in the past at the request of the Westminster Government to look at what consumption emissions look like and how they compare with production emissions, and whether you would do different things if you're worried about one or another. So, you wouldn't necessarily have to do it to the exclusion of the other.

[596] If you are going down a production emissions route, then there is also a question of whether you use what are called 'net emissions' or 'gross emissions' with the main difference between the two being whether you count buying and selling of permits within the European emissions trading system within your carbon budget. Again, at a UK level, at a European level, and also in Scotland with its own Act, they've gone down the route of net emissions under which you can trade emissions permits within the European trading scheme and whatever the net result of those trades are is what appears in your budget, as opposed to the actual emissions that take place within Welsh territory, for example. Again, for consistency, there's a strong reason for sticking to that, but it does create difficulties in the sense that it means that the emissions that bodies sitting within Wales are actually producing are not necessarily quite the same as what goes into the carbon budget, because depending on what trades of allowances take place, the carbon that goes into the carbon budget may be slightly different. That does end up being difficult to communicate, and again, certainly at a national level, because of some of those difficulties, we are looking at ways of reporting both the gross levels and the net levels alongside each other, so that policy can then be calibrated appropriately.

[597] **Mr Davies:** I think that does highlight the fact that the communication point is a really key point on this in terms of how people understand how we are doing as a nation, and their contribution towards achieving that. Obviously, as far as production emissions are concerned, as is very clear, proportionally, we're affected by the large scale of industry and power generation that is present in Wales. We would not want to lose the presence of that industry in Wales, and indeed there's an opportunity to work constructively about developing innovation that can both accelerate the reduction in those emissions and lead to opportunities in terms of new employment. So, I think we think to look constructively at the fact that we have a group of high-energy users that shift our performance in terms of emissions, but look at that as an opportunity rather than a problem.

[598] It is a problem, though, in terms of how we then communicate how we're doing, because obviously it shifts the position so that we are proportionally performing worse than other parts of the UK. So, I think it's very important that we have other measures of reporting that are, if you like, underlying measures of how we are doing in terms of both production but also consumption. The commission, over recent years, has been very clear about the importance of being able to communicate our consumption-based performance as a means of, again, involving more people in understanding the impact of decisions and behaviours.

[599] The Minister has actually asked me as commissioner to look and report back on the effectiveness or otherwise of the ecological footprint, which has traditionally formed one of the measures of how we are performing in Wales. And you'll be aware of statements about the fact that we take three planets' worth of resources compared with the one planet that we have. So, we are looking at that footprint. Is that an effective framework for measuring consumption impacts, or should we be looking at other mechanisms? I think we need to incorporate that range of reporting measures to ensure that there's a clear understanding, and we put communications higher up the agenda, because even in my role as chair of the Climate Change Commission for Wales, it can become quite a complicated exercise to understand the process of what's counted and what's not counted and how it's reported.

[600] **Alun Ffred Jones:** Jeff, did you want to come in?

[601] **Jeff Cuthbert:** Yes, thank you. Just before you came in we had a presentation from Tata Steel. Now, is my memory correct: are they signatories of the SD charter?

[602] **Mr Davies:** They have been involved in the charter. I don't think they're actually signatories at this point, but they are very involved in looking at how they want to see the

charter develop. They're very committed to that.

[603] **Jeff Cuthbert:** That's good. I was intrigued when you talked about working with industry to see how emissions can be reduced, because they were very clear—whilst they had no problem with the principle of reducing emissions, the actual practical problems that they had in terms of steel smelting meant that they weren't going to get anywhere an 80 per cent reduction on their own, but they may well contribute towards that. So, just how are you actually working with companies like that to try and identify ways of helping to reduce emissions? Is this about changes in technology? Does it involve higher education, for example, or R&D? What exactly is being done?

[604] **Mr Davies:** I think it involves all of those, and if you look at what's been done, I think we can point to work that I think is very positive. The Low Carbon Research Institute reported last week on its programme of work. I'd recommend that report in respect of innovation in low-carbon development. Within that report, it highlights partnerships with industry; it highlights partnerships with high-energy users, particularly Tata; it talks about the specific project, which, again, has massive potential in terms of scalable new generation capacity in terms of solar and solar film. So, I think that research and development capacity is really important, and the partnership with the high-energy users—. You know, CBI are very concerned about the fact that we have a large employment base with high-energy users in Wales, and that we need to (a) retain that employment base but (b) work with those high-energy users who are very motivated to reduce their energy use in developing innovative solutions and areas of new production. And I think there is good evidence that the Government has done that and the department of economy has highlighted that. I think it's work that we can do more of, and particularly in the next round of European funding, we need to look at that again in terms of that partnership.

