



# **British-Irish Parliamentary Assembly**

Tionól Parlaiminteach na Breataine

agus na hÉireann

**Forty-Fourth Plenary Session**

**13 - 15 May 2012, Dublin**



**MEMBERSHIP OF THE  
BRITISH-IRISH PARLIAMENTARY ASSEMBLY**

**Steering Committee**

**Co-Chairmen**

Mr Laurence ROBERTSON MP  
Mr Joe McHUGH TD

**Vice-Chairmen**

Rt Hon Paul MURPHY MP  
Mr Robert WALTER MP

Mr Séamus KIRK TD  
Mr Pádraig MacLOCHLAINN TD

**Devolved Assemblies and Crown Dependencies**

Dr Alasdair McDONNELL MLA/Mr John McCALLISTER MLA  
Mr John SCOTT MSP, Mr David MELDING AM, Mr Steven Rodan SHK

**Members in Attendance**

**Oireachtas Members**

Mr Joe McHUGH TD, Co-Chair  
Senator Paschal MOONEY  
Mr Mattie McGRATH TD  
Mr Séamus KIRK TD  
Mr Pádraig MacLOCHLAINN TD  
Mr Luke Ming FLANAGAN TD  
Senator Jim WALSH  
Mr Arthur SPRING TD  
Mr Jack WALL TD  
Ms Ann PHELAN TD  
Ms Ciara CONWAY TD  
Mr Martin HEYDON TD  
Mr Patrick O'DONOVAN TD  
Mr Noel COONAN TD  
Mr Joe O'REILLY TD  
Senator Terry BRENNAN (Assoc)  
Senator Paul COGHLAN  
Mr Frank FEIGHAN TD  
Mr Séan CONLAN TD  
Senator Imelda HENRY  
Mr John Paul PHELAN TD  
Senator Cáit KEANE  
Senator John CROWN  
Senator Jimmy HARTE

**British Members**

Mr Laurence ROBERTSON MP  
Rt Hon Paul MURPHY MP  
Mr Robert WALTER MP  
Baroness SMITH of BASILDON (Assoc)  
Lord BEW  
Baroness BLOOD MBE  
Viscount BRIDGEMAN  
Lord GORDON of STRATHBLANE (Assoc)  
Mr Conor BURNS MP  
Mr Paul FARRELLY MP (Associate)  
Mr Jim DOBBIN MP  
Lord DUBS  
Mr Paul FLYNN MP  
Mr Stephen LLOYD MP  
Baroness HARRIS of RICHMOND  
Mr Kris HOPKINS MP  
Rt Hon Lord MAWHINNEY  
Mr John ROBERTSON MP  
Lord ROGAN  
Mr Chris RUANE MP  
Mr Jim SHERIDAN MP  
Lord GERMAN (Assoc)  
Mr Gavin WILLIAMSON MP

**Welsh Assembly Members**

Mr David MELDING AM  
Mr Darren MILLER AM  
Mr William POWELL AM  
Mr Ken SKATES AM  
Ms Bethan JENKINS AM

## **Members in Attendance Continued**

### **Scottish Parliament Members**

Mr John SCOTT MSP  
Mr Michael McMAHON MSP  
Ms Mary SCANLON MSP  
Mr Willie COFFEY MSP  
Ms Alison McINNIS MSP

### **Northern Ireland Assembly Members**

Mr David McCLARTY MLA  
Mr John McCALLISTER MLA  
Mr Jim WELLS MLA  
Mrs Dolores KELLY, MLA  
Mr Barry McELDUFF, MLA

### **Tynwald Member**

The Hon Stephen RODAN (TYN)

### **States of Jersey Member**

Connétable Daniel Joseph MURPHY (SJ)

### **States of Guernsey Member**

No representative present following elections

## **Others Attending as Guest Speakers**

Senator Paddy Burke, Cathaoirleach of Seanad Éireann  
Mr Leo Varadkar TD, Minister for Transport, Tourism and Sport  
An Taoiseach, Enda Kenny TD  
Dr James Reilly TD, Minister for Health  
Mr Brian Hayes TD, Minister of State, Department of Finance  
Ms Darina Allen, Ballymaloe Cookery School  
Mr Sean O'Driscoll, CEO, Glen Dimplex  
Ms Sally Storey, GlaxoSmithKline  
Mr Eoin Tonge, Group Development Director, Greencore  
Dr Maurice Manning, Chairman, Advisory Committee on Commemorations

## Officials

### Joint Clerks to the Assembly

Ms Sinead Quinn

Dr Robin James

### Clerks of the Devolved Institutions

Mr Steven Bell

Mr Robert Lloyd-Williams

Mr Peter Hall

Ms Pamela Carson

Mr Roger Phillips

Mr Stephen Herbert

### Oireachtas BIPA Policy Adviser

Ms Émer Deane

### Media Adviser to the Assembly

Mr Ronan Farren

### Irish Secretariat

Ms Jullee Clarke

Ms Gráinne Ní Neill

Ms Franca Ghelfi

Ms Paula Cowen

Ms Maria Edgeworth

Mr David Gorman

### Official Reporters

Ms Susan Byrne

Mr Cai Evans

Ms Janet Foster

Mr Tony Minichiello

Mr Patrick O'Hanlon

Ms Clare Treanor

### British Secretariat

Mrs Amanda Healy

Sir Michael Davies KCB

## Committee Clerks to the Assembly

### Committee A: Sovereign Matters

Mr Frank Power

Mr Marek Kubala

### Committee B: European Affairs

Mr Eliot Wilson

Mr Frank Power

### Committee C: Economic

Ms Jullee Clarke

Ms Judith Boyce

### Committee D: Environmental & Social

Mr Nick Besly

Ms Jullee Clarke

**Monday 14 May 2012**

*The Assembly met at 9.37 a.m.*

**INTRODUCTORY COMMENTS BY CO-CHAIRMAN (MR JOE McHUGH TD)**

**The Co-Chairman (Mr Joe McHugh TD):**

The Assembly is in public session. I will begin with some brief announcements. First, I remind everyone to turn off their mobile phones. I have been informed privately that this rule is very well respected in the Upper House, so I ask my colleagues in the Lower House to take note. Secondly, as well as being subject to the normal audio recording, today and tomorrow's sessions will be transmitted live on the new Oireachtas TV channel. It is also streamlined on the Oireachtas website and BIPA website. Thirdly, and importantly, I ask Members to stand up and clearly state their name and legislature when they are invited to contribute from the Floor. That is required for the purposes not only of the technical demands but of the media, who are very interested in having your name and legislature and will not be able to see it in some places. The recording system in the Chamber is designed for Members to stand. So, when you indicate to speak, you will have to stand as well. Your voice will not be picked up clearly by the microphone if you speak while seated. As a final reminder, the proceedings of the body do not attract parliamentary privilege. That is very important to note, and it applies to the Senators, who would normally have parliamentary privilege in this House.

**NEW CO-CHAIRMAN**

**The Co-Chairman (Mr Joe McHugh TD):**

I now take great pleasure in formally congratulating our colleague Laurence Robertson MP on his appointment as new British Co-Chair to the Assembly. I invite Laurence to join me on the podium.

I acknowledge and express my appreciation for the contribution of Laurence's predecessor, Lord Cope of Berkeley. I know that I can speak on behalf of all Members in wishing John well with his current and future endeavours. He was always a pleasure to work with and will remain a friend of this Assembly. I hand you over to Laurence.

**INTRODUCTORY REMARKS  
BY CO-CHAIRMAN (MR LAURENCE ROBERTSON MP)**

**The Co-Chairman (Mr Laurence Robertson MP):**

Thank you very much, Joe. It might be useful to explain to Members why we have to keep moving sideways. There is only one microphone here, so that is why we are going to have to shuffle around a bit. It is a great pleasure to be here in this building

I start by thanking Joe and all his team for putting together this plenary session. It is always a great pleasure to come here. This is my first time as Co-Chairman. I am fairly new to the Assembly generally, but already, in the short time I have been on it, I have seen its value in the way that we can discuss various issues and continue to cement what is already an extremely strong and great relationship between the United Kingdom, the other places represented here and Ireland. It is a great pleasure to be here. I thank everybody who has put so much work into bringing this session together. As we start to prepare for the next one, which we will host in Glasgow, I know how much work goes into it. So, thank you very much indeed, Joe, for everything.

I pay tribute to John Cope, who I have known for many years and worked with for a short while on this Assembly. John and I share a deep interest in horse racing, which many people in Ireland will also share. It has been a pleasure working with John, and I wish him the very best. Joe, thank you very much for having us here.

**NEW MEMBERS**

**The Co-Chairman (Mr Laurence Robertson MP):**

It is my duty to welcome new Members of the Assembly. Those appointed to the Assembly as full Members are Stephen Lloyd MP, Baroness Harris of Richmond, Luke Ming Flanagan TD, Barry McElduff MLA, Ken Skates AM, Darren Millar AM, Connétable Daniel Murphy. Those appointed as associate Members are Dolores Kelly MLA, Baroness Smith of Basildon, Lord Gordon of Strathblane, Paul Farrelly MP and Lord German. Paul Farrelly's team, Stoke City, sent my team, Bolton Wanderers, down from the Premiership yesterday, but he is still a good friend.

**The Co-Chairman (Mr Joe McHugh TD):**

Thank you, Laurence.

Before we discuss the proposed programme of business, I will say a few words about the Chamber that you are in. This Upper House, the Seanad, was an art gallery during the residency of the Fitzgeralds. It is significant that we are meeting here. It is historic as it is the first time that the body is meeting here, but also because it is the second Chamber, the Chamber of the Upper House of the Oireachtas.

In 1922, a constitutional committee met in the Shelbourne Hotel, which some of you had the opportunity to stay in last night, to draft a new constitution. There was unanimity on the

committee on the need for a Senate for two reasons. First, because of the perceived advantage of having a second House to review and reflect more broadly on legislation passing through the lower House. Secondly, and importantly, at the time of the establishment of the Irish Free State, there had been understandings given to the leaders of southern unionism before the signing of the treaty that a Senate would be established in which there would be assured representation.

Ultimately, the first Senate included seven peers, a dowager, a countess, five baronets and a number of knights. Sixteen of the 20 nominees to the Senate made by the then head of Government, W T Cosgrave, were unionists, and the first Cathaoirleach of the Seanad, who sat in this chair, was Lord Glenavy, James Campbell. So, its membership comprised 36 Catholics, 20 Protestants, three Quakers and one Jew. The walls of the Chamber have heard many and varied viewpoints over the years from the broad swathe of opinion that has been represented here since the first upper Chamber was established. I hope that our plenary will follow in that proud tradition and find its place in the history of the Chamber.

9.45

## **PROGRAMME OF BUSINESS**

### **The Co-Chairman (Mr Joe McHugh TD):**

Members will have received a copy of the proposed programme of business. As Members will note, the theme of the plenary is making business easier between Britain and Ireland. We have high-level panel speakers over the next day and a range of speakers from the private and public sectors who deal on a day-to-day basis with cross-jurisdictional issues across these islands. To name but a few from the public sector, this afternoon we will have the Taoiseach, the Minister for Health and the Minister for Transport, Leo Varadkar, coming into us. Tomorrow, representing the private sector, we will have speakers from Glen Dimplex, Greencore and GlaxoSmithKline. I would like to thank in advance all the people who have agreed to contribute.

This plenary meeting also celebrates three significant firsts. It is the first anniversary of the momentous visit of Her Majesty Queen Elizabeth II to Ireland, which took place one year ago this week. Secondly, it is the first occasion on which the plenary session has taken place here in the Upper House of the Oireachtas. Thirdly, time has been set aside in the Dáil schedule this Thursday 17 May for the first time for statements on the 44th plenary meeting of the British-Irish Parliamentary Assembly. This will provide an unparalleled opportunity to bring to the attention of the Irish Government and the wider Oireachtas membership what I expect will be the fruitful and useful suggestions, proposals and reports of this plenary session.

I now move formally the adoption of the proposed programme of business as amended. The question is that the proposed programme of business, as amended, be agreed.

*Programme of Business, as amended, agreed.*

## **WELCOME BY THE CATHAOIRLEACH OF THE SEANAD, SENATOR PADDY BURKE**

### **The Co-Chairman (Mr Laurence Robertson MP):**

Thank you. It is now my pleasant duty to call on Senator Paddy Burke, the Cathaoirleach of Seanad Éireann, to say a few words of welcome. Before he does, I thank him very much indeed for allowing us to use this wonderful setting for our plenary session.

### **An Cathaoirleach (Senator Paddy Burke):**

I am coming here to a Minister's position, so, I will avail myself of the opportunity. On this sunny day, I would like to welcome, as Cathaoirleach of Seanad Éireann, the co-hosts, Laurence Robertson MP and Deputy Joe McHugh TD, and all the Members of the British-Irish Parliamentary Assembly to Seanad Éireann today.

The Committee on Procedure and Privileges was delighted to accede to the request by co-host Deputy Joe McHugh for the use of this Chamber for this historic meeting. It is very fitting that the Assembly choose the Seanad Chamber for its plenary meeting on this occasion. It is a reminder of the core values and purpose of the Assembly, which is about parliamentarians coming together openly to debate matters of common interest. You are all aware of the proud history of the Seanad in recognising, through its membership, the close relationship and interdependence of the various jurisdictions on these islands.

Former Senators in this Chamber have included Seamus Mallon, who also served as an MP at Westminster and as an MLA to the Northern Ireland Assembly; Benjamin Guinness, Lord Iveagh, who sat as a Senator in this House while he was also a Member of the House of Lords; and Bríd Rodgers, of the SDLP. Other distinguished persons from Northern Ireland also served in this House; we had Senator Gordon Wilson, Senator John Robb and Senator Edward Haughey in recent years. So, although we cannot claim it as a first to welcome MPs, MLAs and Lords to this Chamber, it is a pleasure today to welcome again my Senators and fellow parliamentarians representing various Parliaments and Assemblies from across these islands.

I see from your itinerary that you have a very busy agenda with many interesting topics, and it is with great pleasure that I welcome you again, and thank my colleagues for their unanimous decision to allow these proceedings to take place in this historic Chamber for the very first time. It is good to see Westminster MPs, Northern Ireland Assembly MLAs and Members of the House of Lords in this room along with their colleagues from Wales, Scotland, Jersey, the Isle of Man and, indeed, Dáil Éireann. I wish you every success in your proceedings here today and tomorrow.

### **The Co-Chairman (Mr Joe McHugh TD):**

Thank you, Cathaoirleach, for your warm words of welcome.

## **ROLE OF TRANSPORT IN SUPPORTING BUSINESS AND TOURISM**

### **The Co-Chairman (Mr Joe McHugh TD):**

I am pleased to welcome our first guest speaker today, Minister for Transport, Tourism and Sport, Leo Varadkar TD. The Minister's brief is a wide one, so my Co-Chair, Laurence Robertson, and I have asked the Minister to focus most particularly on the theme of the role of transport and sport in business and tourism. Minister Varadkar has set himself a number of high-level goals that will have an impact on business and tourism. Those include to develop and implement a realistic, affordable and deliverable plan to maintain and upgrade roads and public transport infrastructure; rationalise and restore Ireland's state-owned airports and ports to financial health and profitability; and increase the number of tourists coming to Ireland and improve their experience of Ireland and its regions.

When we talk about strengthening British-Irish relations and making business easier between these islands, we rely on the right infrastructure being in place to make trade and travel possible. Minister, I look forward to your remarks on how you and your Department are supporting business and tourism. You are very welcome.

### **Minister for Transport, Tourism and Sport (Mr Leo Varadkar TD):**

Thank you very much, Mr Chairman. I am very pleased to have been invited to speak here today at what is the 44th plenary session of the British-Irish Parliamentary Assembly. At the time of Queen Elizabeth's historic state visit last year, many people commented that the relationship between Britain and Ireland had never been closer. It is a relationship that has continued to strengthen in the year that has gone by.

Britain is, by some distance, our most important trading partner, and is the transit point for trade and travel with much of the rest of Europe and the world. In all three areas that fall under my ministerial brief, the British-Irish relationship is crucial. By land, sea or air, our most important transport links are with the United Kingdom. Similarly, Britain is our most important tourist market, with almost half of all overseas visitors to the island of Ireland coming from Great Britain. My third area of ministerial responsibility is sport, and, in the coming weeks, we will see a very symbolic manifestation of our friendship when the Olympic flame passes outside these buildings en route to what I have no doubt will be a very successful Olympic Games in London.

Turning to this Assembly, I know that, from its foundation, the aim was to promote mutual understanding and respect among our Parliaments. I believe that we have been successful in that aim and I thank all of those involved in the Assembly over the past 20 years for their endeavour.

The theme of today's Assembly is making business easier between Great Britain and Ireland. My Department's responsibilities in the area of transport speak to that. The haulage sector, for example, plays a vital role in the economies in terms of movements of goods to markets. As islands, our ports, railways and airports keep us connected, but the vast bulk of materials go by road. Connectivity, safety, good standards and fair competition in the sector are in the common interest of all of us, and are things on which we need to work closely together.

In tourism, Great Britain provides almost half of all overseas visitors to the island of Ireland, and making access as convenient as possible is crucial if we are to grow tourism in the years ahead. That growth will come from not just these islands but from other markets and developing markets.

I was asked to speak specifically on the role of transport in supporting business and tourism but first I will give a brief overview of recent developments in the maritime, aviation, road, rail, sustainable transport and tourism sectors, and the approach that my Department is taking. Following that, I will highlight key areas where I believe the Assembly and its Members can help drive real progress in transport and tourism to the mutual benefit of all our islands.

First of all, I will refer to our maritime links. Obviously, as islands, we are heavily dependent on shipping to get passengers and goods where they want to go. The Irish Sea is well served with frequent and competitive services. In fact, there are about 600 weekly services linking the island of Ireland and Britain through passenger and freight services. We might want to see even more services but the reality is that shipping operators that service routes on the Irish Sea are commercial companies. All of them have to introduce greater efficiencies to reduce their overall operating costs and deal with increased fuel costs, market uncertainty and reduced demand.

Of course, shipping companies cannot function without the appropriate infrastructure being in place. It is crucial that Ireland's ports continue to provide the best possible service to the economy at large as it returns to growth. The question of future port capacity in Ireland is one of the many issues being addressed as part of the ports policy review under way in my Department. However, it is clear that, in the medium term, the challenge is to make use of existing infrastructure.

In the 22 years since this Assembly first met, the air transport market and the whole aviation sector has gone through an enormous transformation, although I am pleased that British Airways and its insignia will return to our airports in the coming months. We have seen the emergence of low-cost carriers as a dominant force in short-haul travel in Europe and, with open skies, the liberalisation of the market within the European Union with and between the European Union and the United States.

The competitive market that has emerged has been of immense importance to our economic development. As island economies, the availability of a wide range of air services is crucial to us in doing business with the rest of the world and for the development of tourism and business between our islands. We are fortunate that very good air links have developed between these islands. The Dublin-London route, for example, remains one of the busiest routes in the European Union. It is estimated that, this summer, there will be approximately 136,000 seats per week in each direction between Britain and the Republic of Ireland. That represents an increase of 2% on summer 2011 and covers 60 routes from 24 British airports to seven Irish airports.

As the market is completely liberalised, government cannot directly influence the provision or operation of services; that is a matter for the carriers. However, tourism agencies, as well as airports, work closely with carriers, including through co-operative marketing, which highlights to potential holidaymakers the accessibility of tourist destinations.

Over the past decade, Ireland has made huge progress in bringing her motorway and national road network up to standard. We now have a network of modern motorways that links our major cities and most of the major ports, enhancing access to Britain and Europe and delivering significant savings in journey times. Whether you are a long-distance haulier, a tourist or a business person intending to visit Ireland, we can provide access by road from the east coast to the west and south coasts safely and quickly. We have improved North/South links as well. Travel between Dublin and Belfast is now achievable in just over one hour and 45 minutes. The last link in the chain, the bypass at Newry, has removed that final bottleneck and encouraged travel between North and South.

Of course, there is still much to be done. There are significant mutual benefits in developing better road access to the north-west, for example, and the Government fully understands that. The reality of our present economic circumstances means that we have no choice but to cut our cloth, as it were. However, in the period to 2016, the Irish Government has committed £50 million in addition to the £22 million already contributed to the A5 project in Northern Ireland. That contribution, along with the £280 million being committed by the Northern Ireland authorities with the support of Her Majesty's Treasury, will allow for the upgrade of two significant sections of the route.

As regards rail, it is worth mentioning the considerable improvement to the Belfast Enterprise service in respect of reliability and punctuality. Northern Ireland Railways and Irish Railways plan further improvements, including equipping the Enterprise trains with Wi-Fi, which is a small but significant example of making business easier and the passenger experience more pleasurable for those travelling between the two largest cities on this island.

My Department is involved with the British-Irish Council in considering future areas of co-operation on sustainable transport. Excellent work has been done on a North/South basis in the past, and that has seen a number of successful initiatives such as 'Bike Week', national 'Walk to School Week' and a cross-border car-sharing website. I believe that there will also be co-operation on the introduction of electric vehicles.

The last area that I will touch on is tourism, which is an essential driver of economic activity across these islands. The tourism and hospitality sector in Ireland employs roughly 180,000 people all over the state and, each year, generates an estimated €5 billion in revenue from home and abroad. The Irish Government have put tourism at the heart of economic recovery, and I know that other territories represented in this Assembly share our view of the importance of tourism.

Last year, there were 6.5 million visitors to the Republic of Ireland, with 2.9 million, or over 44%, of those coming from Great Britain. It remains by some way our biggest market. While numbers declined considerably between 2007 and last year, we target further growth of around 4% this year. Equally, I know that Ireland is a very important market for many parts of the United Kingdom. The strengthening of sterling against the euro should benefit Ireland in making it a much more competitive place for British tourists to visit.

*10 a.m.*

Soon after taking office last year, we introduced a jobs initiative from a tourism perspective, which lowered the VAT rate in hotels and restaurants and the tourism and leisure sector to 9%

and introduced a new visa waiver scheme. Just last week, I was pleased to announce that the reduced VAT rate of 9% on tourism-related services will continue to the end of 2013.

The visa waiver scheme, of which Members will be aware, is a practical example of how, working together with the relevant authorities, we have made it easier for visitors from long-haul destinations to travel to both islands. The scheme allows tourists or business people who have lawfully entered the United Kingdom, including Northern Ireland, on a valid UK visa, to travel on to Ireland without the requirement to obtain a separate Irish visa.

In February, the Government agreed to the extension of that programme for a further four years to the end of October 2016 and to waive the fee for visas of long-term residents from countries covered by the programme who live in the Schengen area. That means that there are real opportunities to attract more high-value, high-spending visitors from rapidly growing economies such as Brazil, India, China and Russia to Britain and Ireland. This is an area in which we can make further progress. It is my view that, as we have a common travel area for our citizens, we need to have a common travel area for tourists as well, a sort of mini-Schengen in which British and Irish visas are mutually accepted and recognised in both jurisdictions.

Our Schengen area counterparts have a huge competitive advantage over us at present. Tourists from China, say, can get a visa that takes in the entire Schengen area, comprising more than 20 countries, but they have to get a separate visa for the United Kingdom and another one for Ireland. It is not surprising, therefore, that Schengen countries do so much better than us when it comes to attracting Chinese visitors, for example.

We may not be in a position to join the Schengen area but we should look to make our own common travel area as attractive as possible for tourists visiting our part of the world. Although the visa waiver is a step forward, it should be just that: one step of many to come. It makes no sense that a tourist flying into Dublin from Dubai needs a separate visa to travel to the Titanic experience in Belfast or to see the Giant's Causeway, and it makes even less sense to that tourist.

This is an area that is attracting considerable attention already between our Governments, and although there are various legislative and technological barriers, it is something worth pursuing. I know that the Co-Chairman, Joe McHugh TD, has taken a considerable interest in the matter, and I encourage the Assembly to raise the issue in your home Parliaments and with your Ministers.

Road freight is another way in which we can strengthen the common travel area. In this country and in the United Kingdom, the vast majority of freight is moved by road. If we are serious about growing business on a North/South, east-west basis, the efficient, safe and simple transport of goods by road must be a key consideration. That brings me to the issue of cabotage. For those of you who, like me before I took up this portfolio a year ago, do not know what cabotage is, it relates to the carrying out of purely domestic haulage in a single country by a foreign carrier. Since 2010, under EU regulations, hauliers are limited to a maximum of three journeys in seven days following the bringing of a load into a foreign country.

For Irish hauliers operating in Great Britain and Northern Ireland and vice versa, the rigorous enforcement of that regulation poses a significant barrier to the free movement of goods and trade between our islands and adds to costs and bureaucracy. These cabotage regulations are born from a concern that there would be unfair competition to domestic hauliers. That is a

legitimate concern but unfair competition to British and Irish hauliers does not come from each other; rather, it comes from other parts of Europe, where safety standards and wages may not be as high.

The effect of these regulations in an Irish/British context is to impose bureaucracy and costs on trade between us. The European Commission is undertaking a review of cabotage regulations with a view to agreeing major reforms in 2013. Although the Irish Government favour an open market across Europe, we know that that is not something that all member states, including the United Kingdom, support.

However, we believe that there is an option that may be worth pursuing, which is the creation of what we call a functional area between Britain and Ireland. Such an arrangement has existed for decades in the Benelux countries and will be an extension of the common travel area for hauliers to travel between our islands unencumbered by unnecessary regulation. I discussed this matter with my colleague Mike Penning at the British Department for Transport and it is being examined further. I ask the Assembly to consider this matter and pursue it as part of its programme.

I want to set a challenge for my Oireachtas colleagues and those in the Northern Ireland Assembly on the issue of road safety. There has, for a number of years, been an agreement in principle among the Governments in London and Dublin and the Executive in Belfast to consider mutual recognition of penalty points between the United Kingdom and Ireland. In the Republic of Ireland at least, road safety legislation is the most frequently tested and challenged in the courts, and I am sure that that is no different in the United Kingdom. In that environment, you will all appreciate that there are significant legal and administrative barriers to realising this aim, not least the fact that there is no aggregation of penalty points between Great Britain and Northern Ireland. For example, a speeding offence in Northern Ireland carries three penalty points, while it carries two in the Republic.

However, not doing something because it is difficult is a quitters approach to politics. We are not quitters. I am glad there is now a solid ministerial commitment from the North/South Ministerial Council to have mutual recognition of penalty points, North and South, by 2012, as agreed recently by Ministers Alex Attwood, Danny Kennedy and me. However, that needs a push. I ask parliamentarians from the Oireachtas and the Northern Ireland Assembly to question Ministers and press officials on the progress being made in this area to make sure that it happens.

Before I finish, I want to draw Members' attention to 'The Gathering' Ireland, 2013. This is a tourism initiative that builds on the experience of our Scottish counterparts and their homecoming project some years ago. 'The Gathering' is Ireland's biggest ever tourism initiative. We are reaching out to the 70 million or so people of Irish heritage, and the hundreds of millions more who feel a special connection with Ireland, to ask them to come to visit Ireland in 2013. There will be about a dozen flagship events around the country, some old and some new, and existing festivals will be upgraded to include a 'Gathering' dimension. That could include a local or parish festival, a family reunion, a corporate board meeting, alumni events, a conference, a concert or a sporting event. 'The Gathering' 2013 presents a real opportunity to deliver a massive boost for Irish tourism but also to harness real community spirit in a meaningful and worthwhile way. I ask this Assembly to consider how it might contribute to 'The Gathering' in 2013. One thing you might consider is a gathering of

parliamentarians and former parliamentarians from Britain and Ireland, which could be held somewhere in Ireland in 2013.

To conclude, I believe there are areas in which the British-Irish Parliamentary Assembly can take a lead. Those include a common travel area for tourists with a single visa for Britain and Ireland, or at least mutual recognition of the same; a common travel area for hauliers, by setting up a functional area of Britain and Ireland for cabotage; pressing Ministers and officials to deliver on mutual recognition of penalty points; and organising a parliamentary gathering for 2013. I hope you will consider taking on those important issues. I look forward to the remainder of the discussions this morning, and hope you all very much enjoy your stay in Dublin.

**The Co-Chairman (Mr Joe McHugh TD):**

Thank you, Minister. You have certainly given us a few pointers to work on.

I want to make an announcement. I know that some Members are trying to access wi-fi. It will be available at 10.30am, so if you are having difficulty, it will be available then. Apologies for that.

I will take questions in groups of two. I know from speaking to people prior to the plenary that we have a diverse range of questions. I will take Senator Pascal Mooney and Barry McElduff MLA.

**Senator Pascal Mooney:**

I welcome the Minister and commend him, not only on his comprehensive presentation but on the initiatives that he and his Government have taken, as outlined in his speech. I particularly commend him on the extension of the reduction in the 9% VAT rate, which has proven to be wonderful for job creation and an attraction for tourists.

My question relates to something that you, Co-Chair, raised in the Dáil last week: the creation of a triangle in the northern part of Ireland. As a former chairman of the regional tourism agency in the north-west, I am anxious to establish what initiatives and proposals there may be between you and the Northern Ireland Executive for working together, with the Northern Ireland Tourist Board and Fáilte Ireland, to establish stronger links for those who access Northern Ireland through Belfast so that they would be able to extend their stay into the north-west, particularly into Donegal, Sligo and Leitrim. That has been a fundamental building block of the regional tourism agency's policy over the past number of years.

It goes back to the point that you made about strengthening and improving access, which is critical for this island in general, and of particular importance to the north-west. It seems, as Deputy McHugh pointed out last week in the Dáil, that the triangle that operates currently is between Dublin, Kerry and Galway. People then leave the island. We in the northern part of the island believe that we have an equal opportunity and equal attractions that should be promoted in the same way. The question really is: what steps are you taking to ensure that there is closer co-operation between the Northern Ireland Tourist Board, Fáilte Ireland and the transport authorities to ensure that those who visit Northern Ireland extend their visit into the wider regional area?

**Mr Barry McElduff MLA:**

Go raibh maith agat. I welcome the statement from Minister Varadkar. My question is about the A5 and the north-west of the island of Ireland. In the statement, the Minister talked about road and rail infrastructure and a commitment to upgrading two sections of the A5. In reality, that constitutes a reduced commitment on the part of the Irish Government to completing the A5. The A5 is essential for economic development in the north-west, which is, essentially, Tyrone, Donegal, Derry and that whole quarter up there. I ask the Minister to be more fully committed to the A5 and ensure that the project is completed as soon as possible. I understand that the Minister's portfolio includes sport. That will be necessary if the Sam Maguire needs a smooth passage back up to Tyrone.

**The Co-Chairman (Mr Joe McHugh TD):**

Or even Donegal.

**Mr Leo Varadkar TD:**

I apologise about the wi-fi. It is probably a new form of austerity that we have introduced to Ireland. *[Laughter]* We are going to ration Wi-Fi; it is only between 10.30 am and 12.20 pm, and then for two hours in the afternoon.

I thank Senator Mooney for his comments about VAT. The kind of tourist triangle that exists between Dublin, Kerry and Galway has never been official Government policy. It is not something that is promoted by the tourist agencies; it is just what people, tour operators and the various coach companies do because there are so many attractions in Dublin. You can go to Cashel on the way, then go to Kerry and finish up in Galway and Connemara. It is always a challenge to get people to go to other places, for example, to stop in the midlands on the way back from Galway to Dublin or go other places.

The improvement of the road network between Dublin and Belfast is a game changer. The opening of the Titanic experience is definitely going to change things a lot. Whether or not we promote it, what is going to happen anyway is the visit to Belfast to see the Titanic experience and then go on to the Giant's Causeway. The north Antrim coast is going to become a pretty normal part of a visit to Ireland. I think that pretty much every itinerary will now include a visit to Belfast and the north Antrim coast as well. The challenge is to get people to go a little bit further, hopefully into the north-west as well. However, that is no different to the challenge to get people into the south-east, for example, which is a beautiful part of Ireland, or into Mayo, which is also a wonderful part of Ireland. What we are trying to do, particularly in the short term, co-operating with the different agencies, is to build on what is happening with Northern Ireland 2012, with the Irish Open happening in Portrush and also the Derry City of Culture and the World Police and Fire Games. We are trying to promote Donegal and Sligo and to encourage people who are going to those events to visit and stay in those areas.

In the longer term, attractions need to be developed. Tourism, in so many ways, is led by what people do on the ground. Killarney and Westport are such successful places in tourist terms because of what they did for themselves. You could probably say the same for what is happening in Belfast now. A Department cannot really direct tourists to a certain region. I am not sure whether the Soviet Union ever managed to do that; I doubt that it did, but it is not

something that we are going to manage to do. A lot of it has to be from the bottom up. I am sure that the Senator will agree.

MLA McElduff is correct in what he says: it is a reduced commitment to the A5. It is not a commitment that the Government would like to have made. Having said that, you will all be aware of the financial position of the Republic of Ireland. We have massive debts: over €165 billion, 75% of which has nothing to do with the banking crisis, although you would not think that listening to the radio and reading the newspapers. Of course, we have a very big Budget deficit; it is roughly €15 billion. That is similar to Britain's, except that we are dealing with it, but I am sure that Britain will get around to it in due course. As a result of that, there is, of course, a reduced commitment, but it is a big commitment; it is £50 million, which is €60 million. It is the biggest single commitment that we are making to any single design-and-build road project in the state for the next for four or five years. Were it not for the fact — let us be honest about this — that the Northern Ireland Executive have access to funding from London, there is no way that they would be going ahead with their parts of the road either. That should be borne in mind.

*10.15 a.m.*

We in the Republic of Ireland do not have access to the British taxpayer. We have to make this using our money and whatever we can get, for now, from the IMF and the EU. I ask people, particularly those campaigning for a 'no' vote in the referendum, to bear in mind that delivering that commitment in 2015 and 2016 is entirely dependent on our having access to funding. There is no point in arguing for a 'no' vote and then complaining that the country cannot access funding for the A5 in 2015 and 2016.

**The Co-Chairman (Mr Joe McHugh TD):**

I was wondering at what stage of the plenary meeting the issue of the referendum would come up. So thank you for that, Minister. We will take two more contributions, from Jim Sheridan MP and David Melding.

**Mr Jim Sheridan MP:**

Thank you, Co-Chair. I am Jim Sheridan, Labour Member of Parliament in the UK. I have two brief points. First of all, on cabotage, I am delighted to hear that you are speaking to the UK Minister for Transport over there. One of the main problems that we as Members of Parliament face is the Road Haulage Association in the UK complaining of unfair competition in respect of fuel prices, tax cuts, etc. So, I am delighted that that is happening. You are right to say that that is not just coming from Ireland but the more underdeveloped countries in Europe, which is a major problem. I hope that when you have discussions with the UK Minister, you sympathise and empathise with the position we face in the UK with the Road Haulage Association.

Secondly, I am delighted to hear that you are investing in road infrastructure, despite these austere moments in Ireland. You will be aware that every political party at every level of government in the UK is advocating freezing council tax, which mainly goes towards infrastructure in roads, etc. The consequences of that are beginning to show already, with our roads deteriorating at an alarming level, which is causing great problems for the industry. Even

during these difficult financial times in Ireland, you can still invest in roads infrastructure, which begs the question: what are we doing wrong in the UK?

**Mr David Melding AM:**

Minister, how we can attract even more cruise ships to the Irish Sea? It seems that the Irish Government have been very successful in doing that. I wonder what has been key to your strategy. It is probably a combination of things but what key things have you done in respect of investment in your ports? Getting ships to call by arranging interesting excursions and providing a high-quality experience is one of the key factors.

How do you assess the success of the Celtic Wave project? It does not seem to be taking many cruise ships into Wales. It seems to me that we could all win in this. Ships that come to Wales can also come to Ireland. I just wondered whether you had any tips for us and whether you could suggest what we are not doing quite right. Finally, how much capacity is there for growth in this market? We will not rival the Mediterranean, but it seems that there is a lot more potential to market the Irish Sea.

**Mr Leo Varadkar TD:**

Thank you. I will take Mr Sheridan's question first. We are investing in roads but, unfortunately, that investment is very limited. We would love to be doing a lot more. Between now and 2016, my entire capital budget is €4.5 billion, which, on the face of it, appears to be enormous, but it is not. The first thing that you have to do with any road or railway is to maintain it and the rolling stock, which costs an absolute fortune. You then try to make minor improvements, take out dangerous bits and straighten bends. However, we will not be able to do any major new road projects for the foreseeable future. The only reason we are continuing with the A5 is that it is an international commitment. The north-west has such poor access at the moment, and we want to contribute to the cost of the road.

I was interested to hear your comment about freezing council tax. As part of your visit here, you may have heard that we are introducing a council tax in Ireland for the first time. Until now, we depended largely on transaction taxes from people selling houses to each other, which we do not do as much as we used to, shares in banks and so on. However, that is all gone. It is now a big challenge for us to introduce local charges and to explain to people why they are necessary in order to maintain local and regional roads. That is a real struggle. Maybe you can give us a lot of advice on that, because I know that you have had to move from rates to a poll tax and now to a reasonably fair council tax that people seem to accept, whereas the poll tax was not accepted. Perhaps local taxation is an area that this Assembly could have an interesting discussion on: how to explain to people why it is necessary to have it and why it is in their interest.

In relation to Mr Melding's question, I am afraid that I am at a bit of a weakness because the cruise industry is not something I know a great deal about. I should know more about it and I hope to go to Miami next March and attend some of the cruise events with the industry. We have a very successful group in Ireland called Cruise Ireland, which was set up particularly to promote Ireland as a cruise destination. That seems to be the reason why it is going quite well.

The investment that has occurred in the ports is pretty limited to date. If you take a cruise into Dublin, it is probably not what it should be. It is not very attractive; you end up in an industrial port. A number of ports are considering how they can invest in cruise facilities. The problem

for ports is that it is not particularly profitable. For example, roughly 100 cruise ships enter Dublin port every year. The port probably makes €500,000 out of that; it is not a lot of money. It is €500 for one of those massive boats. That is not the kind of thing that is very commercial for ports. We are not in a position to state-aid ports and we would not anyway because they are companies and not quangos.

It is a bit of a dilemma for us because there is increased interest in cruise tourism in general, notwithstanding the recent accidents. We are reliant on the commercial ports to develop the infrastructure for themselves.

**Mr Arthur Spring TD:**

Minister, you are in the privileged position of being in charge of transport and tourism. As we all know, tourism is the largest industry in the world right now. I have seen an over-reliance on tourism in big cities such as Dublin and London. I come from a regional area, Kerry, and I speak for many of my colleagues in the Parliamentary Assembly who come from similar areas. There needs to be more focus on developing the regional airports and, more importantly, selling the product. The product is there but the ability to sell it concerns me. We have state agencies that have been entrusted with that. I am conscious that there is such a focus on the largest cities. If relations between Britain and Ireland are better than they have ever been, we have a commonality of interests in this. There are people who would like to see Ireland, and people who would like to see Britain.

How do you see the role of the state in developing the regional product? As you rightly pointed out to Senator Mooney, the people on the ground in those areas are doing the best for themselves but they need some state assistance in promoting those areas.

**Mr Robert Walter MP:**

I was encouraged by what the Minister said with regard to the common travel area and mutual recognition of visas. The common travel area is, of course, symbolic of the close links between the peoples of all these islands. However, travellers from Ireland going to any airport in Great Britain, the Isle of Man or the Channel Islands are treated as domestic passengers. Travellers from Great Britain arriving at Irish airports are treated as international passengers and there is no recognition of the common travel area. That is a matter that I raised before in the Assembly, and there seems to be no provision in the new Dublin Airport terminal 2 for separating out passengers. What is the Minister's view on that? When can we expect to arrive at Dublin Airport and be treated as members of the common travel area?

Incidentally, I always have a conversation with the immigration officer at Dublin Airport or Cork Airport. I have never yet shown my passport. I arrived this time on my House of Commons security pass.

**Mr Leo Varadkar TD:**

I note that Deputy Spring is from Kerry, and Kerry is probably the envy of most counties when it comes to tourism.

**A Member:**

And football. *[Laughter]*

**Mr Leo Varadkar TD:**

Not so much in the past year, perhaps, but Kerry attracts huge numbers of tourists. A lot of research has been done on that and it is quite interesting stuff. In the past 10 or 15 years, people have shifted away from taking one long holiday a year to taking shorter holidays. What people used to do was to take two weeks off, maybe in the summer. However, it is increasingly the case — internationally — that they take a few, much shorter, holidays: maybe three or four days in length or maybe one week. That is much more likely to cause you to go on a city break because you get on the plane, arrive and you have half a day's holiday there. That is the big reason why tourism across the world is shifting more towards cities than to rural areas.

The evidence for regional airports being drivers of tourism is very weak and a lot of interesting research has been done on that. Most people who arrive in a country with a regional airport did not arrive through the airport and huge numbers of air links from regional airports are, when you look at them, getting Irish and British people out to sunspots, not the reverse. That is interesting. However, they may have value in business terms, which is more significant, particularly when multinationals are based in those areas.

I do not have a formed view on this. I would be interested in the Deputy's view on it as well. However, probably the chances of attracting people to particular parts of any country are down to the attractions that are on offer and the experience. Italy has been hugely successful in getting tourists to leave the major cities. Instead of going to just Rome, Venice or Milan as tourists did traditionally, Italy has developed a huge agri-tourism industry, now hugely popular, whereby people stay in farmhouses and at vineyards. We do not do a lot of that in Britain and Ireland. I think that loads of people would love to come and stay on an Irish farm or do something like that. However, we never really developed that properly. We have the B&B but that is a very old product and it is not necessarily what people are looking for. That is where we can do a lot more.

Mr Walter's question is a good one and I will have to think about it. I had not noticed it myself, but now that you make the point I can see that that is true. Of course, if you are travelling into Ireland from Britain, you do not need a passport; a driver's licence will do. The new European driver's licence will help a lot but you do not even need that. All you need is ID.

One reason why we probably do not have that in our airports is that we do not have much domestic travel in Ireland whereas in Britain there are lots of internal flights. You can fly from London to Edinburgh or from London to Glasgow but we have very few internal flights in Ireland because you can get almost anywhere by car in two or three hours, so it does not make sense to fly. There are no flights between Dublin and Cork, Dublin and Belfast or Dublin and Limerick. Therefore, we do not have the tradition of domestic travel that exists in Britain that would justify separating the alleyways.

However, I see your point; it is probably a good one; and if we are serious about a common travel area and building on it — as I said in my speech — it would make sense to allow people travelling between Britain and Ireland not to have to go through the passport queue but instead just to go through a separate area. It is a very good question and something that I will have a think about. I am going out to the airport this evening for another reason — not a good one, unfortunately — and I will definitely take that suggestion into consideration.

**Senator Jim Walsh:**

Go raibh maith agat. I will just mention the point made by the Minister about cabotage and, indeed, he acknowledged that, 12 months ago, he did not really know what the term meant. I think, unfortunately, some of those in the Department negotiating on our behalf were probably not fully aware of the ramifications of it either when we signed up to the agreement at EU level.

Cabotage is a real barrier to trade. Many haulage companies here have depots in England, and they are restricted. When they deliver on the roll-on/roll-off ferries, they are then restricted in the number of domestic trades or hauls that they can do in Britain. That adds to the cost and makes us uncompetitive. Obviously, as anyone here will recognise, it is far cheaper for them to deliver their trailer to the port and have it come across on the ferry without sending the tractor unit with the trailer. It is much cheaper.

I think that that is something that this Body, and in particular the committee responsible, should take up as an issue. I have been involved in some discussions with our departmental officials who took up certain specific issues with British authorities. I must say that we found those on the British side quite inflexible when we tried to deal with them. I think that that should be stated.

*10.30 a.m.*

Secondly, I want to raise the issue of the common travel area. We have discussed it in the past, and I agree with everything that you said about the bureaucracy that is attached to travel and how important it is to maximise the benefits of the tourist sector, particularly from tourists from many countries outside Europe who will be part of the target market for both our countries. It is essential that tourists are easily able to obtain the necessary permits and visas.

