

REGULATORY IMPACT ASSESSMENT

This Regulatory Impact Assessment relates to the introduction of new legislation to make it a statutory requirement to have a functioning Vessel Monitoring System (VMS) on all licensed

- British fishing vessels under 12 metres in length operating in Welsh waters, and
- All Welsh fishing vessels under 12 metres wherever they are operating (including outside of Welsh waters).

It is recognised that there is more we can do to improve data gathering and create sustainable fisheries for the future through more effective enforcement and informed management.

The intended effect of intervention is to:

- Provide scientific and operational data that will assist in making future policy, regulation and enforcement decisions more effective and proportionate;
- Improve the understanding of commercial fishing activities taking place in Welsh waters.
- Provide evidence for marine planning.
- Improve intelligence, collaboration and sharing of information between Welsh and UK fisheries operational staff.

Vessel monitoring systems records the accurate location, speed and heading of vessels using a secure tamper resistant system. It sends this information using mobile telephone technology, utilising the existing monitoring infrastructure that is in place for the 12 metre and over vessels.

Option 1 – Do Nothing

Currently, the majority of under 12 metre vessels (except vessels prosecuting the Welsh scallop fishery) do not need to have a vessel monitoring system on board and therefore our understanding of the activities of under 12 metre fishing vessels operating in Welsh waters and Welsh fishing boats under 12 metres (wherever they are operating) is limited. Some information on location of catch for this sector of the fleet is gathered retrospectively through sales notes and monthly catch returns. However, the information provided is of limited value with no means of verifying its accuracy and there can also be delays in its receipt meaning that it is difficult to use effectively that information for fisheries and marine environment management. 97% of the Welsh fishing fleet are under 12 metre and therefore, if there is no change, future management decisions will have to be made using limited and incomplete information.

Doing nothing is the baseline option and as such there are no additional costs and benefits associated with this option. This option would not deliver the policy goals of the Welsh Governments Marine and Fisheries Division and, consequently, this is not the preferred option.

Option 2 –Voluntary Scheme

Introducing a voluntary scheme would likely result in a partial uptake of the use of VMS devices which may be enhanced by the financial incentives available through

the provision of equipment via the European Marine and Fisheries Fund (EMFF). That financial incentive would not apply to vessels from other UK administrations therefore it is less likely that they would adhere to any voluntary scheme. Considering these points, the outcome of following this option would be a limited uptake of VMS resulting in an incomplete picture of fishing operations in Welsh waters. This option would not deliver the policy goals of the Welsh Government's Marine and Fisheries Division and, consequently, this is not the preferred option.

Option 3 – Introduce through license condition

This option would involve the introduction of a licence condition which would require Welsh Administered fishing vessels to carry a functioning VMS. For this to apply to other UK vessels there would need to be agreement with other UK administrations to include a similar license condition. If this agreement could not be reached there would be a risk of adversely affecting Welsh fishing vessels. The detail that would be required within a license condition would also make this option unwieldy. Whilst this option could, in theory, deliver the policy goals of the Welsh Government's Marine and Fisheries Division the obstacles described above are significant and, consequently, this is not the preferred option.

Option 4 – Introduce a Wales wide Statutory Instrument (SI)

This option involves the introduction of a Statutory Instrument (SI) which will require all licensed UK fishing vessels operating in Welsh waters and all Welsh fishing vessels under 12 metres wherever they are fishing, to carry a functioning VMS. At this stage, it is thought that the SI would be introduced using powers available under section 5 of the Sea Fisheries Act 1968, however, that enabling power will be kept under review as the proposals develop. Similar provisions are being implemented in England and vessel monitoring trials are also taking place in Scottish and Northern Irish administrations.

An SI is considered to be the only option that will entirely and most effectively meet the policy objective and is, consequently, the preferred option.

Cost to businesses

Owners/Masters will be responsible for the annual data charge of the VMS device approx. £100 - £150 after the first 12 months.

Cost to Government

The total cost would be approx. £1m over a 3 year period which is being met by the European Maritime and Fisheries Fund (EMFF). These costs include:-

- Supplying and fitting approx. 400 VMS devices to all Welsh under 12 metre fishing vessels
- Annual data plan and software license costs for the first 12 months for approx. 400 fishing vessels

- Software development including database configuration, hosting, security, governance and integration with the UK VMS Hub
- Future post-release development

Benefits to fishing industry

There are a number of benefits for Industry for having a VMS installed which are outlined below:-

- Enable fishermen to demonstrate evidence of fishing activity which can be used to respond to proposed developments in the marine environment that may have an impact their business.
- The tracking functionality could assist with recovery and swifter payment of insurance claims in case of loss or damage of vessel at sea.
- The provision of additional safety features aimed to provide protection for single handed fishers.

Benefits to Government

There are a number of benefits for Government which are outlined below:-

- Provide scientific and operational data that will assist in making future policy, and effectively managing Wales' marine resources.
- Improve the understanding of commercial fishing activities taking place in Welsh waters.
- Provide evidence for marine planning.
- Improve intelligence, collaboration and sharing of information between Welsh and UK fisheries operational staff.

Summary of the preferred option

The preferred option is to introduce an SI which will make it mandatory for all fishing vessels under 12 metres in length operating in Welsh waters and all Welsh fishing vessels under 12 metres wherever they are fishing to carry a functioning vessel monitoring system on-board.

Competition Assessment

The competition filter test	
Question	Answer yes or no
Q1: In the market(s) affected by the new regulation, does any firm have more than 10% market share?	No

The competition filter test	
Question	Answer yes or no
Q2: In the market(s) affected by the new regulation, does any firm have more than 20% market share?	No
Q3: In the market(s) affected by the new regulation, do the largest three firms together have at least 50% market share?	No
Q4: Would the costs of the regulation affect some firms substantially more than others?	No
Q5: Is the regulation likely to affect the market structure, changing the number or size of businesses/organisation?	No
Q6: Would the regulation lead to higher set-up costs for new or potential suppliers that existing suppliers do not have to meet?	Yes
Q7: Would the regulation lead to higher ongoing costs for new or potential suppliers that existing suppliers do not have to meet?	No
Q8: Is the sector characterised by rapid technological change?	No
Q9: Would the regulation restrict the ability of suppliers to choose the price, quality, range or location of their products?	No

The Regulations are not expected to have an impact on competition in Wales or the competitiveness of Welsh businesses.