[605] **Jeff Cuthbert:** Thank you.

[606] **Alun Ffred Jones:** Should Welsh Ministers include emissions from aviation and shipping from the outset, and should they report on progress on an annual basis?

[607] **Mr Bell:** Again, I think it's worth breaking down the emissions from aviation and shipping at least into three categories: the emissions that are caused by travel within Wales; the emissions that are caused by travel around the UK and potentially around Europe; and then there are global emissions caused by people travelling further afield. If we start at the top and work backwards, the global emissions on aviation and shipping are something that are currently being discussed at a global level, and it's difficult for one nation acting by itself to have a big impact on those. It's clearly very important that out of the process that's taking place at the International Civil Aviation Organization and the International Maritime Organization on the shipping side, the Welsh Government and the UK Government play a positive role in terms of developing a credible international framework. And in terms of the UK Climate Change Act 2008, those emissions are included in the at least 80 per cent reduction target by 2050, and so we monitor them.

[608] I guess then there's a question about whether you should include emissions that are caused by travel within the UK or within Wales. We currently do include those within the UK's budget, and I think if there are sensible policy levers that the Welsh Government would have, then it would make sense, arguably, to include them in a Welsh measure.

[609] **Alun Ffred Jones:** And in terms of reporting, do you think the Minister should report annually or every—?

[610] **Mr Davies:** I think there's a discipline in reporting annually that is important. And, obviously, annual reporting is subject to the fluctuations of weather and bringing on new blast

furnaces and all of those sorts of factors that affect annual reporting, but annual reporting is a really important discipline. Of course, it needs to be seen in a longer budget time frame, but I think annual reporting is a very important discipline.

[611] **Alun Ffred Jones:** Any other questions?

[612] **Janet Haworth:** Yes. I just had one on communications, because you mentioned that. I wonder if you thought the wording as it is in the Bill adequately explains the whole concept of carbon trading, and whether we need to do more work on that to make it more transparent.

[613] **Mr Davies:** I would agree entirely. I don't think we do well in passing the pub test in a lot of what we do in communicating around climate change. As a commission, we've been undertaking quite a lot of work recently, again looking at the whole question of 'How best?' And there's a lot of research out there now in terms of how best you communicate and how best you engage people around the imperative of reduction, because a lot of the language we use is very impenetrable and difficult to understand—trading schemes et cetera. So, we've really got to focus on what works in terms of communication, and I'd be very happy to share with the committee the recent reports we've produced and had produced for us in terms of best practice in communication on climate change.

[614] **Alun Ffred Jones:** And do you want to leave us—. With reference to the Bill, how do you think the Bill could and should be improved?

[615] **Mr Davies:** I think there are two points I'd want to stress. One is I think it's important that we recognise the adaptation dimension, and in our written submission we've highlighted that while adaptation is embedded in the process, I think the ability to produce a national adaptation report is an important element that should be highlighted. And my other point is one, I guess, I've mentioned, but I would emphasise, which is the importance, again, in communication terms in particular, of highlighting how this sits within a framework of the Well-being of Future Generations (Wales) Act. Because I think, at this point, again, the narrative and the communication is coming from a perspective of a particular piece of legislation, as opposed to how that legislation fits effectively within a framework of how we govern ourselves in Wales.

14:15

[616] **Alun Ffred Jones:** We've had a number of comments along those lines.

[617] **Janet Haworth:** Can I come in, Chair, on that last point? We also have an opportunity, do we not, to influence planning, where new building is going up? There's a lot of innovation now in terms of making a building flood resilient if it's in a risk area and also looking at its sustainability—

[618] **Alun Ffred Jones:** That is planning. You're quite right: that is planning and this is not part of the environment Bill, I'm afraid.

[619] **Janet Haworth:** But we can render buildings less likely to emit carbon—

[620] **Alun Ffred Jones:** Yes, you could do all sorts of things, but it's not part of this Bill.

[621] **Mr Bell:** The only thing I would add, Chairman, if I may, on the Bill, is that one of the other things that we point out is that we're in the process, at a UK level right now, of setting what's called the fifth carbon budget, which covers the years from 2028 to 2032, and the Scottish Government is in the process of—. We are advising the Scottish Government, and the Scottish Government will, in turn, set that budget for the same period. Clearly, we

have the international negotiations that I mentioned earlier, which are focused on 2030, and one of the question we raised in respect of the Bill is whether, if it were passed, and you were setting up the carbon budgets, you wanted to look to set up carbon budgets that extend out to 2030, in line with all the other discussions, both at an international and at a UK level, and also in line with, going back to the first question, providing that visibility and certainty to industry, to households and to Government about what's achievable and what needs to be done over a decade and a bit period of time. That's the only part that I would add.