You may, perhaps, disagree with me but there is no argument as far as I can see about our joining the Schengen area, other than that if Britain does not join, it has implications for the common travel area. What efforts are being made to get Britain to consider joining the Schengen area, and what reasons are given for it not doing so?

**Mr Chris Ruane MP:**

I thank the Minister for his speech on transport, business and tourism. How important is the port of Holyhead to Irish business and tourism? Is the Minister aware that billions of pounds are going to be pumped into rail infrastructure, mainly in England, with new routes from London to Birmingham and up to Manchester, and the electrification of the west coast mainline? Would he support a bid from north Wales MPs and AMs for the electrification of the north Wales railway line? It is a trans-European network system linking Dublin to London and the heart of Europe and also the A55-M56 road structure. It is the principal connection between Ireland, the UK and the rest of Europe, but if we have second-class, second-grade rail transport systems, it will lose its primary position. Will the Minister support us?

**Mr Leo Varadkar TD:**

Senator Walsh said that I did not know what cabotage was a year ago, and that is true. Now that I know what it is, I still think that it is cracked. I could not believe that something like that

existed in a common market. It is enforced rigorously in Great Britain, and probably not so much in the Republic of Ireland, but I am not going to criticise the authorities in Great Britain for enforcing the law — and it is the law. It is intended that the European Commission is going to bring forward proposals next year, and it is the Commission's position, in the White Paper on transport, to get rid of cabotage and have a single European area for freight. However, I suspect that that is not going to happen. Larger countries, including the United Kingdom, France and some others, will probably block that.

I have suggested that the best way forward, perhaps, is to do something similar to the way in which we operate air traffic control, which is to start to bring blocks together. We would bring Ireland and Britain together first as a functional block, and the Benelux countries are already a functional block. Over time, a common area could be developed across Europe as standards normalise and wages harmonise. That is what we are doing in air traffic control; Britain and Ireland have already come together as a single functional block. We are leading Europe in that, and other parts of Europe are going to follow. I initiated those discussions with Mike Penning in London and got a very positive response from him. It was one of those interesting meetings at which the Ministers' views of things were ahead of their officials, and they were trying to get the two Departments to work together. I hope that we can make some real progress.

I came across an interesting visa case the other day, concerning someone from Ireland who wants to travel to Vietnam but has to go to London to get a visa. That shows how absurd that is. If we had a common visa area, people would not have to do that sort of thing. The Republic of Ireland could join Schengen, and, as I understand it — I am not a legal expert by any means — if that were the case, we would still have free access with Northern Ireland, because that is required under the Good Friday Agreement.

The issue that would arise is a very difficult one for the United Kingdom, because, essentially, it would have to choose to close the border with Northern Ireland. It is not that we would have to close our border with Northern Ireland; it would be the other way round. The United Kingdom would have to decide to introduce border controls between Britain and Northern Ireland. You can imagine how sensitive and difficult that might be. When I have discussions with my ministerial counterparts in Britain, I make the argument that we should all be in Schengen and that we cannot join Schengen without them. However, that is a sovereign matter for Britain, and I cannot influence it on that. Britain has been very firm that it wants to retain its border controls, and it has its own reasons for that.

Holyhead is, of course, an extremely important port, and there is a huge amount of travel between Dublin and Holyhead in particular. I cannot really comment on the pros of the electrification of the north Wales railway line. I would have to see the cost benefit analysis and so on before I could really make an informed comment.

### **The Lord Dubs:**

I am a Labour Member of the Lords. Minister, thank you very much indeed for what you said. I will comment on what you said about penalty points. It is almost 10 years since your ministerial colleague Brian Hayes, who was then a Member of this Body, and I were asked to look into the question of penalty points. It has gone on and on and on, and this is the first time that we have had a positive and encouraging view from a Minister. For some reason, the issue has moved from the British-Irish Council to the North/South Ministerial Council. I do not mind as long as there is progress. I welcome your commitment; it will save lives, and that is

pretty well acknowledged by the Garda and the police in Northern Ireland. Both forces will have the power to deal with drivers who speed outside their own jurisdiction. I hope very much that the target of 2014 will be met, and then we can all cheer.

**Mr Jim Dobbin MP:**

I am Jim Dobbin, Labour and Co-operative Member of Parliament for part of Rochdale in Greater Manchester. As a point of note, this is international year of co-operation, and Rochdale is the global capital.

I am a member of the Transport Select Committee in the House of Commons, and we have done quite a lot of work on the proposed high-speed rail link. We have been to France and Germany to look at the situation there, and, quite honestly, the Committee was quite excited about that prospect. At the beginning, it was to be between London and the Midlands and Birmingham and, of course, after that between the north-west and into Scotland. Chris Ruane made the point that the flow from that high-speed rail link would have been very beneficial to every part of the British-Irish Parliamentary Assembly, and I encourage the Minister to have some words with his compatriot in the UK because, according to the recent Queen's Speech, that has been dropped. I see that as a disadvantage to every part of this British Assembly.

**Mr Ken Skates AM:**

I am Ken Skates from the National Assembly for Wales. Are there opportunities to develop more air links between Wales and Ireland? Secondly, we know that Celtic-themed tourism is a strong growth sector, as is sports tourism. Is there potential for us to collaborate more on projects that boost those forms of tourism, perhaps by investigating the feasibility of a Celtic nations bid for the European Championships?

**Mr Leo Varadkar TD:**

There are a number of interesting questions there. At North/South level, we are trying to bring in mutual registration and recognition of penalty points in the areas in which they are collected most for things such as speeding, mobile phones and so on, and the target is to have it done by 2014. However, pressure has to be put on Ministers and officials to make it happen. I would be grateful if Members of the Northern Ireland Assembly and Members of the Oireachtas raised that a lot to make sure that pressure happens. It is complicated, because the laws are different in different jurisdictions, and the number of penalty points are different in different jurisdictions. Even how you define things is different. However, it is doable. You have to want to do it, and I definitely want to do it.

It is important to bear in mind that high-speed rail links are very expensive and cost a lot to run. There probably is a very strong case for high-speed rail between London and Birmingham, because London has a conurbation of close to 20 million people and there are maybe eight million people in the greater Birmingham area. However, we do not have anything like that in Ireland. The studies that we have done are very equivocal on whether there is any case for high-speed rail between Dublin and Belfast or Dublin and Cork. You could certainly do it, and it would certainly cost a fortune. It would continue to cost a fortune. Is that necessarily the best way to use public funds? The Irish Government are not going to take much of an interest in that.

I am afraid that I cannot comment on air links between Ireland and Wales. It is something that I would have to look at separately and come back to the Member at a later date.

I am very interested in talking about the Celtic nations' bid for soccer. Ireland is currently considering making a bid for the Rugby World Cup. It has crossed our mind that, if we cannot do it on our own, maybe we should have a word with the Welsh or the Scots and do a joint Celtic bid. We would prefer to do it on our own but if we have to seek solidarity and co-operation, we will consider it. A European bid on that basis is a very good idea. I will not see the FAI for about two weeks but I will certainly chat to it about that.

**Senator Cáit Keane:**

Go raibh míle maith agat. Is mise Seanadóir Cáit Keane. Agus muid inár suí anseo, ba mhaith liom fáilte a chur roimh chách go dtí an seomra stairiúil seo.

Minister, I welcome you and all the Members here today. I think that four or five Members of the Senate are here, and I welcome you to this historic room. Minister, thank you for your very informative paper. I want to draw out a bit more on the car-sharing website. We live in a carbon-friendly age and we try to reduce carbon. Maybe if we would all share the address of the car-sharing website with our cohorts and counterparts north, south, east, west and from all the countries, it would be good. We all know that an awful lot of business is done on the 19th hole of the golf course. With car-sharing, you have an awful lot of time. People are working North and South and are travelling on a Friday evening or a Monday morning from Belfast to Dublin and vice versa. I recommend that.

An awful lot has been said about the Road Haulage Association and an awful lot of submissions have been made. I think that Senator Walsh and one of the other MPs mentioned it as well. Minister, that is a very serious issue. As we have said, a lot of our goods traverse by road. We talk about flights and boats and everything else but there are so many problems with roads and road haulage. When we were in Brighton, we discussed fuel laundering. Anne is shaking her head down there. Minister, there is new technology, and we can work on that on a North/South basis. Of course, we do not have much control over fuel prices but we have the internal tax situation.

When I heard the Celtic theme being mentioned, of course, football was not the first thing that came to my mind; I thought of "The Gathering" and how that could work on a cultural Celtic theme with the Welsh and the Irish. It would benefit all of our nations, not only the Welsh, to share. We all have our own culture in song, dance and whatever. I would love to see a gathering of all of their cultures coming together through that. Minister, you should look at that.

Local taxation is an issue that we will have to deal with. We do not have to reinvent the wheel. When it is discussed here in Ireland, you would think that it was the first time that it was ever mentioned. We are so close to the North of Ireland, and we have the local taxation there. The sharing of experiences of how it works would be beneficial. We should definitely put that on the agenda.

**Mr Darren Millar AM:**

I, too, Minister, was very grateful to hear in your speech the reference to “The Gathering”. I fully support and endorse the contribution that Wales may be able to make to a future gathering to the Welsh and Irish diaspora around the world.

One issue that you did not touch on, Minister, and I would be interested to hear your views, was whether there is any scope for the development of a joint religious tourism strategy between Ireland and Wales. Obviously, we, as nations, have a great deal to offer the world in our religious heritage. Indeed, many people can trace the roots of their denominations and faith to Wales and Ireland. What discussion, if any, has there been on that? Thirdly, the North American tourism market is very lucrative for Ireland, and we want it to be a more lucrative market for Wales as well. Has there been any discussion between the Welsh Government and you regarding the possibility of developing the North American market and the benefits that that may bring to both of our nations?

*10.45 a.m.*

**Mr John Scott MSP:**

On a very similar theme to Senator Keane and Ken Skates about developing joint working, we feel that any mention of the Celtic development without Scotland being included would be a little bit remiss. My question was about developing joint working between the Celtic fringe countries. We are largely competing for the same tourist pound, if you like, particularly with regard to the United Kingdom. Might there not be an opportunity for joint working in the North American market, or indeed a worldwide market, with our other Celtic connections, so to speak, to turn that disadvantage and competition into advantage by joint working?

**Mr Leo Varadkar TD:**

I welcome the various comments on car sharing and “The Gathering”. I am ashamed to say that the address of the car sharing website escapes me — I am not sure if Senator Keane has it, but I am sure it can be provided. There is a reasonable amount of religious tourism in Ireland at the moment, with the Eucharistic Congress coming quite soon, which will bring a lot of visitors to Dublin in particular, and, of course, there is the shrine at Knock and other sites. One thing that I have considered working on, perhaps with my colleagues in Northern Ireland, is something related to St Patrick, perhaps a St Patrick’s trail, which would connect the various sites connected with St Patrick, from Downpatrick to the Hill of Slane and then perhaps across to Mayo, and then to other places.

I am a bit sceptical about joint tourism strategies. We all know that the reality is that the Celtic nations are competing with each other for tourist revenue. It is Ireland versus Scotland versus Wales a lot of the time, particularly when it comes to the market in the south-east of England. People will generally go to Ireland, Scotland or Wales on any holiday. If there is an opportunity for co-operation, one is learning from each other. That has definitely happened with “The Homecoming”, which was the inspiration for “The Gathering”.

Secondly, in our North American markets, people are not going to visit just one territory but may come to visit more than one place. That is perhaps something that we could have more co-operation on. We have started doing that a little, in the sense that Tourism Ireland and Visit

Britain are co-operating more than they used to, particularly where there is no Tourism Ireland presence on the ground, and that is in most of the world. Visit Britain has allowed us, on occasion, to use its facilities, which has been very helpful for Northern Ireland and for the Celtic fringe concept that exists and that certainly appeals to a number of tourists.

What could be useful in the future, particularly between Wales and Ireland and Scotland and Ireland, is routing flights to North America through Ireland — through Dublin and Shannon — for two reasons. First, because we have customs and border protection and you can be cleared in Dublin or Shannon. So, if you are coming from Cardiff or Scotland, you can fly into Dublin or Shannon, be cleared in less than an hour and then arrive in New York, Boston, or wherever you want to go as if you are a domestic visitor, and not have to go through what greets you when you arrive in an American airport.

Secondly, it means you can avoid the air passenger duty, because the APD between Britain and North America is extremely high — I think it is a three-figure sum — whereas the travel tax between Ireland and North America is €3, which is extremely low. That has started to happen. People have almost done it just by getting websites to do that for them but there is potentially a big opportunity there both ways to get more people from Wales and Scotland to fly to North America through Ireland, and vice versa.

**Mrs Dolores Kelly MLA:**

I am an SDLP MLA for Upper Bann. I thank the Minister for his contribution. There is a lot of meat in the report, and I will be taking some of the issues back to the Northern Ireland Assembly. Minister, on the issue of visa waivers, I am sure that you are aware of the difficulties that face students at universities North and South in relation to field trips. You and other parliamentarians might also consider the implications of student mobility in relation to visa waiver.

I welcome “The Gathering” initiative. The Assembly debated that initiative last week, and, thankfully, we won the debate, albeit narrowly. There is a lot of potential in that, and I urge you and others to consider that, in 2013, Derry will be the host for UK City of Culture. There may be an opportunity for “The Gathering” to be based across the border in Donegal and to tie in with the UK City of Culture celebrations in Derry.

**Mr William Powell AM:**

I am an Assembly Member for Mid and West Wales. Thank you, Minister, for your contribution. You are correct to say that the Celtic nations are competing in the tourist market but there are really good examples of collaborative working. In Wales, the Brecon Beacons National Park Authority has been working with the South Derry Development Corporation on destination management work. Recently, I had the privilege of attending the final conference in Killarney. That has been really beneficial for those and the other eight partners that have been involved. That will go forward under a rural alliances programme, which would merit your support.

A number of colleagues took the option of coming here by ferry, and they enjoyed that experience. There is a bit of good news coming out of Fishguard and Goodwick in that, only this morning, the station facilities there were reopened by the First Minister. We have the same challenges that you have around port investment. That is one welcome step, and it may be a

useful stepping stone for sports fans heading over to the fixture that we are hosting in the Millennium Stadium at the end of July. Do you feel that the potential overcapacity in the ferry market in the Irish Sea is a major factor? If you feel that that exists, what effect does it have on the experience for tourists?

**Baroness Smith of Basildon:**

I represent Labour in the House of Lords. Minister, thank you for your presentation. I am encouraged by the fact that, at long last, we seem to be making significant progress on issues such as visas and penalty points. Those of us who have held transport or tourism portfolios are envious that you have both in one portfolio, which brings me to my question, which is an issue of consumer protection. We want the traveller, as a consumer, to have the best possible experience in whichever direction they are travelling. Increasingly, it seems that the price that is advertised for travel on low-cost airlines is never the price for which anyone can travel. Recently, I looked at a flight from London to Dublin that was priced at £17. It would have been impossible to travel for anything less than just under £100, with credit charges, online charges — they could book only online — and bags. If you did not take the option of online check-in, there was also an extra cost. Would it not help consumers and those who want to travel if the price that is advertised is the price at which someone can travel? Can all Governments work together to try to ensure that we can get some progress from the airlines on this one?

**Mr Leo Varadkar TD:**

I note Mrs Kelly's comments on student field trips. I am aware of that, and it was raised to me a number of times. If we had a common visa area or a common travel area, that would not be a problem. I heard that the SDLP was tabling a motion in the Assembly about "The Gathering". I am delighted to hear the outcome was positive. That is very good news, and if Derry 2013 wants to become part of "The Gathering" for its City of Culture festivities and bring that in to what we are doing, it will get a very positive response. That is something we would love to do. It would be a very big event for the north-west, and would add to it, for the city of Derry and for Donegal, if we could incorporate the events in Derry into our "Gathering" programme.

What was touched on was the concept of co-opetition — a horrible word, but it does make sense. It means that bodies or areas that are in competition with each other can co-operate in other areas. You gave an example of co-opetition, whereby Ireland and Wales, which compete for tourists, can work together, particularly when it comes to building capacity, sharing information and so on.

At the moment, I am not concerned too much about over-capacity in the ferry market. What I am concerned about is fuel costs. Nobody really knows where those are going. Fuel is expensive for aircraft. It is also expensive for ferries. Certainly, the high-speed ferries that used to cross the Irish Sea are, on some occasions, no more, and on other occasions less frequent because of the high cost of fuel. None of us knows where that is going. We all think that because fuel prices are going to rise, we will be flying less. We may find that we will just be travelling less, full stop, because it will be so much more expensive.

I concur 100% with Ms Smith's comments on consumer protection. The lack of price honesty, never mind price transparency, among airlines is appalling. No other business would get away with it. Imagine going into a restaurant to be told that the coffee and croissant were €2 plus €1

staff charge, €1 VAT and €2 heating charge. Not only is it not transparent, it is extremely dishonest because it implies somehow that the airlines are not making any money and that all the money is going to government, which is totally untrue. Take, for example, airport charges in Ireland, which are in the region of €10 or €15 plus a travel tax of €3. That is €18. Booking a flight, you would think that it was the other way around: that the airline was getting only €18 and government was getting the rest. That is absolutely not the case. It is something that I am sick of tolerating and something that really offends customers.

We have an opportunity with the passenger rights directive coming up, which is on the work programme. I will be chairing the presidency of the European Transport Council in the first six months of next year. It is something that I have a good mind to progress, if the airlines do not change their act. We even have one airline that imposes an EU charge for something that does not yet exist; the emissions trading system does not even come into application until next April, yet they are charging people for it. I will say no more. *[Laughter]*

**Hon Stephen Rodan SHK:**

If we are really serious about the very worthy objective of a common travel area for tourists with a common visa, we need to demonstrate that we are more serious about it than we are about the common travel area for our own citizens. I very much support what Robert Walter said about passport controls for travel at airports. Although the passport may well be a convenient form of identity to show, unless we differentiate between the identity documents that we are required to produce, we are paying lip service to the notion of a common travel area. I do not think it good enough that, as a matter of convenience, immigration officers assume that it has to be a passport that is produced. There is a danger that, if we have a “passport, please” culture, we will potentially see an erosion of the common travel area.

*11 a.m.*

That has become important because in recent years there has been discussion about ways of strengthening external security to the common travel area, such as introducing restrictions or a requirement for producing documentation within the common travel area for those on sea voyages between Great Britain and the Republic of Ireland. For example, it was mentioned passports that may have to be a feature in the future. All of that is in the interest of tightening external security. I simply make the point that we ought to differentiate the acceptability of passports as a convenient form of identification in the common travel area.

I also support what was said by others about cultural tourism and Celtic tourism. Believe it or not, as well as there being an Irish and Scottish diaspora, there is a Manx diaspora of several million, and there could well be opportunities there for joint marketing between our respective Departments of tourism.

**Mr Michael McMahon MSP:**

I am a Labour Member of the Scottish Parliament. I was delighted to hear that the Minister has taken up the idea of “The Gathering”. It is a great idea, and it was great idea for Scotland. Unfortunately, it turned into a vanity project in which the Scottish Government gave secret loans to the organisers and left a number of small businesses going to the wall and lots of suppliers out of pocket to the tune of about £800,000. So, although it is a great idea, I

encourage the Minister to look very closely at exactly what transpired when the project was taken forward.

He said that he had initial discussions with the Scottish Government on the idea. Has he identified any of the pitfalls that led to the idea turning into such a financial disaster for Scotland? If he has a successful event in 2013, can he let us know so that when ours comes around again in 2014 we do not make the same mistakes that we did the first time?

**Ms Bethan Jenkins AM:**

I am one of the Plaid Cymru Members of the National Assembly for Wales. If you do something for St Patrick's Day, perhaps you could include Banwen, which is in the area that I represent and is widely known as the place where he was born.

You seem to have a better relationship with Mr Penning than I do, so I urge you to talk to him about the closure of Swansea coastguard station. That will affect not only people from Wales but tourists who come to the area. The Swansea to Cork ferry is due to end, but with the other ferries that port in the area that is a massive worry for us. All the local knowledge will be lost. So, if you do have that relationship, I urge you to raise that issue with him.

**Mr Willie Coffey MSP:**

I am an SNP Member of the Scottish Parliament. I will give you the opposite view to that expressed by Mr McMahon. "The Homecoming" event in Scotland was a tremendous success and brought many visitors and much income to the Scottish people and to Scotland. I am absolutely certain that if Ireland follows that example it will be equally successful.

**Mr Leo Varadkar TD:**

I probably should not get involved in internal politics, whether it is to do with tourism in Scotland or coastguard stations in Wales.

I did not know that there is an identified birth site for St Patrick. That is very interesting. Maybe, you will send me the information on that. There are different theories about where he came from but Wales seems to be the favoured one.

The only question that arose related to "The Homecoming", which was described as a vanity project. I can assure you that "The Gathering" is not a vanity project. There could not be a Minister less vain than me. With "The Gathering", after looking at what was done with "The Homecoming", we have tried to build on the ideas and maybe learn from some of the mistakes. The idea is a great one; it is a fabulous concept, and we all agree about that. It did bring in additional tourists to Scotland, and the figures supporting that are well authenticated.

There are three things that we have learned from the Scottish event. The Scottish event was heavily about the diaspora, whereas we are not restricting ours to that: it is about anyone who feels a connection to Ireland or special warmth for Ireland. That will be particularly relevant when we try to sell it in Germany and France, for example, where there is not such a big diaspora. "The Gathering" is very low budget, which means that there will not be a plethora of loans and grants. There is a culture of grants in Ireland, which is something that we are going to change as part of our economic recovery.

Finally, Scotland tried to create too many new events from scratch, including the big event — the gathering of the clans — which did not work as well as it might have. We are avoiding that: we are not trying to put on new events and expect them all to work. There will be some new events but, by and large, we are building on existing events that have a track record and already have people attending them and trying to scale them up into something greater.

Hopefully, it will work. It is definitely worth a try. Anyone who tries anything in politics always has to take the risk that it will be a failure but it is a good idea and we are going to throw everything at it anyway.

**The Co-Chairman (Mr Laurence Robertson MP):**

Thank you very much. I thank everybody who contributed to this discussion, particularly the Minister, who made a very interesting speech and answered a lot of questions. The Northern Ireland Affairs Select Committee, which I have the honour of chairing, is looking into aviation policy at the moment, so the remarks you have made have been very valuable and I will take them back. Thank you very much indeed for a very interesting session. *[Applause]*

**COMMEMORATIONS FOR THE DECADE OF CENTENARIES, REMARKS BY DR MAURICE MANNING**

*11.07*

**The Co-Chairman (Mr Laurence Robertson MP):**

We are going to move on to the reports of Committee A, on sovereign matters, and Committee C, which deals with economic issues. I know that John Cope at Brighton was very keen to start the Committees up again, after some disruption following elections in the UK, Ireland, Scotland, Wales and Northern Ireland. I am pleased to say that the Committees have been working very well. Before I get to that, I am going to invite Dr Maurice Manning, who is chairman of the Irish Government's Advisory Committee on Commemorations for the Decade of Centenaries, to say a few words. As well as being an expert on the issue, I am informed that Dr Manning is a former member of both the Dáil and the Seanad and is, indeed, a leading authority on the history of this institution. I am also pleased that Dr Manning is a former Member of this Body in its previous incarnation as a British-Irish Inter-Parliamentary Body, and he is also the serving chancellor of the National University of Ireland. I invite him to come up to say a few words. *[Applause.]*

**Dr Maurice Manning:**

Thank you very much. First of all, it is very nice to be back in this House; I spent a good part of my political life in here. I remember asking one former Member what the main difference was between the Dáil and the Seanad, and he said 'The seats are far more comfortable in here'. They are designed to put you into a listening mode. I am also, of course, a former Member of this Body, so it is a great pleasure to be back here on that count. I will speak for about 10 minutes to outline the main terms of reference of the Committee that I have been asked to chair.

When the Committee was being set up by the Government, there was some view that it should largely be a representative Committee. This view was not accepted by the Government, which felt that if you had to have every different tradition represented on a Committee, it could, first of all, become too large. Secondly, it would result in competition and lack the authority of a body that was, in a sense, disinterested and made up of academic historians who were there to advise and to give a certain authority to the Government's official programme. This is, of course, an advisory Committee—it has no executive function and it is there to advise the Government on a number of issues as we enter into this decade of centenaries. In that sense, we felt it very important to put the advice that we give into a context, and the context is not just the Irish Republic or just the island of Ireland—it is, in fact, a whole-world context. Events are changing rapidly everywhere, and events in one place are perhaps having consequences for others, and we should be conscious that events in Ireland form part of a wider picture and try to situate them in that context. In virtually all of our commemorations in the past, we have concentrated very largely on the context of it happening within the island of Ireland. So, to be part of the bigger picture is important, and that is already happening.

Secondly, given the history of the last 30 years and given the history of past difficulties with Great Britain, it was important that a good tone should be established early on for all of the events to be commemorated. There should be no sense of triumphalism in anything that is done. There should be no promotion of any particular reading of history. All of the official commemorations had to have full acknowledgement of the multiple identities and traditions that are part of the overall history. So, as a very first principle—and this was not always so in the past—official events had to be inclusive and non-partisan.

It is important to make the distinction that the Committee is only dealing with official commemorations. Any other group—local history society, political party or otherwise—is totally free to commemorate whatever events it wishes to commemorate and to do so in whatever way it wishes. We are talking here about the officially sanctioned celebrations or commemorations. In that, it is our job, as historians, to ensure that what is being officially commemorated is authentic and proportionate. We give our advice on specific events as they come up.

It is also important to address the whole issue of the all-Ireland events. Clearly, there is potential here for mischief by particular groups and by people who wish to stir up memories in ways that would be unhelpful to the peace process and in ways that may cause division and bitterness. It is also important, in addressing the all-Ireland events that, first, we have proper communications with both groups in Northern Ireland, which are also in the business of commemoration and are organising events, to ensure that any misunderstandings about what is being commemorated can be overcome at an early stage and in a mutually friendly way, to avoid providing any sort of possibility of friction. That will be difficult and, undoubtedly, over the course of the next few years, there will be groups that, for their own reasons, may well have a vested interest in promoting old agendas and in stoking up some sort of intercommunal difference. It is our job to discourage this and to ensure that, as far as all official events are concerned, this is carefully avoided and that steps are taken to ensure that it does not happen.

There are a few important considerations on which we are advising the Government, one of which is the whole question of thematic issues. I will take two or three of the obviously important ones from where we are. There is the whole question of suffragettes and feminism. There are no particular events that are strong or striking enough in their own right to allow a commemoration of the whole question of the suffragettes, feminism and the women's

movement, but we will have to find ways to advise the Government as to how this particular issue can be properly examined and commemorated. Likewise, there is the whole question of labour history, the trade unionism and the great lockout in Dublin in 1913. The development of the labour and trade union movement is a major thematic issue. Another one, which may be more controversial, is the role of southern unionism from the point of view of subsequent events in the Irish Free State and the Republic. These are all thematic issues on which we will consult very widely, and we will advise the Government as to how these issues can best be tackled.

*11.15 a.m.*

The commemorations also offer a great opportunity to promote research and scholarship. Clearly, we live in a time of economic straitened circumstances, but there is an appetite for tackling and developing our knowledge of what happened and using access to the huge amount of archival material that has been made available in recent years to the online possibilities of other archives being available, to encourage within universities and institutes of higher learning the prioritisation of research into the events of that decade. We should also go into schools to encourage the teaching of history and encourage Government departments to provide prizes to incentivise the teaching of history. As a historian, I feel particularly the threat posed to the teaching of history as a subject in schools. I sense in the wider community a desire that this not be so.

However, in any event, we should use the events to encourage Government and institutes of learning to devote as much time and resources as possible to research and scholarship in this area. We will also encourage RTÉ and other bodies to use new technology to try to bring home these events. For example, there is one proposal that, for 1916, a daily online newspaper should be created to recount events in contemporary style as they happened. However, we believe that there are a great number of younger people out there with a great grasp of technology. If they can be encouraged to apply the new technology to a reinterpreting representation of historic events, these events can be made real in a way that has not been possible before. In that way, we can engage the interest of young people.

Likewise, we hope to encourage the Government to avail itself of the burgeoning around the country of a great number of local historical associations, in order to make them feel that they have a role to play in researching local history. Again, in this context, there is now available a huge amount of archival material, particularly that in McKee barracks in Dublin, which has great details of the later part of this particular period.

I see this Committee—and we have begun our work—as providing a link between politicians and Government through consultation. A great number of people and associations believe that they have a contribution to make who do not quite know where they can make their points. We see ourselves as providing that consultative interaction between these various groups and Government. We do not have any money, but we can encourage Government to prioritise and support certain initiatives and to provide a link to people in all of this.

Those are our main focuses. As I said, it is a Committee made up of academics, which does not mean that it does not have common sense. I hope that we will be able to help to set the proper tone, ensure authenticity in what is being done, and provide a link to people and groups that wish to influence the way in which things are handled. If we can succeed in doing that and

ensuring that the thematic issues are addressed, we will probably have fulfilled our remit. [Applause.]

**The Co-Chairman (Mr Laurence Robertson MP):**

Thank you very much, Dr Manning. Please stay for the remainder of the session if you are free to do so. That was a very useful introduction to the Decade of Centenaries. You stressed the importance of it and of it being handled properly. Thank you very much indeed.

I will now ask Frank Feighan if he will be so kind as to update us on the work of Committee A.

**THE WORK OF COMMITTEES A AND C**

**Mr Frank Feighan TD:**

First, you are very welcome to the Seanad. I spent five very interesting years here. It is great to be back in these lovely plush chairs. We will have a referendum on the future of the Seanad soon, so we may not be back here again.

At a meeting of Committee A at the plenary session in Brighton last October, it was agreed that the Committee would look into and produce a report on the decade of commemorations. We decided to keep it to a decade because there were so many contributions on events ranging from the famine, to the first home rule Bill, to the Battle of Clontarf. One fellow wanted a commemoration of the silver jubilee, when Ray Houghton put the ball in the English net in 1988, but we decided to stick to the 10 years from 1912 to 1922, which led to the foundation of the state and the partition of Ireland. These were shared events that shaped the relationships between the peoples of this island for generations. It is important that serious consideration be given to how that should be remembered.

At the first meeting on commemorations in London in January, the Committee was privileged to meet with Professor Roy Foster of Hertford College Oxford. Professor Foster delivered a thought-provoking and insightful presentation of his views on the subject of commemorations. It is fair to say that, from a historian's perspective, the professor was very sceptical of the value of commemorations. He was, for example, critical of how past commemorations of the Great Famine and the 1798 rebellion had been organised. However, following the presentation, there was an extensive and frank discussion between Professor Foster and the Committee Members, which, to my mind, was very productive. It will certainly be of use to the Committee as it considers the subject.

During that time, there were 250,000 armed militia on the island of Ireland, and had it not been for the outbreak of the first world war, there could have been a more catastrophic situation. It was thought-provoking that history sometimes shapes us and events happen over which we have no control. That issue was raised about there being two sides.

The next meeting of the Committee was held in Dublin last month. It was addressed by Mr John Kennedy, who works with Minister Deenihan in the Department of Arts, Heritage and the Gaeltacht. Mr Kennedy outlined the Irish Government's overall approach, working closely with the various Assemblies and Governments, to ensure that every tradition is recognised and commemorated, and possibly celebrated, in the decade of commemorations.

We then met Dr Manning, from whom we have just heard. Dr Manning spoke on the role of his academic advisory Committee on commemorations. A broad range of issues relating to commemoration was looked at, including the sensitivities and the practical issues that arise when organising an event, such as funding. We want to see a joint approach to commemorations, not just north and south, but east and west as well.

The Committee then met with Deirdre McBride of the Community Relations Council in Northern Ireland and we spoke of lottery funding. The presentations by the distinguished witnesses and the discussions with members will all feed into a final report.

I take this opportunity to thank the vice-chair, Mr Conor Burns MP, and the Committee Members for all their efforts and assistance over past months. I pay tribute to the former vice-chair, Mr Laurence Robertson MP, who has stood down from that role since the last plenary. I congratulate him on his elevation to the post of Co-Chairman of this Assembly.

Finally, while it is not formally associated with BIPA, I draw Members' attention to the Joint Oireachtas Committee on the Implementation of the Good Friday Agreement, which is chaired by my colleague, Deputy Joanna Tuffy. The Committee is unique in the fact that Members of Parliament elected to Northern Ireland constituencies have the right to attend and participate in meetings. The Committee is tasked with monitoring issues arising from Ireland's role as a signatory to the Good Friday Agreement, and it considers all the various developments.

We have been on many visits. We visited Cultúrlann McAdam Ó Fiaich on the Falls Road. We met the chief executive of the EU programme body, and we visited a lot of cross-border communities. In January, Members travelled to Monaghan and Armagh, where we met representatives of the Justice for the Forgotten group and the Pat Finucane Centre. We also visited a memorial in Monaghan to the victims of the 1974 bombing. In March, we visited Derry and met organisations and individuals who are at the forefront of peace-building. We saw concrete examples of how Derry's City of Culture 2013 status has inspired the whole community to reclaim, and celebrate in new ways, its rich history and political importance. Earlier this month, Committee Members travelled to Strabane and Omagh and met with local representatives. I would recommend that members of this Assembly follow the work of the Good Friday Agreement Committee, as its concerns are of interest to all here today.

In my capacity as vice-chair, I travelled to Belfast to attend an interesting debate on the Ulster Covenant. Bethan Jenkins, at school, we all knew that St Patrick was from Wales, but we did not really know too much about the Ulster Covenant. That, I think, is a sure bit of history that we need to look at.

This morning's meeting was at 8.30 a.m.. We looked at a proposal for an inquiry into British-Irish economic relations to see whether Committee A could work on that. We are bringing that back to the steering group, and perhaps we could work with Committee C, because we feel that economic relations are an issue that we could work on. Therefore, we will bring that to the steering Committee to seek guidance. We also considered a proposal on the North-South education initiative on commemorations. We feel that both departments of education should come up with a narrative that is acceptable to both traditions and their history. We are going to approach the Ministers for education here and in Northern Ireland to see whether they can come up with a joint approach that is acceptable to both traditions, and to outline what I did not know at school or what was not taught to me and others, I am sure, namely how significant the Ulster Covenant was in Ireland at the time.

Finally, I thank everyone for the work that they have done, and we look forward to bringing the report back in a few months' time.

**The Co-Chairman (Mr Laurence Robertson MP):**

Thank you very much, Frank, for a very comprehensive update on the work of Committee A. Are there any other brief observations on that, before we move on? I call on Paul Flynn.

**Mr Paul Flynn MP:**

Only the future is certain; the past is always changing. A great deal of energy goes into claiming victories in the past and re-shaping the past in our own desired image—a good deal more than we put into the future. I think that there is great merit in letting sleeping grievances lie and in not churning up antagonism. I think that we all welcome the spirit of the report and what we have had this morning, of going forward on an all-Ireland basis.

We have a similar problem in the House of Commons. When elected, Aneurin Bevan wrote to working-class Members of Parliament, saying, 'Your footsteps in this place will be muffled by the dust of history made by people who are not like us'. In the House of Commons, we see thousands of mementos of our aristocratic and royal past. There are portraits, sternly and sneeringly looking down on the peasantry who have now moved in. I think that we have to take up the suggestion made, namely that the people whom we need to celebrate in the future are those who really did shape our history and democracy into its current position. They were the suffragettes and the chartists, who gave their energies and, sometimes, their lives. They are almost absent in the Palace of Westminster. That is one reason why I have suggested that, if we are to rename Big Ben in London, we should put two Ns at the end—to commemorate Tony Benn, at least.

**The Co-Chairman (Mr Laurence Robertson MP):**

Thank you, although I am not sure that Tony Benn was a peasant of the Palace of Westminster exactly. I now call on Chris Ruane.

**Mr Chris Ruane MP:**

Thank you very much, Co-Chair. I am Chris Ruane, MP for the Vale of Clwyd in north Wales. This is a question with a north-Walian perspective. I ask our two speakers whether Frongoch will be celebrated or commemorated. For those who do not know it, Frongoch was a Welsh whisky distillery. In 1916, 2,000 Irishmen were rounded up from the whole of Ireland and stuck in this Welsh whisky distillery—there was no whisky there at the time. I must declare an interest as my grandfather was one of them. Until 10 years ago, there was no commemoration whatsoever, but then, a stone and a 10-inch brass plaque was put there, which stated in three languages—Welsh, Irish and English—that, here, 1,800 Irishmen were imprisoned in 1916. There is no interpretation. It was at Frongoch, the university of revolution, that the internees put themselves into classes and re-educated themselves over a six to nine-month period and when they came back to Ireland, many of them went on to become great people in Irish history. Will that be celebrated?

*11.30 a.m.*

**Dr Maurice Manning:**

It is certainly my intention to recommend that it be commemorated. I know that a group has already been established to begin this process, and that will have our full support.

**The Co-Chairman (Mr Laurence Robertson MP):**

Thank you very much. We are over time at the moment, but Paul Bew may come in.

**The Lord Bew:**

Thank you, Co-Chairman. My thanks also to the Chair of Committee A.

I want briefly to address the point raised by our Chairman, which is Professor Foster's warning that the previous commemorations of 1798 had a bad side to them. I would say that, so far, what is remarkable about this process, which has already started, with many meetings and public events having already been held, is that the tone has been very good. That is partly because we are in a new political situation, as defined by the Good Friday Agreement, and it is also thanks to the work of Maurice Manning and his committee, and what he said about tone this morning. I pay tribute to him for the work that he has done.

**The Co-Chairman (Mr Laurence Robertson MP):**

Thank you, Paul. Barry is next, and then Kris. If we can, I would like to move on from there.

**Mr Barry McElduff MLA:**

Thank you, Co-Chairman. I am Barry McElduff, Assembly Member for West Tyrone. May I make a suggestion to Frank in his capacity as committee Chair that he speak with his ministerial colleague, Jimmy Deenihan, about perhaps broadening out the Oireachtas committee approach to include cross-party representation of Assembly Members from the North? A good number of MLAs would want the opportunity to feed into and participate in the work of the national commemoration committee, given that many of these events have all-Ireland significance and predate partition. It would be a good idea to broaden out what is essentially a 26-county committee to become an all-Ireland one.

I listened with interest to Maurice's talk, and I thank him for that.

**Mr Kris Hopkins MP:**

I am Kris Hopkins, the MP for Keighley and Ilkley. When I joined the British army, I was sent for a medical. My doctor had worked at the Royal Victoria Hospital in Belfast, and he said to me, 'Whatever you do, if you end up going to Northern Ireland, understand why you're going there'. He was sick and tired of crying soldiers trying to understand why they were busy dying on a slab somewhere in Belfast.

When I eventually got to Northern Ireland, I was given a piece of paper on which it said, 'This is the history of Ireland'. It started off by stating that the Romans invaded Britain in the early ADs. I still come across a huge amount of ignorance of our joint histories, particularly about the period that shaped much of the conflict of the twentieth century between our communities.

It is therefore a really important piece of work that needs to be disseminated, not just in places such as this, but right out and into all communities. I hope that the people who have the task of doing that succeed. Go to my town. Go to west Yorkshire. Explain to people why people came to this place and to this country and fought and died here.

**The Co-Chairman (Mr Laurence Robertson MP):**

Frank, do you want to come back, very briefly?

**Mr Frank Feighan TD:**

I will certainly bring Barry's suggestion back to Minister Deenihan. Today's discussion has been thought-provoking, and I am sure that we will carry on a further day or two

**The Co-Chairman (Mr Laurence Robertson MP):**

Thank you very much. That was very interesting. I now call Jack Wall to present the report of Committee C.

**Mr Jack Wall TD:**

Co-Chairs, before Dr Manning leaves, I would just like to say that I was in this House when he was here during that period, and I am certainly glad to see him back here today.

Co-Chairs, I will first sincerely thank on behalf of all here Julie and Judith for the tremendous amount of work that they have put into preparing this report and in arranging all the meetings and so on that it took to put it together. I suppose that there is many an occasion when we forget those who do the background work, but, in this case, congratulations are due in the strongest possible terms.

Committee C began looking into small and medium-sized enterprises in 2010. The current membership of the committee decided to revive this inquiry in January this year because of the importance of SMEs to the economies of both our countries. We decided to focus on access to finance as we all had reports of small firms finding it difficult to get the loans that they needed to continue trading or to expand their businesses. Over the course of three meetings, two of which were held in Westminster and the other here in Leinster House, we heard from a wide variety of organisations, and we would like to thank them all most sincerely for the time that they dedicated to helping us to understand the issues involved and the different perspectives. The Irish Small and Medium Enterprises Association, the Small Firms Association, the Credit Review Office, the Department of Jobs, Enterprise and Innovation, the Confederation of British Industry, the Federation of Small Businesses, the British Chambers of Commerce, the British Bankers' Association, the Association of British Credit Unions and the Department for Business, Innovation and Skills all met the committee and we were very grateful for their insights.

What we found reinforced the importance of small and medium-sized enterprises to our economic growth. They are major employers and centres of innovation in communities throughout the UK and Ireland. It is vital that they are supported. Many of them are currently experiencing difficulties in accessing finance, whether loan applications are being refused or the terms of their loans being changed. We found that, in Ireland, there is a lack of detailed,

undisputed information about how much lending is taking place. We were interested to learn about the SME finance monitor, a survey of UK SMEs that is sponsored by the British Bankers' Association. This provides confidence in the picture that it builds up of the current experience of bank finance. We expressed a hope in our conclusion that the Irish Credit Review Office, which provides an appeal facility for businesses whose applications have been turned down, could continue to grow.

Undoubtedly, the banks are being more cautious in granting credit than they were before the economic crash. In many cases, this is entirely appropriate, but small businesses may need some help to adjust to the new circumstances. For example, they need front-line banking staff who can understand the potential of their businesses and who can take an informed view of the risks presented by a particular business proposition. Despite some Government action on credit easing and loan guarantees, we heard from all quarters that the very concentrated banking markets in the UK and Ireland mean that the difficulties in accessing finance are unlikely to be solved in the short term simply by relying on banks.

The Breedon review, which was commissioned by the UK Government, has found that, in the years up to 2016, there is likely to be a shortfall of funding from banks to smaller businesses of between £25 billion and £59 billion. This has implications for Ireland as well, given the importance of UK-based banks to the Irish economy. It is therefore vital that other avenues of finance are explored and available, and are fully supported by both Governments. Some of these are options that small businesses may be wary of, such as equity funding, and peer-to-peer finance, angel investment or community development financing are other examples. SMEs need some help to navigate this new landscape. They need clear information from Governments, signposting to sources of help and access to either in-house or external accountancy and finance expertise. We hope that the UK and Irish Governments will act urgently and with imagination to take up the challenge of helping small businesses to reduce their dependence on bank financing in the short to medium term.

We also looked briefly at the issue of SMEs' involvement in public procurement. The purpose was for our Governments to learn from each other in this sphere. We were encouraged to learn of some successful initiatives to boost SMEs' chances of winning public contracts.

Finally, I would like to thank colleagues for their hard work on this inquiry and the many constructive conversations that we have had on this topic. I would like to thank, in particular, Deputy Arthur Spring, who took on the job of rapporteur in producing this report. I commend the report to the Assembly and look forward to hearing colleagues' views.

**The Co-Chairman (Mr Laurence Robertson MP):**

Thank you very much, Jack. John Robertson?

**Mr John Robertson MP:**

Thank you, Chair. I want to thank the Chairman for the hard work that he has put into this report. I would also like to thank everyone for the support that we received from both Houses. While we were being kind to the banks in many ways, in many cases, the banks were the problem. Quantitative easing was meant to be helpful, but it did not supply the help that it should have provided, particularly for SMEs. The banks were holding on to the money for their own purposes and to ensure that they were safe, while forgetting about the development of small businesses. Without doubt, the message that came across, from everyone to whom we

talked, was the fact that the development of both nations depends on small businesses creating new jobs, new businesses and, therefore, new employment. Without doubt, that is the way forward in the years ahead.