[622] **Alun Ffred Jones:** Very sensible. We'll see whether we can achieve it. Okay.

[623] Diolch yn fawr iawn. Thank you very much.

[624] We'll move on to our final set of witnesses, Cyfeillion y Ddaear and WWF Cymru.

14:18

Bil yr Amgylchedd (Cymru)—Cyfnod 1: Sesiwn Dystiolaeth 10 Environment (Wales) Bill—Stage 1: Evidence Session 10

[625] **Alun Ffred Jones:** A gaf eich croesawu chi yma, y ddwy ohonoch? Dyma'r sesiwn olaf heddiw; mae wedi bod yn ddiwrnod hir; gobeithio y gallwn gyrraedd y pen draw yn un darn. A gaf i ofyn i chi gyflwyno eich hunain i ni fel pwyllgor—rhoi'ch enw a'ch rôl o fewn y mudiad?

Alun Ffred Jones: May I welcome you here, the two of you? This is the last session today; it's been a long day; I hope we can reach our destination in one piece. Could I ask you to introduce yourselves to us as a committee—give your name and role within the organisation?

[626] **Ms Elgar:** Haf Elgar, ymgyrchydd Cyfeillion y Ddaear Cymru.

Ms Elgar: Haf Elgar, campaigner for Friends of the Earth Cymru.

[627] **Ms McQuade:** Jessica McQuade, WWF Cymru.

[628] **Alun Ffred Jones:** Diolch yn fawr. Pwy sy'n mynd i ddechrau? Llyr.

Alun Ffred Jones: Thank you very much. Who's going to kick off? Llyr.

[629] **Llyr Gruffydd:** A gaf holi ynglŷn â'r targedau, felly? Yn amlwg, mae targed o dorri 80 y cant erbyn 2050. Rŷm ni wedi cael ychydig o dystiolaeth yn dweud bod rhaid i'r targed fod yn gyraeddadwy. Ydych chi'n meddwl ei bod yn bosib gosod targed yn uwch? A fyddai hynny'n anymarferol?

Llyr Gruffydd: If I could ask you on targets, therefore? Clearly, there is a target of an 80 per cent cut by 2050. We've received some evidence saying that the target must be achievable. Do you think that it's possible to set a higher target? Would that be impractical?

[630] **Ms Elgar:** Yn sicr, rydym yn croesawu mai 'o leiaf 80 y cant' yw'r geiriad sydd yn y Bil fel y mae, ond mewn realiti, rydym yn credu mai ar 80 y cant y bydd y cyllidebau carbon yn cael eu gosod, heblaw bod y targed yn uwch yn y Bil. Rydym yn credu bod angen inni fod yn fwy uchelgeisiol na'r Ddeddf Brydeinig, sy'n saith mlwydd oed erbyn hyn, o ystyried y wybodaeth a'r ymchwil diweddera gan yr IPCC—y Panel Rhynglywodraethol ar y Newid yn yr

Ms Elgar: Certainly, we welcome the 'at least 80 per cent' wording that's in the Bill as it is, but in reality, we believe that 80 per cent is where the carbon budgets will be set, unless the target is higher in the Bill. We believe that we need to be more ambitious than the British Act, which is seven years' old by now, given the information and the latest research by the Intergovernmental Panel on Climate Change, what level of risk we think is acceptable in terms of reaching

Hinsawdd, pa lefel o risg rydym yn credu sy'n dderbyniol o ran cyrraedd twymo dwy radd ar draws y byd, a hefyd agweddau o degwch rhyngwladol a pha rôl ddylai Cymru fod yn chwarae yn rhyngwladol o ran torri allyriadau. Felly, o ystyried y cyd-destun yna i gyd, rydym yn credu y dylai'r targed fod yn uwch, a barn Cyfeillion y Ddaear yw taw 95 y cant y dylai'r targed fod, sydd ar lefel uchaf yr hyn sy'n cael ei argymhell gan bobl fel y Tyndall centre a'u gwaith nhw, ond rydym ni'n credu bod angen i ni ddangos ein huchelgais yng Nghymru. Mae'r memorandwm y bu i'r Gweinidog ei arwyddo yn Lyon dim ond ddoe yn sôn am fod yn uchelgeisiol a bod yn un o'r gwledydd sy'n arwain ar hyn. Rwy'n credu bod cyfle i'r Bil adlewyrchu hynny.

[631] **Llyr Gruffydd:** A oes yna broses, felly, y byddai angen i'r Llywodraeth ymgymryd â hi i ail-asesu'r lefel yna, neu ydych chi'n teimlo bod y dystiolaeth sydd yna'n ddigonol?

[632] **Ms Elgar:** Rydym ni'n credu bod y dystiolaeth yn ddigonol, ond ei bod hefyd yn fater o beth sy'n cael ei gymryd i ystyriaeth. Felly, nid dim ond y wyddoniaeth blaen, ond mae yna gwestiynau gwleidyddol ac o ran egwyddorion, i fod yn gwbl onest, yn hyn. Os ydych wedi darllen y papur gan Kevin Anderson o ganolfan Tyndall, dyna beth mae ef yn ei osod allan hefyd. Felly, rydym ni'n credu bod y dystiolaeth yna ac wedyn ei bod, i raddau, yn fater gwleidyddol o ran beth mae'r pwyllgor a'r Llywodraeth eisiau i'r Bil yma ei gyflawni a'r neges y mae Cymru eisiau ei hanfon i'r byd.

[633] **Llyr Gruffydd:** Rwy'n tybio y byddech chi'n teimlo bod targedau interim yn mynd i fod yn chwarae rhan bwysig wrth ymgynraedd tuag at beth bynnag fydd y targed yn y pen draw. A ydych chi'n teimlo y dylai'r rheini fod ar wyneb y Bil?

[634] **Ms Elgar:** Ar hyn o bryd, nid oes sôn am ba ddyddiad y byddai'r targed neu dargedau interim—. Nid oes dyddiad ar gyfer erbyn pryd y mae'n rhaid eu gosod nhw. Felly, os ydym ni jest yn edrych ar y Bil ei hunan, gellid gosod un targed ar gyfer 2049, er enghraifft. Mae hynny'n mynd yn bell, ond dyna sy'n bosib o fewn y Bil.

the increase in temperature of two degrees across the world, and also aspects of international fairness and the role should Wales be playing internationally in terms of cutting emissions. So, considering that context in its entirety, we believe that the target should be higher, and the opinion of Friends of the Earth is that the target should be 95 per cent, which is at the higher of what is recommended by people like the Tyndall centre and their work, but we believe that we need to show our ambition in Wales. The memorandum that the Minister signed in Lyon only yesterday talks about being ambitious and being one of the leading countries on this. I think that there is an opportunity for the Bill to reflect that.

Llyr Gruffydd: Is there a process, therefore, that the Government would need to undertake to reassess that level, or do you think that the evidence that already exists is adequate?

Ms Elgar: We believe that the evidence is sufficient, but it is also about what's taken into consideration. So, not just the plain science, but there are political questions and in terms of principles, to be honest, in this. If you've read the paper by Kevin Anderson from the Tyndall centre, that's what he sets out, too. So, we believe that the evidence is there and then it is, to a certain extent, a political issue in terms of what the committee and the Government want the Bill to deliver and the message that Wales wants to transmit to the world.

Llyr Gruffydd: I assume that you would think that interim targets would play an important role as we actually strive towards whatever the target is, ultimately. Do you think that they should be on the face of the Bill?

Ms Elgar: At present, there's no mention of the date that the target or those interim targets would—. There's no date for when they have to be set. So, if we are just looking at the Bill itself, you could set one target for 2049, for example. That's going quite far, but that's what's possible within the Bill.

[635] Rwy'n credu bod targedau interim yn ddefnyddiol i ddangos taw nid dim ond y cyrhaeddiad, o ran ble rydym eisiau ei gyrraedd erbyn 2050, sy'n bwysig, ond pa mor glou rydym ni'n eisiau cyrraedd fanna. Mae—nid wyf yn siŵr beth yw'r term yn Gymraeg—*steep trajectory* tuag at hynny, achos yr holl allyriadau rhwng nawr a bryd hynny sy'n bwysig, nid dim ond cyrraedd y nod yn y pen draw. Felly, yn sicr, rwy'n credu bod yna rôl i osod o leiaf y dyddiadau ar gyfer y targedau interim yn y Bil ac, o bosib, wedyn, y targed ar gyfer 2020 ar wyneb y Bil, gan fod gyda ni un mewn polisi yn barod.