**Mr Paul Farrelly MP:**

I am very sorry that Stoke sent Bolton down yesterday. I was not able to be here in Dublin as an Associate Member, because it was much too popular to let me in, but I was in London to listen to some very good people talk about the British banking experience. One question I would like to ask Jack and maybe the Co-Chair and Irish colleagues is this: to move forward, you have to clear the baggage of the past, so do colleagues from Ireland think that Irish banks have recognised all the losses, or is there more to come?

**The Co-Chairman (Mr Laurence Robertson MP):**

Do you want to come back on that point, Jack?

**Mr Jack Wall TD:**

It is our belief that they do recognise that. We hope that there is nothing in the banking system that is going to upset us further. I think that there is a huge challenge for the political system to move forward with the banks, because every economy needs the banks. We need the banks, but we need them to work with us and not against us in some instances. I have to say that I agree with what John says in relation to SMEs: a major initiative is needed to drive forward SMEs, because they are one of the main pillars that are needed to revitalise our economy, and we must ensure through the political system and in working with the banks that this happens.

**Ms Ann Phelan TD:**

I am sorry if I am causing a bit of confusion because I know that my nameplate is over there. I just wish to compliment the Chairperson, Jack Wall, and Deputy Arthur Spring on this report. It is certainly quite a detailed report, and it goes a long way towards addressing what we spoke about at the very beginning, in that it tries to separate the fact from the fiction. I think that the report does that. There is quite a lot of detailed information in it. However, what I really wanted to draw the room's attention to was its conclusions, specifically paragraph 8(3) regarding the shortfall of bank lending over the next four years. That will pose significant challenges for both the UK and the Irish Governments. As the Deputies here and Members of the other Houses will know, it is something that we will have to take on. We will certainly have to begin thinking outside the box, if we are going to deal with this situation over the next four years. Again, I compliment everyone on the report.

**Mr Arthur Spring TD:**

I am Deputy Arthur Spring, and I am the rapporteur for this Committee. I would just like to let everyone know that one of the items that we noticed was that not only are we going to struggle to access finance over the coming years, but the other areas of finance that we have identified that have potential to drive SMEs are very diluted and very poorly known by the small and medium-sized enterprises themselves. People often end up in a position of operations rather than management, which leads to disconnect between the products that are out there. If we can learn something from the US model, it is that, back in the 1950s and 1960s, it set up seven

principles as to what kinds of finance were available to small and medium-sized enterprises. From those seven principles, different areas were broken down. Every business owner and every manager knew what those principles were and went down those avenues to search for finance. The statistics show that over 50% of businesses have not even been able to access finance over the last five years. So, as an economy that wants to recover, we are down to between 7% and 9% of lending in the Irish economy in comparison with the height of the boom or the craziness, so in order to get it going, we need to get credit going and we need investment as well.

In relation to Paul's question on whether the Irish banks are capitalised and whether we are at the bottom, well, we hope so. We commissioned Black Rock Investment Institute to take a look at all our banks, and we capitalised them to the tune of £26 billion just after taking governance. We hope that there are no more stones under which we will find something that we were not expecting when we turn them over. However, you never know. The eurozone is in crisis, as we know, and we would like to have a stable currency before we can build again.

**Mr Seamus Kirk TD:**

I would like to congratulate the Committee on presenting a very comprehensive report, even allowing for the very slick Kildare pass by the Chairman, Jack Wall, to the direct question that we had about banking; he did very well indeed. Will the report be submitted to the Department of Finance?

**The Co-Chairman (Mr Laurence Robertson MP):**

It will be presented to the Dáil on Thursday. Does anybody else have a question?

*11.45 a.m.*

**Mr Stephen Lloyd MP:**

Yes. I am Stephen Lloyd, the MP for Eastbourne and Willingdon. However, with a different hat on, Co-chairs and Assembly, I am also a parliamentary champion for the Federation of Small Businesses in Westminster. I see that the report recognises that the coalition Government has made some real progress in opening out procurement to the SME sector. There is a long way to go, but there is a recognition of the coalition's work. My question is twofold: first, is that happening with the Irish Government and is there a good understanding that the SME sector needs assistance to gain access to public sector procurement? It needs simplicity, really. Secondly, I am pushing the Government in Westminster around the area of regulation, and hoping to get a little movement on it over the coming months. We all know, both in the UK and in Ireland, that there is a constant stream of regulations, either from our own Governments or from the EU, and one of the challenges that the SME sector faces in this area is that, more often than not, one UK Government department will introduce one set of regulations, not really understanding the impact it will have on the SME sector. So, the Federation of Small Businesses in the UK is encouraging the coalition to either set up within the Department for Business, Innovation and Skills, or as a separate adjunct, a small body of officials who could assess the impact of all the different Government regulations on the SME sector. I would be interested to know whether there are similar proposals afoot in Ireland.

**The Co-Chairman (Mr Laurence Robertson MP):**

Jack, would you like to come in at the end of this session?

**Mr Jack Wall TD:**

This aspect was raised in the presentation that we had in London in terms of the effect that the Olympics had on SMEs, where 47% of the contracts were awarded to the SME sector. That was a major initiative by the English Government to ensure that it was going to have a great impact on SMEs in the Greater London area. Here, we would hope that, in the debate that is going to follow on Thursday and subsequent debates, we can interact with our colleagues in Westminster in relation to this. One of the things that we must learn is how we can strengthen the SME sector, because we talk about major employment initiatives, but the biggest employment initiative that we have is the SME sector, if we underpin it, finance it and make sure that it is structurally sound going forward. We can do that in many ways, and we can certainly do it by looking at what has been successful in other areas. That particular effort or determination by Westminster in relation to the Olympics is a model that can be worked on and one that we will look at.

**The Co-Chairman (Mr Laurence Robertson MP):**

As we are coming to the end of this session, I ask that plenary takes note of the report of Committee C on small and medium-sized enterprises. Is that agreed? I see that it is. Thank you.  
*Question put and agreed to.*

*Resolved:*

That the Body takes note of the report of Committee A on Decade of Commemorations and Committee C on small and medium-sized enterprises.

**The Co-Chairman (Mr Laurence Robertson MP):**

For clarification, the clerks will arrange to send the report to the British and Irish Governments.

**OPPORTUNITIES FOR THE FOOD SECTOR IN BRITAIN AND IRELAND**

11.50 am

**The Co-Chairman (Mr Joe McHugh TD):**

Our next item on the agenda is opportunities for the food sector in Britain and Ireland, for which I am delighted to welcome Darina Allen, who will address the plenary on this subject. Darina Allen is perhaps Ireland's best known and most influential food expert. She is a chef, a food producer and a champion of high-quality, locally produced food. She has spoken recently about how Ireland is currently experiencing a renaissance in artisan food production, which brings great opportunities to the Irish food sector. Therefore, it is perhaps significant that we are hearing from her on the day that we have heard the Minister for Transport, Tourism and Sport indicate that he is looking at possible opportunities to bring tourism out to the countryside. East Cork is therefore an example of best practice in a product that the Minister is looking to develop. It was very encouraging to hear from him, and no doubt Darina Allen will be able to read the transcript of his contribution this morning.

I invite Darina Allen, in speaking about the opportunities for the food sector in Britain and Ireland, to mention not only what we are doing right but—hopefully, we will have a good honest forum here—what challenges we face and what we as parliamentarians can do to help support good-quality food for the home and overseas markets. Darina, you are very welcome.

11.52 am

**Darina Allen (Ballymaloe Cookery School):**

Thank you very much. Co-chairmen, members of the British-Irish Parliamentary Assembly, ladies and gentlemen, I thought that I might start off by reminding us how lucky and fortunate we are in Ireland with our natural resources. Let me quote the Harvard report that was commissioned by Bord Bia a number of years ago:

“Ireland has an enviable agricultural situation that almost every other country would kill for. It has abundant fertile land, lots of water, and miles of coastline all situated in close proximity to a collection of 400 million affluent people. It is one of Europe’s largest dairy and beef exporters, and home to several world-class firms and hundreds of food artisans. All this comes at a time when the global demand for food is projected to increase by 70% over the next 40 years”.

Of course, that situation creates huge opportunities for Ireland as a food island. Once the quotas are lifted, the food supply will increase rapidly, particularly for beef and dairy products, and sales are predicted to increase by 40%. However, there is unlikely to be the same sort of increase in the number of jobs, so the increase will not address our youth unemployment problem.

What will address that problem? Well, there are huge opportunities and lots of potential for growth in the food tourism sector. We need to focus on that by highlighting and developing local delicacies and encouraging more regional specialties such as farmhouse cheeses, smoked fish and cured meats. We could develop food tours, farm shops, farmers’ markets and we could develop local microbusinesses and link up all that with food tourism.

Take, as a little example, a jam factory. If someone is making jam in a small way at home, they might make 50% of their money from their jam sales. If they had food tours, visitors could come to the factory to see where the food is produced, perhaps see a demonstration of how the jam is made and then have the opportunity to buy the jam at the shop. This is all about food as a story. Another example might be a cheese maker, a fish smoker or a farmer.

In the US alone, there are 40 different travel agencies that concentrate just on food tourism. They take people all over the world who, when they visit another country, want to go on to the farms to find out how the food is produced. For the farmer who produces heritage breeds of cattle on the Cummer mountains, people might visit his farm to see the cattle, hear the story and buy the meat from the farm shop. The farm might even have a little café that can provide the occasional meal for groups of visitors.

Another unexplored area that is gathering momentum in other countries is “agritainment”. People are beginning to want to have, for example, weddings on a farm and they want to go back to nature. At our cookery school last summer, we provided several long-table dinners in the greenhouses, in the middle of the runner beans and tomatoes. On one occasion, we had five

different nationalities. These people had come to Ireland especially because they heard that we are having a long-table dinner in the middle of the greenhouse produce; so there are lots of other opportunities there as well.

This type of initiative, involving people coming on to the farm and linking food with tourism, ticks lots of boxes: it adds value to the raw materials; it creates local jobs; it educates and raises awareness; the money stays in the locality, right in the parish, and goes back into the businesses; and it creates a tourist attraction. The visitors also get to meet the producer, and the producer gets valuable feedback from the visitors.

There is an opportunity here for all of us to continue to work together. Tourism Ireland, Bord Bia and Invest Northern Ireland could form a very fruitful partnership to market Ireland as a food tourists' destination. This would continue the work of Bord Bia, which in so many ways has been a huge supporter of the artisan sector. At the moment, Bord Bia is working on a new campaign, "Food from Ireland", a joint initiative centred on sustainability and environmental protection that invites visitors to the country to come on to the farm to see how our food is produced.

At the heart of all this it is vital that we retain our green image. We need to focus huge energy on protecting our reputation and avoid anything that could damage our most valuable marketing tool. Stories about water quality in Galway docks do such damage, which takes a long time to repair. We need to be careful not to score own goals.

Let me give just a couple of little examples of how we might inflict wounds on ourselves and damage our reputation. If the Government were to opt for an outright ban on the sale of raw milk instead of regulating the industry—at a time when raw milk is freely available in many states in the US and in the UK, all over Europe, New Zealand and so on—that could be interpreted as a lack of faith in our dairy industry. That would be counterproductive to our image.

Also, what possible advantage could there be for Ireland to grant permission for field trials of genetically modified potatoes in County Carlow? The trials can be done elsewhere, in countries whose economy is not dependent on exporting food to markets where GM is a concern. Ireland's unique selling point is the perception that food coming from the island of Ireland is clean, wholesome and pure. Why would we want to besmirch this image and provide ammunition for unscrupulous competitors to expose the fact that our food is not as pure as the marketeers suggest? In an increasingly competitive world, we need to maintain our special GM-free status.

If we look at the issue from an historical perspective we see that for the past hundred years Europe has been an industrial area. Cities such as Birmingham, Manchester, Coventry, Belfast and Cologne existed because of industry. We are now moving into a post-industrial era in which steel, coal, engineering and shipbuilding are all moving to China and elsewhere. As a result, the original reason for the existence of many of these huge cities has disappeared and they have had to reinvent themselves. Let me give a couple of examples that are particularly relevant to Ireland.

In Turin, for example, Fiat's factory employed 85,000 people at its peak. When Fiat's fortunes declined and the factory closed in 1987, 55,000 people still worked there. When those people lost their jobs, all those families were affected. In a city just slightly larger than Dublin, it was a

disaster. After much soul searching, various experts were brought in to suggest ways in which employment could be generated quickly. The mayor of Turin got a development group together after calling on the mayors of 22 of the other cities and towns in Piedmont to put on their thinking caps to consider what could be done. At some stage, somebody said, “Well, you know, the car has existed for only 100 years, but Turin as a city has been around for more than 2,000 years and has grown and prospered because of its agricultural hinterland”. The decision was made to focus on food tourism and to develop the food tourism industry.

Today, just 25 years later, more than 100,000 people in Turin are employed in the food and tourism business in replacement of the 55,000 who were unemployed when they lost their jobs. Turin had not hitherto been known for its food—many would have thought of Turin just as a dirty, industrial city—but today people fly in by plane from Dallas in the US and from Tokyo and elsewhere especially for the food. Turin is the world centre for artisan food and is the home of Eataly, a shop window for Italian artisan foods. For slow food, the Salone del Gusto and Terra Madre events that are held every two years in Turin bring in hundreds of thousands of people to the area. Eataly has recently opened a big shop in Manhattan and plans to open another in London. People now fly in from all over the world to Turin for its food tourism experience, and the city and the whole Piedmont area have benefited. Turin has reinvented itself through food. That should give us food for thought here in Ireland.

The Nordic countries are perhaps an even more relevant example. As those who are interested in food may know, until quite recently the epicentre of the gastronomic world was in Spain, where Ferran Adrià’s restaurant El Bulli was considered to be the top restaurant in the world. That was where it was all happening. Now, things have changed, and the epicentre of the gastronomic world has moved to Copenhagen and the Nordic countries. How did this happen in just a few short years?

In 2007 or 2008, a Danish chef and entrepreneur called Claus Meyer called a landmark meeting in Copenhagen for all the top Nordic chefs. The Nordic chefs had been winning chef competitions and doing quite well, but they were always looking to the Mediterranean and to the food of the Italian, French and Spanish chefs. Claus Meyer said, “Why do we try to emulate the food of these other countries when we have so much that is totally unique in these Nordic countries? We have ingredients that they just do not have in the south and which people are thrilled by when they come and taste them—lingonberries, cloudbberries, game, moose, elk, cured fish, wild goose et cetera. So why do we have to imitate? Why don’t we serve our own Nordic food proudly?”. This really struck a chord with the chefs and gave them confidence and pride in what they had.

Today, the number one restaurant in the world is Noma in Copenhagen. I was fortunate enough to eat there before Christmas, and the food is really just extraordinary. What was really thrilling when I arrived and all the chefs came out to greet the guests—in this restaurant, you have to leave behind all your pre-conceived notions about things—was that up bounded this Dublin boy who was one of three Irish chefs in the kitchen. I also discovered that one of them was one of my past students. She was making the bread. That was very nice.

René Redzepi, who is the chef and owner of the Noma restaurant, not only serves local Nordic food but includes a huge variety of wild foods on the menu. That means that foraging—incorporating wild foods into the menu—is now the coolest thing. We have wonderful wild foods all round the country of Ireland, with everything from watercress and nettles to

carrageen. Chefs are now beginning to emulate René Redzepi by incorporating those into their menus. Such foods are unique to Ireland. They are our unique selling point.

Each of our countries has its unique food and food culture or heritage. When people come to Ireland, they are not looking for a Thai green curry—well, they might like to have a Thai green curry one night and make it fajitas another night—but it is often difficult for visitors to our country to find an Irish stew, Dublin coddle or carrageen. Another point is that if you ask an Irish or British person to say honestly whether they think that our food is as good as Italian, French or Spanish food, they immediately hesitate. We still have an inferiority complex, which is coming to an end, so we often think that what they have elsewhere has to be better than what we have here, but it is not. We have fantastic produce here, which is totally unique to Ireland. Those are the sorts of things that we need to highlight and develop and ensure that our visitors get a taste of. We do not have wine or olive oil, but we have many other good things: whiskey and Guinness; wonderful dairy products and grass-fed meat and beef; superb fish and shellfish; prawns and sea urchins and scallops; mountain lamb and game; carrageen; wonderful fruits and rhubarb and damsons—all sorts of things that people can get only when they come to these islands.

Ballymaloe House started in 1963 and built up an international reputation by writing the menu every day just with foods from the farm, the gardens and the local area, with fresh fish from the boats in Ballycotton and meat from the local butcher. Today, Ballymaloe and the other 10 family businesses—all connected to food—that Ballymaloe House has spawned provide more than 350 direct jobs and almost double that number of indirect jobs. Of course, that brings in a lot of foreign revenue to the Exchequer. The Ballymaloe cookery school, which is one of those little businesses that I run, currently has 13 different nationalities represented on the 12-week course. That is not unusual, as there were 14 different nationalities on the previous one. All these things make a difference.

In the past couple of years, more than 100,000 of our best people have emigrated to Canada, Australia and other countries, but we need to attract our brightest and best into the food industry. There are so many opportunities and we now have the facilities, which are a legacy of the Celtic tiger era. For example, €35 million was invested in the Waterford Institute of Technology, so we have the facilities in which we can teach people. There are myriad opportunities in food production, food marketing, research and development and there is a ton of ways to add value and create employment for our youth.

How can our Governments help? Well, they can create a single focus on youth employment and ensure that the many different bodies involved in the various initiatives join up and all work together. We really need action on that. For all of us who have been listening to the radio over the past couple of days, it is terrifying to hear about youth unemployment levels of 25% in Spain and 50% in Greece. Is that not a most terrifying prospect, what with the worry of social unrest and all the other things? Tackling youth unemployment must be a major priority for all of us, but there are so many opportunities in food that we can do it, and they will love it. At present, there are a multiplicity of organisations that I suggest could look at working together.

The food business could be boosted further if the Minister for Health and others who have responsibility for procurement ensured that, for example, hospitals, schools and prisons insisted on the criterion that a certain percentage of their food had to be seasonal and local. The effects on the farm incomes in the local area and local food businesses, not to mention on the quality of food provided, would be dramatic. There are several excellent examples in the UK of

hospitals that have been mandated to buy a certain percentage of their food locally. In the beginning, the institutions involved had misgivings that the result would be much more expensive, but in each case people have found that it is no more expensive and that they got better food quality and patient satisfaction, not to mention the good will generated by putting money back into the local area in a way that helps the local farmers and fishermen. That has been a tremendous success. So there are examples that we could look at.

We also need to streamline regulations to make them effective, efficient and appropriate to the need. Eliminate duplication—this applies not just in the food business but in every single area of our lives. As we know, the whole regulatory business has gone from a few regulations to a sort of tidal wave. Of course regulations are essential—it is a given that we must operate to the highest possible standards of food hygiene and food safety—but each regulation needs to be looked at for a whole lot of reasons, not just the economic situation in which we find ourselves. We need to ask, “Does this regulation really add value, or does it just add more hassle?”. If something just adds hassle, out with it. If it duplicates another regulation, out with it. We need to simplify things to encourage and nurture anybody with any little spark of entrepreneurial spirit by making it as easy as possible. Every government department, every inspector and every adviser they meet should be there battling for them. Everybody needs to be battling for Ireland and encouraging and supporting at every level.

Let me mention just one little tiny thing by the way. One opportunity that currently exists in the food business is for more people to produce poultry on a small scale on farms. At the moment, there is no poultry instructress—or instructor—in Ireland. People who want to get advice find that the advice is no longer available. I know that there are cutbacks and everything, but let us look at these opportunities and balance them with whatever needs to be put in place, despite the cutbacks.

We need to continue to create an environment in which small microbusinesses can blossom in order to increase the number of regional and artisan food so that, when tourists come, they can get a real taste of the place—a real taste of Ireland. There is huge growth potential, but this does not happen by accident.

The emergence of the artisan food and drink sector has been one of the most exciting things to have happened on the Irish and British food scene in the last 25 years. This industry has had an impact far out of proportion to its size in helping to change the image of Irish food both at home and abroad. Recently, Selfridges in the UK, in conjunction with Bord Bia, had a wonderful promotion of Irish foods—mostly artisan but some other foods as well—over three weeks. The response was incredible. When I talked to the people at Selfridges, they were amazed by the response. In some cases, the Irish producers had to send back for more product after two days. They had totally underestimated the amount that they would need. The response was overwhelmingly positive.

We already have a very successful and vibrant export market, but there are endless opportunities in food tourism: adding value to our raw materials; creating employment for our youth; and thrilling visitors to our country by serving our local and regional foods proudly and giving them a taste of this place. When the Queen came over to visit, she loved the meal that was served at the state banquet in Dublin Castle. The menu there had been decided on in conjunction with Bord Bia and some of the Irish chefs, including Ross Lewis from Chapter One. All of the food had a story—it was all wonderful—including our cheeses and meats and

so on. In this case, the lovely beef that she had came from Slaney, but it was aged by Kettyle Irish Foods in Northern Ireland. That was a lovely connection there.

My dream is that everywhere, from the *Áras* to the *Dáil* to the farm centre to every teagasg canteen, people will feel it their patriotic duty to serve Irish food proudly and to be a shop window for the best of what we have to offer in Ireland. Thank you very much. [*Applause.*]

12.15 pm

**The Co-Chairman (Mr Joe McHugh TD):**

Thank you very much, Darina, for a very positive outlook and a positive challenge. It is different to hear a non-politician calling for people to do their patriotic duty; usually that is the job of politicians. It is refreshing to hear your contribution.

Now I would like to group a few of the questions/observations, and we will have a sort of informal Q&A. I will take Arthur Spring and John McCallister as the first two contributors.

**Mr Arthur Spring TD:**

Thank you. Darina, you are an inspiration to me not as a cook but as an eater; I will leave cooking to somebody else. My acronym for recovery for my part of the country is TEAM: tourism, energy, agribusiness and microenterprise. What you are saying about artisan foods is specifically correct. The idea that farmers and people in regionalised areas need to add value to food is something that everyone can lend a hand in. You can educate people in it, and you can go out there and sell it.

I have a question. You have the capacity to develop brands. I had a chat with you here in the Shelbourne Hotel when you did the food promotion, and you said, “Do something for Kerry food”. We established something called “The Taste of Kerry”. I brought about 30 producers into a shopping centre on one of the busiest weekends. The average person was heading towards Tesco’s, but they ended up purchasing from the local producer. They had a relationship with them and they wanted to know where the product was. There was a complete disconnect between the knowledge of the product, access to the product and its scalability. It was seen as a treat, as artisanal. Whereas that is not going to create an awful lot of jobs, if it became part of the weekly shopping it would be far better off. We have got to the stage now where we are hopefully putting together online hampers, co-ordinating them and so on. So my question is: are we branding enough, and how can we improve that?

Secondly, we have a Go Kerry initiative, which is selling tourism abroad. We have a very good website, [gokerry.ie](http://gokerry.ie), which is being launched next week. In the UK, I am sure that everybody knows Murphy construction trucks—they guys who do all the civil works. They have advertising on the side. As of last week, they have “Go Kerry”, a picture of Kerry, the website address and also show you how to get here; we have about 300 to 400 trucks showing that.

Ireland is not known for cuisine. If you ask an English person what Irish cuisine is, they will tell you that it is an Irish breakfast or, unfortunately, Irish stew, or a pint of Guinness. I am not sure that we are branding ourselves correctly. We are producing the food that everyone else is producing, but we are doing it with greater ability because of God-given nature. The two

questions are, first, bringing in tourists and, secondly, the scalability of the artisan produce getting into the average home, which I would like to see.

**The Co-Chairman (Mr Joe McHugh TD):**

Thank you, Arthur. I think you mentioned Kerry 15 times there. John McCallister.

**Mr John McCallister MLA:**

Thank you, co-chair. I am John McCallister, Northern Ireland Assembly Member for South Down. I am very interested in this section. Before coming into politics I was a dairy farmer, so this is hugely interesting. You mentioned several areas, and Arthur touched on some of them, such as moving from this idea that we always sell our products only as commodities to getting to add value and the difference that that can make. In the Northern Irish dairy sector we had a huge reliance on commodities, and that meant that we were very vulnerable to fluctuations in market price. We were not adding that value and getting the best outcome.

Darina also touched on two hugely important things. She called on us to do our patriotic duty. The entire public procurement system is certainly something on which we should all try to do our patriotic duty as legislators, to try and reduce the burden and make it easier to get into. One area where we have problems is that, in Northern Ireland, you cannot get on to a list if you have not been delivering certain projects for the previous five years. How do you ever get enough points to get on to the list if you have not been in the system? New companies are unable to get into it, which is a huge disadvantage when trying to do this.

**Darina Allen:**

On public procurement, John McCallister himself has already given many of the answers. As he quite rightly says, the whole system needs to be looked at. Basically, when people tender, they currently tender for absolutely everything from the Mars bar and Diet Coke to the spuds. If the system was changed so that a certain percentage was allowed to be bought locally in the spirit of supporting the local community and local farmers, plus having fresh food, I think that that would go a long way towards making a difference. Sorry, what was the other question?

**Mr John McCallister MLA:**

I asked about regulation and farm quality assurance.

**Darina Allen:**

Again, we need to look at everything to see whether it is required. Regulation is often slightly different in each jurisdiction. Also, our Governments can seek derogations. Many of these regulations come from Europe, but if one looks at European food law—and, boy, there is a lot of it—when it is condensed down, we simply could not argue with many of the regulations, but there are derogations that can be sought. That is why I am saying that everyone needs to be batting for our food industry in Ireland. Perhaps our officials could pore over the legislation to see whether there is any need to apply for a derogation on a certain point if that would make things easier and be more support for food producers.

On Kerry once again—well done, you did a great job for Kerry and what you are doing is a very interesting and worthwhile initiative—a few elements should be mentioned. First, we have to believe in this ourselves. Part of the problem is that we, as Irish people, do not really believe that what we have is better than or as good as what others have. I believe in feeding people. If you have a product, I believe in giving it to people to taste. Believe it or not, one of the best ways to try a product—this may seem very local and rural to many people—is at the farmers’ market. If you have a product, you take a little stall at the farmers’ market and go there yourself as the farmer who produced it. It is lovely for people to meet you. You put out your product and give people a taste of it, and you watch. They may politely buy it the first time. If they do not come back, you need to go back to the drawing board, but if they do then you are on to something.

Many of those who now have very successful food businesses that are exporting a lot of product started in that way: in their own kitchens originally. I battled to defend people’s right to start to experiment in their own kitchens. At least that can happen. Obviously, they have to be registered, and that is perfectly feasible.

Each person who tastes your food can then be an ambassador for you. They will say, “Have you tasted this?”. That takes a bit of a while, but I think—perhaps I am wrong—that we spend more time on developing the image and doing the marketing and advertising, but so often the actual product does not live up to the expectations. My thing has always been to get the product right and beautiful so that you do not have to convince people. When people taste it, they go, “Wow! This is delicious”, and they tell four other people, so you get them to do the work for you. Each product really has to be what it says it is. It must be real. The public are not silly. They see the difference. Delivering something that is pure, which people expect from our green clean image, is such an important basis that we can then build on. Your lovely Kerry lamb and all those lovely products are so wonderful.

Sorry, I have scribbled down so much here that I cannot find the previous question.

**Mr Arthur Spring TD:**

My other question was about food tourists, or “foodies”, coming from, for example, London to Ireland for the food experience. Are we promoting that enough, and can it be done better?

**Darina Allen:**

Among the Eurotoques chefs and Good Food Ireland and so on, there is a growing awareness. However, could we not have every little pub, restaurant or café in Ireland—and in the UK for that matter, too—serving one local thing, even if that was just a piece of local cheese? If they got excited about that themselves—you cannot get your guests excited about it unless you and your staff are excited about it—people could say, “This is our local cheese, and it is so delicious”.

I have seen that in Ballymaloe. It is what we do. We did not even know about building a brand. Ballymaloe was a very slow and gradual thing. What Myrtle, my mother-in-law, did was just to serve the food of her farm. When she opened Ballymaloe as a restaurant in 1963, there was no country house hotel or restaurant in the whole of the British Isles—actually, maybe Sharrow Bay had opened by that stage—so it was an extraordinary thing. Many on the Panel of Chefs Ireland considered it an amateurish way of running a restaurant to write a menu every day, just

with the food from the garden and the fish from the boats, but that is what everyone talks about now. Myrtle is very modest and she always says, “Well, if you live long enough, they come round to you in the end”.

As everyone here probably knows, “local” is the sexiest word in food now. That applies not just in these islands but in Australia, America and whatever. In America, they talk about the food of their neighbourhood, and everyone is craving to get back to linking in with the farmer, the fisherman and the butcher—the butchers are the new food heroes. In America, it is all about “pasture raised”. For a lot of our Irish products, including Irish beef, we do not even label it as “grass fed” or “pasture fed” because we so take that for granted. We have so much in every single county in Ireland.

This may seem whimsical, but I would love to see the lovely sporting rivalry that exists between Kerry and Cork and Limerick and Longford to apply to food as well. If people said something like, “We have 30 or 40 wonderful foods in our county and you have only 23”, would that not be wonderful? Every month or even every week in the Dáil, perhaps a different TD could decide that you would serve the food from their area—

**Ms Ann Phelan TD:**

We could each nominate something.

**Darina Allen:**

Perhaps you could start it.

The TD could bring the food of, say, north Kerry to the Dáil, where it would be served in one restaurant. The following week, it could be the food from someone else’s constituency. Visitors to the Dáil would then get a taste of your food. Would that not be lovely?

Sorry if that was a bit of a long answer.

12.30 pm

**The Co-Chairman (Mr Joe McHugh TD):**

We will move on to another batch of questions—I will take four questions this time—from Séamus Kirk, William Powell, Paschal Mooney and Ken Skates.

**Mr Séamus Kirk TD:**

I join the co-chairman in welcoming Darina Allen, who has talked about what is a very important subject. This is probably more important in Ireland than it is in the UK because of its relevance to the wellbeing of our economy. However, I think that we have to be conscious of the fact that there are parliamentarians here from other Assemblies and Parliaments, so this is on a much broader question than food in Ireland.

On the issue of direct employment, I take the point that has been made. As people will know, “Food Harvest 2020” sets out some pretty ambitious targets to expand the food industry in

Ireland. Of course, the milk quotas have somewhat restricted the expansion of the food sector, but those are due to be phased out by 2015. That gives me an opportunity to make this point here today. For instance, farmers in Ireland would have paid a penalty this year because of overproduction of milk, whereas farmers in the north and farmers in the UK are probably under quota. I think there is enough quota provision generally across the EU, but there seems to be a great resistance on the part of EU authorities to see the merit of the argument that there should be a Community-wide quota system rather than one based on national arrangements.

On Darina Allen's observations on regulation, was she talking about the primary end of food production or the processing end or both?

**Darina Allen:**

Both.

**Mr Séamus Kirk TD:**

I just want to make this point. Regulation is important for protecting the public's confidence in the integrity of the product. I think that that is very important. I know that Darina Allen is on record in recent times as saying that we are overregulated. That is a valid enough point, but it is important to strike a balance.

Given the importance of food exports to our balance of trade and to the Irish economy, in considering the artisan food sector versus the mainstream food production, I think that the artisan sector has an absolutely vital role to play setting the headlines for the agri sector. However, at a time when the world's population is expanding and developing very rapidly, the issue of the supply of food and water will be pretty important in a world context 15 or 20 years down the road.

On the sale and distribution of raw milk, as many will know there is currently a departmental tug of war about that. There are probably arguments for and against on both sides. How do you see that being distributed?

For the agricultural industry in Ireland and the agricultural industry in the UK, bearing in mind our audience here today, what opportunities are there for joint ventures in the development of food products generally and from the commodities that are freely available in both places?

**The Co-Chairman (Mr Joe McHugh TD):**

Thank you, Séamus. I ask contributors to be succinct and to the point, because time is running against us. Perhaps I can also request from Darina Allen to provide specific and short answers.

**Mr William Powell AM:**

Darina Allen is obviously a fantastic ambassador for the Irish food sector. Her enthusiasm is just infectious. I want to make a couple of brief points. First, one issue that is quite troubling to many farmers across Wales is the threat to small and medium-sized abattoirs due to the costs of regulation and, in particular, because of the Food Standards Agency in England. Is a similar threat posed by the relevant agency here in Ireland?

Also, if I may mention Kerry once again, the Collabor8 project in which the Brecon Beacons National Park Authority and South Kerry Development Partnership were involved has had many spin-offs, but a great and very popular outcome was the series of speed-dating events between producers and the restaurants sector. It is amazing how, even in relatively small communities, people can often operate in isolation and without knowing about each other. If that kind of practice could be rolled out to encourage the development of markets, that would be really positive.

**Senator Paschal Mooney:**

I, too, echo the welcome given to Darina Allen, who—I say this for those who are visiting us—is something of a legendary figure in these parts. I fully agree that she brings a passion to food that many of us would not have believed could exist. By the way, “an Bord Bia” has been liberally referred to as the Irish Food Board, which is charged with aggressively promoting the food sector internationally. I just want to put that on record because Bord Bia was referred to—as members will know, most of our state agencies have Irish Gaelic names.

I would also like to inject a little bit of balance following my friend and colleague Arthur Spring. I come from the small town of Drumshanbo in County Leitrim, a border county, where over the last number of years the local community, funded both by Europe and by the national Governments, has developed a rather unique food hub that provides a state of the art kitchen for the creation of new foods. As a result, some 50 people are now employed across two or three incubation units. I am also pleased to announce that these units are located in a former factory that once produced—a very iconic brand in this country—the Bo Peep jams and marmalades, which the Laird family developed over 70 or 80 years. Sadly, that company went into liquidation about 20 years ago. In the past few days, a former employee announced that he intends to relaunch the Bo Peep brand.

In that context, a linked issue that has come up in my mind time and again is that, like many people on all sides of the Irish Sea, I have attended food fairs where Irish food has been promoted. For example, here in the Shelbourne Hotel where many of the BIPA members are staying, last year the Irish Farmers’ Association had a food fair. I think that Darina Allen was there. The food fair was primarily for Members of Parliament, but the diversity and range of original creative dishes astonished all of us. However, where is the connection between that—Darina Allen touched on this briefly—and restaurants? For example, how many restaurants have Irish food on the menu? Many bars will serve Irish stew, but I am talking here about mainstream restaurants. Somehow our restaurants seem to be more concerned about trying to ape continental dishes than developing local artisan dishes. Is there perhaps a role for the Government or Bord Bia here? I know that we cannot force restaurateurs to do that, but the consumer reigns supreme and if the consumer gets the product at local farmers’ markets and elsewhere, as Darina Allen rightly pointed out, they will embrace this and respond to it. Why is there that disconnect and how can it be bridged? Take even traditional bacon and cabbage. I have to go to America to get that. It is just not available here.

**Darina Allen:**

Come down to me and I will cook it for you.

**Senator Paschal Mooney:**

Of course. That would be my specific question: how can we get Irish food on to the plates of the restaurants and hotels of this country in a much more proactive and aggressive manner, and then on to the palates not just of native people but of our visitors, which in turn would generate more business and more employment?

**Mr Ken Skates AM:**

An important issue to raise is that, in the next round of EU structural funds, a knowledge innovation centre—a KIC, as they are called—will be established specifically for food. Drawing together institutions, regional governments and companies across Europe, the new knowledge innovation centre will provide tens of millions of pounds for innovation and research in the food sector. Should BIPA members perhaps look at that? Would Darina Allen encourage education institutions, companies and local and regional governments in the UK and Ireland to examine that possibility?

**Darina Allen:**

Let me work backwards, with what is freshest in my mind first. Of course knowledge innovation centres, recipe development and all that kind of thing are enormously important, but it is also important to realise that sometimes it is good to leave things alone and just to sell the original really good product. It is not an either/or, as both are needed. Sometimes people think that they have to innovate and do something different to something—more twiddles and bows and smarties on top or whatever—instead of valuing the quality of the original ingredients.

An earlier questioner talked about the surplus of milk and the quotas issue. This is again an illustration of how we should really focus on adding value on the farms. Not every farmer will want to get involved in doing other things on the farm. Apart from the raw milk market, there is a growing demand now for liquid milk, which is not homogenised but just pasteurised and for yogurts and farmhouse butter. We have such wonderful butter in this country—of course, we can grow grass like nowhere else in the world, pretty much—but a lot of the top restaurants are going a little further and buying farmhouse butter, which comes from a certain farm in a certain place.

So much is about the story of the food and so on. I can name two farms that started selling milk and making a little butter and cheese. For example, Glenilen, down in west Cork, now has a multimillion-euro industry there. They are exporting a lot, of course, and have expanded hugely the number of dairy products that are being produced on that farm. It is the same with Cashel Blue cheese. They invested millions there as well and are now exporting not only into Europe but to America. It is a brand that is known the world over, and that started on the kitchen stove as well.

I absolutely agree that the highest possible standard of food hygiene and safety is essential not only for the home market but for the image of Irish food. That is a given; nobody is arguing with that. I would also like to clarify that it is not a question of artisan versus commodity. Both are absolutely, enormously important and valuable. It is not either/or, or one versus the other.

There was a question about how one might regulate raw milk. We have been calling for the Government to set up a geographical spread of dairy farms around the country for farmers who

want to produce milk specially that they can sell as raw milk. They must be regulated; they are absolutely willing to be regulated. That is what we are calling for. We are not by any manner or means saying that it should be every or any farmer around the country. Rather than a blanket ban, that is what we are calling for, particularly when more and more peer-reviewed researched is showing the health values, apart from anything else, of unpasteurised raw milk. Many people in this room will have been brought up on raw milk.

There is another question here about how we can get Irish people to eat their foods and get the chefs to serve it. There is a lot happening, actually. Good Food Ireland has been linking up the restaurants and chefs with the butchers, bakers, fishermen and farmers all around the country. Eurotoques, the European association of chefs, has a very strong branch here in Ireland. All those chefs and their restaurants are committed to serving local food and supporting local producers as well as, of course, buying from other places. In the UK, there is a similar thing. There is already quite a lot of co-operation between the artisan producers, the cheese makers and so on, in Britain and Northern Ireland and in Ireland. A lot of the cheese makers have gone to Britain and worked side by side with some of your cheese makers. Each has learnt from the other. There is a wonderful underground movement going on there. That is already happening, and we can build on it.

On the abattoirs in Wales, here in Ireland I head up something—wearing another hat—called the Artisan Food Forum, where we meet the Food Safety Authority of Ireland three or four times a year to articulate the challenges and difficulties that the artisan sector faces in particular, sometimes trying to contend with regulations that are out of proportion to the risk involved, or with the cost of compliance with regulation making it difficult for people to stay in business and so on. This is a valuable forum. We meet and communicate, and much has been achieved.

One of the issues was local abattoirs. We firmly believe in the importance of having as many local abattoirs as possible. We lost quite a lot in the first flurry of excitement when there was overcapacity in the meat processing plants. It looked as though there might have been an agenda to reduce the number of local abattoirs. We had communication with them, and that reduction has now been reversed. Now some butcher shops are reopening. We would like to have more abattoirs. The best is if the butcher has their own abattoir, because then the food chain is the shortest and the animal is as relaxed as possible, so you have a better quality of meat. In Ireland we have made quite a lot of progress on that front. I would be happy to talk to you about that if you want to.

12.45 pm

We are also looking at having some mobile abattoirs, particularly, again, for farmers and producers who might have 10 pigs they want to get killed, or poultry. A mobile abattoir could go around from one area to another. There are some concerns about the disposal of the water and so on, but nothing that cannot be got over if we all put our shoulder to the wheel to find solutions. I agree with your concern. It is very important. We all got a big wake-up call during the foot and mouth crisis. It was obvious that animals having to be taken all over the country was part of the problem.

**The Co-Chairman (Mr Joe McHugh TD):**

In the same vein, I ask the plenary members to put their shoulders to the wheel because we have 10 minutes left and I have eight people offering. The challenge is to get your contribution/observation in in 60 seconds, and that will give Darina two minutes to sum up. I call Cáit Keane; please, I need that in 60 seconds.

**Senator Cáit Keane:**

That is a challenge. I want to put on the record that we are here from the UK and Ireland, and if we had Heston Blumenthal from the Fat Duck in London, who won the world title award, he would be saying exactly the same thing as you, I am sure, about buying local and local produce, as would Paul Rankin from Belfast. What you are saying can be translated into all the nations, right across the north, south, east and west. Myrtle, Darina and Rachel, I am a keen follower of yours, but it does not get Deputy Spring off the hook, even though we have three women of the Allen family. As well as eating, men can cook as well.

**Mr Arthur Spring TD:**

I grow the veg.

**Senator Cáit Keane:**

There you are. All the top chefs who you have noted are men. I think it is because, like politics, the antisocial hours mean that you eat at 8 o'clock in the evening when the children are going to bed. It is not because women do not have the talent that they are not the top chefs; like politics, the antisocial hours do nothing for women and cooking.

I have a question on food labelling: "Buy Irish", "Made in Ireland", "Irish-made", and all this. It is a problem. I know that a group has got together to put "Buy English", or wherever, on the supermarket shelves. It could be made easier.

On foraging, I know you do foraging classes and roaming in Kerry and elsewhere with many people. Have you come across problems with rights of way?

On obesity, when we have the EU presidency, rather than promoting Guinness we should be promoting green, clean food. Guinness is great, but it promotes itself. We want to get a reputation when we go abroad other than, "The Irish are drinkers". We should get across that the Irish are good food, green, clean eaters, particularly given that, as we know, obesity is a problem for children in Ireland.

**Mr John Scott MSP:**

I will not give a five-minute speech on the international dimension of artisan food production. We in Scotland, of course, do that. As the chairman and founder of the Scottish Association of Farmers' Markets, I want you to know that we also have enormously good artisan and fantastic food products in Scotland. It is not just Kerry, but how well you emphasise it, and how wonderful that you do.

My question is about opportunity. I believe that all our supermarkets in the UK—and, I imagine, here—are looking for 200 to 300 new products a year in product development. Should there perhaps be government support encouraging new SMEs in light of the foregoing reports? I was particularly interested to hear about Ken Skates' knowledge and innovation centres. I add our voice in Scotland to thinking that food and product development should very much be part of that European scheme. Do you agree?

**Ms Ann Phelan TD:**

I am glad that Darina introduced the sporting analogy to food, because I am from County Kilkenny, which is the home of hurling. We are certainly applying the same plan to artisan food producers. Goatsbridge trout farm in Thomastown, as you are aware, launched Ireland's first trout caviar. I was interested in how you were saying that we could bring in and serve in the Dáil food from our county.

Now, members of the press are here. If I was serving the caviar, I am afraid that there is an appetite out there for saying that politicians should actually be on bread and water these days. I leave you with that; I think it was less than 60 seconds.

**Ms Ciara Conway TD:**

Darina, you are very welcome here today. I am from Dungarvon in Country Waterford, which I know that you are very familiar with. I think you will agree that they have been trailblazers in leading the whole area of food festivals and bringing the food to the public. We have seen them grow from strength to strength, attracting over 10,000 people this year alone to a small town in west Waterford. That is something to look upon as a model of bringing artisan and locally produced food to a much wider audience.

You will also know that Waterford has an ongoing status claim in the production of the blaa. That is a locally produced artisan bread that is going for protected status in the European Union. Should we be doing more of that? We know that champagne is synonymous with the Champagne region in France, but I am not sure that Ireland as a regional entity is synonymous with any one particular food product. The blaa was given particular status in our recent Finance Bill, now commonly referred to as the "dough Bill" in Waterford because of the 0% VAT rate on that bread, another incentive in supporting local artisan-produced food. Can you say a little more about how we should be marketing and looking for specialities in regions?

**Baroness Harris of Richmond:**

I have a quick comment, almost exactly like the previous one. In deepest Yorkshire, in a little village called Leyburn about 15 years ago, they started their own Leyburn festival of food and drink. It started on a May bank holiday with 100 to 200 people attending. It now has thousands of people every year. It goes for two days over the whole of the bank holiday weekend. Thousands come from all over the north of England. I encourage you in that: start locally, and small, but you can build.