I think that interim targets are useful in showing that it's not just the attainment, in terms of where we want to get to by 2050, that's important, but how quickly we want to get there. I don't know what the term is in Welsh, but there's a steep trajectory towards that, because it's all the emissions between now and then that are important, not just reaching the objective in the end. So, certainly, I think that there is a role to set at least the dates for the interim targets in the Bill and possibly, then, the target for 2020 on the face of the Bill, given that we have that in policy already.

[636] **Ms McQuade:** In support of what Haf was saying about the importance of the principles or the conditions, I think, when the committee or the Minister is assessing our targets, I agree with Haf about the different principles that she just went through about differentiated responsibility, the risk of meeting the 2 degrees, et cetera, and I think those aren't really outlined in section 32(3) as we'd expect. So, not only does the Welsh environment Bill not include these, but it doesn't really have as much detail as the Scottish or UK Acts. So, when we've been looking at the Welsh Act, we've been comparing it with the English and Scottish Acts, as well as looking at what's appropriate for Wales with the Well-being of Future Generations (Wales) Act 2015. So, certainly, 32(3) could be expanded to incorporate some of the principles and conditions that Haf has talked about.

[637] In terms of the interim target, I think the danger is the length of time that the Government is proposing it will need to take to set the budgets leaves a really big gap between where we are now and the baseline of what's expected. Now, if you think that this Act is here to provide certainty and a steer of where we're going, it's actually taking us back, because it's offering a big gap from where we are now. So, I think it would be interesting to see—. I think the Minister has talked about continuing the 3 per cent, or having its policy as 40 per cent by 2020, but having that on the face of the Bill would really make a statement of intent and also deal with if they can't lessen the time by which the budgets are prepared. We think they can; we don't really see why it's going to take them so long. I don't know whether the committee talked about that, but I know that, when the Minister and Welsh Government gave their evidence, they suggested it might take longer and follows the UK's process. Well, actually, it's normally around a six-month turnaround, so they could reduce the time that they get their budgets produced by.

[638] **Alun Ffred Jones:** Okay. Anybody else want to take up cudgels? William.

[639] **William Powell:** Diolch, Gadeirydd. I'd like to move on to the important role of the advisory body, which obviously would be drawn in, in terms of the interim reviews of targets and so on, which have already been discussed. I wondered whether you could clarify further why you feel that the UK Committee on Climate Change is, at this time, the right advisory body to take things forward, at least in the early stages.

[640] **Ms McQuade:** It provides the expertise, basically, that I think we don't necessarily have in Wales, and it's that technical expertise that is really important in looking at the budgets and how sectors—households, industries, et cetera—work. So, I think it's really important to have that expertise and also to look at how it works on a UK level. So, they work with Scotland and England and I think it's really important that we have that consistency as

well for Wales.

[641] **Ms Elgar:** I think it's useful to have the power in the Bill to designate another body and, if there were a Welsh centre of excellence on climate change developed in future, then we would consider that to be valid, but, at the moment, in terms of the expertise and the resources, and also the need for it to be an independent body as well—an independent scientific body—that's very important.

[642] **William Powell:** Do you think there's merit in the medium term in looking towards actually establishing a body within in Wales or in nurturing what's already present? I'm thinking of the Centre for Alternative Technology, which has done a huge amount of work in this field in terms of its 'Zero Carbon Britain' report and associated research.

[643] **Ms McQuade:** Yes. We've got the Climate Change Commission for Wales, which acts as a commission or a forum, if you like, which is meant to bring stakeholders together to look at both advising and holding Welsh Government to account from a Welsh perspective, but it also has the role of trying to implement those emissions reduction targets as well. I think that that form will probably need to change as we go forward. I think there's a review currently by the Welsh Government, which the commission are taking part in, which could form the basis of kind of futureproofing that to make it fit in with the obligations in the Well-being of Future Generations (Wales) Act 2015 and work more effectively with the committee as well.

[644] **William Powell:** Okay. Looking at the role of the future generations commissioner with regard to climate change, do you think that there's anything that needs strengthening about what's already been provided for in the way that that role has been established? And what clarification would be helpful?

[645] **Ms Elgar:** I do think we need some clarification, as section 19 of the Well-being of Future Generations (Wales) Act 2015 states that the commissioner may provide advice on climate change to public bodies, including Welsh Government, and section 46 of this Bill sets a duty on the advisory body to do so. So, we would like some clarification about how that relationship would work. It's not necessarily a problem. We do think that the future generations commissioner will have a valuable role to play in informing both Ministers and the advisory body on the situation in Wales and the context of working towards the goals and the national indicators and progress towards those. So, we hope that there will be a constructive relationship. Possibly making the future generations commissioner a statutory consultee on the regulation developed as a result of this Bill, or maybe a memorandum of understanding between both bodies, might be useful. So, I think we do need to look at tools and possible tweaks for that relationship.

[646] **William Powell:** You may have had the opportunity to listen into the previous session that we had with representatives of Tata Steel and, earlier in the day, we had representatives of the agricultural sector. Both of those have got quite a significant contribution that they make in terms of overall emissions and so on. What is the appropriate conduit for those sectors to input into issues around target setting and the reviews of target setting that might also involve further work from the advisory committees?

[647] **Ms McQuade:** We were thinking briefly about this and were wondering whether the climate change commission, as it sits now, could expand into an advisory forum for the future generations commissioner. Even though that's supposed to have representation from business on it, and it has had some big emitters in there, they tend to come and go. So, I think there is a seat for them through that. It's up to them whether they choose to come along. Whether that needs to be formalised or put in legislation, I'm not sure. I think we'd need to look at that a bit more, but, at the moment, you could amend the format of the Climate Change Commission

for Wales and use that as an advisory forum for the future generations commissioner perhaps, which then feeds into the environment Bill's setting of targets, et cetera.

14:30

[648] **William Powell:** I do sense that we may have felt that there's something of a vacuum at the moment in terms of the way in which they're able to engage and make their case as to not just their emissions issues, but also how their sectors contribute in other ways to climate change mitigation—I think that might be a very useful way to go. Okay. Thank you, Chair.

[649] **Alun Ffred Jones:** O ran adrodd ar y cynnydd neu beidio, a ydych chi'n meddwl y dylai Gweinidogion y Llywodraeth fod yn adrodd yn flynyddol, ac, os felly, pam? Wedi'r cwbl, o ran newid hinsawdd, nid yw'r newidiadau—hynny yw, mae'n rhaid i chi weld tueddiadau dros gyfnod o amser. Pa werth sydd yna mewn adrodd yn flynyddol? **Alun Ffred Jones:** In terms of reporting on progress or not, do you believe that Welsh Ministers should be reporting annually, and, if so, why? After all, in terms of climate change, the changes aren't—that is, you have to see trends over a period of time, don't you? What value is there in annual reporting?

[650] **Ms McQuade:** Well, we agree with the statements made by the Welsh Government and Tata Steel about having five-year reports allows for the ups and downs of the weather and the economy, et cetera—so, it takes out some of those variances and it allows that more longer-term review. But where there's a slight difference in our understanding of the UK Climate Change Act is that, actually, they do have annual reporting within that five-year budget system, and that's a legal requirement on the face of the Bill. So, that's in the UK Act—so, even if you follow the budget approach, you still have annual reporting plus indicative annual targets, which are averaged off from the five-year budgets. So, the purpose of those, I think, from a stakeholder's perspective in Wales—five years seems a bit too long to hear how Welsh Government are doing, whether negatively or positively. Let's not forget that, if Welsh Government are committed to this, they're going to be doing lots of positive actions, so you'd want to expect them to be able to report positively on that. The danger at the moment is the inventory comes every year, and it'll be providing data anyway on all-Wales emissions—the recent one in June was a 10 per cent increase due to the energy and business going up, partly Tata Steel as well. So, unless the Welsh Government's reporting on its own activity and what it's doing in its own control, then there's going to be a vacuum, if you like, in understanding what the Welsh Government's actually doing. We see it as a positive opportunity for the Welsh Government to report on what it's doing in activities, as well as also providing stakeholder engagement. This is an all-Wales problem, and we need an all-Wales solution to it. So, both the committee and stakeholders, and public sector as well, we all need to be understanding which direction we're going in. Five years is too long to wait, given the urgency of such a problem like climate change.

[651] **Ms Elgar:** Ac yn ogystal, buaswn i'n dweud, o ran amseru y gwahanol gyfnodau adrodd o dan y Bil, mae'r adrodd ar y gyllideb ddiwethaf yn dod yn y Llywodraeth nesaf—o fewn dwy flynedd yn y Llywodraeth nesaf. Felly, heblaw bod yna adrodd blynyddol, byddai'r Llywodraeth, o fewn y pum mlynedd, byth yn adrodd—na fyddai byth yn atebol, os hoffech chi—a chael sgrwtini ar ei gweithredoedd ei hun; bydden nhw wastad yn atebol am sgrwtini ar y Llywodraeth ddiwethaf. Mae'r amseru braidd yn rhyfedd mewn nifer o adrannau o'r **Ms Elgar:** And in addition to that, I would say, in terms of the timing of the various reporting periods under the Bill, the reporting on the last budget comes in the next Government—two years into the next Government. So, unless there is annual reporting, then the Government, within the five years, would never report—would never be accountable, if you like—and be scrutinised on their own action; they would always be accountable for scrutiny of the previous Government. The timing is slightly odd in many sections of the Bill, but that is