**Mr Jim Sheridan MP:**

I recently had the misfortune to take a day off work and subject myself to daytime television, which is a conspiracy to get you back to work. Some of these cookery programmes are an

absolute nightmare. Taking the point of view of an unemployed person watching some of these cookery programmes, there are ingredients that people have never heard of, which they do not understand and do not know what they mean, with these B-list celebrities making a living out of it.

My question is simply this. Both the UK Government and the Scottish Parliament have embarked upon trying to address obesity, especially among young people. They are doing an awful lot in schools with school dinners and what have you, only to find that there are mobile fish and chip vans outside selling fried Mars bars and all that kind of stuff. What can your organisation, your industry, do to help Governments to protect young people from obesity?

**Mr Jim Dobbin MP:**

I am not trying to embarrass Jim Sheridan or myself, but that was my point; it was about obesity.

**Ms Mary Scanlon MSP:**

On the same topic as my colleague Jim Sheridan, obesity levels in Scotland are the highest in the European Union. We are second only to America. Darina, I thoroughly enjoyed every part of your speech, but I suggest that, apart from all the huge benefits that we have in Scotland and that you have here with the wonderful natural food, you talk more about how home-cooked food has less salt, less sugar, fewer fats and absolutely no additives. It is not only healthier but, in these very difficult economic times, it is also much cheaper and more nutritious. If I may be so bold, I would like it if you could add in those items in future.

**Darina Allen:**

My huge and major concern is the health of the nation and obesity. Perhaps I should have brought it into this forum today, but my brief was slightly different. It is my underlying concern. On several fronts, I am doing my best. Basically, the sort of food that we need to feed ourselves, our families and our children is fresh, naturally produced, local food in season. We have it in spades in Ireland, you have it in spades in Scotland—I have a wonderful Scottish daughter-in-law—and in all parts of these islands. Somehow or other, we must bring in legislation under which the schools cannot allow the kinds of foods that are outside their doors into the schools, where their only concern is to serve the cheapest possible foods to keep within a budget. The health of our children, and so on, is far too serious for cheapness to be the only issue. We will pay dearly for it, and are paying already.

Of course, the other hugely important thing is that there should be a garden and a proper kitchen in every single school all over both our countries. It is happening in some schools. There are parents and teachers, and we all choose slow food. I have an initiative myself on this. It is absolutely vital. Each and every person in this room must go back to their town, village or city and make sure that every single school has a garden and that their children are taught how to cook. At least they would leave school not just with academic skills but with life skills, which we have totally failed to give them for the past couple of generations.

We have a little project in Shanagarry, close to where we are, linked to about nine schools. Every school has to have a school garden and must show the children how to grow vegetables, fruit and so on. We sent a chicken coup with two hens to each of those schools. Children learn

how to look after the chickens and to bring their eggs in. You cannot imagine the impact this has had. The children look after the hens. They take the manure and put it on the compost heap. They see that it breaks down the compost that goes on to the soil to make the soil more fertile to grow vegetables. When they grow vegetables, they can sell them to their parents, so it also raises money for the school. It is developing an entrepreneurial spirit. In one school alone, 20 parents kept hens for the first time in the first year we did it, and 35 parents started to grow vegetables for the first time. The children come up to the cooking school and learn how to cook. They cook for themselves and for the teachers. They lay the table; a lot of kids do not sit down at the table any more. That is another thing that is so important. They cook the food from real recipes that they love. They go out into the garden and pull the rhubarb and so on. When they come back in, they take the scraps from the cooking into a hens' box and go out and feed the hens, so they can see the whole holistic system. The response from the parents and teachers has been quite extraordinary.

Not only that, but in one school one kid took over the chicken coup and started to sell the eggs to his mother and a neighbour, so he has developed a little business now. Another child started to hatch out chickens and is selling rare breeds of chicken. It is the little things, but the most important thing is to teach young children how to cook and how to grow. If they grow things, they will eat absolutely everything. That is the cure for obesity: get children eating healthy foods early on. If they grow it, they will eat it themselves.

There were other issues. You do not have to justify your trout caviar. You are supporting a local producer in your constituency, so that is very good. Also, on the blaa, you are quite right that we need to do more to identify more foods that are unique to Ireland and to get a PDO around them. It partly goes back to what I mentioned earlier, that we ourselves often do not know what is special and unique, and are not proud enough of it, or do not have enough confidence in a lot of our foods, to say, "This is unique, it should have a special status in Europe". Congratulations to Waterford for what it has done with the blaa.

Food is a common bond. We all eat. It does not matter where we live in the world or what country we come from. Food is the thing that we can all sit down around the table and really enjoy. It breaks down all barriers. I so believe in feeding people. It can make such a difference. Each and every one of us in this room can make a difference if we go and ask for what we have been looking for. When you go into the Dáil restaurant in a few minutes' time, look and see whether there are Irish foods on the menu. Are there British and Scottish foods, and so on, in your Assemblies? If they are not there, make sure that they are there and that we are really walking the walk, not just talking the talk. Every one of us can make a difference in our own way. Thank you very much.

1 pm

**The Co-Chairman (Mr Laurence Robertson MP):**

Darina, thank you very much for a tremendous talk and your great enthusiasm in answering your questions. You are a great advocate for Irish food and we absolutely wish you all the best.

We are going to suspend for lunch in a minute. I remind members that a group photograph will be taken as soon as we leave the Chamber. It will be on the stairway leading to the Dáil Chamber, if we could all go there in one minute.

Any member wishing to have a tour of the House is invited to do so. A tour is arranged for 2.15 pm starting from the dining room where we will be having lunch. I remind members of Committees B and D that those committees will meet at 2 pm in Committee Rooms 2 and 3 respectively, which are in Leinster House 2000, the annexe building behind us. We are now going to suspend until 2.45 pm.

*The sitting was suspended at 1.01 pm.*

*The sitting was resumed at 2.49 pm.*

## **CLOSURE OF RTÉ OFFICES, LONDON**

### **The Co-Chairman (Mr Joe McHugh TD):**

The next item is a motion in the name of Paul Murphy MP, on the planned closure of the London offices of Ireland's national broadcaster, Raidió Teilifís Éireann.

### **Rt Hon Paul Murphy MP:**

I beg to move

*That the 44th plenary of the British Irish Parliamentary Assembly:*

*Notes with concern the proposal of the Irish public service broadcaster, RTE (Radio Telefís Éireann), to close its London bureau and cease operations from September 2012.*

*Pays tribute to the illustrious record of service provided by the bureau and its staff in keeping viewers informed about British economic, political and cultural life, contributing to the peaceful resolution of conflict and promoting increasingly close relations between Britain and Ireland and the people of our respective islands.*

*While recognising the drastic fall of broadcasting revenue at a time of economic crisis; further notes the concerns of the Irish community in Britain for the longterm consequences of not having an RTE correspondent in Britain.*

*And that Parliamentarians here assembled from jurisdictions throughout Britain and Ireland believe that on-the-spot access for Irish-based media and engagement in public life in Britain supports the fulfilment of the vision of future British-Irish relations as set out by the Prime Minister and Irish Taoiseach in their historic statement of 12 March 2012; and urge the two Governments to support the case for retention of the RTE London correspondent and assist in the search for alternatives to closure.*

I advise Members who might not be aware of it that exactly the same motion on the closure of the RTÉ bureau in London has appeared on the House of Commons order paper. That motion attracted the support of all parties in the House of Commons, so no party-political issue whatsoever is involved. There is a universal feeling among British parliamentarians that RTÉ's work in its London office, to which the motion refers, would be seriously missed by politicians right across the political spectrum.

I am very much aware that RTÉ faces substantial and significant financial difficulties, and that, on 1 May, the Co-Chair sponsored a debate on that very issue in the Dáil. The Minister for

Communications, Energy and Natural Resources replied to the debate and made a compelling case about the financial difficulties that RTÉ, as the public broadcaster, faces in the Republic of Ireland this year. However, I believe that there is great value in debating the issue and asking RTÉ to rethink its position. In a few minutes' time, I will come to what I think RTÉ may be able to look at doing.

Why is RTÉ so important to us all—to British and Irish politicians; to all of us who represent the different legislatures in this Assembly? My experience of RTÉ in London goes back to the late 1990s. At the time of the negotiations leading up to the Good Friday Agreement, RTÉ played an enormous role in helping that process and in helping the agreement to succeed by informing people on both sides of the Irish Sea that the issue was of importance to everybody and not only the people who lived in Northern Ireland. RTÉ presented a proper, accurate, impartial and independent account of what was going on, even though, like all the broadcasters and newspapers of the time, it had a deep interest in the success of the peace process. To politicians and parliamentarians on both sides of the Irish Sea, RTÉ has been very much a part of the political landscape, so far as those who are interested in British-Irish relations are concerned.

The second reason why it is important that RTÉ retains a presence in London is, of course, the Irish community in the United Kingdom, or, given that there is an RTÉ presence in Belfast, Great Britain. To remove RTÉ from Great Britain would do a great disservice to the hundreds of thousands of people of Irish origin in Britain, who look to RTÉ as something that reflects their views.

The third reason, which is relatively new, is that the political landscape has changed in the United Kingdom, and we have Parliaments in Scotland and Wales. As I said, there is already an RTÉ presence in Northern Ireland. From the point of view of broadcasting British politics to Irish people, that includes the politics of the devolved countries of Wales and Scotland. That is something new on the horizon.

For all those reasons, it is very important that RTÉ maintains its presence in London.

We accept the financial problems that the company faces. However, I believe that there are imaginative ways in which RTÉ could keep its presence in London without incurring the costs that it seeks to save. In essence, a journalistic presence is required in London. I am sure that RTÉ could do a deal or come to an arrangement with other broadcasters in London, such as the BBC, ITV, or Sky, to use their studios, because the presence of an RTÉ journalist broadcasting to Ireland all the news about the politics, economic and social issues affecting people is important.

There are, of course, many thousands of British people who live in the Republic of Ireland. They also rely on RTÉ for proper reporting. I quote the Co-Chair from his excellent speech in the Dáil on 1 May:

*“If a significant event takes place in Britain, there is no point buying a Ryanair or an Aer Lingus ticket and instructing a journalist to board the next flight to get the story. Stories develop and relationships are built.”*

I am delighted to quote Joe McHugh because his point is effective and important.

For all those reasons, and for others that I am sure will be raised in this short debate, I ask the British-Irish Parliamentary Assembly to back the motion, to ask RTÉ to rethink and to find a way through this. We really do want RTÉ in London and in Great Britain.

**The Co-Chairman (Mr Joe McHugh TD):**

Thank you, Paul, and thank you for repeating that quotation. You spoke very eloquently, I may add.

I will call Chris Ruane and Paul Coghlan to get things going. Once again, I ask Members to keep their contributions brief, please.

**Mr Chris Ruane MP:**

Thanks, Co-Chair. I will try to keep my comments brief.

I am chair of the all-party Irish in Britain group, which we set up two years ago. It is an all-party group involving politicians from across the political spectrum who have connections in the Irish community across the United Kingdom. The closure is a big concern. It is a big issue for Irish people in the UK and for the members of the House of Commons who have signed the early day motion on the matter.

I know that there are difficult decisions to make on cutbacks, and I feel a little guilty advising the Irish Government on how it should make cuts. However, in answer to a parliamentary question in the Dáil, the figure that was given was that the cost savings from closing RTÉ would be £500,000 a year. I am not sure that that is right. When the Queen came to Ireland, the figure that she used was that there are 6 million people of Irish extraction in Britain—that is probably first, second, third and fourth generation. I think that that works out at about 12p a year for each of them, although I was only a primary school teacher, so I am not sure whether my maths adds up. That seems good value for money, if we consider what RTÉ coverage has achieved over the years. It has helped in the peace process and in the coverage of events in the British-Irish Parliamentary Assembly over many years.

Solutions could be offered. The first I knew of the cuts was when *The Irish Post* contacted my office about them. I congratulate *The Irish Post* on taking a lead on the issue. It has offered office space in its buildings in London. That was not fully considered when the issue was discussed in the Dáil. That needs to be looked at. My honourable friend Paul Murphy mentioned that radio or TV stations in London might be able to offer RTÉ space and electronic access.

The people who watch RTÉ are mainly elderly. They are not the generation of Facebook, YouTube, Twitter and blogging; they rely on traditional means such as TV and radio. That needs to be borne in mind. We have had excellent coverage of the Irish in Britain, particularly through Senator Paschal Mooney, who has been to my constituency twice to cover the Irish in Britain. I thank him for that, but we need more, not less of that coverage. I respectfully urge the Irish Government to think again about the closure, because it is a cut too far.

**The Co-Chairman (Mr Joe McHugh TD):**

Thank you, Chris. I call Senator Paul Coghlan.

3.00 pm

**Senator Paul Coghlan:**

Go raibh maith agat, a Chomh-Chathaoirligh. I am honoured to follow on from Chris Ruane—I will not say follow in his footsteps, because he is a bit too tall. He has made a fine contribution on the issue.

The presence of RTÉ in London has been important to all of us down the years. We have learned something of our recent history because of it. As has been said, it is a vital link for the Irish here at home and the Irish abroad throughout Britain. We accept the position of RTÉ as regards its financial difficulties, which are grave and hugely serious. However, I am sure that, with regard to cameramen and studios for discussion and so on, shared facilities could be arranged with whomever—with ITV or, more probably, that very good organisation the BBC.

As Paul Murphy and Chris Ruane have said, the journalists at the heart of it are probably the vital presence that we need to retain in London. As we can all testify, they have been impartial and accurate down the years. That is important for the continuance of good British-Irish relations. RTÉ in London is almost a sine qua non for that relationship. I am not too sure that we can do without it. I hope that the Government and RTÉ will reconsider the decision and enter into immediate discussions with whichever organisation it chooses—probably the BBC—to ensure that we have the continuing presence of good journalists in London. I am happy to support the motion.

**Senator Jim Walsh:**

Go raibh maith agat, a Chomh-Chathaoirligh. I concur fully with the comments of the Vice-Chairman with regard to the role that RTÉ played, particularly the journalists in London, during the critical period two decades ago and subsequently. I also note that the Irish diaspora, which is significant in Britain, needs access. I hope that our switch to digital might give them access to information and channels that they previously did not have access to. I agree that the void needs to be tackled.

As has been acknowledged, there is a serious financial crisis in RTÉ. I was on the Committee on Communications, Energy and Natural Resources in the previous session of the Dáil. At that time, the deficit was heading for somewhere in the order of £50 million unless correction was made. I know that some savings have been made, but there are significant savings still to be made. The situation has arisen because of excess expenditure and excess remuneration, of which I have been critical in the past and which is not justified by the standards of pay of members of the journalistic profession elsewhere in this country. However, that is only one of the major challenges that RTÉ faces. It faces significant challenges in the editorial and production sectors. Indeed, we have recently had some high-profile controversies highlighting the deficiencies in the organisation. Many people have been crying for fairer balance from our national broadcaster, which is required under the broadcasting legislation, in the areas of politics, social issues and religion. Those challenges are ones that I would like RTÉ to address. I am reluctant to do anything that would take away from the need for them to be addressed. If they are not addressed, I think that the station as a whole will have to be seriously rationalised. It would perhaps be useful for this Assembly to enter into dialogue with the director-general—I think that he is in the House this week, meeting one of our committees—to ensure that a void is not created because of the changes in the policy on having permanent staff in London.

**Senator Cáit Keane:**

I support the motion.

When the staff in London were informed of the decision, they got only one hour's notice that their jobs were on the line or gone or whatever. I know that the office is not supposed to be closing until after the Olympics but, given that there is such an emphasis on the Olympics, I think that there should be an emphasis on people.

When Tony Blair gives a briefing to the "foreign media", the Irish and RTÉ are the only ones that are invited in. That shows huge respect, and RTÉ should definitely, in turn, show respect back. We have so much to lose. We are an Assembly set up with north, south, east, west and other relations, and this is really sending out the wrong signal. The United Kingdom is our closest neighbour and we should be doing all in our power in that regard. We should write to RTÉ. As Senator Jim Walsh said, the director-general will be in the House this week, and maybe the Co-Chair and a few other people could meet him.

I know that RTÉ has a huge operating deficit and that everybody has to cut their cloth according to what they have. However, if we measure it in terms of what we might lose, there are deficits not only in terms of funding but in terms of the loss of people, the loss of representation and the loss of everything else. *The Irish Post* has offered offices to RTÉ in its Smithfield Centre branch in London. If RTÉ is counting money, that offer should definitely be considered.

**The Co-Chairman (Mr Joe McHugh TD):**

Thank you. Paul, do you want to sum up now that we have heard from the contributors, or are you happy enough with the suggestions that have been made? We are tight for time because the Minister has arrived.

**Rt Hon Paul Murphy MP:**

I am happy for the question to be formally put to the Assembly. I am grateful for all the contributions that have been made.

*Question put and agreed to.*

*Resolved:*

*That the 44th plenary of the British Irish Parliamentary Assembly:*

*Notes with concern the proposal of the Irish public service broadcaster, RTE (Radio Telefis Eireann), to close its London bureau and cease operations from September 2012.*

*Pays tribute to the illustrious record of service provided by the bureau and its staff in keeping viewers informed about British economic, political and cultural life, contributing to the peaceful resolution of conflict and promoting increasingly close relations between Britain and Ireland and the people of our respective islands.*

*While recognising the drastic fall of broadcasting revenue at a time of economic crisis; further notes the concerns of the Irish community in Britain for the longterm consequences of not having an RTE correspondent in Britain.*

*And that Parliamentarians here assembled from jurisdictions throughout Britain and Ireland believe that on-the-spot access for Irish-based media and engagement in public life in Britain supports the fulfilment of the vision of future British-Irish relations as set out by the Prime Minister and Irish Taoiseach in their historic statement of 12 March 2012; and urge the two Governments to support the case for retention of the RTE London correspondent and assist in the search for alternatives to closure.*

**The Co-Chairman (Mr Joe McHugh TD):**

The clerks will bring the motion to the attention of the Irish and British Governments. It is important to have this debate, because the debate has already started in relation to regional journalism and there is going to be more on the issue if we are to believe what we read in the papers today. It is important to be aware of the debate and the need to prevent the centralisation of media. That is where I think the debate is going to be at, and I hope that today's contributions will be heard in the right places.

Thank you. I hand over to my Co-Chairman.

**POTENTIAL OF SHARED SERVICES IN THE AREA OF HEALTH PROVISION**

**The Co-Chairman (Mr Laurence Robertson MP)**

Dr James Reilly TD, Minister for Health, will address the Assembly and will concentrate on the potential for shared services in the area of health provision. Everybody is aware of the challenges that are faced by those who are charged with providing health services. In the United Kingdom, the national health service has been a victim of its own success, in that we are all living a lot longer, which presents a challenge. Lots of new drugs and treatments are also being developed. That is wonderful, but there is a challenge in finding the money to provide those services.

We have an awful lot to discuss and I am delighted that Dr Reilly is here to address us—it is over to you, sir. [*Applause.*]

**The Minister for Health (Dr James Reilly TD):**

Thank you very much for the warm welcome. It is a real pleasure to be here to address you on the broad topic of the potential of shared services in the area of health provision. The Co-Chairman mentioned the NHS, and I often cite that as inspiring ourselves to go down the universal health insurance route even though we are in a time of recession. It should be noted that Britain introduced the NHS in the ashes of the second world war, and that inspires us here.

In order to explore what can be shared, we must understand each other's respective systems and goals. I hope, in the next number of minutes, to outline briefly some of the key transformations that are occurring in the Irish health system. I fully appreciate the importance of fora such as the British-Irish Parliamentary Assembly, which afford us the opportunity to reflect on the challenges facing all of us in Britain and Ireland, and across these islands. For example, an extremely productive discussion on the misuse of drugs took place at the last British-Irish Council meeting at Dublin Castle in January. Our health systems face many similar challenges, and dialogue and discussions such as this can only assist our mutual

learning, leading to concrete solutions that benefit our health systems and, most important, our citizens.

The Irish Government is embarking on a major reform programme for the health system. It aims to deliver a single-tier health system that is supported by universal health insurance in which access is based on need and not on income. The reform programme will provide for a more efficient health service in which the appropriate care is delivered in the appropriate setting.

There are a number of important stepping stones along the way, each of which will play a critical role in improving our health service in advance of the introduction of universal health insurance. I am pleased to say that significant work is already under way in relation to those initiatives, which include the strengthening of primary care services to deliver universal primary care with the removal of cost as the barrier to access for patients; the work of the special delivery unit in tackling waiting times; the introduction of a more transparent and efficient money-follows-the-patient funding mechanism for hospitals; and the introduction of a purchaser-provider split, whereby hospitals will be established as independent not-for-profit trusts.

Once those key building blocks have been put in place, the health sector will be ready for the introduction of universal health insurance. That system will give patients a choice of insurer and will guarantee that every citizen has equal access to a comprehensive range of curative services.

The scope of the reform that is envisaged is such that careful planning and sequencing are vital. In February I established the implementation group on universal health insurance, which is charged with helping to deliver detailed implementation plans for our universal health insurance and with actively driving the implementation of various elements of the reform programme.

The group has already met twice, and is currently involved in developing a work plan with a particular focus on a number of key workstreams, which include hospital financing, hospital structures, the private health insurance market and the overarching universal health insurance design. The group will remain in existence throughout the reform process, and will oversee different elements of the reform programme as they are being put in place. It will consult widely as part of the reform implementation process. In conjunction with the implementation group, we have established the universal primary care project team to oversee the introduction of universal primary care.

On the issue of a purchaser-provider split, one of my priorities for the special delivery unit in 2012 is to begin work to transform public hospitals into independent hospital trusts. The establishment of hospital trusts will require the development of the necessary corporate governance, management and clinical capacity to ensure that those hospitals are equipped to function efficiently and effectively once they are established as independent service providers.

Sir Keith Pearson from the national health service has been very supportive in that regard. We are looking at teaming up further with leading experts in the UK to provide support to some of our hospitals that need it.

The first step is to set up initial hospital groups on a non-statutory basis, and work on that is under way. The hospital groups will have a single clinical governance model, one budget and one employment ceiling. In addition, the introduction of hospital groups will provide further opportunities for inter-site co-operation. That will be especially helpful with regard to staffing and medical training, thus ensuring the future of our smaller hospitals.

*3.15 pm*

As part of the reform agenda, the Government is committed to introducing universal general practitioner care in its current term of office. That will be achieved on a phased basis, which will allow time to deal with issues such as GP workforce levels and registration. We have a lot of work to do in relation to the underlying principle that I hold, which is that the patient should be looked after in a timely, efficient and effective way at the lowest level of complexity and as near to home as possible.

A lot of current work practices will have to change, and many consultants will have to cease doing some of the work that they are currently doing, because it is perfectly legitimate for GPs to be doing it. Similarly, GPs will cease to do a lot of the work that they are doing as nurses take over that role, and nurses too will have to co-operate with the transfer of duties to healthcare assistants, physiotherapists et cetera. There is plenty of evidence from studies in the UK and in Ireland to show that if all orthopaedic referrals are screened by a physiotherapist first, 40 per cent of them do not need to see the consultant surgeon at all.

It is envisaged that the first phase in the programme will provide for the extension of access to GP services without fees to persons with illnesses or disabilities, to be prescribed by regulations under the new legislation.

The programme for Government provides for the introduction of a new contract with GPs, with an increased emphasis on the management of chronic conditions such as diabetes and cardiovascular disease. It is envisaged that the new contract will also focus on prevention, and will include a requirement for GPs to provide care as part of integrated multidisciplinary primary care teams.

Another issue that could be usefully considered in relation to our border is that of GP co-operatives where there are outlying GPs on one side of the border, many miles away from groups of GPs who could be involved with their brethren across the border.

Similarly, on the issue of long-stay units, there are situations on both sides of the border in which long-stay units are possibly being underused, but there is a substantial population on the far side of the border that currently does not have access to those units. That situation could be a win-win for all concerned, and should be examined.

In working towards that objective, we must aim to achieve more efficient and effective delivery of services. It is fundamental that we ensure that appropriate care is provided in the most appropriate setting. One of the key initiatives in the Government's reform programme is the establishment of a patient safety authority. The department is continuing to formulate proposals on the options and possible organisational structures of the PSA, taking account of the international experience and the existing structures and organisations in the Irish system.

At the second patient safety conference, which took place in February, international speakers from Canada and Denmark shared their experiences and knowledge of patient safety structures in their countries. The international experience of other countries is further informing consideration of an appropriate structure for the responsibilities that will be assigned to the patient safety authority.

I say anecdotally from my experience as a doctor that, when something goes wrong, most patients want four things: an acknowledgement that something went wrong, an apology for what went wrong, an assurance that it will not happen again and an undertaking that things will change. My experience has been that, in the absence of that, many patients turn in frustration to the legal profession, which entails considerable costs.

I am a firm advocate of evidence-based policy. In progressing our reform agenda, we took the opportunity to learn from the experiences of others, including the UK. We also used our membership of the European Observatory on Health Systems and Policies to assist in increasing our knowledge base, learning from other countries' experiences and informing our policy options.

A key challenge for future healthcare provision in Ireland is chronic disease management. That challenge is not merely a financial one but an organisational one that requires a health system with a greater focus on prevention, co-ordination, continuity, integration and information flows that follow the patient.

Approximately 80 per cent of the overall disease burden in Europe is from chronic diseases and the pattern in Ireland is similar. It is estimated that three quarters of healthcare expenditure relates to chronic illness. The level of chronic conditions will generally increase by about 40 per cent over the next 10 years, because of our ageing population and the impact of lifestyle factors.

That trend is not sustainable from a cost or a hospital capacity perspective. A new model of structured and integrated care that involves primary care and has an emphasis on prevention will be required. We need to shift our health systems away from a medical curative model of healthcare and encourage patients to participate actively in managing their conditions. There is evidence that patient empowerment improves health outcomes. Knowledge of a disease and its treatment not only improves quality of life but reduces dependency on health services.

As politicians, we must work to incentivise physicians to empower their patients, who are—naturally—reluctant on occasions. Once patients have support, they develop confidence, and many are well able to manage their conditions. With information technology improvements, more and more care will be in the home and controlled by the patient in conjunction with their family physician and hospital physicians.

Our health system has developed a number of clinical programmes to manage the care of people who are living with long-term conditions. Part of that involves completing a framework for self-management of long-term conditions, as I said.

It is important that we share and learn from our experiences of best practice on such matters. At the European Union's informal meeting of Health Ministers in Denmark a couple of weeks ago, I welcomed the opportunity to discuss those developments and to give Ireland's support to the European reflection process on innovative approaches for chronic diseases and, in

particular, to the important role of patient empowerment as a key element in managing chronic diseases.

Health and wellbeing will be one of the themes of the Irish Presidency of the European Union. As I said in Europe a couple of weeks back, it is always much more politically sexy to open a new hospital wing or to unveil a new magnetic resonance imaging scanner than it is to develop and implement a good public health policy that prevents illness.

Our Health Service Executive intends to commence a national roll-out of chronic disease management for diabetes during 2012 and will progress preparations for the roll-out of similar initiatives in relation to other chronic diseases, including stroke, asthma and heart failure.

Between 5,000 and 8,000 rare diseases have been described, which affect about 6 to 8 per cent of the population in the course of their lives. Approximately 80 per cent of rare diseases have a genetic origin, and the life expectancy of patients with rare diseases is significantly reduced. Many such conditions are complex, severe and debilitating.

My current priority is focusing on the development of a national plan for rare diseases. Ireland has been supportive of the EU proposals on rare diseases, which concluded with a Council recommendation in June 2009. The end point is that countries are recommended to develop plans or strategies, preferably by the end of 2013, and we are now well advanced in developing that work.

By their very nature, it is not feasible to expect rare diseases to be managed on a stand-alone basis by individual jurisdictions. From a quality and an economies of scale perspective, there are significant advantages in widening out the discussion beyond borders and there has been some exploration at official level of the potential for accessing services on a north-south basis. I think that it is important for this type of engagement to continue to ensure that we all share very valuable knowledge of and experience in this issue.

I would like to see more emphasis on disease prevention rather than intervention. To that end, “Your Health is Your Wealth: a Policy Framework for a Healthier Ireland 2012-2020” sets out Ireland’s vision for a healthier population protected from public health threats, living in a healthier and more sustainable environment with increased social and economic productivity and greater social inclusion. A working group, chaired by my department, has been set up to review and assess the current state of public health in Ireland and internationally. It is envisaged that a final report to accompany a memo to Government will be prepared by the end of this year.

What is clear to us all is that in the context of increasing demand, reducing budgets and scarcity of professional workforce the current model for provision of healthcare is not sustainable. The existing system is not meeting current or future needs. Reform is not just an option—it is an imperative.

I particularly want to mention organ donation services. I am aware that, because of Ireland’s favourable organ donation rates, preliminary discussions on co-operation over organ transplantation are being held between NHS Blood Transfusion and the Health Service Executive’s Organ Donation and Transplantation Office, with the initial focus on liver transplantation. In addition, with the availability of increasingly sophisticated medical technologies for rare lung diseases, increasing numbers of Northern Ireland patients are seeking

consultation on treatments and lung transplantation in Ireland. Heart and lung transplantation programmes are based in Mater Misericordiae University Hospital in Dublin and there is already a formal agreement with the Freeman Hospital in Newcastle for transplantation procedures.

Of course, both jurisdictions must transpose EU directive 2010/53 on standards of quality and safety for human organs intended for transplantation into national legislation by 27 August. Compliance with this legislation will ensure a high level of protection for patients receiving the gift of life through a new organ. It will also facilitate the sharing of organs between not just our two countries but other EU member states in the knowledge that a system based on common quality and safety criteria has been established and that all centres have been authorised in accordance with those criteria.

In relation to cancer services, the Irish Government is committed to working in partnership with colleagues in Northern Ireland on the development of radiotherapy facilities at Altnagelvin Area Hospital. The number of newly diagnosed cancers is increasing by 6 to 7 per cent annually and unless a major reversal of trends occurs in the near future, the number is likely to double in the next 20 years. For this reason we must have the capacity to manage cancer patients effectively and to provide this life-saving therapy. The new facility, which will become operational in 2016, will serve the needs of Irish patients in the Donegal area in the north-west, who up until now have had to travel long distances to either Dublin or Galway for their treatment.

Co-operative and collaborative sharing of resources has consistently taken place between paediatric services in the Republic and Northern Ireland. For example, for the past number of years, Our Lady's Children's Hospital Crumlin in Dublin has been providing paediatric congenital cardiac surgery services to patients from the North. In 2011, for instance, nine such patients were cared for at Crumlin. That co-operation is being formalised in 2012-13 with the establishment of an all-Ireland paediatric congenital cardiac surgery network, with up to 30 such patients from Northern Ireland being treated at Crumlin. Other potential areas for future collaboration include paediatric neurology, metabolic services, paediatric rehabilitation and psychoneurology. Such examples underline the value of sharing healthcare resources, including clinical infrastructure, capacity and skills base, to deliver the best possible services.

With regard to the modernisation of the EU directive on the mutual recognition of professional qualifications, the proposal to amend the current provision regarding the duration of basic medical training is of mutual interest to my department and our UK colleagues. I am pleased to note that contact has been initiated between both departments, in relation to the directive proposals.

In terms of developing good models of working, where practical and valuable initiatives can be brought forward in an effective way, it is worth looking at some of what we have achieved in the health and social care field with our colleagues in Northern Ireland. I have mentioned some on-going work in the cancer and paediatric areas. I would like to also mention the important work of CAWT—cooperation and working together—which celebrates its 20th anniversary this year.

CAWT was established as a network for co-operation between the four health boards that straddled the Irish border area, which has a population of 1.5 million people. It was a voluntary partnership of statutory organisations with participation from senior personnel from each

organisation. CAWT has been hugely successful in forging working relationships between hospitals and institutions, and between clinical and management personnel from the health services in both jurisdictions in the border corridor. More than 50 collaborative projects have been completed or are under way. Currently, 12 major projects with over 20,000 beneficiaries in both the North and the South are being implemented with the vital assistance of €30m EU INTERREG funding. Successful pilot projects in the past have paved the way for some services that are now mainstreamed on a cross-border basis. The initial successes led to greater confidence and more initiatives.

I am satisfied that a very positive environment has been created, in which health departments and health services, in both the North and the South, can continue to work collaboratively, supported by organisational structures such as CAWT and the working model that it developed.

Ladies and gentlemen, we live in interesting times. I am excited about the future of the Irish health services and I look forward to working with my colleagues in Northern Ireland and Britain. Britain has always been Ireland's most important partner. Over many years, Irish people have moved to Britain to build successful lives, and vice versa. We share more than a common history; we share many of the same values and aspirations. We also share many common challenges. I am sure that, with our future co-operation, we will face and surmount those challenges, to the benefit of all people in both of our jurisdictions.

**The Co-Chairman (Mr Laurence Robertson MP):**

Thank you for an interesting speech, Dr Reilly. Quite a few people want to contribute. I will take Jim Wells first, then Patrick O'Donovan.

*3.30 pm*

**Mr Jim Wells MLA:**

I am the vice-chair of the Committee for Health, Social Services and Public Safety at Stormont, in the Northern Ireland Assembly. How times have changed. If someone had told me 20 years ago that I would not only be in Leinster House, but sitting in the Seanad, I would not have believed them. Yet here I am—apparently two seats away from that of the famous Mr Norris, who we in Northern Ireland watch on television with great interest.

There has been a great deal of co-operation between us. There is a good relationship between the Department of Health, Social Services and Social Care in Northern Ireland and the Health Service Executive in the Republic, and things are moving on well. I welcome the minister's commitment to the Altnagelvin radiology unit, in Londonderry—that is tremendous news. As he knows, we were disappointed after we were promised vast amounts for the A5 project. I received many assurances, but then, due to the fiscal situation, the money was unfortunately withdrawn. I understand that the £19 million—or euro equivalent—that has been promised by the Irish Republic is sealed in blood, guaranteed, and can never be reversed. That is tremendous news, because it will enable us to have sufficient resources to serve not just the north-west of Donegal, but the north-west of Northern Ireland. That is tremendous news.

There has also been strong co-operation on things such as the renal unit in Daisy Hill Hospital in Newry, where a large proportion of that five-year-old facility's patients come from County

Louth and North Monaghan. That is good news, because it gives us the quantum to enable us to have a unit that has enough patients to make it worthwhile.

I ask the minister to join us on perhaps one of the most fundamental issues that the present minister, Edwin Poots, is pioneering. The reality is that Altnagelvin Area Hospital has recently done a study that showed that 30 per cent of those who go into hospital are there because of lifestyle choices. We are facing tremendous problems with the abuse of alcohol and cigarettes. In Northern Ireland, 2,300 people died last year as a direct result of cigarette consumption.

As you know, minister, we are going down the route of unit pricing of alcohol in Northern Ireland, and it cannot come a day too soon. Frankly, however, there is not much sense in our having unit pricing in the North if the South does not eventually follow suit. If we increase the price for alcohol but it stays static in the Republic, the obvious thing will happen: there will be a bit of cross-border initiative.

We must do unit pricing in tandem. All the studies have shown that a price per unit of 45p—indeed, I think that a price of 50p has been announced in Scotland—will have a dramatic impact on what is called pre-loading. That is about young people going into certain supermarkets, which I will not name—it is a German name starting with L—and places like that. They buy drink at very cheap prices, which can be as little as 26p a can, get themselves loaded up with alcohol and then go out to party and buy smaller amounts of stronger drink while they are out.

That is destroying our towns and cities, and it is leading to huge health problems. It also causes huge social problems for policing and justice. We are therefore relying on you in the South to join us in trying to eliminate the problem of what is known in Northern Ireland, and I am sure in the Republic, as binge drinking.

I am interested in the radical changes to healthcare provision that are being implemented in the South. We are dealing with the same issue through the Compton Review, which will throw up difficult issues, particularly in border areas. However, working together on a cross-border basis we may enable hospitals that would normally be downgraded as a result of any reviews to continue on a co-operative basis and have sufficient patients to keep them going and allow surgeons to hone their skills.

Finally, I will comment on an issue that is a little parochial, but I think that we can work together on it. Muscular dystrophy is a dreadful muscle-wasting condition that particularly affects young people, both North and South. In Northern Ireland, the only place that people with the condition can go to at the moment for specialised treatment is Newcastle upon Tyne in England. We believe that if we worked together we could provide a facility, based in Northern Ireland or in the Irish Republic, that could be specifically for sufferers of muscular dystrophy. Patients could come across the border or go down South and avail themselves of that facility, for which the normal payment regulations would apply.

I believe that we do not have the quantum in the North or the South to do that independently, but we may be able to do it jointly. That is the sort of issue on which, using common sense and setting aside party-political difficulties, we can work together.

It is an interesting time to be involved in health, but it is also a difficult and trying time. I do not think that you in the South have your troubles to seek in that regard; we certainly do not in

the North. However, co-operation for mutual benefit can get us out of some of the difficulties that we are in at the moment.

**The Co-Chairman (Mr Laurence Robertson MP):**

Thank you very much. Patrick O'Donovan is next, then Senator Harte.

**Mr Patrick O'Donovan TD:**

Ar dtús, ba mhaith liom fáilte a chur roimh gach ball den chumann parlaiminteach seo go Teach Laighin.

Minister, as public representatives we often get things across our desks that we do not expect to hear or to come into contact with, but recently both Co-Chairman McHugh and I have had reason to come in contact with parents of young boys with Duchenne muscular dystrophy. The previous speaker referred to that, too.

To give a brief overview, Duchenne is a severe form of muscular dystrophy that is characterised by rapid progression of muscle degeneration, leading to a loss in ambulation, paralysis and, unfortunately, an early death. It is a rare disease that affects one in 3,500 males.

Towards the end of your speech, minister, you referred to greater north-south co-operation being required, but I think that it should also be considered on an east-west basis, because for an awful lot of families in the South the only place where they can gain access to what they believe is the best international treatment for children with Duchenne muscular dystrophy is in Newcastle upon Tyne in England.

As you are aware, many families are struggling at the moment with the knowledge that that service is being put into a bit of a limbo, so to speak, because of the change that is being considered for the E112 system, which allows people to access hospital services in another European country. The families are looking for assurances that, in the absence of the same level of treatment for Duchenne here in Ireland, they will have continuing access to treatment in the United Kingdom.

Given the small number of people in the Republic who are affected by Duchenne, it is difficult to envisage having a centre of excellence for the entire 32 counties in the near future that would be comparable to the one that is currently available in Newcastle upon Tyne in England—whether the centre was based in the North or the South. In the absence of that, it would be great if we could get clarity from the department in relation to the on-going treatment of these young people and these children. At the end of the day, what any parent wants is to be safe in the knowledge that whatever treatment is available, wherever in the world it is available, it will be made available to their children.

The minister mentioned economies of scale, which is an important point. In Ireland, we have had the difficult situation of services being co-located and some small hospitals losing their services—for good reason, because the Health Information and Quality Authority and HSE have always advocated that unless there is a critical mass of people who have a particular illness or need, the expertise is not built up.

Given the small number of people across the 32 counties who are affected, in the short to medium term we need to work things out with the families. It is important to keep in mind the parents of these boys—they are all boys—with Duchenne muscular dystrophy, and to keep the needs of the families in focus and to work with them to ensure that whatever service they require is available.

We have budgetary limitations at the moment, but I implore you, minister, to do whatever you can to ensure that this service is continued. I know that the Co-Chairman, Deputy McHugh, has been to the fore in trying to raise this issue on behalf of constituents in Donegal. I have been asked to bring it to your attention on behalf of concerned parents in my constituency in Limerick. There is no better forum for bringing it forward than the British-Irish Parliamentary Assembly, where we are discussing the whole concept of shared services, so go raibh maith agat a Aire.

**Senator Jimmy Harte:**

I welcome the Minister to the senate chamber. Probably Jim Wells is very much in favour of the Commonwealth—and maybe John McCallister as well. We are talking about the common health, which I think is much more important than the Commonwealth.

I live in Donegal. If people know the geography of it, I was born on the actual border—just 100 metres from the river, so they say. The Minister is aware of the difficulties in Donegal and other border counties. To explain the issue to the people here from the UK, I will say that someone can live beside a city with a hospital, but they cannot access the hospital. I live in Letterkenny, which has a good general hospital—people can also access specialist cancer radiography services at Altnagelvin Area Hospital. However, there are other services within the range of maybe 20 miles of where I live that we cannot access. People are being sent to Galway or Dublin—a four-hour journey, when it could be a 30-minute or a 45-minute journey. Imagine living in a city in the UK and being told that you cannot access a hospital that is closer to you than the one that is four hours away. That is our problem in Donegal.

The Minister and the Government are proactive on this issue, but there are many services that people in Letterkenny are asked to go to Galway or to Dublin to access. The Co-Chairman, Deputy McHugh, and I spoke to the paediatric diabetes group from Donegal, who feel that they will be sent to Sligo or Galway or Dublin. The Minister met them as well. That is a practical example of why shared services are needed and things have to move that way. It is the same with the nursing home situation, as in the case of residential care being stopped at Lifford Hospital, when across the river in Strabane there is a big population that could be shared.

There is a lot of talking going on on both sides of the border, but there is little action. From the point of view of the health service, Northern Ireland is quite happy with its service and we seem to be quite happy here. Someone needs to join the services together, put them in one room and not let them out until they come up with solutions. Every year—and this has been going on, as the Co-Chairman, Deputy McHugh knows, for years—there are proposals about cross-border health services, but they never happen, except for cross-border cancer services, which were pushed by the population—by the local people, along with the politicians. There has to be more cooperation and there must be some way of coordinating this so that people on the ground can see the benefit.

Recently, a constituent of mine had to go to Altnagelvin to get a procedure done in their arm for dialysis. When they came back to Donegal, they found that the operation had not been successful; however, they could not go back to Derry because the funding was not there and they had to go to Dublin instead. It sounds ridiculous, but it is all about funding. These things could be got over if the will was there. I believe that the Minister's will is there, but I have to wonder about the will of civil servants in certain departments. The same applies in education, where, for example, there might be an old secondary school in Lifford and a large but undersubscribed secondary school in Strabane. Such simple approaches could be transferred to health and education, although I think that health is the important issue. Instead of sending someone on a four-hour journey to Dublin or Cork from Donegal, we should be able to send them to Derry or even to Belfast, which is only 90 minutes away. We need to see some results. After all, we can all discuss the issue and put our hands up to agree with the proposals, but unless we get the results that we have been seeing with cancer services, which are making progress, we—or indeed someone else—will be here in five years' time talking about the same issue.

I wish the Minister luck with his brief, but the people in Donegal and the north-west will still have to look at the matter on a day-to-day basis.

**The Co-Chairman (Mr Laurence Robertson MP):**

Minister, do you want to pick up some of those points?

**Dr James Reilly TD:**

After listening to Senator Harte, I am reminded that, instead of saying “Your Health is Your Wealth”, we actually say in Irish:

“Is fearr an tsláinte ná na táinte” or, health is better than wealth.

On the alcohol and cigarettes issue that Jim Wells raised—and I think that this also addresses Senator Harte's question—I have had several very good meetings with Minister Poots and we are determined to have co-operation on both sides of the border to address the issues that I mentioned in my speech. With regard to alcohol, if we are going to introduce minimum pricing successfully—and Minister Poots and I are watching what is happening in the Scottish Parliament—we will have to do so simultaneously. I have discussed the issue with Minister Poots and very much support the idea. I want containers of alcohol to set out the total quantity of alcohol, the alcohol units and, indeed, the calories they contain. An awful lot of people do not realise that alcohol has quite a high calorific content—or that, for instance, a bottle of white wine contains 800 calories—and we need to examine how that contributes to obesity.

As for cigarettes, we have Senator Crown, who, along with other senators—*[Interruption.]* Have I caused a problem here? White wine is only marginally less calorific than a bottle of red. More people, certainly those in my age group, are starting to look at the percentage of alcohol in a bottle of wine and saying, “Ooh—13, 14 per cent? Not touching that.” They are being sensible and realising that they can still enjoy themselves without drinking these high-alcohol drinks.

3.45 pm

Let us call a spade a spade: the advertising industry has gone after younger people with alcopops and all that stuff. We very much have the same problems as elsewhere. As for the binge drinking and front-loading that Jim Wells mentioned, we have done that through our pricing system. Drink is very cheap in the off-licence, so you go home with it, get tanked up and then go out to the pub or nightclub where drink is very expensive. We have to examine that matter. If we accept that alcohol has some value as a social lubricant, we will want those who are going to imbibe to do so in a social setting and sensibly instead of getting senseless at home, going out and getting into trouble—and, of course, forming drinking habits that will stay with them for the rest of their lives and will prove very difficult to break.

I was about to mention the motion on smoking that Senator Crown moved last week and which is supported by Senator van Turnhout and Senator Daly. We want to ban smoking in cars, but I want to go further and, indeed, have started that debate. The bill that we will take forward relates to smoking in cars, but we also want to ban smoking on the beaches and in the parks and playgrounds where children are likely to gather. In fact, in the coming weeks, one of our local authorities will debate a motion that, if agreed to—as is expected—will see smoking banned in at least 50 playgrounds in the area.

Children learn from adults. It is about denormalising smoking so that children do not see it and do not think that it is cool. I addressed the Senate about that last week. I have firm memories of watching programmes and going out and buying red lemonade—it had to be red—and sweet cigarettes. I sat there and thought that I was a big lad—a real cowboy. I do not want anyone to say that I am that now.

We find ourselves in a very serious and sad situation with muscular dystrophy, which is an illness that purely affects boys and shortens their lives considerably. I am very familiar with it because, sadly, I have had patients with it. We are awaiting proposals on how we can address it and in relation to the situation vis-à-vis Newcastle, so we can revert to you on that. We are awaiting a proposal from the muscular dystrophy sector, and we will be happy to co-operate with it in any way that we can.

Senator Harte mentioned areas in Donegal that I am very familiar with. In fact, I specifically mentioned in my speech that there are many different issues on which we can co-operate in the border area to improve health outcomes for our people, whether that is on public health, general practitioners, out-of-hours cover or community nursing units that are underused on one side while a large population on the other side of the border can avail itself of them. Those units have been mentioned. More is better. It may be said that I have the will—I certainly have, and I know that Minister Poots does, too. We have recently appointed a new secretary-general, and he has already made an appointment to go and see the permanent secretary up in the North to progress those issues further. Therefore, we are looking across a range of areas that will be of benefit to everybody concerned.

While we are here as politicians discussing political issues, there is, of course, another element that has to be dealt with: the medical politics. We can look at cardiac services in the north-west. The rest of the country on the south side of the border has a 24/7 stenting service, which is the gold standard for the treatment of a person who has had a heart attack. We do not have that in the north-west of the country, but if we were to discuss the matter with our friends in the North, there would be a very good chance that we could have a 24/7 service that would be a benefit to them, based in a different hospital than the one that they might have been thinking about

putting it in and covering the area in which we have a deficit. Obviously, we would make a contribution to that.

That is about planning. It is important that, if we are going to plan new services and put in new facilities, we look at the whole picture, not just the picture on one side of the border.

**The Co-Chairman (Mr Laurence Robertson MP):**

Thank you. The Taoiseach is running a little bit late, so we can run beyond 4 o'clock. That said, 14 Members would like to speak.

**Dr James Reilly TD:**

I will ring the Taoiseach and tell him to hurry up.

**The Co-Chairman (Mr Laurence Robertson MP):**

The speeches have been extremely interesting, but I ask for brevity, please.

**Senator Jim Walsh:**

Go raibh maith agat.

Minister, you have been a strong advocate of universal health insurance, and you have mentioned the British model in particular in that regard. I have three questions for you.

First, can you deal with the issue of the likely premia that may arise for people in paying for that insurance? I think that, in Britain, it is included in the overall taxation process, but the approach may be different in other countries. I know that, in the past, you have mentioned Holland as a place of best practice. Can you give any indication as to what the likely premia will be for people?

Secondly, from your examination of the health services in Britain and elsewhere, what cost-effective or efficiency measures have you identified so that we will ensure that those who will end up paying for the services will get real value for money?

My third question, which is related to that, is about all the studies in recent years, although I might be a year or two out of date. I remember looking specifically at wages across a number of sectors at the time of the economic crisis. For example, administrative and nursing staff in this country were at the top of the league in Organisation for Economic Co-operation and Development comparisons. At that time, our hospital consultants were being paid salaries of about 50 per cent in excess of what consultants were being paid in the neighbouring islands. That obviously has ramifications for hard-pressed taxpayers who may have to meet the costs. I wonder what the Minister is doing in that regard.

I will finish with an anecdote. Twenty years ago, our local district hospital in New Ross closed. A number of us campaigned to keep it open and, when we were unsuccessful, we offered to take on the building and run the hospital ourselves. We established a not-for-profit company, which has been running successfully since then. The number of beds is in excess of what was there previously, and there is a hospice unit.

I was chairman for the first few years, and I remember that in the first year we ran the hospital for 50 per cent of what it had cost in the previous year. I know that we were able to do things with wages and so on that it is perhaps not possible to do in public services, but that experience clearly illustrated that there is great scope for making efficiencies without affecting the delivery of services. However, there must be a complete mindset change. The Minister will have my full support for anything that he does in that regard.

**Mr Frank Feighan TD:**

I will ask the Minister a question on which he might be able to offer some information. What exactly are the role and the powers of the independent Health Information and Quality Authority and what influence does he have on it?

About seven years ago, there was a huge proliferation of Rohypnol signs: all over the country, there were signs up in every pub saying that the date rape drug was about, and telling people, “Don’t drink this—it could be spiked”. A survey of admissions to three accident and emergency departments in Cork, Galway and Dublin, which involved 2,000 people, was carried out, and the only drug that was found in those young women—they were mostly young women who claimed that they had been given the date rape drug in nightclubs—was pure alcohol.

I agree with Jim Wells MLA that we have to tackle the alcohol issue, because it is still prevalent. Young girls are choosing drinks such as Fat Frog or whatever and collapsing, and they think that their drink has been spiked. We need a cross-border campaign, and we must work closely with the authorities on the far side of the border.

**Mr Joe O’Reilly TD:**

I welcome the Minister, and I welcome our UK colleagues to Dublin.

I applaud and am heartened by the Minister’s confirmation that there is so much co-operation in paediatrics—particularly in cancer services at Altnagelvin—and in organ donation. That is great to hear.

I was also heartened when the Minister said that he would seek co-operation with regard to the GP co-ops along the border. As a representative of a border constituency, I am particularly pleased to hear that.

My questions are practical, but they involve very real issues for the people who live in that area. Does the Minister see potential for joined-up ambulance services along the border, with all that that could mean in terms of efficiencies and quick responses? Does he see potential for joint operation of the fire services? I know that that is not strictly in his brief, but it is relevant to accidents and so on.

Does the Minister see potential for a joined-up national health education strategy and for all-Ireland health education advertising and promotion? I think that that could be done: it would have a novelty and an attractiveness, and it would work. Does the Minister think that it could be done? Would he be interested in achieving that?

I am heartened by what the Minister said on chronic disease, but we could co-operate to a great extent in that area, and I would like the Minister to expand on the possibilities in that regard. There is surely potential for co-operation in medical research, and we should have a number of joint research projects between east-west and north-south. In that regard, I totally support my colleague's view on the east-west context with regard to muscular dystrophy, to which the Minister has already responded.

I will finish on this point, because I am conscious of the number of speakers. From a border perspective, I agree with those speakers—I think that it was Mr Wells and others—who said to the Minister that alcohol minimum unit pricing must be achieved on an all-Ireland basis and implemented at the same time to have any impact or success. As a border representative, I appreciate that the measure could not work otherwise, as it would cause great dislocation of expenditure between the North and the South.

I would like the Minister to respond to those points, if he can.

**The Co-Chairman (Mr Laurence Robertson MP):**

I will take just two more speakers quickly, after which I will bring in the Minister.

**Mr Chris Ruane MP:**

What assessment has the Minister made of the role of mindfulness-based techniques in reducing the overall health budget? I draw Members' attention to a decision in 2004 by what was the National Institute for Clinical Excellence that mindfulness-based therapies are better than one-to-one talking therapies and are far safer and better than drug therapy. The influence of mindfulness-based breathing techniques that are taught for two hours a week over eight weeks, with one hour of study a week at home, has had massive results in treating mental health issues.

Poor mental health is on the increase. Such techniques are a cheap, effective and scientifically proven way of helping not just people who are affected by mental health issues, but the rest of the population. They are preventative techniques that put control in individuals' hands, as the Minister said, both when mental health issues affect them and—more important—before those issues affect them.

What assessment has the Minister made of those techniques and of best practice in the UK? Bangor University, the University of Exeter, the University of Oxford and the University of Cambridge all have excellent mindfulness centres.

Mindfulness has been used in the US for 30 years with returning veterans and emergency service workers. It has a proven track record, but it has hardly been taken up in the UK, and I would like to know whether it has been taken up in Ireland.

**Viscount Bridgeman:**

The Minister mentioned mutual recognition of qualifications in the EU. One effect of that is that blanket testing of health professionals is not permitted before registration, which devalues the control of the regulators concerned. That affects all health professionals. Doctors are rather

ahead of us in that field—they have the invaluable support of my colleague Professor Robert Winston—but nurses are not as well placed.

The issue relates particularly to nurses from eastern European countries—the new accession countries. It is very much a problem in relation to dosage. As one smart journalist said, “the difference between a microgram and a milligram is a coffin.”

The EU and the Department of Health in London are in contact on the matter. There is a widespread feeling that it is a disaster waiting to happen and that the European Commission is dragging its feet. I think that the feeling is also widespread that the Commission is putting free-market dogma before patient safety, which is unacceptable.

The health service in the Republic of Ireland will face the same problem. Is the Minister in contact on the matter with the Department of Health in London and with the devolved departments in Scotland, Northern Ireland and Wales?

**Dr James Reilly TD:**

I will address the points in chronological order. Senator Walsh talked about universal health insurance and my reference to the NHS model. Of course, when I referred to that, I did not say that we would mimic it; I was just saying that, out of a time of tremendous crisis, something wonderful arose. I will draw an Irish analogy from 1845 and the time of the famine. That was the blackest year that this country has endured, yet what became University College Galway opened at the same time. Even at that time of terrible things, somebody had the vision to put in place an institution that has served generations of people ever since.

I am not in a position currently to talk about the premia but, under the model that we have described, those who are better able to pay will pay, those who are less able to pay will be subsidised and those who cannot pay will be paid for by the state. We are basing our model on our medical card system, which might confuse our visitors from abroad, because it is sort of an NHS for a sub-group of the population—the lowest third of earners.

*4 pm*

We have taken a number of initiatives on efficiency measures. When we were in opposition, part of what we said we would do was that we would make best use of what we have, which has meant the introduction of the concept that money follows the patient, for example. Instead of giving hospitals a block budget for a year and everything stopping when all the money is gone, we want to pay them for procedures performed. We will modify and refine that further for diagnostic-related groups. We have done that in a small way in a pilot in our orthopaedic hospitals, whereby we pay on demand once a procedure has been performed, as long as the patient is admitted on the day of the procedure rather than the night before, unless there is existing comorbidity that prevents that. That pilot has saved €6 million in one year.

The clinical programmes and the special delivery unit have, between them, initiated new programmes of care throughout the hospital system. Last year, that initiative saved 70,000 bed days, which equates to €63 million. It is hoped that the initiative will save 100,000 bed days this year, with a saving of €90 million. Of course, the whole point is that that money does not go back to the Exchequer but is used to treat more patients more quickly. That is what the measure is about.

The salaries of consultants is an issue that continually raises its head. I asked my Cabinet colleagues that, rather than us take from consultants a finite quantum of what they earn in the public sector, we seek to get efficiencies from them. We have got such efficiencies through co-operation—efficiencies that are far greater than the €50 million that we would have taken off them.

That said, salaries are a major issue in the public sector and working practices are a problem. A nursing home long-stay unit was built in Ballincollig in Cork by the HSE, but it was put out to tender to be run by a private company. The cost to us, had we run it ourselves, was going to be €7 million a year; the cost that the private company has incurred is €5.2 million a year. There are many reasons for that—not least of which is how it organises itself and how it buys in the allied professional care that it needs, including physiotherapy, speech and language therapy, and occupational therapy. Why employ a full-time person and all that goes with that in terms of pension and all the rest of it when you need them for only 10 hours a week?

I want to underscore the point that my Government is committed to public provision of long-term care, but we seek an increase in efficiency in comparing like with like.

Frank Feighan TD asked a question on HIQA's role. Its role, as regulator of the health sector, is to set standards and ensure that they are adhered to. I know that that has created difficulties in some places, but the reality is—I have said this previously in the Dáil—that if we start interfering with the regulator because it does not suit us, we know what happens. A lot of people feel that the financial regulator was not given a free hand to be as aggressive as it should have been, so we are all sitting here with a rather large bank problem in this country.

My influence over HIQA is nil—it would be wrong for me to be able to interfere in anything that it does—but I can question what it does, why its standards are as they are and how it implements those standards. It will be sensible when it brings in standards and licensing for hospitals; it will release the standards, which will be passed by the department shortly, and hospitals will have a number of years to bring themselves up to those standards because we do not expect them to achieve a new standard overnight.

The cross-border issue that has been alluded to and the example of Rohypnol relates to issues in relation to alcohol. I agree that there is a lot of room for more improvement in how we co-operate. We are aware of that on both sides of the border and on a broader east-west basis. The exchange of information is important.

I was pleased to mention Sir Keith Pearson, who kindly came over here to chair the board of a hospital with which we had serious problems. We put in a new manager—who is doing an excellent job—and a new chief executive officer, and have created a new board that is functioning very well under Sir Keith's advice and direction. He would very much have been part of HIQA's reporting on that hospital and would have informed it about new governance arrangements that need to be put into place.

Unfortunately, in the past in this country, we were inclined to appoint people to boards not because of their competencies or abilities, but because they were friends. I am afraid that that is not good enough for patients or citizens. We are talking about taxpayers' money. We expect those whom we appoint to have the skills to do the job, and that they will do it without undue influence from the people who put them there.

Deputy Joe O'Reilly talked about the ambulance service and fire service. I am happy to look at all those things. As he also said, it would be particularly relevant to have an east-west aspect to health education and advertising. I do not mind laying it on the record that I am unhappy about some of the advertising in this country. I believe that there ought to be a watershed in relation to certain products—certainly alcohol and some foods. People do not spend hundreds of millions on advertising because it does not work; they spend it because they know that it works. We have to protect young children and—dare I say it, as a father of five?—the long-suffering parents of young children. We have all had the experience in the supermarket when a loved one screams to get what they have seen on the telly as their right, rather than for what is better for them or good for them.

Chris Ruane raised an issue about mental health; he talked about counselling and drugs versus mindfulness. I acknowledge that I have little experience of mindfulness, but it sounds like a relaxation technique that is a bit like autohypnosis, which is very useful and which I practise quite a bit. I could not agree more with Mr Ruane. I much prefer non-invasive or non-drug therapies that are sustainable and that, as Mr Ruane rightly pointed out, empower the patient, rather than creating a dependency on drugs—or, for that matter, on counselling, although counselling has a big role. That said, we have little regulation of counselling in this country and we need to do something about that, so the Government is going to address it. As a general practitioner it would always upset me, when I referred someone to a counsellor, that I was not quite sure of the calibre of the individual. There was no standard and no regulation, unlike the situation with registered and chartered physiotherapists or doctors and nurses.

Viscount Bridgeman raised an issue about regulation and assessment of our professionals. That is a huge area of concern for us, too, as it is across Europe. I have discussed the issue with a doctor—a “family physician”, as he called himself—who took three years to get registered here and had to submit himself to an English exam. It is utterly ridiculous that English-speaking people from countries such as Australia, New Zealand, South Africa and Canada have to submit to that, while members of our broader community in the European Union do not, despite the fact that clearly they could have a major problem with language.

Let us face it: whether it is a mental illness or a more physical one, communication is absolutely imperative. To take a proper history, a doctor needs to understand what the person is saying and must be able to internalise that before they start ordering tests. Therefore, it is a matter of grave concern and one that we are looking at. Obviously, it is a broader problem and does not apply only to those of us in this room but extends to the wider EU area, and it is certainly one that we could address together as a group, because it is of mutual concern.

**The Co-Chairman (Mr Laurence Robertson MP):**

Thank you. I still have nine members wishing to contribute, so I make another plea for brevity.

**Mr Barry McElduff MLA:**

Thank you co-chair. Go raibh maith agat, a Chomh-Chathaoirligh.

First, I ask Minister Reilly to detail his vision of the future role of one of the six implementation bodies—the Food Safety Promotion Board.

Secondly, is there any real prospect of the GP out-of-hours pilot project being extended beyond the South Armagh-Castleblaney and Inishowen-Derry examples?

**Senator John Crown:**

Thank you. I welcome the Minister and our guests.

Speaking as a medical doctor who had the great privilege and opportunity to spend a portion of my training in Guy's Hospital in London, I just want to mention the fact that there are extraordinary levels of organic linkage at education level between the two jurisdictions. Most Irish doctors who have graduated since about 1950 have emigrated and most have gone to the UK, and the biggest demographic of jobs in which they have found themselves is that of family physician—or general practitioner—in England.

The UK is number 1 or 2 as a destination for Irish graduates who go abroad specifically to train in specialties and to acquire international expertise to bring back to our country, which has been enriched enormously through the quality of the medicine that we have here.

We have been very lucky in so many ways that we are near neighbours of the United Kingdom rather than some of the alternatives. It must be stated that the United Kingdom has the second-highest number of Nobel prizes in medicine and the highest number of such prizes per head of population. In my area—cancer—the United Kingdom pioneered research into cancer causation. Matters as diverse as chimney soot causing skin cancer and cigarette smoking causing lung cancer were discovered by British researchers. So, too, were antibiotic treatments such as penicillin—the most famous example—and a number of cancer drugs, including Tamoxifen. My colleagues from Northern Ireland will be delighted to know that Tamoxifen was first given by Dr Mary Patricia Cole, who was born in Cavan and received her medical education in Belfast, and then went on to a glittering career in the Christie Hospital in Manchester. She was the first person to give the life-saving drug Tamoxifen to breast cancer patients.

I now come to four specific recommendations, one of which is a recommendation for my British colleagues. It gives me pain to have to tell them something that they probably know already, which is that the country that has done so much in medical research has been so poor in making cancer drugs available to its own citizens. I am sorry if I am speaking undiplomatically here, but I am not speaking as an Irish politician or Irish person: I am speaking as a cancer specialist who meets British cancer sufferers and British cancer specialists throughout the world. There is no doubt that of the large developed countries, only in the UK is access to cancer drugs off the bottom of the scale, which is nothing short of a scandal.

We have had reference to NICE. I have studied health economics, because I do not believe that we live, practice or work in a health economic vacuum. I know that the context is that every penny that is spent on a cancer drug is a penny that is not available to spend on something else in the health service. However, I say to my friends that they have it badly wrong on cancer drugs in the UK; their patients are suffering and the statistics for cancer survival are nowhere near as good as they should be for the country that has done so much for medical research and education.

I will make a couple of specific points. A common threat that is facing medical schools in both our countries is that they will be de-recognised at European level because there are moves afoot

in Europe to limit recognition to medical schools that have six-year programmes. Many medical schools in the UK and Ireland have moved to five-year and, in some cases, four-year medical school programmes. I urge the health and education authorities to address that issue.

Finally, I believe that it is important that we tackle the twin preventable causes that were mentioned by our friend and colleague Mr Wells: tobacco and alcohol. I believe that we should ban all advertising of alcohol. It is that simple. It is an addictive, cancer-causing toxin and one that many of us, including me, have probably grandfathered ourselves into a relationship with that we might not do if we were starting from scratch in life. If this drug was discovered tomorrow, it would never be legal—it just would not pass the carcinogenicity tests. I am not saying that we should ban it, but we should ban the ability to encourage addiction by advertising alcohol products.

The situation with tobacco is even more extreme. I pay warm personal thanks to our Minister for Health, who in a wonderful gesture of non-partisan public spirit supported our motion last week to ban smoking in cars with children, when a number of political alternatives were available to him. I am grateful to him for doing that.

As somebody who deals daily with the scourge that is illness caused by cigarette smoking, I believe that we should pick a date—perhaps 2025 or 2030—and say that in Europe after that date the manufacture, importation and sale of tobacco products will be banned. We will give the industries, the investors and the pension funds 15 or 20 years to diversify out of that area, and it will give the addicts an opportunity to get themselves off tobacco. That would be a wonderful initiative, to be led by us and by our British colleagues at Europe level. It may sound aspirational, but there is an absolute logic to it. Never, in a million years, would tobacco be licensed if it was discovered tomorrow.

I thank you all for coming, and for your attention.

*4.15 pm*

**The Co-Chairman (Mr Laurence Robertson MP):**

I apologise to those who have not managed to speak. I will have to bring in the Minister because the Taoiseach has arrived—[*Interruption.*]

**Dr James Reilly TD:**

I am always delighted to see my Taoiseach.

To respond to Barry McElduff MLA about the future role of the food safety authority—I think that it is called safefood Ireland, and it is a north-south body—I have previously discussed the issue with Edwin Poots, Minister of the Department of Health, Social Services and Public Safety. On 29 November, he wrote to me about his concerns about the business plan to ensure maximum value for money. DHSSPSNI officials suggested that the Minister might be seeking savings in the order of 50 per cent of €4.25 million.

At a time of financial difficulties, we are obviously looking to save money, and we will look at how safefood Ireland—the Food Safety Promotion Board—will operate. There is a sense on both sides of the border that there is perhaps duplication, so it would make sense and be better

value for money to redirect the body to areas that are not covered on either side of the border. There is no intention to downgrade the body: it is a north-south body, and it is an integral and important part of the Good Friday Agreement. All that flows from that has been hugely beneficial to all the people of these islands.

Barry McElduff also mentioned the expansion of GP out-of-hours provision. My understanding is that there are plans to do that, but how it is to be managed remains to be determined. It is an area in which I am interested. As I said at the outset, it is very easy when you do a big hospital job such as cancer services at the Altnagelvin Area Hospital—everybody gets excited. However, GP out-of-hours provision is one of the things that make a real difference to people. It may be a small thing; perhaps there are only two or three GP practices, or a couple of hundred people, but it is major for them and it really does help their day-to-day lives.

Senator Crown made many statements; I will not comment on them all. I thank him for his kind comments, and for his suggestion that we ban tobacco from the EU from a future date that would allow everyone to get their head around it, and would allow those in the industry to look elsewhere to invest their money.

I asked a question on air the other day, but unfortunately I had been cut off, so I will ask the question here. Does anyone know a smoker who wants their children to be smokers? When we reflect on that, what seems like a radical idea from Senator Crown is not so radical after all. Like all things, when we started the debate in 2008 about banning smoking in cars, there was uproar. However, I think that more than 85 per cent of people in the country now support it. Similarly, the proposed smoking ban at parks and on beaches is causing a lot of friction, but I have no doubt that in a very few years that ban will be in place and it will be standard practice. The more we discuss the issue, and the more we acknowledge that there is not one single health benefit to be had from one single cigarette, we will realise and understand that this is the direction of travel that we should take.

I thank you for the opportunity to address the BIPA—it has been an honour. I wish you all a pleasant and successful day, and ask that you enjoy your visit to Dublin. *[Applause]*

**The Co-Chairman (Mr Joe McHugh TD):**

Thank you, Minister, for giving up your time, and for being so open and honest in your contribution.

I acknowledge the presence of the Secretary of State for Northern Ireland, the Rt Hon Owen Paterson MP; the British Ambassador to Ireland, Dominick Chilcott; and the Deputy Irish Ambassador to Britain, Barbara Jones. You are all very welcome to the plenary.

## **ADDRESS BY THE TAOISEACH (MR ENDA KENNY TD)**

### **The Co-Chairman (Mr Joe McHugh TD):**

On behalf of the Co-Chairman, Mr Laurence Robertson, MP, Members and myself I welcome the Taoiseach to his second plenary as Taoiseach in what is a significant chapter in the political landscape. We appreciate his giving of his time to speak to the Assembly.*[Applause]*

### **The Taoiseach (Mr Enda Kenny TD):**

Go raibh maith agat.

### **The Co-Chairman (Mr Joe McHugh TD):**

Before inviting the Taoiseach to make his contribution, I wish to inform him that we were joined this morning by a former colleague of his, Dr Maurice Manning, who gave an account of the work in which he has been involved in relation to the Decade of Centenaries 1912-1922. Dr Manning made the significant statement this morning that events were happening rapidly everywhere during that ten year period. We could, as politicians, use that statement in the context of where we are at the moment in the context of - the Taoiseach is testament to this – events that are currently happening rapidly everywhere politically, be it in Greece, Spain, Portugal or Italy, by which everybody is captivated at this particular time.

I acknowledge the Taoiseach's political proactive work in rebuilding relations, be it in Brussels, Beijing or the United States. You have remained steadfast in your commitment and dedication to British-Irish relations. As a former and founding Member of the British-Irish Parliamentary Body we are delighted to have you here. On behalf of members, I acknowledge your role and proactivity in relation to British-Irish relations.

As recent as 12 March 2012, you signed a declaration of co-operation with Prime Minister David Cameron, which is an obvious indication of the work that you wish to pursue. I would also like to acknowledge the work of the Assembly today. We are half way through our session and have had a productive political debate and intend to take on board and pursue all of the relevant suggestions and observations made.

Finally, I welcome the Taoiseach's co-operation in facilitating for the first time the taking of statements in the Dáil this Thursday on the work of this body. While every other Assembly will decide for itself whether this is a worthy idea, we are delighted to pioneer this move and thank the Taoiseach for facilitating it. I now call on the Taoiseach, Mr. Enda Kenny, TD, to make his address.

### **The Taoiseach (Mr Enda Kenny TD):**

Go raibh maith agaibh. Cuirim fáilte mór romhaibh go léir go dtí Seanad Éireann don cruinniú tábhachtach stairiúil seo. For those who do not understand Irish that means, welcome to the Irish Senate to what is a historic and important occasion.

Good afternoon Co-Chairmen, Members of the British-Irish Parliamentary Assembly, fellow parliamentarians, ladies and gentlemen.

I am pleased to be here today for the 44th plenary meeting of the British-Irish Parliamentary Assembly, BIPA. I recall how pleased I was last year to be able to meet with you at your plenary in Cork in June. I thank you for taking the time to come to Dublin to engage on British-Irish issues.

I welcome the new Members appointed to the Assembly since then. In particular, I congratulate the new Co-Chairman, Mr Laurence Robertson MP and thank him and Deputy Joe McHugh for their hard work in organising this conference. Some time I might write some stories about the inauguration of the British-Irish Parliamentary Association and the lengths to which the Irish and British had to go to put it together.

I know from my own time as a Member of the association the importance of the work of the BIPA. As Taoiseach, I can see very clearly the contribution you continue to make in support of peace, prosperity, reconciliation and political friendships and understanding on these islands. My recent visit to the House of Lords for an all-party gathering to mark St Patrick's Day reminded me of the great friendships that exist and the opportunity - and perhaps the responsibility - we now have to build on those relations; to reimagine them and to find new practical ways which create a better future together for all the people of these islands.

In the more than 20 years since the establishment of the British Irish Inter-Parliamentary Body, the hallmark of your work has been leadership in building trust as you forged friendships, fostered dialogue and deepened understanding between parliamentarians and politicians across these islands.

BIPA has played, and must continue to play, a key role in the ongoing process of reconciliation and co-operation which has changed the future for a generation of young people on these islands. You are right to be proud of what you and your predecessors have achieved.

To existing and younger members of BIPA I would say, be ambitious for the role you have to play in securing that legacy and in charting a course for BIPA in securing peace, reconciliation and recovery in these changing and challenging times.

I am particularly heartened to see representatives of the Scottish Parliament, the Welsh Assembly, the Northern Ireland Assembly, the Isle of Man and the States of Guernsey and Jersey here. The strength of BIPA lies, in part, in its diversity and that it brings together individuals from such a variety of political backgrounds, working together on matters of mutual concern.

While we should always be cautious when describing any period of history as momentous and unique, it is inarguable that the past year has marked a turning point in British-Irish relations. In the coming week, we will mark the first anniversary of the visit of Her Majesty Queen Elizabeth to Ireland. By any standard, the events of those four days were ground breaking. The visit was, and is, a source of great pride for all the people of these islands. It was an important signifier of the mutual understanding built up between our nations, as well as an acknowledgement of the always close relationship we have shared throughout history. It was also the culmination of years, even decades, of quiet, insistent but patient and intensive work by individuals and organisations, including BIPA, in building relations and deepening understanding between the people of these islands. It was an emotional time for everyone involved and it offered up many moments and images that will live on and, doubtless, will find a place in the history books.

The symbolic marking of our shared past at the Garden of Remembrance and at the memorial to Ireland's World War dead at Islandbridge brought together all the strands of history and will undoubtedly enable us to create a new future as partners and equals.

The coming decade will provide further opportunities to reflect together on that shared history, as we commemorate a series of events which led to the foundation of this State and redefined the totality of relationships between Ireland and Britain. If anyone should doubt the depth of the connections between British and Irish history, they need only look to the centenary of the introduction of the Third Home Rule Bill to Westminster, which we marked last month. The centenary is marked in the exhibition organised by the Northern Ireland Office, which I saw and read in Westminster Hall in March and which currently is on display in Leinster House. This was a time when "the Irish Question" dominated the political agenda in London. The debates on the Bill set the context for the decade of unprecedented change which followed. As we remember those events in the coming years - and I know that this is a matter which BIPA is currently addressing - we should do so together in a spirit of historical accuracy, mutual respect, inclusiveness and reconciliation.

Since Her Majesty's visit, we have also seen further concrete examples of deepening co-operation and the close relationship between Britain and Ireland. In January of this year, the Standing Secretariat of the British-Irish Council was finally established in Edinburgh, an important milestone in the full implementation of the St. Andrews Agreement. In February, President Higgins travelled to London, his first overseas visit as Uachtarán na hÉireann, President of Ireland.

In March, I met with Prime Minister Cameron in Downing Street, where we had a comprehensive discussion on the future direction of British-Irish relations. The statement issued after the summit sets out our priorities for co-operation in the years ahead. The statement itself was, indeed, a milestone. It was the first joint British-Irish statement that was not wholly or primarily concerned with Northern Ireland and circumstances there.

It is because we have come so far within the Peace Process that we can now look with a fresh eye on the totality of British-Irish relations and identify new and previously unexplored areas of mutual interest and co-operation.

We joined the then EEC together in 1973. Our co-operation in Europe over four decades has helped to create an improved context for dialogue between Dublin and London, as the two Governments worked closely together to pursue shared objectives on the European Union agenda.

The EU has also been a key supporter of the Peace Process in Northern Ireland, both in providing funding for cross-community and cross-Border initiatives to promote reconciliation and by maintaining international attention and political support. We will continue to work together as partners in the European Union, including during Ireland's Presidency of the EU Council, which we assume in the first half of 2013.

We agree on the importance of encouraging an outward-facing European Union which promotes jobs and growth and we will co-operate to pursue shared objectives, including the strengthening of the Single Market and the reduction of the burden of regulation on business.

A strong partnership between Britain and Ireland, within a strong European Union, is in all our interests.

The referendum on the stability treaty on 31 May gives the Irish people an opportunity to create the stability and certainty needed to continue on the road to economic recovery. I believe there are three positive key reasons to vote “Yes” on 31 May. First, a “Yes” vote is the best way to ensure that the strong flow of investments in jobs that we have seen in recent months can continue and grow. Throughout my recent visit to the United States, China and elsewhere, the consistent message from political and business leaders was that they see certainty about Ireland’s place as a member of the eurozone as a crucial element of Ireland’s attractiveness as a location for investment. As Irish members of BIPA will be aware, numerous multinational companies have in recent months shown their confidence in Ireland by committing to new investments here that will create thousands of jobs in the time ahead. In recent weeks alone, I visited companies like Mylan in Dublin, Amgen in Dun Laoghaire, Apple in Cork, Transaero in Shannon, Cisco in Galway and SAP in Dublin, all of whom have decided to invest in and hire new employees here. I want to continue and grow this strong flow of inward investment. A strong “Yes” will create the stability and certainty that is needed for investors to make those decisions happen.

Second, only a “Yes” vote will give Ireland guaranteed access to Europe’s permanent rescue fund, the European Stability Mechanism. The treaty is clear on this: countries that ratify have access to the ESM; countries that do not ratify will not have access. I want this country to have the same access to this insurance policy as do all other euro countries, which is another fundamental and critical issue in the reassurance for investors and potential investors in Ireland.

Third, a “Yes” vote will ensure that good housekeeping rules are put in place so that responsible budgeting becomes the norm throughout Europe. We also share a commitment to effectively addressing global challenges such as climate change, global hunger and poverty and will work together in the UN and other international organisations to promote a more equitable international society.

Of course, both Governments have an ongoing duty of care to the Peace Process in Northern Ireland. We continue to support the parties there in the full implementation of the Good Friday and St. Andrews Agreements. The Good Friday Agreement is truly a significant and historic document, predicated on a number of fundamental principles well known to members. Partnership, equality and mutual respect were not only contained in the aspirational preambular language of the Agreement but are present in real and tangible ways in the governmental structures established by the Agreement.

Almost 15 years on, it is important that we take stock and recognise what has been achieved. It is heartening to note that the 5th anniversary of devolution took place just a week ago on the 8th of May. The current Assembly and Executive were given a strong mandate in the last elections and a year on are collaborating effectively on improving the lives of all the people of Northern Ireland.

The joint statement of March outlined the commitment of the British and Irish Governments to continue working closely with the Northern Ireland Executive, and all parties, in promoting reconciliation and creating a cohesive, shared and integrated society in Northern Ireland. We have achieved peace, thanks to the shared determination of the overwhelming majority of the

people of Northern Ireland never to allow a return to violence and to the excellent co-operation between the Garda Síochána and the Police Service of Northern Ireland, PSNI.

However, much remains to be done if we are to achieve the reconciliation, tolerance and mutual trust reaffirmed in the Good Friday Agreement. A great deal remains to be done. I look forward to the publication of a revised Cohesion, Sharing and Integration Strategy by the Executive that can help Northern Ireland move further along the path of true reconciliation. Both Governments and the Northern Ireland Executive face mutual challenges in generating sustainable growth that can ultimately lead to the job creation so desperately needed in all our economies, particularly in Northern Ireland. It is only logical that closer British-Irish economic co-operation is accompanied by deeper North-South economic co-operation to the mutual benefit of all our people. This makes particular sense in the context of the budgetary constraints that confront us all. I recall being Minister for Trade in the mid-1990s, when things were very difficult, dealing with business on a cross-Border basis, North-South and South-North which was always willing to participate in the definition of markets and the testing of markets for products before they went to Britain or the Continent for sale. We have to explore ways in which we can co-operate to reduce the costs of services and their delivery. Some steps have been taken in health and education, with the joint funding as members will have heard from the Minister for Health, of the radiotherapy unit in Altnagelvin Hospital and arrangements on schools access and transport, but more must be done across all sectors.

I compliment BIPA on the useful role it played in enhancing the agreement reached on the establishment of a North-South Parliamentary Forum. I understand that work is continuing between the Assembly and the Oireachtas and I hope that agreement between them can be reached in the very near future.

In these uncertain and challenging economic times, the most difficult and most pressing responsibilities faced by any Government is the creation of jobs and the fostering of economic growth. The March statement, signed by the British Prime Minister and I, recognises the mutual dependence of both our economies and stresses the need to work together in a range of areas to overcome the challenges we face.

It is really only in recent years, as a consequence of the economic downturn, that Ireland and Britain have begun to better understand and appreciate the depth of our economic interrelationship. Britain is Ireland's most important economic partner, looking across the totality of trade, investment and tourism. Ireland, too, is a significant market for British exporters, for example, in relation to food, clothing and energy. We know that €1 billion of trade in goods and services flows across the Irish Sea each week, that our firms are major investors in each other's economy and that many businesses treat Britain and Ireland as a single market. Notwithstanding the globalisation of markets and companies, Britain remains the market of first resort for indigenous Irish exporters. Half of Irish indigenous company exports go to Britain and half of Ireland's employment is created in indigenous firms. That is why the British market is so important for us. It is also a growing market. Ireland's goods exports to the UK increased by over €600 million in 2011, far greater, for example, than the growth in exports to the BRIC countries. To put it in more strategic terms, a tiny fall in our exports to the UK would wipe out those gains with the BRIC countries.

Beyond trade, investment and tourism, the relationship has many dimensions. For example, the flow of skills in the vast numbers of Irish working in professional services or on the boards of British companies; the flow of capital in Irish investment in British business activities,

construction, UK shares and property; the extensive presence of high street names in Irish towns and cities; the flow of ideas and the extent of collaborative research and development between British and Irish entities, which are to be admired and encouraged.

In the short to medium term, both economies face similar challenges and opportunities. Our respective economic agendas are focused on the growth and innovation that will generate quality employment and higher living standards for our citizens.

4.45

On the EU's economic agenda, Britain and Ireland are very much on the same page. Prime Minister Cameron is seeking to drive European growth, innovation and employment creation, particularly through the completion of the Single Market. We share that ambition. Restoring growth in Europe is key to recovery and that is true for Britain also, even though it is not a member of the eurozone.

The joint statement includes a sizeable agenda of economic issues that Prime Minister Cameron and I believe will allow scope for collaboration and potential for mutual gain. There is already a significant degree of collaboration in the research and development space, an area where international collaboration yields more productive and pervasive outcomes, especially when commercial entities and research organisations form partnerships. We will look at where we can do more collaboratively.

The energy sector is another in which there is substantial existing engagement but concerns around the security of supply, increasing supplies from renewable sources and the potential of the cleantech sector suggests that there are opportunities worth pursuing.

Similarly, food security and related technologies is an area of Irish and British strength and, clearly, of global opportunity. The successful partnering of British and Irish firms in the construction of the Olympic Park in East London indicates how sub-contracting, sub-supply and partnering can produce globally competitive operations and so we will look in the time ahead at ways of replicating that approach across the financial, construction and other professional services sectors.

That is just a flavour of the possibilities for greater economic collaboration, aimed at increasing trade, making our businesses more globally competitive and generating sustainable employment, which we have agreed to explore. To underpin the pursuit of this agenda we also agreed to have a joint evaluation of the deep economic integration and inter-relationship between Britain and Ireland.

The British and Irish Governments will pursue this work jointly. Senior officials will, and do, meet as necessary and there will be an annual summit to check on progress.

There are many other actors involved who can help make these ambitions a reality. Our various agencies, whose role it is to support business development and promote the business sector, will continue to be very active in the British market, including the development of business partnerships. The Irish business diaspora is, by its nature, a force for developing British-Irish business networks and business opportunities. I have had occasion to interact and engage with them in the Irish Embassy in London, where new partnerships are forged and business is being

done. The newly created British-Irish Chamber of Commerce will also help to further trade between the islands and foster areas where we can collaborate to economic advantage.

As to the future, we can look at areas where our firms and other organisations can collaborate to grow our businesses, our knowledge and our exports into third markets. What is more valuable longer term for Ireland is not simply import and export trade, but strategic collaborations in areas such as food supply and security, energy supply and security, renewable and clean energy technologies, construction, financial services, research in the life sciences, the pervasive software sector and opportunities in the creative industries. I believe that there are exciting possibilities in these areas for us to work more closely.

What better way to celebrate that deepening of our relations than to work together to strengthen and grow our economies, create vibrant businesses and generate quality employment and living standards for our citizens? I know from your programme of work for this plenary meeting that economic growth and making business easier across these islands is as much a priority for you as it is for my Government.

I would like to pay tribute to you for your hard work on this to date and wish you well for the rest of the plenary and in the future work of the Assembly. As I stated, Britain is our nearest neighbour and remains our closest friend on the world stage.

5 p.m.

We are now entering a new and exciting phase of that relationship, and of the relationships across these islands. The visit of Queen Elizabeth last year laid to rest the ghosts of past conflicts and allowed us the space to look to the future. The challenge now facing all of us, as politicians, legislators and representatives of the people of these islands, is to imagine and create the shape that future relationship will take.

As we work in the coming years to deepen the friendship between Britain and Ireland, and identify new avenues for co-operation, I know that BIPA will be - as it always has been - at the heart of that relationship. I wish you well in your endeavours. Thank you. *[Applause]*

**The Co-Chairman (Mr Joe McHugh TD):**

Go raibh maith agat. Members, time is against us as the Taoiseach has to leave to attend another event. A number of people have offered to contribute. If we follow the brevity philosophy and members make specific points and observations I am confident everyone will have an opportunity to contribute.

**Ms Dolores Kelly MLA:**

I thank the Taoiseach for a wide-ranging and thought-provoking contribution. I welcome your focus on the economy. The Taoiseach is correct that the relationship east-west and across the island of Ireland has improved. You focused in particular on reconciliation in the North, which has, as yet, to be achieved. I urge the Secretary of State, who is present today, and the Taoiseach to deal with the past in terms of unfinished business on an ethical basis and in particular the needs of victims. On Thursday of this week a report in relation to those who were injured during the Troubles will be launched by WAVE.. I hope that the Taoiseach and his Department will scrutinise its findings and move quickly to meet those needs. Thank you.

**Mr Pádraig MacLochlainn TD:**

I thank the Taoiseach for his speech. In an effort to be brief, I will leave the treaty on austerity to another day.

On the A5 issue, the Taoiseach will know that Donegal suffered grievously from partition and that only 7 kilometres of road connects it with the other 25 counties. While there is a motorway linking Dublin to Galway, Limerick, Cork, Waterford and Belfast, and rightly so, there is a huge gap between it and Derry and Donegal, a region that needs economic impetus.

Under the St Andrews Agreement there was a commitment to Stg£400 million in partnership with the Northern Executive to deliver that project. People were devastated when it was suggested that the Irish Government would not be in a position to meet that within the agreed timeframe. We now have a commitment of £50 million. Will the Taoiseach match the commitment of the Northern Executive and recommit to that project today and send a message to the people of Donegal and the northwest that that project will reach fruition in the near future?

**Mr Robert Walter MP:**

I thank the Taoiseach for his kind words towards Her Majesty the Queen and the British Government. My question is about the economy. As the Taoiseach rightly said, budgetary constraint is never popular and politicians and Governments across Europe have been punished for doing the right thing. We now have a President in France who wants to renegotiate the financial stability treaty and there is political chaos in Greece.

What discussions has the Taoiseach had with his fellow European leaders, in particular the German Chancellor, with regard to Greece? It is a tiny fraction of the entire European economy yet it threatens to bring us all down if we do not solve this problem. Can we separate out the political chaos in the country from its international obligations and, perhaps – I know this will be unpopular in Germany – provide the markets with some guarantee that Europe will stand behind Greece's obligations?

**Mr Jim Sheridan MP:**

I was interested to hear the Taoiseach's comments on constructive dialogue between the Irish and UK Governments and the jobs and investment this has generated. However, I am frustrated by the fact that Scotland, as a country that is part of the UK, is not involved in this constructive dialogue and is, therefore, not getting the same type of investment being sought by Ireland.

I want to ask the Taoiseach a question on a different matter. The Taoiseach has already spoken of the close relationship between the British and Irish Governments. He will also be aware of the Leveson inquiry, press ethics and phone hacking in the UK. Given that close relationship, has the Taoiseach sought or received any assurances that the cancer now in the UK media sector has not reached the island of Ireland given that the same press mogul operated in Ireland?

**Mr Jim Wells MLA:**

In Cavan-Monaghan, where many families extend across the Border there is concern about the downgrading and closure of Protestant schools throughout the Republic but particularly in Border areas. A large number of these schools are one-teacher schools and the impact of their closure on these communities would be quite dramatic. Can any special protection be given to those particularly vulnerable institutions?