Bil, ond mae hwnnw'n un peth sy'n bodoli fel y mae'r Bil ar hyn o bryd. Felly, yn sicr, rydym ni'n gweld bod budd i adroddiadau blynyddol. Mae hynny'n bodoli ar hyn o bryd, wrth gwrs, sydd yn gyfle i sgrwtineiddio, ond buasai hynny'n gryfach o fewn strwythur statudol y Bil a'r cyllidebau hefyd. Rydym ni wedi gweld, yn yr Alban, fel y mae hynny wedi gweithio yn ddiweddar. Yn ddiweddar—eleni, nawr—roedd targed blynyddol wedi cael ei golli gan Lywodraeth yr Alban, felly, i wneud fyny am hynny, fe wnaethon nhw ddatgan bod effeithlonrwydd ynni i gael mwy o bwysigrwydd a mwy o flaenoriaeth yn eu strategaeth am y flwyddyn nesaf i ddod. Felly, mae modd ymateb yn fwy uniongyrchol i ddatblygiadau yn hytrach nag aros pum mlynedd i weld beth sydd wedi digwydd wedyn.

one thing that exists as the Bill is currently drafted. So, certainly, we do see that there are benefits to annual reporting. That currently exists, of course, and it provides an opportunity for scrutiny, but that would be stronger within the statutory structure of the Bill and the budgets too. We have seen, in Scotland, how that has worked recently. Recently—this year, now—the annual target had been missed by the Scottish Government, therefore, to make up for that, they did state that energy efficiency was to be given greater importance and priority in their strategy for the ensuing year. So, one can respond more directly to developments rather than waiting five years to actually see what's happened then.

[652] **Llyr Gruffydd:** Rŷch chi wedi gwneud cymhariaeth gyda'r Alban ar gwpl o achlysuron, ac roeddwn i jest eisiau holi ynglŷn â'r modd y mae'r *calculations* ar gyfer allyriadau yn cael eu seilio ar *consumption*—neu dyna rŷch chi'n awgrymu a ddylai ddigwydd. Ond, wrth gwrs, yn yr Alban, os ydych chi'n ei ddeall yn iawn, mae'n seiliedig ar *production*, felly oni fyddai hynny'n ein gosod ni ar wahân pan fo'n dod i gymharu â gweddill y gwledydd ac yn y blaen?

Llyr Gruffydd: You've made a comparison with Scotland on a couple of occasions, and I just wanted to ask about the way in which the calculations for emissions are based on consumption—or that's what you suggest should happen. But, of course, in Scotland, if I understand it correctly, it's based on production, so wouldn't that set us apart when it comes to comparisons with the other nations and so on?

[653] **Ms McQuade:** I think what we've recommended is we stick with, primarily, the production so it's in line with all UK nations, and then also the wider UN reporting system, but we also recommend that there's another report that goes in that cycle on consumptions. That can be a part of a separate report. They actually do have that in Scotland. So, there is a requirement for two dimensions. The consumption reporting is by no means as comprehensive or as in-depth but it does provide that kind of stake in the ground about, actually, how we are doing internationally and offloading our emissions as well. So, it's there as a comparator to help weigh up where we are against our production as well.

[654] **Ms Elgar:** But, in terms of the carbon budget, all emissions in Wales we believe should be counted, to be clear.

[655] **Llyr Gruffydd:** And you would include aviation and shipping in that as well.

[656] **Ms Elgar:** Yes.

[657] **Ms McQuade:** Yes.

[658] **Alun Ffred Jones:** Even on a Wales-only basis.

[659] **Ms McQuade:** I'm just going to refer to my notes because we've got an expert in our UK office who works on aviation and they supplied their own response. So, we took that from

theirs. What they've said is—if I just get to the right section. Haf, you can help me out if you want. Actually, it is—

[660] **Ms Elgar:** It is possible to do. Scotland has already introduced regulations in 2010, as a result of their Climate Change (Scotland) Act, with a formula for calculating aviation and shipping emissions in Scotland, and we believe that that could be used as a model in Wales.