**The Taoiseach (Mr Enda Kenny TD):**

On the comments made by Ms Dolores Kelly on the WAVE report, I spoke earlier with the Secretary of State and we are interested to see what is proposed in that report. For me, it is critical that there be a continuous openness in dealing with reconciliation across the community divide in Northern Ireland. For this reason, I have been a supporter of the peace programme initiatives and have lobbied in Washington in the United States for a continuation of funding. While peace at a political level is important, it is at community level that breakdowns can occur and it is, therefore, important there is vigilance, interaction and understanding in this regard. I look forward to reading the response from WAVE and will engage with Secretary of State, Mr Paterson, when it is published.

Deputy MacLochlainn never loses an opportunity to make the case. Obviously things are very different here than they were a number of years ago. I would love to be in a position to say that all of our major infrastructural needs can be addressed in a short time. However, I cannot say that.

I met with the First Minister, Mr Peter Robinson and the Deputy First Minister, at which time we discussed the range of major infrastructural projects the Irish Government had to postpone owing to a lack of resources. A number of significant infrastructure projects in the Republic will not go ahead in the timescale envisaged, although we did commit to providing €25 million in 2015 and 2016, which will be honoured. I would like to think that the discussion that will take place, from a European perspective, at the summit on growth on 23 May – which I envisage will be the first of a number of summits – will lead to the putting in place of a growth agenda which, in addition to the fiscal agreements signed off on in respect of the fiscal stability treaty, will allow us to reflect on these major projects. I know from business, and the many people from Donegal whom I have known for many years, of the importance of the completion of this project. However, I would be only fooling the Deputy if I were to say that this can be committed to and completed in the near future. Clearly, it is an infrastructure project which interests me and I would like to think that working together with the Executive and the Assembly we would, long before completion of the sections of the road to Derry, be in a position to identify and reappraise infrastructure projects that have had to be postponed because of a lack of resources in the Republic. I want to be honest with the Deputy about this.

Mr Robert Walters asked about the economy and the situation in Greece. I had a very good discussion last week with French President elect, Mr Francois Hollande. His philosophy is clearly to reorientate the European agenda towards a growth agenda. The Council of Leaders has since I joined last year been pushing for a growth agenda in parallel with budgetary discipline. I strongly favour this. The French President elect has pointed out that he supports the ESM and budgetary discipline and will legislate for the fiscal targets contained in the treaty. However, his view of a growth agenda is one that is shared by an increasing number of

Leaders in Europe because if economies are allowed to grow all economies will benefit, in particular a small island like ours, which is an exporting nation.

I do not wish to comment on the politics of another country but it seems to me that the Greek problem is as much a democratic problem as it is an economic problem. I hope that the discussions, which I understand are taking place as we speak, between the President of Greece and the elected representatives in the recent election, will be able to save the country given that a substantial majority of Greek citizens want to remain in the European Union and euro. These issues are always difficult. Greece, having been on the front page world newspapers for two and a half years, faces a difficult series of challenges into the future. I am often reminded of the words of Thomas Jefferson, "In matters of style, swim the current, on matters of principle stand like a rock." Somewhere in between the two is the pragmatism that will allow for economies to grow and prosper and for people to have jobs.

Mr Jim Sheridan raised the media issue. We have had problems here with the nature of public service broadcasting. The Government, with the Broadcasting Authority of Ireland, initiated an inquiry into a particular programme shown on national television, the report of which identified a long list of incompetencies in regard to the presentation of the subject matter. This is an issue which the Oireachtas, if it so wishes, can investigate further through the Joint Oireachtas Committee on Communications, Natural Resources and Agriculture. I am not aware and do not have any evidence of, as referred to by Mr Sheridan, the cancer that has infiltrated elements of the British system, being evident here. As a small island, people are interested in current affairs and the politics of the day. The nature of reporting has changed but arising from the recent report we can look forward to some interaction and discussion between the Oireachtas, representatives of the Dáil and Seanad, and those involved in public service broadcasting, journalism and reporting in general.

On the closure and downgrading of schools, this issue requires pragmatic and rational discussion. There are schools in this city which are attended by more than 30 different nationalities. From a teaching point of view, it is often difficult to get a fix on where the teaching should be because of the range of traditions, cultures, language and so on. As regards religious beliefs, this issue is currently under discussion here in terms of the school situation. The Catholic Church, as patron of the vast majority of our schools, has a responsibility in this regard. The Archbishop of Dublin has pointed to the need to divest a number of these schools in the interests of dealing with problems as they arise. This is an issue of importance. The Government will not close any school. The discussion in Armagh between both Ministers for education in respect of what can be done to assist either side of the Border in regard to education and other specific issues was relevant and real. Populations rise and fall and circumstances that applied in schools years ago may not be relevant now. However, there is a need for real, pragmatic and common sense discussions around how we provide a decent education for everybody, irrespective of their background or religious beliefs.

**The Co-Chairman (Mr Joe McHugh TD):**

Members, we have only five minutes remaining in this session and six Members have offered, Joe O'Reilly, John McCallister, Lord Michael German, Barry McElduff and Senators Paul Coghlan and Cáit Keane. I ask Members to be brief because, if not, the Taoiseach will not have time to respond.

**Mr Joe O'Reilly TD:**

I thank the Taoiseach for attending this plenary. The Taoiseach stated in his address, as did Secretary of State, Mr Paterson during lunch, that co-operation, in particular security co-operation, between our two islands is at an all-time high, which is great. How real in the Taoiseach's view is the dissident threat North of the Border and what strategies could be implied on an east-west, North-South basis, to deal with that and make it irrelevant into the future? Also, in what ways does the Taoiseach believe we could demystify and deromanticise violence? As the years of the Troubles move away violence gains a more romantic quality for young men in Northern Ireland, which is a real issue. I am interested to hear the Taoiseach's response to those questions, in particular on how real he believes the dissident threat is.

**Mr John McCallister MLA:**

I welcome the Taoiseach's address to the British-Irish Parliamentary Assembly. Ireland and the UK are inter-dependent and as such will either sink or swim together. The British Prime Minister has spoken about refocusing the European Union on what it should be about, namely, job creation and growth rather than regulation. We had an excellent session earlier today on excessive regulation and the burden this places on business and on making the UK and Ireland a good place to do business.

I am member of the cross-party working group in Northern Ireland which is writing the Cohesion, Sharing and Integration, CSI, strategy. I suspect that strategy will be renamed because as members will have worked out "CSI" is being confused with a popular television programme.

The Secretary of State will be introducing a normalisation Bill at some stage in the future. I would welcome the Taoiseach's views on what role the Irish Government can play in supporting the normalisation of politics in Northern Ireland. As stated by Ms Dolores Kelly MLA, we must address the unfinished business of reconciliation and Government opposition moving away from designation and so on.

**The Lord German:**

The Taoiseach invited us in his address to consider new and unexplored ways of co-operating. At the heart of the work of this Assembly is the examination of solutions to our commonly held problems and of Government interventions in this regard. Does the Taoiseach believe there is merit in seeking a new way of co-operating such as that being used by the States around the Baltic Sea and countries around the Danube Basin, namely, the forming of a new strategic partnership which is based upon actions rather than strategic policy and which will bring together in a way which does not affect the rule of each individual country having its own powers, our third sector, the private sector, government of those areas and an action plan for future direction?

**Mr Barry McElduff MLA:**

Will the Taoiseach update us on the campaign for a truly independent investigation into the murder of human rights lawyer, Mr Pat Finucane?

**Senator Paul Coghlan:**

I note the Taoiseach's statement that Greece is unlikely to be able to form a Government without a further general election and that the polls indicate its former fringe parties are likely to do well in such an election. However, given that it wishes to remain in the European Union, could it be returned to the Drachma in an orderly fashion and if this were to happen, what would be the position of the euro?

**Senator Cáit Keane:**

I have a specific question for the Taoiseach on UN Security Council Resolution No. 1325 which deals with women and gender issues in respect, in particular, of conflict resolution. This resolution is the first from the United Nations on the part women can and have played in conflict resolution, in particular in Northern Ireland. I know that the Government has established a group, the Irish Government Consultative group, in preparation for the national action plan, which I presume will be put in place throughout Europe. The Irish group is currently working on resolution 1325 as is Hannah's House, which is called after Hannah Sheehy-Skeffington. Given the forum we are in today, it is important that this issue is put on the agenda and that we get an update on it at some stage. I would welcome the Taoiseach's views on this matter, if not today then in written format at a later stage.

**The Taoiseach (Mr Enda Kenny TD):**

On the questions from Deputy Joe O'Reilly, the dissident threat is not a myth. The threat – which has the habit of becoming a tragic reality - of murder and destruction is a cause of concern and anxiety. There is an exceptionally close level of co-operation between the Garda Síochána and the Police Service of Northern Ireland, PSNI, the Commissioner and Chief Constable, the Executive and Irish Government and relations east-west. Vigilance is imperative. It is a sad fact but a reality that there are people, although only a small minority, who wish to return to the path of violence. This is not a myth. Both Governments and their agencies are working to ensure it does not become a tragic reality.

As regards demystifying violence and its so-called romanticism, it is always difficult to do this. The answer lies in the understanding that there is a different and better road ahead provided that Government action in terms of employment and opportunity and the taking of a different direction can be translated into reality. I have seen evidence of this in communities in Northern Ireland. Young men who are disillusioned, isolated, lonely and vulnerable can be brought to understand that their lives are worth living and that they can contribute to the general well-being of the communities in which they live, irrespective of their backgrounds. For this reason, I welcome the constant engagement and supports from the Irish and British Governments and recognition from the European Union and United States.

Mr John McCallister asked about regulation. This matter was supposed to be address by the Nice treaty. Everything was supposed to be regulation proofed. I had first-hand experience of this when Minister for Trade many years ago. At a time when we need to get on with business we spent the first 15 hours talking about rubber and the bumpers of tractors and where they were manufactured.

I am pleased that President Von Rompuy has called a growth summit for 23 May, which I hope will be the first of many such summits. If one looks at the economic projections for

countries around the world from China to India, Japan, Russia, South Africa, Brazil and the United States, Europe does not feature. The reason it does not feature is because Europe in many ways lent itself to interminable arguments and discussions about inter-institutional organisations. It is time now for Europe to focus on the bigger picture, namely, rising to the challenge of growing the economies of Europe and becoming a global and competitive force.

5.15

As has been pointed out on many occasions, the European Union has at its disposal the biggest cluster in the globe of best developed countries in terms of opportunities for research, innovation, output, productivity and so on. It is hoped that despite these very challenging times, both politically and economically, out of this can come a recognition of the opportunity that exists not alone for the 500 million people who inhabit the European Union but for the markets on the fringes of the European Union which comprise a further 500 million people, the economies of some of which in North Africa are growing at 5%, 6% and 7%.

The normalisation of relations is important. For this reason, the oversight of the British and Irish Governments and the Assembly, in the context of the centenary commemorative ceremonies, must be realistic and historically accurate. In this regard, I welcome the lecture on Edward Carson by the First Minister, Mr Peter Robinson, in the Department of Foreign Affairs in Iveagh House in St. Stephen's Green. It is hoped that the workings of the all-party committee, to which the Minister for Arts, Culture and the Gaeltacht, Deputy Jimmy Deenihan, has been appointed, together with a number of professional historians, will bring about that understanding. There are an enormous number of issues and events that could be commemorated. It is important such events are commemorated in a sensitive and inclusive fashion.

On the question of the Baltic Sea not affecting subsidiarity, I am of the view that people competing for jobs in Coleraine are also competing with people looking for jobs in Cork, Cape Town or Cincinnati. There is now an understanding that we are no longer independent and island isolated. We are completely inter-dependent. For what it is worth, yesterday there was a commemorative ceremony of the national famine on the quay side in Drogheda, from where 70,000 people left in 1846-47 to go to Liverpool. Having a diaspora of 70 million worldwide, we know what it is like to be a stranger in another person's land. We also understand the importance of interconnection and interdependence. This is not just about the development of our own economy, it is about what we can achieve together in terms of the potential that exists in a global market.

I often visit institutes of technology, universities, colleges, large firms and so on. When the energy and creativity of all people involved in this area is put together out of that comes a new future. People involved in engineering, software, medicine, nano-medicines, genetics, robotics and the Internet are challenged by the future they are creating. That is where we must be. The future is where we all must live. Out of these opportunities will come the potential to help the Baltic areas. I am a believer in politics. Political decisions, if driven through by Governments and public representatives who have the interests of their people at heart, will always bring about actions that are beneficial for everybody.

On Mr Barry McElduff's question in regard to the late Pat Finucane, arising out of the Weston Park agreement, there was to be a follow-through on the recommendations of Judge Cory. Both Governments agreed that. Judge Cory recommended that there should be a public inquiry

which resulted in the establishment here of the Smithwick tribunal. He also recommended that there be a public inquiry in respect of the death of Mr Pat Finucane. We have a clear difference of opinion to the British Government on this matter. The Prime Minister decided to appoint a QC, Mr DA Silva, to examine the Finucane papers. I support the establishment of a public inquiry in the Finucane case because that is what was recommended by Judge Cory and because both Governments agreed that should be done. I have said this to Geraldine Finucane and publicly when talking to politicians in the United States. I cannot force the British Government to hold a public inquiry into the Finucane death but I stand by my position, as also stated in an all-party motion in my name taken in the Dáil a number of years ago.

Senator Coghlan asked about the Drachma. I have no intention of getting involved in what are complex international financial instruments. It is hoped that the elected representatives of the people of Greece can, in sitting down with the President - while the situation could be better - come to an agreement to save their country. This will require pragmatism, political understanding and the taking of a reality check in terms of where Greece wants to be.

On Senator Cáit Keane's question, I do not have the details which she is seeking in respect of the resolution. However, I will have a full report on the matter forwarded to the Senator.

**The Co-Chairman (Mr Laurence Robertson MP):**

I thank the Taoiseach for his address to the Assembly and for responding to a number of questions on what are not easy issues. The Taoiseach acknowledged at the beginning of his speech that the UK, Ireland and many other countries face many difficult issues, to which there are no immediate or obvious answers. We wish him well in his work in this regard.

The Taoiseach also referred in his speech to the special relationship which exists between Ireland and the UK, which is something that this organisation is seeking to foster. Relations have never been warmer, which is a source of pride to us in the UK, as I know it is to people in Ireland.

The Taoiseach has been very generous of his time today and at which time the Northern Ireland select committee visited Dublin in November. It was also a pleasure to see the Taoiseach in the House of Lords to celebrate St. Patrick's Day. I take this opportunity to remind the Taoiseach of his promise to me that day to come to my constituency next year to visit the Cheltenham races. I am happy that I can facilitate him and will send him an invitation. Until then, I thank the Taoiseach for his time today and for his wise words. *[Applause]*

**The Co-Chairman (Mr Laurence Robertson MP):**

Before we adjourn, I remind all Members that coaches to take them to the reception at Áras an Uachtaráin will depart from the front of the Shelbourne Hotel at 6.15 p.m. sharp. The Assembly is adjourned until 9.30 a.m. tomorrow.

*Adjourned at 5.23 p.m.*

**Tuesday 15 May 2012**

*The Assembly met at 9.33 a.m*

**THE WORK OF COMMITTEE B (EUROPEAN AFFAIRS)**

**The Co-Chairman (Mr Laurence Robertson MP):**

The Assembly is in public session and will now consider reports. We will commence with an update by Mr Robert Walters, MP of Committee B on the European Convention on Human Rights, following which we will hear a report on flooding by Lord Alfred Dubs.

**Mr Robert Walter MP:**

I can see, looking around the Chamber, that this is a popular subject. Committee B has considered the matter of the European Convention on Human Rights and its application in the various jurisdictions. This is very much a progress report. We have had one meeting in London on this subject, when we heard from Lord Lester of Herne Hill a Member of the Commission on the Bill of Rights in the United Kingdom. Lord Anthony Lester is a distinguished Queen's Counsel and human rights lawyer and has appeared down through the years in cases in all of our jurisdictions, both in the domestic courts and in Strasbourg.

Lord Lester gave us a good insight into the work that the commission is doing. Its specific task is to look at a United Kingdom Bill of Rights, which has implications with regard to the provisions for a Northern Ireland Bill of Rights. Its first task was to advise the United Kingdom Government specifically on the European Convention on Human Rights and the reform of the European Court of Human Rights, which it did.

As a result of that advice, a reform package on the European Court of Human Rights was announced in Brighton a month or so ago. The second session held in London heard from a senior official from the Ministry of Justice who talked a great deal about that. As regards work in Strasbourg, we were delighted to hear from the British Ambassador to the Council of Europe, our permanent representative, Mrs Eleanor Fuller. We had a good session in London. Our plan now is to hold sessions in Dublin and Belfast, which we hope will take before the end of the summer.

In brief, Committee B is looking at the European Convention on Human Rights and its application in each of our jurisdictions, including in the Crown dependencies, the implementation of human rights legislation across the various jurisdictions, the operation of the Human Rights Act in the United Kingdom and the proposed introduction of a British Bill of Rights, the Northern Ireland Human Rights Commission and the Irish Human Rights Commission and reform of the European Court of Human Rights. It is all very much a work in progress. We hope to report back to the Assembly following our meeting in Glasgow.

**The Co-Chairman (Mr Laurence Robertson MP):**

Thank you, Robert. Would any Member like to ask a question?

**Mr Darren Millar AM:**

I wonder whether there might be an opportunity for the British-Irish Parliamentary Assembly to look at what it can do in terms of furthering the rights of older people in particular. Robert will be aware that while we have a UN Convention on the Rights of the Child we do not have a UN Convention on the rights of older people, which is perhaps an issue which we could further the cause of within our respective Legislatures. Would Committee B be able to investigate, in the context of looking at the rights of older people issues in particular, to push for the introduction of a UN Convention in this regard be it at UN or European level?

**Senator Cáit Keane:**

I support the last speaker. We are currently drawing up a national strategy on older people, which I hope will be ready sooner rather than later.

**The Co-Chairman (Mr Laurence Robertson MP):**

As there are no other questions or contributions, I call Mr Walters MP to respond, following which we will move on.

**Mr Robert Walters MP:**

While the proposal is a good one, I am not absolutely sure whether it falls within the remit of Committee B. There is a committee which looks at social issues and social legislation. Perhaps we can discuss as a steering committee when we next meet whether that is something we could take forward, at least through one of our committees. It is slightly outside the range of the European Convention on Human Rights.

**The Co-Chairman (Mr Laurence Robertson MP):**

It is a matter that can be considered by the steering committee. I thank the Members for their questions and contributions and Mr Robert Walters, MP for his report. As there are no further contributions on this matter, we will move on to the report by Lord Alfred Dubs of Committee D on flooding, a matter close to my heart in Tewkesbury.

**THE WORK OF COMMITTEE D (ENVIRONMENT AND SOCIAL AFFAIRS)**

**The Lord Dubs:**

Before dealing with the report on flooding and as the agenda provides no further opportunity to do so, I would like, if I might, to give a little background on some of the other work which Committee D is doing.

**The Co-Chairman (Mr Laurence Robertson MP):**

Yes.

**The Lord Dubs:**

Members will recall that at the time of the last plenary in Brighton there was some serious flooding in Dublin as a result of which Members of the plenary suggested that, notwithstanding the programme of work put forward by Committee D, we ought to look at flooding as a matter of urgency, which we did. I will come to that later.

At the meeting of the steering committee on Sunday, the Co-Chairman, put three proposals in the way of Committee D. The first proposal was that the committee deal with diesel trafficking-smuggling, in respect of which it was agreed that two members of the committee would act as rapporteurs and report back to the Committee, following which a decision would be taken on whether that was sufficient or we needed to do more. We did this because we cannot do everything and needed to get on with addressing people trafficking.

The second proposal was in respect of a letter which the Co-Chairman had received from Hannah's House, a cross-Border feminist peace building organisation based on Dublin who wanted to Committee D. We felt that in the first instance the best course might be for some Members of Committee D based in Dublin to meet representatives of Hannah's House to discuss the issues involved and consider whether that meeting was sufficient or the committee as a whole should take it on board.

The third proposal, a slight sticky one, was in relation to a letter from Mr. David Stanton, TD suggesting that we consider moving to central European time. We discussed this issue, which is a hot issue, at some length. Many people in Scotland are against any change.

**Mr John Robertson MP:**

Hear, hear.

**The Lord Dubs:**

That is the only heckle during the plenary, thus far. We felt that people in Scotland, in particular the Scottish Parliament, were so against it there would be no useful point in the committee looking at the issue again. The arguments are fairly well worn. I do not like saying on behalf of the committee that we do not think it is useful to proceed with the suggestion made by Mr David Stanton, TD, we do not to do so would be very productive. We know what the outcome would be, namely, there would be a stand-off between those in favour and those against it. Mr David Stanton represents Cork and it is interesting to note that the further south one goes the more likely this change is supported and the further north one goes the more voices there are against it. I hope I am being dispassionate. I personally favour the change but the opposition to it is so strong the committee believed it was not worth doing.

**Mr John Robertson MP:**

Well done.

**The Lord Dubs:**

I am always happy to have friends in the audience. The next issue for the committee, if this report on flooding is adopted today, is people trafficking, which is a serious issue. We have in

this regard already set a date to visit Wales and hope to look at all other jurisdictions. We will be looking at people trafficking within the jurisdiction, of which we understand there is quite an amount, which will be influenced by movement into Britain or Ireland from eastern Europe and so on. We are particularly concerned about what is being done in regard to people trafficking. I know that a lot of work has been done in some jurisdictions. We will put all of that together and see what further work we need to do. It will take us some time to do all of this.

On flooding, Members will note that there is a picture of a pub on the front cover of the committee's report, which happens to be near where I have a home in Cockermouth in the Lake District. Members will note the mark in the context of the flood level, which when I was standing underneath it, was way above my head. The pub is located in the main street in Cockermouth, where all the premises were devastated by very sudden flooding. Flooding can be pretty devastating. There has been serious flooding in Ireland, the west country in Tewkesbury and in other areas. It is ever present. I thought the picture on the front cover would illustrate what the flooding meant in reality. I spared Members having to look at a picture of me underneath the flood sign.

**The Lord German:**

Lord Dubs could have taken the picture himself.

**The Lord Dubs:**

I had included a picture of myself underneath the sign but I removed it.

On the specifics of the report, because of the need to complete it quickly, we took evidence in only two places, Dublin and London. We would like to have done more but such matters take a long time. We felt that given the call at the previous plenary that we do so, we should do a quick report. We heard from a range of witnesses. For example, in Dublin we heard from officials from the Office of Public Works and another Government Department and from the insurance industry and an environment agency in London and so on.

Briefly, the committee believes there should be improved flood prediction. Floods can be sudden. We thought that the skills applied by the meteorological offices and so on should concentrate on trying to improve the quality of flood prediction.

9.45 a.m.

We spent a great deal of time discussing insurance. Some of the people in areas that have been flooded have experienced difficulty getting insurance due to increasing premiums or insurance companies making it hard for them to get cover. We believe there should be further engagement with the insurance industry. There has already been some element of engagement with the industry in London. We believe that this should be pursued in order to ensure that householders are not charged exorbitant increases in their premiums or that they are refused cover.

We also felt that where flood protection measures had been initiated the insurance companies were somewhat slow in responding to the lower level of risk consequent upon the flood protection measures. We felt some pressure should be brought to bear in this regard. We

found that in both jurisdictions there are a number of agencies involved in dealing with flood prevention and the aftermath of flooding. Although the level of co-operation between Dublin and London was not bad, we felt it was important to ensure as good a level of co-operation between agencies as possible and that that should be reviewed at intervals. Notwithstanding the serious financial circumstances in which we find ourselves in London and Dublin, we felt there was a need to look at the possibility of finding capital funds to provide flood defences in the most seriously threatened areas. This is a difficult issue because one cannot predict when flooding will occur. With luck, there might not be any flooding for some time. However, we felt that given the risk of serious flooding, the consequences, damages and costs of which are so serious, that there was a need to consider the provision of some resources to improve the level of flood defences.

Lastly, we are concerned about building developments on flood plains, which are areas subject to flooding. We believe that the planning authorities should co-operate as fully as possible with other agencies in order to minimise the likelihood of planning permission being given for the construction of properties on flood plains, which properties are then a hazard for the owners of such businesses.

Just as we finished our report, there was a new development in terms of water policy in Ireland, which Senator Keane will tell members about. We could not take this into account because we had finished our report but it may have some bearing on how we look at this issue in the future.

We received good co-operation from the authorities in Dublin and London in terms of completing our report quickly. I am grateful to the officials in Dublin and London who helped the committee in setting up meetings at short notice and in producing its report quickly. I am grateful also to the members of my committee for moving so quickly to deal with this issue. Thank you.

**The Co-Chairman (Mr Laurence Robertson MP):**

I thank Lord Dubs for his report. Given the committee did not have a great deal of time to prepare it, it is admirably comprehensive and appears to cover many of the issues which I as an interested party would have wanted it to cover. I call Mr Chris Ruane.

**Mr Chris Ruane MP:**

I would like to speak briefly on the issue of insurance. In January of this year, I was informed by the national press that my constituency, the Vale of Clwyd, was number two out of 650 constituencies in the UK in respect of flooding. There are 8,500 houses in my constituency that are liable to flooding. At a meeting I had three months prior to that with the environment agency I was told that my constituency was 500<sup>th</sup> in this regard. I immediately contacted the Association of British Insurers, ABI, whom I invited to Parliament and held a telephone conferencing on the matter with the environment agency in Wales. Indeed, they had used out of date statistics and the correct figure was 500.

The constituency of my colleague from North Wales, Mr Darren Millar, AM, which was listed as 10,000<sup>th</sup> in the past was in January as low as 600<sup>th</sup>. There have been massive improvements in our area. The river banks on both sides of the River Clwyd have been raised by 40 centimetres, the sea wall has been raised by one metre, two huge underground storage tanks have been installed 100 ft down, the ditches have been cleared as have the gullies. All of this

infrastructure was in place yet this was not reflected in people's insurance premiums. I raised this issue with the committee and I am pleased that in paragraph 14 there are recommendations. The ABI told us that some insurers use the environment agency's data and some their own. All insurers now ought to make their processes for calculating risk. There are no visits to assess in person the level of risk. However, often local communities are well placed to provide guidance on the level of risk in their particular area or for a particular property. Such knowledge can be helpful in preventing poor planning decisions. It seems sensible that it should, where appropriate, be taken into account in setting insurance premiums.

I urge all elected representatives of this Assembly to write to their body of insurers asking them to ensure that where capital improvement programmes are instituted and the risk is diminished, insurance for constituents will be reduced accordingly. I have had two reports - which I am about to follow up - in my constituency that this has not happened. I urge elected and non-elected members to do their best in their constituencies to ensure that insurance premiums are lowered.

**The Co-Chairman (Mr Laurence Robertson MP):**

That is good advice. Another point is the excesses which insurance companies apply. For example, if one has a €20,000 excess one is not effectively insured in many cases.

**Mr Jim Wells MLA:**

As a member of the committee I support the recommendations of the report. We had an interesting visit to Dublin which emphasised the seriousness of this issue. We heard of the tragic case of a Filipino nurse who was drowned in a basement flat in inner Dublin as a result of ineffective flood warnings. That was a dreadful piece of information we received.

When we looked at the maps, it transpired that many people, including even in this room, have been utterly responsible in how they deal with planning applications for development on flood plains. How often have our District Councils, Assemblies or representatives in Westminster naively weighed in in support of a favoured developer that has applied to building housing or a commercial development on a flood plain? I am talking about jobs and creating housing etc. That has been irresponsible. It only adds to the problem. All public representatives must now have a self-denying ordinance that we will not support development on flood plains.

In my own area of South Down in Northern Ireland, I have seen numerous examples of housing developments which should have been approved, where the river's agency has said "over our dead bodies" but the elected representatives thought better and the inevitable happened, they flooded.

The second crucial in the report is the problem of insurance. The agreement between the Government and the insurance companies is about to run out. If it is not renewed, there will be tens of thousands of people throughout the United Kingdom who will not have cover. It is a matter of urgency that we get this report to the relevant authorities and that they act otherwise communities in places like Cockermouth and my own area will be left extremely vulnerable. It is a timely report on a matter of urgency.

On a more general level, it is unfortunate – although I can understand the reason for this – that the committee could not take time to have a full inquiry into diesel laundering. For those who have not had the benefit of experiencing this particular problem, the process involves the removal of the dye from diesel which is used for agricultural purposes, which is much cheaper than the diesel used in cars, and then selling it as legitimate fuel. It is often removed through straining in, of all things, cat litter. The problem is that this cat litter must be disposed of, which causes environmental problems. We estimate that the UK taxpayer loses £200 million a year as a result of this scam. The money generated by this is not declared in VAT returns or HMRC and is used to fund other illegal activity. While the committee will present a short report on this it is a pity we could not deal with this issue. We will have to look at it in the long term. Despite many prosecutions, there have been no custodial sentences for this in the past nine years.

A constituent of mine rang me nine years ago to say that he had been lifted with a lorry load of laundered fuel. The police had stopped him and confiscated his tanker and the fuel. He said he had lost £15,000 in one night and that it would take him 11 days to recoup that loss, which gives an indication of the level of income that derives from this crime.

I support the report and look forward to us meeting on the issue of human trafficking.

**The Co-Chairman (Mr Laurence Robertson MP):**

The Northern Ireland select affairs committee did look into this issue and recently published a report on it, which I am happy to send to anyone who is interested. It is an extremely important subject. I call Senator Cáit Keane.

**Senator Cáit Keane:**

As a member of Committee D, Lord Dubs asked me to say a brief few words about the new regulations that were announced about water in Ireland after we had completed our report.

Water provision in Ireland comes under the auspices of the local authorities. This is now being changed. A new company called “Irish Water” or “Uisce Éireann” is to be established. This announcement was made after we had published the report. While we did know this was in the pipeline, we did not know the detail. We still know very little about the workings of the new company, which will come under the auspices of An Bord Gáis. Many of the issues with which we dealt in the report are important when we are transferring to a national body. Water provision will remain a public service public but will be provided under the auspices of Irish Water which will also have responsibility for maintenance, provision, prevention, aftermath, capital provision and, in particular, planning as mentioned by Mr. Jim Wells. An independent regulator is also being established. All of those issues will have to be examined to ensure tight regulation, in particular in the area of planning. We should have a river basin based planning system rather than a county based system, with everyone looking after their own county.

It is all at sea at the moment because we do not have the full details. Consultations are ongoing. What we have in the report will be transferrable into the new body.

**Mr Darren Millar AM:**

I want to follow up on some of the issues that Chris Ruane raised. My constituency is the biggest in Wales in terms of flood risk. It is essentially a tidal flood risk because the tidal River Clwyd that puts most properties and businesses in my constituency at risk of flooding. To what extent has the committee looked at the opportunities that might arise from energy developments reducing flood risk? One of the issues quite rightly raised in the report is the unavailability of significant capital investment for flood defences and the reduction in finance available to the environment agencies, local authorities, etc. for flood risk management.

The energy industry is rapidly developing in terms renewable energy sources. There are many rivers, in particular tidal rivers, which could if barrages were built develop significant returns in terms of renewable energy. They would also afford some significant flood protection benefits. Has the committee looked at that in any great detail or had any discussions with the energy companies on the potential for development?

**The Co-Chairman (Mr Laurence Robertson MP):**

Would Lord Dubs like to respond?

**The Lord Dubs:**

On the last point, I am afraid we did not. It slipped by although I suppose we would have got into discussions about the Severn barrage and so on. The answer is we have not done it, which I regret. I will be honest, it is not one of the things that came our way. We were so busy dealing with the witnesses we had, who were directly involved with the issues we have talked about.

Could I thank all Members who contributed to the discussion. I am aware that there may well be a need for some follow-up to our conclusions. Therefore, I think as a committee we need to keep watching this. If individual members also keep watch on it and there are any further suggestions such as the one just made we will as a committee look at them. In the fullness of time, we may need to review the position.

I would like to make one other small point. I did not personalise the report. The reason it includes a photograph of Cockermouth, which is in the Lake District, is because I have a very small house there, where I spend most of my time when not busy in Parliament in London. I did not want to include any personal information in the report but my insurance cost for this house, which is a tiny converted barn, was about £400 a year until the year after the flooding when the insurance increased it to £2,600, which is a pretty hefty increase. I was pretty appalled by this. I phoned the insurance company but it refused to budge. It was all based on post codes and so on. I pointed out that if we had not been flooded in the Cockermouth floods – my house is four miles from Cockermouth - we would never be flooded because it was the highest flood ever recorded. I then went – if I can put in a commercial plug - to the local branch of the National Farmers Union, who provide insurance, which looked at the environment agency maps, ignored the post code and matched the previous quote I had.

*10 a.m.*

The lesson is not my personal minor success in this but that if insurance companies are doing this, there are many vulnerable people. The difficulty from the insurance industry point of view is that if a lot of the big companies opt out by charging so much in flood areas, then one or two of the good small companies will bear the entire risk, which goes against all the principles of insurance. There is an awful lot of look at. I am grateful for the chance to debate this. I again thank all members who contributed.

**The Co-Chairman (Mr Laurence Robertson MP):**

I thank Lord Dubs for a valuable report. I now ask that the plenary take note of the report of Committee D on flooding. Is that agreed? Agreed. The Clerks will arrange to send the report to the British and Irish Governments.

**ANNUAL REPORT 2011**

**The Co-Chairman (Mr Laurence Robertson MP):**

The Steering Committee has agreed the draft annual report, copies of which are available on the documents table in the adjoining room.

I ask that the Assembly take note of the 16<sup>th</sup> Annual Report 2011. Is that agreed? Agreed.

**DEVELOPING TRADE OPPORTUNITIES BETWEEN BRITAIN AND IRELAND**

**The Co-Chairman (Mr Joe McHugh TD):**

I invite our three guest speakers to the podium. Before introducing them, I remind everyone that this forum does not have the luxury of parliamentary privilege so the speakers and Members do not have parliamentary privilege. We are all on an even keel.

We are joined by three leaders representing three different companies, which are leaders in their own field. This session's aim is to find out exactly what the policy barriers and challenges are in relation to industry on an east-west basis. The three speakers will give the industry perspective. They are well positioned, with interests in both the UK and Ireland. I think this will be a unique opportunity for legislators to find out exactly what is happening in industry. If we are to show leadership as politicians we have to know what is happening on the ground so I am looking forward to the session. I acknowledge the work and role of the British Irish Chamber of Commerce, located in regions such as Belfast, Dublin, London, Cardiff, Edinburgh and other UK locations, which has been working proactively to pull together business on an east-west basis. Therefore, I acknowledge the work of the British Irish Chamber of Commerce and we look forward to working with that body.

Sally Storey is general manager of GlaxoSmithKline. She was appointed vice-president and general manager of the Irish pharmaceutical business in January 2010. She has worked with GSK for over 14 years and has held various commercial roles in GSK's UK uprating company and in the international section. She has worked in urology and respiratory and during her time at the international section, set up and led a commercial centre of excellence in the respiratory arena. Her early career was spent in FMCG, at a snack food division of PepsiCo in the UK.

She has a degree in Chinese studies from Durham university and that included a year at the People's university in Beijing.

As people will be aware, GSK is one of the world's leading research based pharmaceutical and health care companies headquartered in the UK. It is a global organisation with offices in more than 100 countries and major research centres in the UK, United States, Belgium and China. Sally, you are very welcome.

We are also joined by Eoin Tonge. I spoke to him briefly and he tells me it is either a British or a French surname. For the purposes of today's meeting, we will go with the British explanation. He is group development director of Greencore Group plc, a leading international producer of convenience foods headquartered in Ireland. Greencore employs 11,000 people in its operations across Ireland, the UK and the United States, the majority of which are based in the UK.

Before joining Greencore in 2006, Eoin spent 12 years with Goldman Sachs in its London, Hong Kong and New York offices. In that time, he served as treasurer for Asia and was head of group liquidity risk in New York. You are very welcome, and thank you for coming at short notice. The CEO, Patrick Coveney, was lined up to speak here, but due to circumstances, he was not able to join us, so we appreciate you coming at short notice.

We are also joined by Sean O'Driscoll. He is the chairman and CEO of Glen Dimplex. He joined it in 1990 as group finance director and was appointed deputy chief executive in 1994, chief executive in 1998 and chairman in 2001. Before joining Glen Dimplex, he was a partner in KPMG. He is a member of the president's consultative board of University College Cork, a former member of the Government-appointed Enterprise Advisory Group, which advised the Irish Government on the implementation of their enterprise strategy, and the Ireland-Asia high-level strategy group. He is also a former non-executive director of AIB.

Sean is a graduate of UCC and a chartered accountant. He was awarded an honorary OBE by Her Majesty Queen Elizabeth II for services to British industry. Sean was also a recipient of the inaugural Cork Dublin business person of the year award in 2011. Glen Dimplex employs 1,500 people on the island of Ireland and 3,000 in Britain. You are also very welcome and we look forward to an engaging morning.

We have not decided who will speak first so please decide among yourselves who will go first. We will hear a short contribution from each of the guest speakers and then we will have a Q and A.

**Mr Sean O'Driscoll:**

Good morning, Co-Chairman and Members of the Assembly. The group that I represent was set up in Newry in 1973 in very difficult economic times, in difficult and troubled social times in Northern Ireland. Over the following 40 years, we have grown as an international business, and we have grown with the support of our customers, our suppliers and the institutions of state in Northern Ireland, Britain and Ireland.

We have also acquired substantial businesses, many of them that were in considerable financial difficulty. Indeed many of them were in receivership when we acquired them. We

bought Dimplex out of receivership. We bought Belling out of receivership. Roberts Radio was in very significant financial trouble when we acquired it.

In the first number of years in the history of the group, there was a severe oil crisis. Inflation in Britain was 26%, industry in Britain was on a three-day week and yet our businesses prospered and triumphed during that period. To me, the moral of that story is what is impossible today is possible tomorrow. What it requires is confidence, optimism and hard work.

There are five themes that I would like to address this morning. The first is the amount of trade between our two countries. In excess of 40% of our exports go to Britain, and Ireland is Britain's fifth largest export market. We take that a little for granted I think. What I mean by that is: our Taoiseach and your Prime Minister travel in high-profile overseas trade missions. When did a Taoiseach of our country last lead a high-profile trade mission to Britain? When did a British Prime Minister lead a high-profile trade mission to Ireland? So I suggest that, on a biannual basis, we should have an Irish exhibition event in Britain and Britain should have a biannual event in the alternating year in Ireland. That could be done, for example, in Birmingham at the NEC exhibition centre or at the ExCel centre in London, where food companies, electronic companies, and the tourism industry could showcase Ireland. The status of that would be elevated if there were a joint visit by the Taoiseach and the Prime Minister to both the British event and the Irish event.

Secondly, there is a need to build joint manufacturing clusters. Politicians in the developed world have allowed economists for the past three decades to determine the economies that we require. Economists won the debate and decided that manufacturing was no longer required in a developed economy. Those economists were wrong and our economies have suffered. Manufacturing strengthens an economy more than any other industrial sector and the reason for that is its multiplier factor.

In 2009, the reputable Milken Institute in the United States published a study that said every manufacturing job created, created two and a half indirect jobs, and every services job created, created 0.7 indirect jobs, so manufacturing is critical to economies. Seventy per cent. of R and D across the world is invested by manufacturing companies. If you do not manufacture you do not innovate. That is the moral of that story.

Manufacturing and the restoration of a strong manufacturing sector in our two economies has to be a national priority of our Governments, as it is in Germany and China. To those who say, we are no longer competitive, I would say you are wrong, China is becoming very expensive, wage increases in China in each of the last three years have averaged 15%, the tide has turned and those jobs can come back. All our countries allowed our jobs to be taken by the Chinese. Making that mistake the first time was forgivable. Not getting them back when we can get them back will be unforgivable.

The third area is energy. There is a lot of work going on between our countries in energy, generation and renewable energy from wind and interconnectivity. But energy is much more than just generation and transmission. The real opportunity is in how we use our energy. The big assumption when you look at energy consumers is that the opportunity is in transport or in industry. It is not. It is in buildings. It is in our homes, offices and public buildings. Fifty per cent. of all primary energy consumed in Britain and Ireland is consumed in buildings. Of that, 80% is consumed in heating, cooling and water heating. We should go about it by addressing the existing building stock. We have 29 million homes on these islands, 6 million of which are

in fuel poverty, defined as those households that are spending more than 10% of their income on fuel. At a minimum, there could be a 20% to 30% energy saving in those buildings.

10.15

The annual fuel cost to heat our homes on these islands is approximately €40 billion. In both countries, the single biggest transfer of national wealth each year is not the interest on our national debt—it is the money that we spend to import fossil fuels. The technologies are there but the policies are not. We can create in these islands hundreds of thousands of jobs and save substantial money in the process, taking many people out of fuel poverty. You can start to do it by looking at the public housing stock because 6 million of those 29 million homes are in public ownership, either through local authorities or social housing associations, so there is a big opportunity in the energy area.

The fourth area is getting our civil servants to work more closely together. You are demonstrating politically how closely you are working together and how effectively you are working together. In areas such as food, energy, transport and tourism, we should have working groups of our senior civil servants working on joint policies in these areas. Foreign affairs and defence are separate matters for national reasons, but in those areas where we have complementary requirements, we should get our senior civil servants to work together. Indeed they should be coming to your Assembly and making policy proposals to you. We should look at exchanging civil servants so that they can get to know one another better.

The final area I want to talk about is regulation. Every economy and every society requires sensible regulation, but we have in both jurisdictions a considerable amount of senseless and mindless regulation. I would define sensible regulation as regulation that is there to safeguard our people, our countries, or is there to ensure the implementation of national policies or Government policies. Anything outside of that I would categorise as senseless regulation.

A starting point would be that every Department and every local authority does an audit and inventory of what regulation there is on its statute books, and we have a policy that we eliminate anything that does not safeguard our people, our countries or enhance national policies or Government policies. We should have sensible regulation. You are the people who vote in the legislation and put it on our statute books. You also have it within your gift to eliminate senseless and wasteful regulation and I urge you to do so. Thank up very much.

**The Co-Chairman (Mr Joe McHugh TD):**

With the permission of Members I am going to split the session up to make it more engaging. I am going to take questions from the floor now on Sean's contribution. It might give it a bit more direction. Sean, thank you very much. You have laid out a few challenges. Paschal indicated first that he wanted to ask a question.

**Senator Paschal Mooney:**

You are welcome Sean. I have long admired your successes in Irish industry. It is a great honour for us to have you here today and your comprehensive presentation has given great food for thought. In relation to regulation, it might be useful if you could give some examples, from your daily experience, of the type of regulation that you are talking about. Darina Allen, who was here yesterday, referred to over-regulation in the food industry but there was some reaction to that from some Members here, who felt that there was a need to have regulation in

the food industry, for health reasons and other reasons. Perhaps it might be helpful for the wider debate if you indicate the type of regulation that you are talking about.

My other point strays slightly from what you said, but over the past week or so—this is perhaps more about the Irish economy and to a lesser extent about the UK economy—there have been firm indications that a number of major investors in this country are withdrawing their funds. For example, the Norwegian savings fund, which is perhaps one of the most successful such funds, has withdrawn funds from the eurozone, including Ireland, and today in the national newspapers there are indications that another major fund has pulled out over €1 billion in funds from the Irish economy. Do you see this as a trend? Is it a safeguard? I am asking you as a business man. Should we be concerned that that type of major investment is being taken out of the economy, which in normal times would indicate a lack of confidence in the future of the Irish economy? How do you interpret it?

**Mr Jim Sheridan MP:**

Sean, that is probably the best, most progressive contribution I have heard from a business person in a number of years. I was delighted to hear you make those points. I want to focus on two issues: regulation and Government procurement. Regulation to me means legislation. One of the main difficulties in manufacturing in the past 10 or 20 years is that companies have acted with total impunity, have sacrificed manufacturing work or transferred manufacturing work to the Czech Republic or wherever to exploit the cheap labour. The one and only reason they can do that from the UK perspective is that the employment legislation allows it; companies can sack workers and get rid of manufacturing, and workers have no redress whatever. That is one of the reasons we have lost an awful lot of manufacturing jobs.

A perfect example is a company in my own patch, Hewlett Packard, which sacked 800 workers, transferred the manufacturing work to the Czech Republic and then received £7 million from the taxpayer to set up a call centre. That is the kind of government and political leadership that we have had, under successive Governments, in the UK. It is tragic they have allowed that to happen.

On the question of procurement, I have long argued that we should be using Government procurement policies to make sure that manufacturing work stays within the UK. I cannot imagine the French or the Germans sacrificing their manufacturing capacities and base to give work to the UK, it just does not happen. Their politicians would not allow it to happen. Alas we have been down the road again of transferring manufacturing. I am deliberately trying to be non-partisan but in the UK we have a coalition Government who, in the two years since they have come in, have seen the trade unions as the enemy. Instead of trying to get manufacturing skilled jobs into the UK, they say we need to bring in legislation that makes it easier to hire and fire people. That means that, if someone puts their head above the parapet, and says that there is something wrong, they are sacked. Unfortunately, the coalition Government are going back to that same mind-set: “Let us attack the trade unions as the enemy within.” That will do nothing to give Britain a leading role in manufacturing. I beg UK politicians and Irish politicians: look after your own, the trade unions are not the enemy within, use our procurement processes to make sure that we get the work for our people. That is what we would call safeguarding our people.

**The Co-Chairman (Mr Joe McHugh TD):**

Thank you, Jim. Sean do you want to take those two questions?

**Mr Sean O'Driscoll:**

Dealing with regulation first, I was speaking to an artisan food producer in west Cork in December. That producer had 23 inspections during 2011, most of them administrative. That cannot be right. In May last year I had the opportunity to speak to the association of the implementers of regulation, affectionately known in the Irish media as quangos. I challenged them on the matter in my presentation and they said, "We do not make regulation. Our role is to implement it." I challenged them further and I said, "But is it all good regulation?" and they said, "No of course it isn't." I said, "What do you do about that?" and they said, "We have no mechanism for getting it back into the system—it is one-way traffic." That is why I am saying: if you do an inventory and audit, you can eliminate that one-way system.

With regard to the funds leaving Ireland, clearly I cannot second-guess the Norwegian sovereign wealth fund, but my assumption is that its decision is nothing to do with Ireland and that it is concerned about the possibility of the eurozone breaking up. In January, a lot of corporate money left Ireland. A lot of corporate money left Spain and a lot of corporate money left Portugal. That was not a vote of no confidence in those countries. It was that corporates could not take the risk of leaving their money in a banking system that, when they came to work on Monday morning, might no longer be a part of that, so that would be my interpretation.

With regard to manufacturing going to the Czech Republic, the reality is that you have to be cost competitive. We will get a premium with our brand and our innovation, but that premium will only give you a certain amount. You have to be competitive. If the role of management, trade unions and Government is to protect manufacturing industry, we have all collectively done an awful job over the last number of decades. Both our countries have a common problem: we need jobs. The world needs jobs. The United States has 6 million people fewer working in the economy today than it had in 2007. We all need jobs and we need, as you said, to be allies in this. We need to work together to create those jobs. The days of being in conflict and being adversaries are over. We have to do things that we have never done before to get our people back to work.

**The Co-Chairman (Mr Joe McHugh TD):**

Thank you, Sean. I have four people offering to ask questions. If anyone else wants to come back to Sean, we can do it at the end.

**Senator Paul Coghlan:**

Sean, that was hugely impressive, so congratulations, but I was astounded to hear that many of your successes in building your company were on the back of the financial difficulties of other firms and that you took over firms in receivership. You mentioned Dimplex. I was going to ask you what it was doing when you took it over, because many would have thought from what you said that perhaps you were taking over dead ducks. You did paint the picture of how the economy was in trouble in the 1970s and the oil crisis, but obviously there was more to it than

your confidence. That is taken as a given. Perhaps for trade reasons you cannot tell us what else might have been involved but if you can elaborate a little, I would appreciate it.

I think everyone here agrees with Sean with regard to regulation and the elimination of senseless regulation. Perhaps the Government need to take Sean on to give some guidance on the necessary inventories and audits that would be required to weed that out of the system. It would be great if that could happen.

This is one of my criticisms of Departments. We have about 15 Departments. They are on the one team but they are fighting as though they were individual fiefdoms: they give the hands off to one another. I had a case where an expert in one Department was willing to help in another, but the other Department would not allow him to do so because it did not want to know him. This is crazy stuff considering the situation we are in. Have you come across any such instances? If you have I would like to hear about it.

10.30

**Mr John Robertson MP:**

My constituency is about 30 yards across a bit of water from Jim's, but not all regulation is bad. We have to agree, I think, that regulation is required. You talked about energy poverty and that is where regulation needs to be strengthened to try to deal with companies that are, shall we say, misusing their position to increase costs for the poor in particular. We need to look at that. Paschal asked you for examples. I would be interested in examples of what you would consider good regulation or bad regulation. For someone who works in a company, it would usually be bad, but there must be some good stuff among that as well. I think these things are important. No one wants to see our manufacturing going down but there has to be some form of regulation which allows us to get the procurement that Jim talked about.

You talked about companies and quangos. Again, not all quangos are bad. Where they do not have a mechanism, what mechanism would you like to see between quangos, Governments and business, so that things could be done more quickly?

On a personal note, my colleague mentioned companies in receivership. I support a football team in Glasgow that could do with some money, so if you have any, could you bring it our way?

**The Co-Chairman (Mr Joe McHugh TD):**

Thank you, John—you never miss an opportunity.

**Mr Stephen Lloyd MP:**

On the energy side, you talked about the tremendous opportunities that we have to ensure that our building stock has a lower carbon footprint and is much more energy efficient. There is presents a tremendous opportunity for the UK green industry and the construction industry. Have you had time to look at what the coalition are trying to do to transform the building stock because I think that is quite significant? I would value your feedback on that.

On regulation, I am a member of the Work and Pensions Select Committee in the UK and we recently took evidence from representatives from the Health and Safety Executive, along with a professor who had put together a report on regulation in the UK. One of the interesting things that came out of the inquiry was that there was significant evidence not that regulation was so bad, but that it was often misused by different departments, local authorities and what have you around the country to stop something, using the excuse that we could not do this because of health and safety, so I take your point. There is a real danger of too much regulation. The coalition has the policy of one in, one out and it is something that we are looking hard at, but I knew that in advance of being elected. What became clear from the report though was that often officials use regulation as an excuse when they do not really need to. I would welcome your opinion on whether that also happens in Ireland.

**Mr Patrick O'Donovan TD:**

Following on what Senator Coghlan said, sometimes the most obvious things are the things that you might take for granted, but as an Assembly we often look for tangible things to do and in fairness Sean has proposed two tangible things. I think we should take them on as an Assembly. The first is the civil service voluntary exchange programme. The second is glaringly obvious but no one has ever thought of it: the idea of the trade mission. As a plenary, we should bring forward a formal proposal. I know that the plenary here is reporting to the Dail on Thursday and the British side may avail itself of that opportunity too.

You talked about the successes, twists and turns of your company. Without holding you over a barrel, looking at the Irish Government and at the situation that we find ourselves in at the moment, what things, in the short and medium terms, should we focus on as priorities? What five things will make us more competitive and our economy more attractive? Competitiveness is not really a tangible thing but can you identify perhaps three or four different things that we should focus on in the next four or five years to bring down the cost base? I represent a constituency similar to Jim's: we have seen jobs haemorrhage from the IT sector over the last number of years. It leaves huge devastation. You are right: once is bad enough. To get those jobs back would be great but to lose them again after getting them back, that would be a shock to the system. What would you say are the top five things that you would recommend the Irish Government focus on for the short and medium terms?

**Mr Sean O'Driscoll:**

With regard to our Dimplex business and why that has been successful, it is nothing to do with me—it is to do with our management teams. Our businesses are managed by superb people. Twenty years ago this year, we bought Belling out of receivership. I think Belling was probably the most broken business financially I had ever seen. It has just won the Queen's award for enterprise—it is a market leader—and that is down to the superb management team. Those products are manufactured in Liverpool. Five years ago, 50% of what we were selling under those brands was manufactured in Liverpool; the other 50% was manufactured in eastern Europe. Today over 95% is manufactured in Liverpool, so that is what is possible.

With regard to your question about the different Departments, our civil service in Ireland operates in silos. We know because we knock on those doors. That is part of the reason why I have suggested the idea of an exchange programme. The British system works better and again we know because we work very closely with, for example, DECC. There is far more joined-up thinking.

On energy in Ireland, to really understand energy, you have to take a cradle to grave approach. You have to look at generation, transmission, the whole area of consumption, the whole area of waste. In Ireland, the Department of the environment is responsible for building regulations, the Department of energy is responsible for generation and transmission, the Department of social protection is responsible for fuel poverty, and the Department of transport is responsible for transport CO<sub>2</sub> emissions. We need much more joined-up thinking.

With regard to regulation, let me repeat what I said at the outset: every society and economy requires sensible regulation so I am not anti-regulation. I am pro sensible good regulation. We know all the reasons that we have to have it.

With regard to your football team, we saved a business in Liverpool, Prescot. We acquired it in 2000. It would have closed had we not bought it. That is where we make our appliances today. Two years ago, when Liverpool were for sale, as I was walking along the factory floor, one of the operatives came to me and said, "Any possibility of buying Liverpool and turning it around as well?"

With regard to the energy policy in the UK, we work closely with DECC, the BRE and the utility companies. We in Ireland can learn a lot from the energy policy in the UK. Again I am looking at it from the point of view of energy efficiency in buildings, whether it be insulation, clean tech or renewable technologies. We can learn a lot. Again, far more proactive engagement between Ireland and Britain in that area can do a significant amount.

One of the issues in the first year of Government was inconsistency of policies. What industry requires, particularly emerging industries, is certainty of policy. You might not like the policy but as long as you have certainty and predictability, you can set about planning your business. In the first year, there was a lack of certainty but clarity has certainly begun to come into policy over the past six months or so. So we are now in a far better position to plan our renewable technologies and clean technologies than we were a year ago.

I was asked for five ideas. I am not sure whether I have five ideas for you, but joined-up thinking is No. 1. We need to eliminate the silo mentality. The sum of the parts is far more significant than the individual parts. That is the first thing that we need to do.

We need an energy policy in Ireland. We do not have an energy policy. Denmark is self-sufficient in fossil fuels yet it has a policy to be independent of fossil fuels by 2050. That is a long complex journey but on that road they have regulated. They have law that says, you cannot install an oil burning furnace in a private home after 2013. After 2015, an existing home cannot replace an oil burner with another oil burner. All France's public buildings must reduce energy consumption by 20% by the year 2020. That is what I mean by national policies. We do not have those. If we did have them, you could generate significant savings for the economy and create a significant number of jobs, getting electricians, plumbers, window installers and insulation installers back to work. If we had serious national energy policies, not just around generation or transmission, you could create significant industries and installation jobs, not only in Ireland but across Europe.

**The Co-Chairman (Mr Joe McHugh TD):**

Before I call our next speaker, I thank you Sean for your proposals. One of the things that we want to come out of this parliamentary plenary are concrete proposals. While we do have a

signed declaration through the British Prime Minister and our own our Taoiseach, Enda Kenny, in relation to enhanced co-operation, I think we can as a plenary try to feed in the proposal for a biannual Irish and British trade mission. How that happens I am not sure, but it is something that we should advance as an Assembly, so we appreciate your proposals. With the agreement of the plenary, I will ask our officials to pass on the two proposals, one specific to the trade mission on Irish British business, to all our respective Parliaments. Is that agreed?

**Members:** Agreed.

**The Co-Chairman (Mr Joe McHugh TD):**

Thank you. In relation to civil servant exchanges, that is imaginative thinking but I want to hold on to my civil servants for another wee while because they have done a great job over the last couple of days. However, I think that type of creative, imaginative thinking is required as well.

I welcome Eoin Tonge from Greencore. You are very welcome and thank you for coming to address us.

**Mr Eoin Tonge:**

Thank you Co-chair, and good morning everyone. Thanks Sean: you are a hard act to follow because you already have two proposals in, so I am under a bit of pressure.

Thank you for having me. I am the group development director for Greencore Group plc, which means that I look after the strategy of the group, all its merger and acquisition activity and in general focus on growing the company.

10.45

Greencore is a well known company in Ireland, with a long and somewhat colourful history since it was privatised in 1991. In the last 10 years or so we have transformed our business. The bulk of our business is in the UK now, where we hold market leading positions in convenience foods: sandwiches, prepared meals and a lot of food that we would eat on a daily basis that have private labels. We manufacture for the major retailers so as a result you would not know our name.

Having said that, we produce about 400 million sandwiches a year, to give you a sense of the scale. That makes us the largest manufacturer of sandwiches in the world, which is always an amusing moniker to have. We employ over 10,000 people in the UK, which makes us one of the largest Irish employers in the UK. We still very much remain an Irish company. Our HQ is based in Santry, in Dublin. We have a growing, albeit modest, legacy ingredients business. Ireland is the largest market, after the UK, where we source supplies for our products in the UK: we source about £100 million of ingredients every year. We have recently been expanding our business out of the UK and Ireland into the United States and that has been based on a platform combination of UK and Irish expertise. That is a theme I will come back to later.

The UK market in which we operate is one of the most sophisticated food markets in the world. I am not going to talk a lot about regulation, because a lot has been said already. The UK has

superb standards in food safety. We are investing in the United States and it is noticeable how cherished the standards are that emanate from the UK. That has been led by innovative retailers over the years such as Marks and Spencer but all the other retailers have followed suit. We are one of the many Irish companies with strong, large positions in the UK, including Kerry Group so as an industry we very much punch above our weight.

I am here as a representative of the food industry. I know you guys have had a lot of food so far during this plenary, probably literally and figuratively, with Darina Allen and Michael Carey last night, so I hope to reinforce some of the points that they made.

This is clearly a critical and vital industry for both markets. The key message is that we are interdependent. We are natural bedfellows, given our proximity, our similar food culture and so on. In Ireland, it represents around 8% of GDP; 44% of all food and drinks exports go to the UK. I think that last year there were just under €4 billion of exports to the UK. About £3 billion goes the other way in food and drinks, so this is huge and it needs to be cherished. More can be done in a number of areas by focusing on common standards, joint investment in innovation and education.

My notes stop there but I am going to keep going for a bit. Last night I was speaking to Steve Aiken, chief executive of the British Irish Chamber of Commerce, about coming here today and he mentioned the word “synergies”. What are the synergies between two markets? As business men, particularly when we look at acquisitions, we always talk about synergies. There is a huge number of potential synergies across the British and Irish markets as it pertains to the food and drinks industry. I am going to talk about six relatively briefly and then take your questions.

The first is sustainability. I know a lot of people talk about it. The reality is that most surveys would say that sustainability is the real opportunity in the food and drinks sector. In many areas, Ireland has a big focus on developing itself as a true leader in sustainable and responsible sourcing, and the UK has a huge focus on sustainability across the supply chain, largely led by retailers such as M&S, which has plan A, Sainsbury’s, which has the 2020 plan and other retailers, so it is a natural fit. Clearly more can be done on both sides in relation to the supply chain and a more joined-up approach could yield benefits.

The second synergy is around common standards. We have talked about regulation. There is no doubt that not all regulation is bad and food industry needs regulation. The reality is that standards in the UK and the Irish food industries are very strong. An awful lot of self-regulation goes on. That is the reason why many people complain: it is not because of regulation; it is mainly the duplication of regulation that they have the problem with. We have good standards across both markets in food safety, sourcing, health and safety and so on. Instead of saying we have barriers to trade at the moment, I would urge us to ensure that we do not create false barriers as the world gets a bit more parochial, as Britain starts to focus on British beef and British chicken. I urge us to say that Irish chicken does not equal Thai chicken and British beef does not equal South American beef. We are preferred trading partners already. Do not make it more difficult.

My third point is about applying EU regulation. A large part of the regulation comes from the EU. We should try to adopt a common approach, given the interdependence of our markets. There is shared expertise that we can apply when we deal with these regulations because a lot of times it is all about local interpretation and that local interpretation can be very difficult. If

edicts come from the EU, they can cause an awful lot of difficulty. We can avoid duplication in administration by working together on that.

Fourthly, Bord Bia and the Irish Government have adopted six findings for food, called the pathways for growth. One of them is about co-opetition, which is about working together to facilitate companies working together and valuing change to identify areas of opportunity. Again it is kind of stating the obvious but we are clearly interdependent. We can do more together. We can work together and take out inefficiencies in the system.

On Sean's recommendation, I could not echo that more. Can I put my name to the recommendation as well? It is a no brainer—we should do more work together between two markets. It is a bit like going out for a date with your wife. You kind of forget sometimes who your most important partner is and, at the end of the day, the UK and Ireland are the most important partners.

Fifthly, one of the key areas of focus in the pathways for growth is innovation, and that focus can be extended across both markets. Irish companies have a huge presence in the UK. UK companies have a more limited presence in Ireland. I think there is a real opportunity for joint investment in areas of innovation, centres of excellence and so on. A huge amount of expertise in the UK and Irish food industry can be used as a platform for growth and export to new markets and existing markets. I cannot emphasise enough how surprising working in the United States has been in terms of how behind the standards are in relation to food and drink.

My sixth synergy is education. It may be hard sometimes to think about investing in education when we have so many other fiscal issues. The reality is that this industry accounts for 8% of GDP in Ireland; I think it is something similar in the UK. We cannot get people from education into food. It is remarkable. People are pushed into law and business yet this is a huge industry and we do not seem to be able to get people. There is no doubt that there is duplication of Government funding across markets. There is an opportunity for us to work together here because there is a dearth of education supply in both markets, not just in one market. With that I will take questions.

**The Co-Chairman (Mr Joe McHugh TD):**

Thank you Eoin. We will gladly add your name to the proposal for the UK-Irish trade missions. I will call Ann Phelan and then Baroness Angela Smith. I talked to Angela yesterday. Apologies for not giving your proper title. I think in the House of Lords they call you M'lady—

**Baroness Angela Smith:**

Angela is fine.

**The Co-Chairman (Mr Joe McHugh TD):**

Thank you. I call Ann Phelan.

**Ms Ann Phelan TD:**

Unfortunately, our relationship with Greencore in Carlow is not the most pleasant and my constituents would never forgive me if I did not ask you this question. With the benefit of hindsight, would you make the same decision to end the sugar industry in Carlow? Is there any hope at all on the horizon that it could reopen, and what as a company do you intend to do with that extremely large site in Carlow, which now has very little on it?

**Baroness Angela Smith:**

I was struck by two very different presentations but very similar themes. On the issue of regulation, it seems to me that the Government think that business never wants regulation, business thinks that the Government always want regulation, and the reality is somewhere in between. When I was a constituency MP, I had a number of businesses that would come to me wanting regulation to protect them as businesses from what they called the cowboys in their industries so the idea that a business does not want regulation is one that I think you have both put to bed successfully today.

Sean talked about civil servants exchanges and Eoin talked about where greater co-operation would benefit business in the UK, and presumably it would have the same impact in Ireland. The idea of exchanges appeals to me. About 40 years ago, in Essex, we had exchanges between teachers from Essex and teachers in Ireland and that was hugely successful and a wonderful project. The benefits were long term, so looking at civil service exchanges, I wonder, if some people are not prepared to go that far at this stage, whether there are areas of co-operation between both our countries' civil servants. You have mentioned green regulation. There must be others that would be of benefit to business but would also benefit Government, because Government would not try to reinvent the wheel or duplicate the work that is being done in other countries.

**Mr Martin Heydon TD:**

Eoin, thank you for your contribution this morning. Following on from Deputy Phelan, I am TD for Kildare South and, as a young farmer, I am all too aware of these issues. My uncle was a producer of sugar beet and I am aware of the value of the industry was to our area. In many instances, back in the day, when the crop was bad, it would be the beet sector that would pay tillage farmers' bills and keep everything afloat.

Today we talk a lot about the smart economy and the potential we have through the likes of cloud computing, which is very important, but it is not going to provide employment for everyone. I feel that, to get out of this recession, we need to focus on indigenous industries, something that we have a track record in, that we have expertise in, and that we have the climate for. I feel that sugar would meet those requirements that and I would be actively involved in the campaign to re-establish the sugar beet industry here. I would be interested to hear your view. This is not about getting at you.

Being involved in the food industry, what is your view of the European strategy in relation to sugar? Obviously, Ireland is out of the sugar production industry until 2015, but a large number of us hope that beyond that we will be able to access quota again, if quota is not abolished all together, which is the proposal of the commissioner. What is your view on that? In general what is your view of the overall European strategy in relation to sugar and the price

of sugar? I know that Irish industry would have significant difficulty not only paying the high price for sugar at present but in securing supply.

**The Co-Chairman (Mr Joe McHugh TD):**

If there are any other questions on sugar beet, I would like to take them now.

**Mr Mattie McGrath TD:**

I support my two colleagues from South Tipperary. I was involved in the sugar industry as a young man and indeed as a young boy. The decision to remove the sugar industry from Ireland was very sad. I honestly am not here to get at you either but I have to put it straight to you that Greencore plundered a good industry. We had four factories at one stage. Then we had two: Carlow and Mallow. By closing Carlow, there was no hope then, when we had to rationalise our situation, so I think it was a terrible decision. I would like to know as well what your views are as regards re-establishing that because it was an all-year round industry: not only September, October and November. There were people involved in lime, and other offshoots of it and it provided huge employment.

11 a.m.

**Mr Noel Coonan TD:**

Go raibh maith agat.

Thank you Mr Tonge for your address this morning. I am concerned about some aspects. When companies such as Greencore make a presentation, they put forward various things in the manner of experts and one of the things that you said at the time of the closure of the sugar factory was that it was not economical to run it any more, and that there was an over-supply of sugar. Now we discover that there is a shortage of sugar in Europe and costs have escalated. Not only that, but many food producers—we tasted their food last night and you are making me hungry this morning by reminding me of it—will tell you that they cannot get the quality of sugar that is necessary to produce quality food in Ireland and that is a major issue.

You told us at the time that you had no option. Then we heard in a report from the European Court of Auditors that it was not necessary to close that, but you diverted from your core industry, which is food, and got on the bandwagon of greed, and you left the Irish state without a sugar industry. I want to know specifically how you intend to redress that wrong, and how you hope to put right the wrong that you did to the Irish farming community.

Also there is a rumour circulating that Greencore, an associated member or a former CEO in your industry is now planning on producing sugar in Ireland and bringing it to the north of Ireland for manufacture, for bio-energy. Quite simply, do you see a role for sugar production in this country based on the British model for sugar production or on the model for production of bio-energy?

**The Co-Chairman (Mr Joe McHugh TD):**

Can I remind the Members that this is not a Committee meeting and Eoin Tonge is here to talk about opportunities and challenges? At the same time, I understand it is a very important and serious issue and obviously Eoin will have an answer in that regard.

**Mr Jack Wall TD:**

I think it was your colleague, Co-chair, from Donegal who said there was no sugar in Donegal, so I recognise your interest in the matter. As someone who served his apprenticeship in a sugar company in Carlow, I could not put into words my disappointment at that decision, which was for me the most tragic and biggest mistake in Irish industry for many years—the withdrawal of the sugar beet industry. It was unbelievable when you consider the spin-off for jobs. The decision was motivated by nothing other than greed. The value of the sites was seen at the time as being what was most important.

I passed the site in Carlow last week and I saw a monument there: the old lime kiln. It is disgusting that that is the only thing that is left of such an industry, which was so important to so many counties. My colleague Martin Heydon and others, including Ann Phelan, Noel and Mattie, have talked about it. The value of that industry was absolutely unbelievable and, with the stroke of a pen, Greencore cut it off. We have talked about the golden handshake and everything that went with it. It was an utter disgrace. What Noel is saying and what we are all saying here is that there is an onus on Greencore, given that the facts that it used at the time do not stand up now, to come clean in relation to this and to tell us why they made the decision and whether have they any plans to redress the major problem that was created for so many people.

**The Co-Chairman (Mr Joe McHugh TD):**

Thank you Jack. Obviously Eoin may not have all the answers to all the questions here this morning but I am sure that he will be the messenger and take back the very strong message delivered here, which you have obviously picked up, Eoin.

**Mr Eoin Tonge:**

Thank you very much for all the questions. I guess I did not expect to come here without getting questions on the sugar industry. We recognise that the decision made in 2006 was a tough decision for all the people who were affected. There is not much more I can say about that. I do not think any of the experts are here in the room but as a company we are very crystal clear that the decisions we made back then were very clear in relation to our exit and we had no choice in relation to the exit.

As it pertains to the future of the sugar industry, we have to be honest here and say that, as a result of the fact that we exited six years ago, we are not in touch with the sugar industry as much as we used to be. We are a large user of sugar and as a result we recognise there have been significant changes in the EU sugar world. It is very hard for me personally, and as a company I think to a certain extent, to have a view on what Ireland should do as it relates to sugar. I can tell you that, if there is a rumour of Greencore getting back into sugar, I can dispel it right now. We are not getting back into sugar and I am not sure who is. We would support and try to help to the extent that we can any expertise that is left in the company in relation to supporting the start back into sugar but the reality is that the expertise no longer exists in the company.

In relation to the site itself, we are trying to do whatever we can on what is a large tract of site and we are working with local people. There are a couple of plans in there. I have not got all

the details. Frankly we are trying to do whatever we can in relation to the site. As you can imagine, large tracts of development land in Ireland are quite difficult at the moment. That is all I have to say about sugar.

I want to come back to the point about two-way regulation. The reality is that we welcome regulation and in some ways we consider that we are a better company by being well regulated. I will use the American example again. We are a much better company and much better able to invest in the United States as a result of the fact that we have very good regulation in the UK, so we do welcome regulation and I wanted to echo that.

On the exchanges, that was the point that I was making about co-opetition, which is the buzzword that is used. There is no doubt that more could be done. If you look at Bord Bia's six pathways to growth, they are quite exciting. There is no doubt that the UK has the six. Perhaps they are called different things, so clearly we can do more together in focusing on some of those points.

**The Co-Chairman (Mr Joe McHugh TD):**

Thank you, Eoin. I would certainly encourage you to take back the very strong message today in relation to some of the questions. I would appreciate that. Four more Members want to ask questions. I am conscious of the time and would like the three guest speakers to have an equal amount of time.

**Viscount Bridgeman:**

My son, who I would like you to know is a Trinity graduate, had a job with a leading London department store, probably one of the finest food and wine departments in London. They liked him. He very much liked the job. They were very keen for him to stay but when it came to a graduate training programme, no way, there was the usual problem about discrimination against other clients. It is not really a British-Irish point but I hope that that sort of own goal on the part of the companies is not prevalent in the food industry, taking up your point.

**Mr Frank Feighan TD:**

I thank Eoin for the presentation. The innovation that Greencore has shown over the past few years has been very good for everyone. I think Greencore probably went the same way as most Irish businesses. Everyone had a certain core business but they deviated from it. Most people in business speculated in the so-called property boom and that is why this country is in the place it is in—we got away from our core business. There was easier money to be made building, buying or whatever. You saw it in agriculture. A lot of young men left the land to earn three times more elsewhere, so I can understand why your business did diversify. However, when you left the market in Ireland, it was more for pounds, shillings and pence than for loyalty. I can understand it because that was the way this country went. That is why we are in this situation and we have to go back to our core values.

I have two questions. How do we interpret EU law? Is there a difference in Ireland? Are we much stricter than the UK? Is there any law out there that you would like us as an Assembly to take back to the two Parliaments because it is crazy? We read about such laws all the time—they are about bananas being straightened or yellow bananas becoming green or whatever. Are you dealing with any such law in your own industry?

Any time you go into a supermarket now, with the packaging and the whole lot, you nearly feel guilty if you come out with only half a basket full because it all looks so inviting. Obesity is a huge issue, which was raised yesterday. We are spending so much putting it on and then we are spending so much in the health field trying to take it off. What exactly are you doing in your company to counteract obesity?

**Ms Ciara Conway TD:**

Thank you for your presentation. I am TD for Waterford in the south-east of the country, which unfortunately has one of the highest unemployment rates in the country currently, so I was struck by your comment that you cannot attract people to the food industry. Darina Allen was here yesterday and she commended the Waterford Institute of Technology for the €35 million investment in the food sector. I invite Greencore to create those links with institutes of technology so that you are at the coal face with the graduates and you can attract them to the industry.

Darina Allen, time and again yesterday, said that this business is ripe for tackling our youth unemployment crisis. As one of the youngest Members of the House, I feel obliged to put it to your industry that it needs to step up to the plate and to think creatively about how to engage graduates to ensure that they are attracted to working in your industry. We know that the jobs are no longer there in law, in the property market and in architectural design, so make your industry attractive for young people. We have the graduates, they want to work, so come and meet them.

There is a food and hospitality school in the Waterford Institute of Technology. We are currently bidding to become the first technological university of this country, with graduates ready to work in industry, so I invite you to make those links. That would be something tangible that has come out of this plenary session and it would go a long way to addressing what can only be described as the unemployment crisis in the south-east.

**Senator Paschal Mooney:**

Can I first, Co-chair, with your indulgence, say that I understand, having been with her yesterday evening at the dinner, that this will be Angela Smith's last plenary? She is moving on to pastures new in the House of Lords. I wish her well and I am sure that the Assembly would agree that our loss will be the House of Lords's gain. It is a pity that she is leaving us but we wish her well.

I thank Eoin for his comments. My friends and colleagues have been involved in the sugar beet industry. I also have an interest in Greencore's activities because, following the closure of the factory in Drumshannon, Greencore took over that state of the art plant. Unfortunately the plans it had did not work out, but as I said yesterday there is now a food hub operating out of that facility, which provides state of the art expertise through the various state food agencies, is developing indigenous food products and is employing around 45 to 50 people, with three incubation units.

11.15 a.m.

Does Greencore see itself as having a role in helping the indigenous food sector and in helping the development of indigenous food products? We heard yesterday from Darina. We

know from the various food fairs that have taken place here, that there has been an explosion in the development of Irish food products at artisan level, but it seems to me that in some—I advisedly use the word “some”—instances, while companies may have wonderful ideas in terms of the food product, when it comes to marketing and accessing markets, they perhaps fall down. Does Greencore see itself as having any role in that regard?

Do you see any link between the tourist industry and the food industry? The reason I ask goes back to Sean's point about joined-up thinking. We have on the one hand a massive drive now by Tourism Ireland to increase market share across our traditional markets outside the UK. Again I am sure you will be able to answer this, but it seems to me that Greencore is focusing to a large extent, rightly—you know better than me—on our nearest and largest market, but you did not make any reference to the other European markets. You referred to the United States but you did not talk about France or Germany, where I understand Bord Bia is now launching a massive drive to try to emulate the success of your competitors, Kerry Group, in the development of Kerrygold, which is now the No. 1 product in Germany in that area. If Tourism Ireland is developing markets, if those people are coming to Ireland, if one of the key pull factors for them is not so much our scenery as our food and culture, and if when they go back home, they cannot access that particular food in the supermarket, we will miss an opportunity. Do you see any link in marketing terms between the two organisations, which might help to increase food exports in this country and help you to expand your markets into areas outside the UK and United States?

**The Co-Chairman (Mr Joe McHugh TD):**

Just to sum up can I ask you to be brief, as it would be much appreciated?

**Mr Eoin Tonge:**

No problem. I will try to link the graduate point and the employment point. Companies such as ourselves can do better on both, and in terms of the education system itself. We do not have a graduate training programme and that is pretty bad actually. As a company, it is hard to start one. It is hard to get that investment, so in some ways, we need a bit of support to get over the hump of that. I do not think we create any own goals in relation to who we employ or anything like that, but I think there is something you say in relation to us spending a bit more time with universities. We do spend some time with Nottingham and Reading universities so there is no reason why we could not do so in Ireland as well, so that is something we can look into.

On the question of interpreting EU law, it is hard to go into specifics. You mentioned some of the specifics. It is when the regulations are daft that we have problems. A lot of the EU law about health, responsibility, food safety, health and safety, the general topics, is fine. It is when it goes into the area of meat off the bone, the size of bananas that it becomes slightly ridiculous.

On obesity, we are signed up to the public health responsibility deal in the UK, which includes six tenets about salt reduction, removal of industrial trans fats and so forth. In the UK, although I know there are increasing problems with obesity, the Food Standards Agency has been very strong on targets for health for a number of years, which we have worked with. It is all about portion sizes now. The big piece of work is all on portion sizes. The reality is a lot of nasties have been taken out of food. A lot of the salt has been reduced to the point where if you reduce

it any more you do not have any taste, so in some ways a lot of work has been done. We signed up to all the pledges in relation to that.

There was a question about indigenous food products, I could not agree with you more about the link between tourism and food. I was at a lunch with Michael Ring TD recently and we were talking about how much Ireland—and the UK—has to start focusing on the bits that we are good at. We are good at natural landscape and at food and hospitality. We have to do more about it and it has to be joined up.

On the reasons why we do not focus on other markets, we are under private label, which means it is tough. You have to go into markets where the retailers are ready for you to be able to make money, to put it crudely. In that respect, the European markets are tough to break into. The United States is proving to be tricky enough but we are getting there, so we are in a slightly different space in that respect; it is more a mass private label industry. However, I could not agree with you more in terms of the link. A lot of training can be done on this. People come over here to see the beauty of Ireland and experience the craic and everything like that. We can reinforce that with the quality of the food so I agree with you.

**The Co-Chairman (Mr Joe McHugh TD):**

Thanks, Eoin. I appreciate that. A very interesting suggestion was made by Deputy Conway in relation to education. May I make a point on that? The trends are showing that students are taking up food courses now. I suppose where industry is having trouble is it has to wait two or three years before the students graduate, so there is a challenge there. Perhaps with the agreement of Members, it is something we could look at through one of the committees to see how we could work with industry. I thank you for that.

We really appreciate your patience Sally: you know men when they start chatting, they never stop. We appreciate you coming. As you know, Sally is here representing GSK.

**Ms Sally Storey:**

Good morning everyone. Ta an-athas orm bheith anseo inniu. The last time an English woman spoke a few words of Irish in Dublin Castle, she wooed a whole nation. I speak, of course, of Her Majesty, Queen Elizabeth II. I'm not setting my bar quite so high, but it would be great to keep your attention for a few minutes.

Rather than concentrating on trade barriers per se, I am going to give a perspective on leading a British, science-led global healthcare company that employs nearly 1,700 people in Ireland and about 15,000 in the UK. Now GSK's mission is to help people to do more, feel better and live longer and a key part of our identity is the fact that we are a British company. Two months ago, our CEO, Sir Andrew Witty, announced a £500 million investment in the UK. The investment was made because of a desire to invest in our home country but also because it made sound economic sense. Similarly, GSK continues to invest in Ireland because it makes sense. We have a strong tradition of capital investment in Ireland dating back to the 1970s and we recognise the significant offering that is available in Ireland both in terms of people and industrial policy.

Two of our sites, those in Cork and Dungarvan, are key strategic assets in our global manufacturing network, the former making active ingredients for products and for treatments in

areas such as breast cancer and Parkinson's disease. We have our consumer manufacturing site in Dungarvan that makes every Panadol tablet sold throughout the world—about 6.5 billion Panadol tablets go out of Dungarvan every year.

On a personal note, I am very proud to lead a British company in Ireland. In mid-March, about 700 of GSK's executives from around the world assembled in Dublin for our global leadership conference, which happens every four years or so. At the end of the conference, I had the pleasure of accompanying our CEO to meet the Taoiseach. Andrew spoke of the tremendous welcome that our people had received in Dublin. I felt incredibly proud with Dublin hosting. We have fantastic facilities here now for international conferences, as I am sure you are all aware, with the convention centre and the RDS and we had a dinner at Dublin Castle as well.

Andrew also paid great credit to the work that the Irish Government are doing in bringing the public finances back into kilter and restoring Ireland's reputation abroad. Political and economic stability are, according to Sir Andrew, two critical ingredients in attracting and maintaining foreign direct investment in Ireland. We have heard a bit about that already today.

For that reason, GSK, along with thousands of companies throughout Ireland, will be paying very close attention to the outcome of the referendum on the Fiscal Treaty on 31 May 31. I also agree with the Taoiseach and the chief executive of the IDA when they say that economic certainty is a critical factor in attracting foreign direct investment. In much the same way as potential investors in the stock market will look at companies and assess their access to credit, companies look at countries and Governments to see whether they can self-finance essential public services or, if not, ask whether they have access to finance through borrowing. We are all hopeful that post the current IMF-ECB-EU programme, Ireland will be able to return to bond markets and borrow at affordable rates. Should that not happen, access to a European fund would be a very valuable insurance policy. I know that, in my business, it is important to have a contingency plan, no more so than now in Ireland when the future of medicines supply is uncertain for the first time in recent history.

As many of you will be aware, for many years, the supply of medicines in Ireland has been governed by a long-term agreement between the Department of Health, the Health Service Executive and the Irish Pharmaceutical Healthcare Association, which is the representative body of the pharma sector. Historically, these agreements have worked incredibly well and ensured that there is early access to new medicines for Irish patients. Prices in Ireland were in the headlines a while ago but they have fallen dramatically, particularly in the last two years.

The last supply agreement we had expired on 29 February this year and the industry very much wishes to enter into a new long-term agreement with the Government, particularly to ensure that we can safeguard innovation. Innovation is the lifeblood of our industry. A new medicine takes many years and approximately a billion euros to develop. When the medicine is licensed and approved, we anticipate that, for the life of the patent, a fair price should be charged, provided, of course, that the medicine offers benefit over and above the current standard of care. Once the medicine comes off patent, the cost falls and savings can be reinvested into new innovation. That is where we get the cycle. That is not happening in Ireland at the moment and in some cases, medicines that are made in Ireland are available to patients in other EU countries but not here In Ireland.

Because of the need to plan and the long lead-in time that precedes the launch of a new medicine, companies such as GSK need to know that our products will be reimbursed and will

be reimbursed at a fair price. Thirteen of the top 15 global pharmaceutical companies have manufacturing operations in Ireland, producing five of the top 12 medicines in the world. Along with chemicals and medical products, the pharmaceutical industry accounts for over 50% of our exports, generating a record €55 billion in 2011—it is a phenomenal amount—consolidating Ireland's position as the largest net exporter of medicines in the world. Ireland is very important to our industry. I would also like to think that the industry is very important to Ireland and that we can work in partnership with the Government to ensure not only longer-term medicines supply but continued FDI.

Little over a decade ago, Ireland attracted one quarter of all US “greenfield” foreign direct investment. Wage rates were competitive and the corporate tax offering was very appealing. Unfortunately, about a decade ago, that competitiveness fell slightly and competition on the corporate tax front intensified. Business and Government have strived with some success to restore competitiveness. We were talking about manufacturing earlier. Our plant in Cork, through cutting costs, has managed to win some business back from India, so it is possible to do it. For example, labour costs here have declined here over the past five years and increased elsewhere in the eurozone. So everyone needs to think about how much more competitive they can be. There is a good example in the UK at the moment.

Many of you will be aware that a key element of George Osborne's Budget in March was the introduction of a "Patent" Box". This is a new tax mechanism that introduces a lower rate of corporation tax on profits generated from UK-owned Intellectual property. It is designed to encourage investment in R&D and related manufacturing and to significantly improve the UK's international competitiveness and encourage long-term inward investment in the UK. In response, as I mentioned earlier, GSK announced investments totalling over £500 million in the UK; £350 million of that will be in a new biopharm facility in Cumbria.

I think there is a bit of fear in Irish Government circles that if corporation tax is altered in any way, it will lead to a German or French call to raise the headline rate of 12.5%. Don't get me wrong: it is critical to maintain that 12.5% in Ireland but innovation needs to be looked at here and Ireland cannot afford to slip behind in terms of a tax offering. For companies such as ours that have large-scale manufacturing sites in both Britain and Ireland, where hourly manufacturing rates are very similar, the patent box will undoubtedly give the UK an edge in attracting investment. This will be a particular challenge for any multinational company in Ireland that also has a presence in the UK.

11.30 a.m.

There is much to be learned from each other. We very much support the Irish Government's "Action Plan for Jobs", in particular, the proposals to create a manufacturing development forum and the health innovation hub, and we would very much wish to contribute to both initiatives. The UK Government have quite a good history of this and they invite input from business in shaping economic policy through forums such as the Business Advisory Council. Along with Eric Schmidt, CEO of Google, Sir James Dyson, founder of Dyson, and 22 other business leaders, GSK's CEO, Sir Andrew Witty sits on the Prime Minister Cameron's Business Advisory Council, the aim of which is to provide advice and guidance on concerns and priorities facing the British economy in general, and strategically important sectors in particular. Whether through a manufacturing development forum, a health innovation hub or some other forum, I think it is vital that business and the Government come together to share

ideas about improving the business environment, and I want to see more of that happening in Ireland.

GSK wants to maintain our strong presence in Ireland, providing valuable employment, paying over €100 million in salaries to our employees every year and most importantly providing innovative medicines to Irish patients. By working in partnership with Governments on both sides of the Irish Sea, I genuinely believe that this and more can be achieved. Thank you.

**The Co-Chairman (Mr Joe McHugh TD):**

Thank you, Sally. To pick up on one of the your last sentences about improving the business environment and Governments coming together with industry—you said you want to see more of it happening—can we add your name to the call for British Irish trade missions?

**Ms Sally Storey:** Yes

**The Co-Chairman (Mr Joe McHugh TD):**

That is great. Thank you. I call Chris Ruane and then Seamus.

**Mr Chris Ruane MP:**

Yesterday I raised the issue of mindfulness based therapies in the treatment of recurring long-term depression. In 2004, the National Institute for Clinical Excellence, or NICE, after rigorous scientific testing, declared it to be more effective than drug based therapies or one to one counselling, but since that time, it has not been taken up.

I tabled a parliamentary question two weeks ago to find out the number of anti-depressant prescriptions that had been given over the past two years and that has gone up by 20%, so the number of drugs that were given to people to treat long-term depression went up by 20% in a two-year period. Paul Burstow, the British Minister, did not know about mindfulness and yesterday when I raised the issue with Dr James Reilly, the Irish Health Minister, his knowledge was very sketchy. Why do you think this is? Is the fault with the mindfulness based institutions in Cambridge, Oxford, Bangor and Exeter and the professionals? Is it the fault of the civil servants for not raising the issue and briefing Ministers, or is it the fault of the pharmaceutical lobby, which is so professional and targeted that its drug therapies get precedence over one to one treatment or mindfulness based therapies? If GSK knew mindfulness to be a better treatment, would it still promote its drugs and anti-depressants over mindfulness based therapies?

**Mr Seamus Kirk TD:**

In relation to new product development in the pharma sector, there is a range of companies both here and elsewhere across Europe and elsewhere. I wonder whether there is potential for closer co-operation in relation to various research programmes, particularly in chasing solutions to such issues as cancer that affect so many people across the globe. I fully accept that companies that are in the commercial dimension have to be protected, but is there room within the family of companies in the pharma sector for greater co-operation and research, whether it be joint ventures or three-way ventures? What is the potential for that? Is there any level of co-operation at this time in relation to research generally?

**Mr David Melding AM:**

I wonder what level of competition you think the pharmaceutical sectors based in the UK and Ireland will face from the emerging economies, particularly China, but there are others—for example, Brazil and India. We had assumed they were going to concentrate just on manufacturing and medium and lower skilled strategies for economic development, but it is clear that China in particular has a high skill strategy as well as a strategy to improve skills in general and that it is aiming to produce some of the world's top universities. It has very ambitious objectives. When do you think that will kick in and be a real competitor? This sector has traditionally been a great success story in Britain and Ireland.