[661] **Ms McQuade:** So, effectively, the UK Act already does take account of aviation and shipping. In the Department of Energy and Climate Change's own words, it means that,

[662] 'the budgets for other sectors have been constrained so that, to 2027, the UK is on a trajectory that could be consistent with a 2050 target that includes emissions from international aviation and shipping.'

[663] So, the technicalities are just not formally reported on, which allows a bit of wiggle room. So, I think the advice from our UK office was that it should be included because it offers transparency and it also helps us to be able to offload different areas of emission reduction in different sectors in Wales if we're including that, but I think it won't be imposing any additional restrictions on Wales's aviation or shipping that aren't already in practice in England and Scotland.

[664] **Llyr Gruffydd:** Thank you.

[665] **Alun Ffred Jones:** Okay. Can I ask you for your views on the provision that would allow Welsh Ministers to bank a surplus from one budgetary period and carry it over to the next?

[666] **Ms Elgar:** Yes, as the Bill stands, it would allow Ministers to bank any unused budgets to be used in the next budget period and also borrow up to 1 per cent from the next period. I do think this needs to be considered carefully because there's already leeway for explaining excess emissions and compensating in the next period, and it's also over a five-year term, so it's less tight than annual targets. So, we would question what extra does that bring and whether it's too far down the road of flexibility. At the very least, we'd say that banking should be tightly limited. It is about our cumulative impact. So, if we haven't used up all of our carbon budget, then that's a good thing. It's a good thing for Wales, and it's a good thing for the world and helps us get to the 2050 target. So, we would certainly be concerned about the unlimited banking as it stands, but we also think that the 1 per cent borrowing should be justified more by the Welsh Government as well.

[667] **Alun Ffred Jones:** We're coming to the end of our time now and I'm just wondering whether you have one or two things that you think would improve the Bill as it has been presented.

[668] **Ms McQuade:** One thing that we perhaps haven't covered is the policies and proposals plan, and we see that as a really positive step for inclusion by the Welsh Government. It should be commended, I think. As Stop Climate Chaos Cymru and also as a committee, we've often called for a comprehensive action plan—a sense of what the Welsh Government's plan is to get to its emission reduction targets. So, we really welcome that being in the Bill, but, actually, what we'd like to see is more detail on what that will cover or contain on the face of the Bill. At the moment, it's a bit sparse. If you look at the Scotland and UK Acts, they put more detail in there about what they think the detail should cover—for example, the different sectors, the impact on the economy, and then also energy. I think having the Welsh Government's plan on energy is really essential because, as you heard earlier today and in the IWA debate, it's one of the biggest areas of Wales that doesn't have devolved powers, but it has one of the biggest impacts on our net emissions that we're going

to be measuring. We haven't solved that problem yet, so, if Welsh Government's transparent in what they're doing, we at least have a sense of where those decisions are being made.

[669] **Ms Elgar:** I'll try and summarise: strict principles for setting both interim targets and carbon budgets based on not being at a high risk of going beyond 2 per cent; global equity; a higher 2050 target in line with the science; annual reporting and—am I allowed one more?

[670] **Ms McQuade:** I didn't realise we were allowed a list. [*Laughter.*]

[671] **Ms Elgar:** Well, I don't follow the rules.

[672] And, setting the interim target of 40 per cent by 2020 on the face of the Bill.

[673] **Alun Ffred Jones:** Ocê. A oes **Alun Ffred Jones:** Okay. Are there any unrhyw gwestiwn arall gan Aelodau? further questions from Members?

[674] Are we all done? Right.

[675] Wel, a gaf i ddiolch yn fawr iawn i chi am ddod i mewn ac am eich tystiolaeth? Fe fyddwn ni'n ei hystyried wrth i ni baratoi ein hadroddiad i'r Gweinidog. Diolch yn fawr iawn i chi. Well, may I thank you very much for joining us and for your evidence? We will consider it as we prepare our report for the Minister. So, thank you very much.

[676] **Ms Elgar:** Diolch yn fawr.

[677] **Ms McQuade:** Thank you.

[678] **Alun Ffred Jones:** Right. Am I done?

[679] Bydd y pwyllgor nesaf yn cwrdd ar ddydd Mercher, 8 Gorffennaf, pan fyddwn ni'n parhau i gymryd tystiolaeth lafar ar y Bil amgylchedd. Diolch yn fawr iawn. Dyna ddiwedd y pwyllgor. The next meeting will be on Wednesday, 8 July, when we will continue to take oral evidence on the environment Bill. Thank you very much. That concludes the committee's proceedings.

*Daeth y cyfarfod i ben am 14:41.
The meeting ended at 14:41.*