**Senator Paschal Mooney:**

I am sure that I speak for all of us, particularly on the Irish side, in saying how important GSK's contribution to the Irish economy has been, which it continues to make. However, there has been disturbing news over the last three months that companies in the pharma sector, which has developed quite a number of new medicines over the last number of decades, are coming to the end of their patents. Are there many more product lines in development here in Ireland that can replace those that are now going off patent, which, according to newspaper reports, may result in a fall off in employment? It may threaten current employment levels. I am referring not to GSK but to the entire pharma sector. As you rightly pointed out, we are the world's largest exporter, which I think is extraordinary. Obviously it is a matter of great concern because of the whole issue of employment.

**Mr Mattie McGrath TD:**

I thank Sally for her contribution. Like Senator Mooney, I compliment you on your company. I hope that Deputy Conway will not mind me making this point, because your facility in Dungarvan is quite close to the area that I represent and provides a lot of employment in the area. What Senator Mooney has referred to is a worry but thanks for supporting lots of things in our area.

**Mr John Robertson MP:**

There has been some criticism about your graduate recruitment scheme in that there has been a reduction in it, yet your share price has been shooting ahead. Is there any particular reason why you are not investing down that road, when you are making so much money?

**Mr Paul Flynn MP:**

GSK was involved in the manufacturing of Seroxat, which had disastrous effects. There was a judgment in an American court that it was the cause of the change of mood of a father who murdered all the women he liked best and a similar judgment was made in a British court. GSK was fined about £1.9 million for the way it manufactured, sold and marketed Avandia. There was a case in Argentina in January this year where GSK was again fined for the deaths of 14 babies because trials were carried out in a manner that was done without the parents' consent. We also know that GSK has falsified the results of trials of drugs to present only favourable trials and not the ones that were neutral or failed. What are GSK's plans to become an ethical company?

**Ms Sally Storey:**

To deal first with anti-depressants, I do not know what mindfulness is. Do you mind explaining?

**Mr Chris Ruane MP:**

It is a scientifically proven course over an eight week period, two hours taught on one day a week, one hour done at home. It was introduced by Jon Kabat-Zinn from Boston university 30 years ago. It is used throughout America education, the health service and the armed forces. It has been more recently taken up in this country, pioneered by Oxford, Cambridge, Bangor and Exeter. It was approved by NICE, is more effective than anti-depressants and it has not been taken up. The fact that people like you and Health Ministers do not know about it begs the question: why is that?

**Ms Sally Storey:**

Thank you. I will go and look up a bit more about mindfulness. At the moment, GSK still has some much older products in anti-depression, but we are not promoting any anti-depressant products and have not been for several years, so I cannot comment specifically; also I did not know what mindfulness was, although I know now. You raise a good question, though, about appropriate use of medicines. It is an important question. It is another important area in which the pharmaceutical industry and Governments and health care providers need to work together, because everyone wins through appropriate use of medicines. It is not in a pharmaceutical company's interest to have medicines inappropriately used, sitting in bathroom cabinets because prescribing has not been delivered effectively. The way we all gain is by ensuring that the right medicines get to the right patients at the right time, so I think it is about partnership working, how we can work together to ensure that better health care is delivered for our populations.

In terms closer co-operation and the degree of co-operation in research, that is a great question. This is something that GSK has certainly been very interested in and, when we look at our pipeline of products, a huge proportion—I think it is about 50% to 60%—of those that are in development at the moment are being developed through research collaborations, so this is very important to us. On making data available, GSK has made data available, for example, in the HIV area so that research can be continued by other institutions and bodies, so I think it is critical that we get that closer co-operation. It is something that we welcome and we work towards on a daily basis.

There was a question about the competition from the emerging economies. It is a good point. On the manufacturing side, although I know that that was not the main point of your question, you will all be aware that what is critical in the production of pharmaceutical products is quality. A huge amount of manufacturing goes on in different parts of the world but again it comes back to the point that we talked about earlier: how strong regulation is in the UK and in Europe as a whole. That is very important and the quality of the products that come out the other end is very important. Therefore, that will continue to safeguard manufacturing in areas where we know that the quality of the product that is being delivered is of the highest possible standard.

On intellectual property and what is coming out of the universities, I think that we will see new types of research. The developing economies have in many cases focused particularly, if you look at India, on copying, rather than initiating new ideas and ways forward, but I think that will change. However, we should all look at that as a positive because we should support in a broader sense anything that we can do to bring innovation forward.

There was another question about the pharma sector and patent expiry. That is part of our overall cycle, so pharmaceutical companies expect products to go off patent. In recent years, there has been some high profile patent expiries, notwithstanding Lipitor, the Pfizer product that was made in Cork, but again, as I said, innovation is the lifeblood of our industries and it is incredibly important that as pharmaceutical companies we can deliver innovative pipelines. GSK probably has the best pipeline in the industry at the moment. We have about 30 new assets due to read out in the next two years so, in terms of sustainability, I am very excited about what we can deliver as a company both in terms of the impact that that has on patients and what that will mean overall in the context of the economy. The pipelines across the other pharmaceutical companies are variable but this is absolutely what everyone is striving to do: to make sure that we can continue bringing innovation to add value to society.

**Senator Paschal Mooney:**

Is the R&D going to be in Ireland or the UK?

**Ms Sally Storey:**

There is R&D in Ireland in our Cork site as well so we spend quite different amounts. At the moment we spend about €16 million on R&D in Ireland compared to £1.8 billion in the UK, but the UK is a key R&D site for us. For GSK as a whole, about 40% of our total R&D spend comes out of the UK, so the R&D per se is smaller in Ireland but the manufacturing base is very important here as well.

11.45 a.m.

Another question was on graduate recruitment schemes. I think there was a question about whether we have cut back. Actually we have just announced a lot more new schemes. There is information on our website, [www.gsk.com](http://www.gsk.com). We have announced new schemes not just for graduate but for school leavers in less skilled jobs. They were announced in the last six to eight months, I think.

Ciara Conway asked what more we can do in Ireland. We do take graduates but we do not have specific schemes here and that is something we were talking about a month ago at a management meeting here. We very much support what we can do in terms of getting graduates effectively into the business.

On the comments about the cases, there is a number of different cases. You said the amount was £1.9 million. Unfortunately it was £1.9 billion that GSK had to pay, so I think clearly the industry is moving on now into a very different place. GSK places ethical standards very, very highly at the top of its agenda. Unfortunately we are paying for mistakes of the past and we have—

**Mr Paul Flynn MP:**

It was a recent one. The last one was this year.

**Ms Sally Storey:**

Yes, but they relate to cases from a long time ago, so I think we are taking steps. For example, you talked about falsifying the results of trials. We simply cannot do that because all our trials are available on a register. Everything that we do in clinical trials is available on a register now so you cannot falsify anything, it is all public information. Therefore, we are taking steps to move forward and we will continue to do so. Thank you.

**The Co-Chairman (Mr Laurence Robertson MP):**

Thank you very much. I apologise to those who have not had a chance to get in but our three guest speakers are staying for lunch and perhaps you can catch them then. They are very welcome to stay in the public gallery for the next item on the agenda. I thank all three speakers for their excellent contributions. They were certainly thought provoking and there are a number of ideas that we can take forward.*[Applause]*

Before I call the next speaker, the Minister of State, Deputy Brian Hayes, for those catching the 15.50 p.m. flight EI174 to Heathrow, the bus will be at the hotel at 1.50 p.m.

11.48 a.m.

**BRITAIN AND IRELAND ECONOMIC RELATIONS**

I had the pleasure of sitting next to the Minister of State, Deputy Hayes, last night at which time we had a very interesting discussion. I know we are going to enjoy that everything he has to say.

*11.48 a.m.*

**BRITAIN AND IRELAND ECONOMIC RELATIONS**

**The Co-Chairman (Mr Laurence Robertson MP):**

I had the pleasure of sitting next to the Minister at dinner last night, and we had a very interesting discussion. I know that we are going to enjoy everything that he has to say. Brian Hayes TD, Minister of State at the Department of Finance, is going to address us on the subject of Britain and Ireland's economic relations. With no further ado from me, because time is running short, Minister, you are very welcome.

**The Minister of State at the Department of Finance (Mr Brian Hayes TD):**

Thank you, Co-Chair. Ladies and gentlemen, good morning and thank you for inviting me to be here with you in the Seanad chamber. I served for over eight years as a Member of the British-Irish Parliamentary Assembly. During that time, I made some great friendships across the Irish Sea. I want to put on record my appreciation for the work that you do. I genuinely believe that this body can play an important role in developing even further the British-Irish relationship. The success of the peace process in trying to make Northern Ireland work on the

basis of agreement and non-violence is a genuine international achievement of which all mainstream parties on these islands—in or out of Government—can be proud. The Good Friday Agreement is the historic and binding agreement of this generation. Making it work in Northern Ireland, between the North and the South and between our islands is our collective responsibility. It is a British-Irish project that must be nurtured to bring about the ultimate reconciliation between green and orange. The agreement cannot be taken for granted.

This Body is crucially placed in encouraging Governments across the islands to develop the true potential of working together on so many issues of common concern. Many great Irish people have served as Senators in this chamber, none more so than the great Irish poet W.B. Yeats, who was a Senator here in the 1920s. Former Taoiseach Garret FitzGerald began his political career in this room in 1965. Former President Mary Robinson also served with distinction in Seanad Éireann, as did the current President. Of course, Gordon Wilson, the most effective embodiment of true reconciliation on these islands, also served as a Senator here in the 1990s. Being together in this chamber reminds us of what we all have in common—a tradition in parliamentary democracy, free speech, respect for the rule of law and many other shared political values. We also share much more besides. The most famous Irishman of all, St Patrick, was born in Britain, and was brought to Ireland as a slave in the fifth century; I do not think that we have ever thanked you for that, so thank you. You gave us St Patrick and we gave you Terry Wogan in return, and many more in between. [*Laughter.*]

Geology and geography, colleagues, have placed our two islands side by side. It was always inevitable that our histories would be both intertwined and entangled. Relationships within Ireland and between our two islands have been difficult, at times, over the centuries. However, they have never been as warm, as mature and as settled as now. We now have the chance to develop what was once described as the totality of relationships on these islands.

The evolving nature of the relationship between London and Dublin was obvious in the most recent joint statement by Prime Minister Cameron and our Taoiseach, Enda Kenny, after their meeting in March this year. The statement primarily focused on the future and looks forward to ‘a decade of renewed and strengthened co-operation between our two countries.’

Arising from that meeting, a joint study on economic relations is being supervised by the Cabinet Secretary in London and the Secretary General of the Department of the Taoiseach here in Dublin. The study is expected to identify areas of co-operation and mutual benefit.

All administrations on these islands share similar budgetary and economic challenges, and we must also share them with many other members of the European Union. These challenges are complex and are not open to simple solutions. The collapse in economic activity is putting budgets all across Europe under immense pressure. We now know to our cost the fallout of light-touch regulation to the banking and financial system. Like nuclear reactors, when banks explode, the fallout is dramatic.

What of the debate between austerity and stimulus? What is the most effective balance between taxation and spending? How can the economies of Europe return to a sustainable growth path? How can the trade imbalances within Europe be addressed? Then there is the most pressing issue of all: unemployment, particularly among young people. We need to do everything in our power to get people back to work and to give people the dignity of work. There is a real danger in many European countries, including our own, of having a lost generation of young people. I personally believe that inter-generational equity is a real and pressing issue. In difficult

economic times, solidarity with young people must be at the top of our agenda. The common good and the long-term interest should encourage us to support young people into active employment.

Last year, our Government introduced a limited internship programme called JobBridge. This programme gives people experience in the public and private sectors relating directly to their skills. Those involved in JobBridge receive unemployment benefit and a small additional weekly payment for a nine-month period. It has been reasonably successful and we are expected to expand it this year. Job activation measures are certainly an area where we can learn from each other, with a clear focus on what works and what does not work.

There is, of course, a very big shadow on the horizon: the fate of the euro. Whether we are members of the euro or not, we all have an interest in safeguarding the common EU economy. If I have learned one thing from this crisis, particularly over the past 14 months in Government, it is that confidence is critical to banking, to currencies, to economies and to the financial system itself. When confidence ebbs away, no institution is safe.

The euro, the common currency of 17 countries and 330 million people, continues to be pressurised by events. The eurozone is involved in a protracted effort to retrofit the common currency and make it fit for purpose. Doing so is a bit like carrying out open-heart surgery on a patient while he still walking around. Significant progress has been made and work continues, but success can never be guaranteed. Ireland will have its own decision to make by way of the referendum on the stability treaty that we face on 31 May.

As politicians, we must be aware that the economic crisis has undermined trust in politics itself. Dangerous voices and dangerous forces are emerging in Europe once again. We must never take for granted what has been achieved in Europe during the past 60 years. I will mention one statistic to remind us: historians have estimated that approximately 80 million people died violently in Europe in the first 50 years of the last century. The peace process for Europe, the European Union, must continue to have our full and active support.

The Irish Government's aim is to have our budget deficit under 3% by 2015. We also aim to have our overall debt levels, as a percentage of our gross domestic product, on a downward trajectory in the same year. We have managed to stabilise our banking system and the economy. We are now showing modest growth. We have continued to renegotiate elements of the bail-out programme, we have had a measure of success, and the work continues, particularly in relation to the burden placed on the taxpayer by the Government's guarantee to the banks, given in autumn 2008.

At the same time, a broad-based programme of structural reform of the public sector is being undertaken, and the Government is driving forward a strong agenda of reform, with particular emphasis on supporting the business sector. Despite an unemployment rate of over 14% in Ireland, which is far too high, we still have 1.8 million people at work. That is 800,000 more than was the case 15 years ago, even after the collapse over the past three years.

There is a vast amount that we can learn from each other. I have been in contact with colleagues in Northern Ireland and in London to see how we can learn from each other in the areas of public sector reform, shared services, property management and procurement, which is worth €21 billion on the island of Ireland. We have much to learn from shared experiences

across these islands. Changing how Governments provide services and learning from each other how we can achieve those successes is in all our interests.

Overall, between 2009 and 2015, the Irish public sector will have reduced from about 320,000 people to slightly over 280,000. That is a reduction of about 12%. The total pay and pensions bill should reduce over that period by about €3.5 billion. Our priority, as a Government, is to keep the front line of police, nurses and teachers in place while reconfiguring the back-office staff. Getting through this economic crisis requires fundamental reform of our public sector. It is an enormous challenge.

Ireland continues to attract a high level of foreign direct investment and this inward investment is contributing to economic stability. Irish exports remain robust, with a strong trade surplus. Indeed, the value of exports to the UK was up 15% in January this year. This trend is probably helped by a weak euro, as Britain remains the key market for our indigenous Irish companies. The Irish growth sectors include tourism, agri-food and professional services. Ireland now has a thriving ICT sector and a large pharmaceutical chemical industry, both driven by international companies. The Government continues to pursue policies that seek to stabilise the property sector and to return that important sector to reasonable levels of investment and transactions.

The Irish Government also sees growth in the renewable energy sector. At this point, I want to refer to the electricity connector between Ireland and Britain, the cable of which is currently being laid. This is a €600 million project with grant assistance by the European Union to the tune of €125 million and supported by a loan of €300 million from the European Investment Bank. When people criticise the EU for not supporting growth, they should remember projects like this. Indeed, as the joint statement between the two Prime Ministers in March made clear, they see renewable energy as an area of enhanced co-operation. New ideas being discussed, such as transmission lines and combined wind energy and hydro storage, must play a part in the debate. If all the administrations on these islands presented a combined renewable energy strategy to the European Union, significant new investment might be available. When Ireland assumes the presidency of the EU during the first half of next year, 2013, we will certainly pursue this agenda vigorously.

*12 noon*

There are also grounds for optimism in Europe. The European Central Bank, under the leadership of Mario Draghi, has shown skill and flexibility. In recent days, the German central bank has raised the possibility of a higher rate of inflation in Germany than the eurozone average. The German finance Minister, Wolfgang Schäuble has indicated that he would like to see significantly higher wage levels in Germany as a means of boosting domestic demand across the EU. So, there is clear evidence of a shift in emphasis reflecting the changed political mood across Europe. The banking situation across Europe continues to be in danger. Financial services are of particular concern in London, Edinburgh and, of course, Dublin.

We live in uncertain times, both politically and economically. Our ability to predict is extremely weak. We need to consider carefully how to present policies and manage expectations. We also need to be cautious of ideologies. Now is the time for practical commonsense solutions. We must be guided by what works. Luke Johnson, writing in the *Financial Times* last week, got it right when he said:

‘There will be no big fixes. Instead governments need to seek pragmatic deals by any means necessary.’

I support that approach. I am realistic about the challenges facing this country, Britain and the European Union, but I remain optimistic about the outcome. I believe that persistence, determination and hard work will see us through to a better place.

Finally, there is an onus on all Governments on these islands to maintain a high level of ambition for what the British-Irish relationship can achieve. Your role as fellow parliamentarians is crucial in bringing about the potential of that relationship. As we remember 1912-22 and the extraordinary events that occurred in that decade, we are in a very real way looking ahead to what relations on these islands might be like in 2022. Let us all do that together, and with renewed confidence. [*Applause.*]

**The Co-Chairman (Mr Laurence Robertson MP):**

Thank you very much, Minister, for an inspiring and optimistic speech, which is a very appropriate one for the last session of this plenary.

**Rt Hon Paul Murphy MP:**

I echo what you just said with regard to Brian’s address to us, which was deeply impressive. It is always good to see a former Member of this Body making good. [*Laughter.*] The points that he made about the relationship between Britain and Ireland with regard to the economy are well made, and he will know that our other Co-Chair mentioned this morning that there is likely to be a debate here in the Dáil about the proceedings of this Assembly with regard to relations between Britain and Ireland on economic matters. There is indeed an opportunity for British Members of Parliament to make similar comments this week in the House of Commons when we are debating the Queen’s Speech and the economy, and I hope to catch the Speaker’s eye myself.

However, the specific point that I want to raise with the Minister results from the excellent session that we had before Brian arrived, with our three business people. The Chairs will know that a number of very positive suggestions were made, including a biannual trade mission, with one going to Britain, and one to Ireland, which would be attended by the Taoiseach and the Prime Minister, and which I think is an excellent idea. The other was about the sharing of experiences and best practice between civil servants from the different administrations, which is perhaps a bit more difficult to achieve, but in these troubled times, and as joint members of the European Union, is something that we should examine. I would be grateful for Brian’s views on those two issues.

**Mr Brian Hayes TD:**

Thank you, Paul, for your kind remarks. I think that a trade mission is a very good idea. The Prime Minister and the Taoiseach met in March, and I think that it is likely that that will be a regular meeting. Obviously they meet throughout the year at various councils, but I understand that this will now be a more regular feature of their engagement. The Prime Minister is looking at a trade mission to the country later this year, and if we can organise that on an annual basis, that would be a very good thing indeed in terms of the obvious trade links.

I am delighted by the success of the Co-Chair in ensuring that the proceedings of this body will now be debated in full in the Dáil and, as I understand it, at Westminster. I have been looking for that for eight years as a Member of this Body. It is important that, where ideas like that come from this body, there is a way of transmitting them to the plenary meetings of both Parliaments. That is an excellent idea.

We do need to learn from each other. I have a very good working relationship with Francis Maude, who is your Minister with responsibility for public sector reform, and I will give you one example of an idea that he gave me when I met him just after I was appointed. He brought in the top 100 suppliers of goods and services to the British Government and argued for better prices and procurement procedures, and he largely got his way, because when states come together, we buy and sell more than anyone. The Irish Government last year spent about €14.5 billion on goods and services right the way across the procurement spectrum. From that idea I initiated my own talks with 100 leading companies in our own state, and we have had some successes from that, so there are very practical things that we can learn from each other. I have also had time with Sammy Wilson, who is the Minister for Finance in the Northern Ireland Executive, in terms of seeing what is happening in Northern Ireland on the procurement front. We have an awful lot to learn there. That kind of commonality of experience—seeing what works, and what does not work—is to our mutual benefit, and because the issue of Northern Ireland is thankfully no longer a concern in terms of both Governments, we need to develop economic ties in a much more substantial way. I think that you will see this over the course of the next while.

**The Baroness Harris of Richmond:**

Thank you very much Co-Chair. I echo your words to the Minister about being inspiring and encouraging. I also echo Paul's remarks, because Brian and I sat next to each other for seven or eight years when he was a Member of this Body, so I know Brian, if he will allow me to use that name, quite well. I want to ask you about the JobBridge that you mentioned and whether it equates to the same sort of thing as apprenticeships. Do you have apprenticeships here too, or is it simply work experience?

**Mr Brian Hayes TD:**

Thank you very much indeed, Baroness Harris, for all the advice that you gave me over those eight years, some of which I followed, but more of it I did not, I suspect. The JobBridge is an internship programme. If someone goes to college for four years and get all this training and learning from a university or an institute of technology, if they do not have, within a short period of time, some practical experience of their course of study, they will lose all of that experience. The objective of JobBridge was to match up areas of internship across the public and the private sector for a nine-month period. They get unemployment benefit, but also receive €50 a week in addition to that to help them to get through this period. We have had some successes from it in terms of the number of people who have moved from the live register into getting jobs. It has been very beneficial for the companies that have been involved in it; we need to see it more of it, quite frankly. The 5,000 places was initially a small number, but it is not in any way a supplement in terms of the apprenticeships that need to be put in place. It is very much geared towards people who have a specific skill, and an employer who might be prepared to give that person an opportunity, and we have had some success with it.

**The Co-Chairman (Mr Laurence Robertson MP):**

Thank you. I will take two questions now. First, Bob Walter and then Jo O'Reilly,

**Mr Robert Walter MP:**

Thank you very much. It is great to see Brian back here again. Before asking my question I want to make a comment—Paul has just alluded to this, and Sean O'Driscoll talked about it earlier—on the exchange of civil servants in terms of getting best practice in various Governments. There is a precedent for this, not with civil servants, but senior army officers, who are exchanged between defence ministries. We can, perhaps, extend that to civil servants.

Brian, you campaigned in a general election last year, and I campaigned in one the year before. There was a general acceptance on the doorstep that people felt that we had to do something to tackle the enormous budget deficit that we had and the outstanding national debt. The problem is, of course, that when it comes to the bit of the budget deficit that most affects you, you are against it. We have seen politicians and Governments across Europe being penalised for that in recent elections. We now have a French President who wants to renegotiate the fiscal stability pact, and we have absolute political chaos in Greece.

Can you give us your thoughts—I know that finance Ministers are meeting in Brussels today—on how we can contain the Greek issue without the contagion spreading to the rest of Europe? That would obviously have a direct impact on Ireland, but also on the United Kingdom, because we do 60% of our trade with eurozone countries.

**Mr Joe O'Reilly TD:**

Thank you Co-Chair. Minister Hayes, might I at the outset congratulate you on the excellence of your presentation, and applaud the fact—which is why I want to speak to it—that you identify youth unemployment as a central issue and one of the great problems confronting us at the moment? I believe that it is the greatest issue and that no area of unemployment, or no social ill, compares with it at the moment. The statistics in both our islands are stark and they are probably most stark, in a European context, in Spain, where I have just heard recently that there is 50% unemployment, but our figures leave no room for complacency; quite to the contrary.

Minister, I agree with your basic thesis that we should share ideas and work in co-operation in dealing with what is a crisis. Despite greater longevity now, I am of the view that we cannot increase the working age and allow people to work longer while young people remain unemployed. What is your view on that? That is my first question.

My second question is: what is your view of public servants—all people, but particularly people in the public service—leaving the public service with various forms of redundancy packages and so on and then returning to work? What is your view on that? In the context of the problem that you correctly identify, the crisis of youth unemployment is a huge issue.

Lastly, in the context of dealing with youth unemployment, what do you think of the idea of an interventionist approach by the state, introducing job sharing, a reduction in hours and imaginative methods to give everyone the opportunity to work? JobBridge is an imaginative

idea, and you have cited that, but what is your view on other imaginative state strategies? We tend to recoil from interventionist strategies, but this problem is of such a magnitude that we cannot have young people sitting at home with the life blood being taken from them and their whole personal ego and self-image being destroyed, while other people live in relative comfort. That is not a sustainable option.

**The Co-Chairman (Mr Laurence Robertson MP):**

Thank you. I am just going to bring Chris in as well; we will take three speakers on this one.

**Mr Chris Ruane MP:**

I am Chris Ruane, the MP for the Vale of Clwyd. This is on the issue of the £600 million investment in the Irish interconnector. The Minister will know that it leaves Dublin and ends up in my constituency, and it ends up going underneath the hotel of an Irishman called Finn McCool. He also owns four hotels in Dublin, including the Castle Hotel. I welcome that investment, which comes into my constituency; it is like an umbilical cord from Ireland to Wales. As the Minister quite rightly pointed out, this is not just investment, but a perfect example of European co-operation. It is a perfect example of UK-Irish co-operation and a perfect example of Celtic co-operation between Wales and Ireland.

I think that it has been undersold in the UK. Very few people know about it, even in Wales and even in my constituency. However, when it is opened, I propose that it is celebrated in Finn McCool's The Beaches Hotel in Prestatyn, in my constituency, and that we have the Minister himself, the Taoiseach and Carwyn Jones, the First Minister of Wales, there to celebrate the opening of the Irish interconnector.

*12.15 p.m.*

**Mr Brian Hayes TD:** I have to take my hat off to Chris Ruane; I think it was Tip O'Neill who said that all politics is local, and he certainly achieved that. Thank you for that information; I hope to be there myself, but I think that it is going for another seven years, so I suspect that we will be out of office on that occasion. However, thank you very much for that, Chris.

I will turn to the question that Robert asked on where we see the euro now. I happened to be at the eurozone meeting on the night that the second deal for Greece was organised. There was optimism at the time that the private and public sector involvement in terms of the write down of the Greek debt would get us to a better place. I think that there is a recognition that Greece needs to stick to its programme. There is recognition that the only way forward for Greece is not only sticking to the programme, but being part of the euro. I welcome the comments of Mr Juncker this morning who made it clear that there is an element out there wanting to push Greece out of the euro, but that is in none of our interests in my view.

I take great heart from the election of the President Elect, who has today been inaugurated as the President of France. During the past few weeks, I have spent some time reading his economic programme. It was largely written by a Harvard-based French economist by the name of Philippe Aghion. Aghion's view is that it is not a massive Keynesian plan in terms of putting truckloads of money into the euro economy that is required, but a structural reform of the European economy. That means changes in education, innovation and how we organise business and help SMEs in particular. He said very interesting things. For instance, he has

looked at a new role and mandate for the European Investment Bank—the very bank that lent us the money for the infrastructure in your constituency, Chris. He said very interesting things in respect of how we would use structural funds better, with more efficiency. The Irish are quite good at getting added benefit from structural funds. That is not the case in other member states. We have seen pretty bad examples of investment made over time. So, that is the kind of stimulus and investment that he is talking about. He has also said, crucially, that any measure he was looking for is in addition to the fiscal rules that already apply. He has more ambitious plans to cut expenditure next year than we have. The first thing that he said when he became President was that he now realises that the economic situation in France is more difficult.

So, I do not think that we are going to see a radical departure from the necessity to cut budget deficits. Our budget deficit has got to come down, no matter who is in Government. That inevitably means tax rises and reductions in expenditure. Our view is that the best way to keep the 1.8 million people at work productively in this economy is to broaden the tax base and not to tax work because that creates a disincentive. We have to encourage people to move from the live register and from the dole, back into gainful employment. We have got to do that, and that means keeping tax on work as low as possible in a circumstance where we have seen a dramatic rise in our income tax base over the past three years because of the crisis.

My personal view is that I do not believe that there will be a radical departure from that approach as a result of the election of François Hollande. I think that it will provide a new focus on investment and on how we get the European economies working again. There are three elements required to get us to that point of stability. One is obviously the Greek issue, which is now back in the middle of the storm. The second is having this enormous firewall to ensure that there is funding behind the eurozone to show the markets that we will get to that better place. Thirdly, the treaty is important. I know the position of the UK Government on this issue, but who would have thought that the European leaders, within a period of three months, would agree to a treaty like that, when it has previously taken years for all of the leaders to reach such agreement? Those three issues together can get us to a better place; however, they are baby steps and I want to be honest about that. This is crucial.

On the point about youth unemployment that Deputy O'Reilly raised—and thank you very much indeed for that, Joe—we should not forget that 60% of the people in this economy who are out of work are out of work because of the construction industry. We had a construction industry representing about 20% of GDP, totally out of kilter with European examples, as it should be at about 8%, 9% or 10%. The real problem that we face on the unemployment side is this massive collapse in the construction industry. You rightly point out the need to get those people back to work and give them some hope. It is important that we look at the question of the retirement age. The Government is actively looking at that. You are absolutely right that, where vacancies arise in the public sector, it is only right that they should be filled by people who are out of work. However, in some cases, if a civil servant or public official is working on a project, there is some logic in asking that person to complete that work over a six or seven-month period before they retire, and we need to keep a very close eye on this.

However, I make the point that the Irish public sector will shrink by 12% over the next four years, between now and 2015-16. Therefore, we have seen a mammoth reduction in the Irish public service. As a percentage of the total economy, the Irish public service is quite small, but it is going to get even smaller. That is because of the circumstances that we face and the need to reduce costs. However, our focus must be on keeping people active, making sure that these

are the first people who get an opportunity to work, and the public sector has a role to play here.

**The Co-Chairman (Mr Laurence Robertson MP):**

Thank you very much. We need to finish just before 12.30 p.m., so we have less than 10 minutes remaining. Please be brief.

**Senator Cáit Keane:**

My constituency colleague, Minister Hayes, thank you for your great speech, which was well received. Committee D produced a report under the chairmanship of Lord Dubs. We presented a report on flooding here today and I am sure that it will land on your desk shortly. For you as the Minister with responsibility for the Office of Public Works and the granting of flood aid in particular, there are some recommendations in the report. We spoke here about joined-up thinking. It was the major theme that came across in the business sector. However, because the new water authority, which is being established by the department of the environment and the Office of Public Works, which has responsibility for flood and risk management and devolution of management into whatever new authority—Irish Water or Uisce na hÉireann or whatever—there is joined-up thinking between the OPW and the department of the environment and some of the recommendations in this report. With the river-based management area in the North of Ireland I know that there is co-operation—you have said it yourself—between your department and the North of Ireland. I think that it is legal that that does continue, but we must ensure that, whenever responsibility passes to the new authority, it is written down in black and white before anything is given away.

**Mr John McCallister MLA:**

Congratulations to the Minister. I have known him for a number of years, and I never had any doubt that he would rise to high office. I would like to ask you about two points, Brian. The first is about public procurement, which is something that I would be concerned about, and how bureaucratic it might be. How do we open that up? Keeping some of the same checks, how do you open it to small and medium-sized enterprises and others to ensure that everyone is getting a slice of the large cake that you talked about in your address? I would also like to hear some of your thoughts, Minister, about the balance between university education and vocational qualifications. There is this debate right across the UK and Ireland. Are we getting people the qualifications that industry needs? There seems to be this age-old debate about our not exactly meeting industry's needs. How do we change that?

**Mr Seamus Kirk TD:**

I will be brief; I will not get into the business of asking questions that could be asked in the other House. I have a follow-on question to Joe O'Reilly's question about the issue of unemployment. There are popular economic theories that, if we are to make some inroads into the unemployment statistics, the stimulation of the domestic economy will be important. It has been said that we have excessive savings—I do not know how you describe 'excessive', but there has been a pendulum swing from no savings to a position where people are spending more in the domestic economy.

In the context of the growth agenda—this may be slightly unfair—has the department of finance done any assessment of the potential to stimulate the domestic economy, having regard to the noises that are being made now about a growth agenda being an add-on to the fiscal compact? Do you have any information on that?

**The Co-Chairman (Mr Laurence Robertson MP):**

I call Paschal: it will have to be the last contribution.

**Senator Paschal Mooney:**

I will be brief. I want to compliment the Minister here and to say how wonderful it is to see him in the position that he is in now, as someone whom I had the pleasure and honour of serving with in another capacity here in the Senate. The question relates specifically to the presentation that you made about the Hollande manifesto in terms of the European Investment Bank and about stimulus packages. The Government has been reported over the last few weeks in the media as having some sort of plan that is shovel-ready—I think that is the term that is used. I appreciate that, obviously, you can only go so far, because this is anticipatory policy rather than an aspiration at this stage until it is clear as to exactly what will happen with the Merkel meeting with Hollande, but how confident are you about the plans that the Government is putting in place for shovel-ready-type public investment? I am thinking, for example, of the metro north scheme, which was seen to be the one that would create the greatest number of jobs initially and would trickle down not only into the Dublin economy but into the wider Irish economy. The second element is that we also have a stimulus package that would be funded through the local authorities to develop or to maintain and enhance our road network, which has also suffered from weather and other related things. Those are the two areas that I am particularly interested in, but the overall question is about the shovel-ready concept that has been reported in recent weeks.

**The Co-Chairman (Mr Laurence Robertson MP):**

Thank you to all contributors.

**Mr Brian Hayes TD:**

Senator Keane, I will read the report from Committee, because you and Lord Dobbs compiled it, so I have to read it if that is the case. I am Minister for floods, which is a dangerous title in any administration; every time it rains, I get worried. As you are aware, we have a programme between now and 2016 of an investment of €45 million every year to introduce new flood defences all over the country. We are also working at an EU level to produce these catchment river-based areas. The country has been split into six areas and we are producing very detailed maps of where we see the big areas there. I will read your report with interest and we might meet again to see how we can look at a co-operative basis on these islands, because we have a lot to learn from the British experience on this. They are ahead of us in respect of the investment. I am very interested to see what has happened recently in terms of a protocol for insurance companies. I think that that is the big issue that ordinary people want to see: that, if the state puts this investment in, the insurance companies will change their minds when it comes to providing insurance for people. That is something that I am in dialogue with them about, so thank you very much for that.

John mentioned public procurement. I think that this is the area. You should never waste the opportunity of a good crisis. Procurement is one area where, in good times, we took our eye off the ball. I think that we have enough little lots in Northern Ireland, but I think that you are ahead of us here. I have been very interested to see the kinds of practices put in place in the North. I have had meetings with Sammy Wilson, which have been really productive, and we have also been meeting at a civil servant level. I think that 75% of all contracts are currently won by small and medium-sized enterprises in any case, but it is very important that, if an Irish SME in any part of the island is pitching for business, an opportunity is provided for it. If we get one person back to work in our economy as a result of winning a public-sector contract that has to be a hugely important thing to achieve. I am looking at how we can do that at the moment—I am having discussions with the European Commission on how we can change procurement to introduce what are called social consideration clauses. Those social consideration clauses will allow us to see whether there are jobs to be obtained as a result of winning a contract in any part of the European Union. That is something that we are in active discussions with the European Commission about at the moment, and it is something that I want to advance.

Deputy Seamus Kirk put his finger on it, I think, when he spoke about the domestic economy. We have a savings ratio now of about 13%, which is totally out of kilter with a modern economic basis, largely because people are de-leveraging, as the Americans say. They are paying off credit card debt, mortgages, and car loans because they are frightened that their situation might change. Even if they are in work at the moment, they do not know whether they will have a job in six months' time, or whether their partner will have a job in 12 months' time. It is that change in confidence, allowing that person to not save as much but to spend today, that will give us all the domestic boost that we need so that jobs will be created in our economy. It is a really strong problem that we face at present: because our economy fell off a cliff people are frightened to spend, and we have to do everything in our power to encourage people to spend. Obviously, confidence will be absolutely crucial. I very much agree with your remarks in terms of unemployment and the need to focus everything that we do on trying to get people back into work.

Thank you very much for your comments, Senator Mooney. You spoke about shovel-ready projects. I think that there is an expectation that we will now move to a growth agenda across the eurozone and across the European Union generally. That will require a greater focus on infrastructural projects, whether that will be through the European Investment Bank or additional structural funds. Our European budget itself, which has not been agreed, but needs to be agreed, may well be agreed when we have the presidency of the EU in the first six months of next year. What the Government is doing currently, Senator, is establishing, across departments, all of the infrastructural needs. You mentioned one. I do not want to comment specifically on one or the other, but we are putting a list together of how you would actually maximise employment as a result of those infrastructural projects being advanced and seeing the potential of some new deal in the European Union. That has to be our focus. I very much agree with you. Construction costs have reduced by around 40%. Now is the time to build, but you need money to build. It is very difficult, when you do not have spare cash, to create that stimulus when you clearly cannot borrow because you are in a programme. Europe, the investment role, and some new growth strategy are absolutely essential to achieving the two requirements: first, to reduce our deficit; and, secondly, to grow our way out of the difficulty. If we get 1% GDP growth in Ireland, it creates €1.6 billion. This year we are reducing our budgets by €3 billion. If we had 2% growth you would not notice it in terms of the additional revenue through the economy, and that is what we have to get back to. I am confident that our

economy will come back quicker than others, because we have a basically sound economy. We have a very privatised, open Irish economy; it is not like a Mediterranean economy, and it is an economy that will come back quicker than most because the fundamentals of the Irish economy are basically sound, notwithstanding the enormous debt problems that we face.

*12.30 p.m.*

**The Co-Chairman (Mr Laurence Robertson MP):**

Minister, thank you very much indeed for a most interesting session. You have highlighted a number of problems facing not only Ireland, but the rest of Europe and beyond. We wish you, the Taoiseach and your Government well in tackling those problems. Thank you very much for joining us this morning. [*Applause.*]

**The Co-Chairman (Mr Joe McHugh TD):**

Thank you very much, Members. Minister Brian Hayes is staying with us. Minister, thank you very much for your contribution. I would like to pick up on one aspect of your many proposals and suggestions. It was in relation to combined renewable energy strategies. That is something that we as Members have been talking about peripherally through this session and in our different contributions over the past two days—energy keeps coming up. I think that we as an Assembly need to look at continuity over the next number of sessions, either in Glasgow in October or in early March, which was the date that we were looking at for the Irish plenary. It is coming close, and that date would coincide with the Irish presidency. Anything that we can do to work with your department or the Minister for Enterprise, Trade and Employment, we will, because we have to look at the whole area of energy security. That theme keeps coming up. So, I thank you for your contribution.

We have had an intense programme of activity, with the Minister's presentation here today. I would also thank Sean O'Driscoll from Glen Dimplex, Sally Storey from GlaxoSmithKline, and Eoin Tonge from Greencore. Yesterday, we had contributions from Minister James Riley, Minister Leo Varadkar, Dr Maurice Manning and Darina Allen. It would be completely remiss of me not to mention the Taoiseach's contribution. Likewise, I acknowledge the very special welcome of Uachtarán na hÉireann yesterday evening at Áras an Uachtaráin.

I thank the Captain of the House for facilitating a lot of this good work. I also thank the Cathaoirleach of the Seanad and his team, the staff at the Seanad, who facilitated this unique assembly, and Tom McGrath and his team of ushers.

Obviously, these things do not just happen; we have had a very able and competent group of people working very much behind the scenes to make this plenary a reality. I thank Sinéad, to my extreme right, and Eimear, and I also thank the behind-the-scenes people, Julie and Gráinne, along with the team that was drafted in recently, Maria, Dave and Paul, for all their help. We have also had parliamentary reporters from different Assemblies, and there are the sound technicians. I want to thank everybody for making this a special and unique plenary.

Most importantly, it is all about outcomes. This is not a one-off event; we are looking for continuity. A lot of proposals have come out of this plenary, and we are looking in a proactive way to follow them up.

To repeat what the Taoiseach said yesterday about the unique British-Irish relationship, the British are our closest economic allies and our closest friends. We need to work on that. We cannot be complacent, as we have the unique Good Friday/Belfast Agreement in place. We have peace, but there are still a lot of challenges, and I think that the Taoiseach's call yesterday for the younger Members in this Assembly to be ambitious is a challenge that we have to rise to. Also, we must be proactive in ensuring that we develop and foster a greater, more positive economic environment for the whole area of job creation.

I thank Robin James and his team. Robin is the British clerk. Obviously, the Irish plenary is led primarily by the Irish clerks and their staff. So, Robin, we are looking forward to the Glasgow plenary, where we will certainly have much to do as a joint Body. We wish you well in your work and in your organisation. Thank you very much, Robin.

Finally, I would like to thank my Co-Chair, Laurence Robertson. He had a wee bit of a cough this morning; I thought that we might have to call on Sally Storey from GSK to use her respiratory skills and expertise, but thankfully, Laurence is still with us, so it was not necessary. [*Laughter.*]

It is now my formal job to call on John Scott to move the Adjournment

## **ADJOURNMENT DEBATE**

**Mr John Scott MSP:** I beg to move

*That the Body do now adjourn.*

I would like to thank both the Co-Chairs for the way in which you have chaired our proceedings. I feel that you have managed to achieve that most difficult of balancing acts, allowing for the free exchange of ideas and allowing as many Members to speak as possible, while keeping a firm grasp on the proceedings and timings. As a Deputy Presiding Officer of the Scottish Parliament, I know how difficult that can be.

I, too, would like to thank Sinead Quinn and her staff for the way in which they have organised this session and for making us all so very welcome. They have done an excellent job, not just in choosing the wonderfully historic Shelbourne Hotel as our base in Dublin, but in the way in which they have arranged such a wide and varied programme. It was, indeed, an honour for us all to be received by President Higgins in his official residence last night, as well as having the opportunity to follow in the footsteps of Her Majesty the Queen on her historic visit to Ireland last year by dining in the great hall of Dublin Castle last night.

I am sure that Members will agree that yesterday's address by the Taoiseach was both memorable and illuminating. I am sure that Members would wish to join me in extending our thanks, through the Co-Chairs, to Enda Kenny for taking the time to speak to us and answer our questions. Our thanks must also go to his Cabinet Ministers, who have contributed so hugely to making this session so worthwhile.

I would also like to thank the Co-Chairs for persuading the Seanad to allow us to use this magnificent chamber, with its ceilings, chandeliers par excellence. On behalf of all Members, I

want to thank you all very much indeed for everything that you have done to make this forty-fourth plenary session so memorable and such a success.

Finally, I would like to close by saying how much I look forward to welcoming you all to the forty-fifth plenary session, which will take place between 21 and 23 October, so please put that in your diaries now. It will be held in the cosmopolitan, vibrant and exciting city of Glasgow in what I hope will be similarly elegant surroundings. [*Applause.*]

**Mr John Robertson MP:**

Chair, may I say a few words as the only elected Member from the city of Glasgow? I thank you for showing us around this wonderful city of Dublin, but I can assure you that the city of Glasgow is even better. [*Laughter.*] Your hotel will be facing the botanical gardens, which are world-renowned for the collection of plants from all over the world and you will be near Glasgow University, a university that is well-known throughout the world and one of the oldest universities in the world. Hopefully, you will get to visit the heart of Glasgow in the City Chambers, which is a building that is known worldwide for its marble staircase and Spanish tiles. It is quite a feat. Like the Scottish Parliament, it came in well over budget as well. [*Laughter.*] However, it is the heart of the city, which, as far as I am concerned, is the best city in the world. It looks forward to being as friendly to you as it has to everyone else who has ever visited it and I look forward to seeing you there. Thank you. [*Applause.*]

**The Co-Chairman (Mr Laurence Robertson MP):**

Indeed, we look forward to that. Finally, I add my thanks to the President and the Taoiseach and for all of the wonderful hospitality that we have had. As I have said, we have enjoyed legendary hospitality. I thank everyone who has attended and contributed. I would particularly like to thank Joe and all of the staff here who have put so much hard work into making what I think has been a wonderful plenary session. I add my thanks to the British team for getting us all here; hopefully, they will get us all back safely. We have also been well covered by the media, so I would like to thank them for everything that they have done to promote the work of the Assembly.

I have one further point. I know that, on Thursday, the Dáil will be looking at the work of the Assembly. I will take that back to the UK to see what we can do in similar terms there. That is very important. So, many thanks, Joe, for your help and your wonderful welcome and hospitality.

Lunch, which will probably be quite brief for some of us, will be held in the private dining room in this building. I now declare the forty-fourth plenary session of the Assembly closed. We will meet again on 21-23 October in Glasgow.

*Adjourned at 12.41 pm.*